

ESADE

RAMON LLULL UNIVERSITY

INSTITUTE FOR
SOCIAL INNOVATION

EY Fundación
España

Gender Lens Investing: An Opportunity for the European Social Enterprise Ecosystem

November 2017

AUTHORS
LEONORA BUCKLAND
MAR CORDOBÉS



Gender Lens Investing: An Opportunity for the European Social Enterprise Ecosystem

AUTHORS

**Leonora Buckland
Mar Cordobés**

ACADEMIC SUPERVISOR

Lisa Hehenberger

DESIGN

**Vänster and Lei
www.vansterandlei.com**

November 2017

ISBN 978-84-697-7360-4

The contents of this document are the property of their authors and may not be used for commercial purposes. It can be distributed for training, advocacy and awareness purposes, always with the reference to the original source and authorship.

Summary

Executive Summary [p. 05](#)

Introduction [p. 14](#)

Chapter one

19

Gender lens investing. What it is, why it matters, who is doing what, and what are the emerging issues?

- 1.1. What is gender lens investing? [p. 20](#)
- 1.2. Why gender lens investing matters [p. 28](#)
- 1.3. Who is doing what in the field: key gender lens investing activities, players, and case studies [p.31](#)
- 1.4. Emerging issues [p. 39](#)

Chapter two

40

Adopting a gender lens in the European social enterprise sector

- 2.1. Social entrepreneurship and gender [p. 41](#)
- 2.2. Gender lens activities to date within European social entrepreneurship / social impact investment [p. 47](#)
- 2.3. Can the European social entrepreneurship sector become more gender aware? [p. 57](#)

Chapter three

67

Country case: gender, finance, and social entrepreneurship in Spain

Chapter four

82

Reflections and recommendations

- 4.1. Reflections [p. 83](#)
- 4.2. Recommendations [p. 85](#)

Appendix one

List of qualitative interviewees [p. 91](#)

Appendix two

Useful resources for gender lens investors [p. 92](#)

Appendix three

Main players/programmes in the Spanish social enterprise ecosystem [p. 94](#)

Appendix four

Example gender outcome framework [p. 99](#)

Appendix five

Bibliography [p. 101](#)

**ESADE's Institute for Social Innovation
and Fundación EY [p. 104](#)**

The authors [p. 105](#)

Executive Summary



About the study

The ESADE Institute for Social Innovation published in 2016 a report on female social entrepreneurs, 'Women with Impact', which concluded that while social enterprise offers a new set of possibilities for women, it is a gendered environment, where female social entrepreneurs face more significant barriers than male social entrepreneurs (such as lack of access to finance, limited visibility, and lack of support networks).¹ This follow-up study arose from the following questions: what can be done about the gender-specific barriers facing female social entrepreneurs? What could alter the status quo in this complex and emerging territory of gender and social entrepreneurship? How can the social enterprise ecosystem better embrace and foster female social entrepreneurs, as well as social innovation that specifically improves girls' and women's lives?

The gender lens investing field (where gender lens investing can be defined as the use of finance to generate financial returns at the same time as advancing gender equality) that is emerging in the USA may offer some answers to these questions. This study therefore seeks to:

- > Investigate and analyse the evolving gender lens investing field for a European audience, providing examples of gender lens initiatives;
- > Analyse why, in what ways, and how far a gender lens can be adopted within the European social enterprise space, including mapping current European gender lens activities, and assessing whether gender awareness exists in this ecosystem; and
- > Understand the specific opportunity and challenges in Spain, using an in-depth country case study to explore the crucial issue of access to social investment finance by listening to the voice of both social investors and social entrepreneurs.

The study is based on an extensive bibliographic review, as well as qualitative and quantitative research, with over forty semi-structured qualitative interviews conducted in Spain and Europe and a survey of 100 male and female Spanish social entrepreneurs exploring the issue of access to finance. There are several exciting elements to this study: it is the first time that an in-depth survey has been undertaken specifically on access to finance among both female and male social entrepreneurs (to isolate the gender effect); and it is the first attempt to map gender lens investing initiatives in Europe in the social enterprise sector – as well as researching European social investor attitudes.

Ultimately, this study hopes to kick-start initiatives to cultivate a more gender aware social enterprise sector in Europe (especially in Spain) that reduces the barriers facing female-led social enterprises, encourages more dialogue and collaboration between the sector and the gender equality movement, and enables the social enterprise sector to be an example of gender-inclusiveness, and a tool for achieving gender equality.

1 M. Cordobés, M, 'Mujeres con impacto. Ecosistema de mujeres emprendedoras sociales en España' Instituto de Innovación Social de ESADE (2016).

1. About gender lens investing: what it is, why it matters, and emerging issues

WHAT IT IS

> Across a wide spectrum of society there is growing recognition of the central role that women play in the world economy. **Emerging from this heightened awareness is a movement focusing on the nexus of gender and investment – gender lens investing. Its key idea is that capital can simultaneously generate financial return and advance gender equality.** Gender equality is defined as the state in which access to rights or opportunities is unaffected by gender. The starting point of gender lens investing is that every social impact investment decision has a gender component; and that analysing and understanding gender is essential to optimising social impact.

> **There are three major foci of gender lens investing** – each with a problem and an opportunity:

- o *Access to capital for female entrepreneurs: the problem* is that female high-growth and SME entrepreneurs in the developed and developing world have struggled to access appropriate finance to start and grow their businesses. For example, female-founded firms constitute nearly 40% of all privately-held companies in the US; yet female founders receive only 2% of US venture capital funding.² The **opportunity** is that female-owned firms appear to have at least as good a performance as male-owned firms, and that women are equally as innovative in their solutions.³ For the social / impact investor, there is a clear gender dividend in investing in female entrepreneurs, since they tend to invest their gains back into their family's welfare.

- o *Supporting gender equality in the workplace: the problem* is the continuing lack of equal opportunities for women, including a persistent gender pay gap even in the developed world. The glass ceiling still exists. The **opportunity** is to increase female labour participation rates (with a major impact on GDP), as well as to create a more diverse workforce with the performance improvements that this can bring.
- o *Investing in companies selling products and services directed at improving the lives of women and girls: the problem* is that companies rarely design for and with females in mind. **The opportunity** is that females are increasingly important decision-makers and there is scope to innovate collaboratively to make products that will have a positive impact on women's lives.

WHY IT MATTERS

> **Gender equality is Sustainable Development Goal (SDG) Number 5. Gender equality is far from being reached in any country: the top ranked country is Iceland which has reached 86% gender equality on a variety of measures. Reaching SDG number 5 is fundamental to how societies thrive.** Gender inequality is more acute in the developing world, where inequalities are sharp and powerfully tangible. Yet, inequality still exists in the developed world, albeit in a subtler and more hidden form. Women do not receive equal pay for equal work, nor equal access to credit. They are not fairly represented among senior management, among cohorts of entrepreneurs, nor in political decision-making bodies. Despite increased rates of economic participation, women's contributions to the economy through childcare or household work remain largely underpaid or undervalued.

² Kanze, D, Huang, L, Conley M.A., Higgins, T.E., April 2017. 'We Ask Men to Win and Women Not to Lose: Closing the Gender Gap in Startup Funding,' Academy of Management Journal

³ Quinlan, J. And Venderbrug, J. 2016 *Gender Lens Investing. Uncovering Opportunities for Growth, Returns and Impact*, page 222.

- > **Investing in women reaps financial and social dividends**, with women perhaps being the world's greatest under-utilised asset. At the global level, advancing gender equality could add \$12 trillion to annual GDP, according to McKinsey and Co.⁴ Closing gender gaps in access to products and services in the water, contraception, telecommunications, energy, and child care sectors is estimated to unlock \$300 billion in incremental annual spending by 2025.
- > Through gender lens investing, **finance can help to drive social change. Women's issues have historically been under-funded**, receiving only 0.5% of global aid.⁵

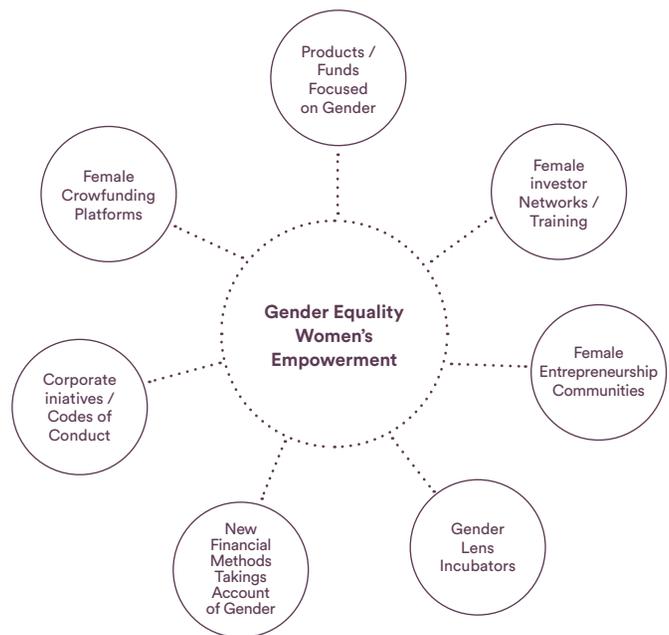
MAPPING THE GENDER LENS FIELD

- > **The gender lens investing field has been growing quickly.** For example, since 2014, the amount of assets under management in publicly-listed debt and equity with a gender lens mandate has risen more than five-fold to \$561 million.⁶ However, the field is still a tiny part of total impact investment funds under management.
- > **There are a range of activities and initiatives associated with gender lens investing** (as shown in the figure below).

EMERGING ISSUES

- > Since the gender lens investing field is so diverse, there is no standardised measurement framework for analysing gender outcomes, or investing with a gender lens. The field wants to move beyond 'counting women' to incorporating more sophisticated gender analysis. In addition, the evidence base of what works in terms of gender lens investing is weak and needs strengthening.

Figure 1: Key gender lens activities / initiatives



4 BNY Mellon and the United Nations Foundation, 'Return on Equality: Investment Opportunities that Help Close the Gender Gap', page 1.

5 British Council, 'Activist to entrepreneur. The role of social enterprise in supporting women's empowerment' (2017).

6 Wharton Social Impact Initiative, 'Gender Lens Investing Gains Ground – But Can It Conquer Wall Street', July 18, 2017.

2. Gender lens investing and the European social enterprise ecosystem

SOCIAL ENTREPRENEURSHIP AND GENDER

- > **Adopting a gender lens will be critical for social enterprise globally – there are many positive and reinforcing effects for women and entire communities if this happens.** Social enterprise provides more significant opportunities for employment and women's leadership than the for-profit sector and female social entrepreneurs report a resoundingly positive impact on their sense of empowerment and wellbeing after setting up a social enterprise. Social enterprise can be both a catalyst for female entrepreneurship and a way of re-modelling away from traditional growth-focused and masculine-dominated business paradigm. Moreover, there is potential to direct the dynamism and entrepreneurial nature of social innovation towards solving the issues of gender equality, where more traditional organisations working on gender equality receive minimal funds and struggle to innovate.
- > **Yet the social entrepreneurship field is gendered** – with social enterprise reflecting gender inequalities in wider society and the discourse around gender tending to portray women stereotypically. While female social entrepreneurs in Europe face less explicit gender discrimination than other countries in the developing world, **there are ways in which female social entrepreneurs are treated differently and face gender-specific barriers.** Even if not caused by active discrimination, women encounter stark differences from men in their ability to access finance.
- > **What might a gender lens in the social enterprise sector look like?** It means more than cultivating and nurturing female social entrepreneurs or female social investors. A gender-sensitive approach to social entrepreneurship requires looking at how men and women relate to the social enterprise, its product, and the associated value chain. Such an approach means looking at the differences between opportunities for men and women to start social enterprises. It also means funding social enterprises that are offering solutions to specific issues rooted in gendered structures.

GENDER LENS ACTIVITIES AND AWARENESS WITHIN THE EUROPEAN ECOSYSTEM

- > While there is a growing focus in Europe on cultivating female entrepreneurship, **the European social enterprise sector is lacking catalytic gender lens initiatives. We have mapped what we consider to be three strong gender lens initiatives in Europe:** the Clearly Social Angels network in the UK; the Ogunte social enterprise in the UK, and F-LANE in Germany which accelerates high impact digital ventures focused on female empowerment. There have been limited social impact investment products with a gender lens, although there is some gender lens activity at the level of individual investors and impact investment funds.
- > **The British social finance sector is the most gender aware, while the European social enterprise sector is in a pre-awareness phase.** While European social investors believe that gender equality is an important and relevant issue, they may not feel they have a strong role in tackling these issues through social finance.
- > **There is a real danger that the social impact investment sector might be replicating the issues of mainstream finance** in terms of an under-representation of women in investment/lending decisions and a lack of financing for female entrepreneurs, especially at the growth/acceleration/consolidation stage. This is despite social venture capital having a strong sense of social mission with a greater representation of females in the social sector.
- > **It is an open question as to whether and how the European social enterprise ecosystem might adopt a gender lens.** It appears that gender lens investing might need to adapt to European soil, where the gender discourse is different (with more discomfort around feminism) and more complacency about the level of existing gender inequality. While there is a degree of openness to gender lens investing, a clearer business case needs to be made, especially as it relates to social issues in the developed world (such as the lack of women in technology or the work/life balance). There appears to be little sense of priority or urgency among European social investors about adopting a gender lens and a feeling that social impact investment is too young and precarious a field to be concentrating such activities.

3. In-depth Spanish case study

THE VOICE OF 100 SPANISH ENTREPRENEURS (59 WOMEN AND 41 MEN SURVEYED FOR THIS STUDY): HOW IS ACCESS TO SOCIAL FINANCE GENDERED?

> Typology:

- Female social entrepreneurs spend more time on domestic work, less time on their social enterprise, and have less previous experience. They tend to be present in sectors that are traditionally less valued by investors (such as health, care, education) and have smaller and younger social enterprises. All these factors may condition how they can access external finance.

> Attitudes towards finance:

- Women showed less confidence in the growth possibilities of their social enterprises, and showed themselves less comfortable with financial terminology, and their ability to speak to investors (despite being equally interested in matters of finance). They are less confident in their preparation and skills in this field, and are more prudent about asking for external finance, preferring (in larger numbers than their male peers) not to owe money to third-parties, to start with a smaller project, and to have more experience before looking for financing.
- Women were less aware of external financing opportunities: **only 53% of women stated that they were aware of the financing options available compared to 80% of men.**

> Depth and quality of support received

- Women received less support from external organisations than men – 65% of men had received support compared to 55% of women, and just over half of women had been included in incubators, accelerators, or entrepreneurship programmes in comparison with 82% of men.

> Experiences of raising finance and type of finance accessed

- Men started their project with more investment, they looked for it externally to a greater degree, and they achieved what they asked for more often than women. **Only 26% of female social entrepreneurs, in comparison with 46% of male social entrepreneurs, achieved all the external finance that they sought.**
- There is a large gap in terms of how female versus male social entrepreneurs use bank finance. Some **62% of men looked for bank finance when setting up their social enterprise, in comparison with only 29% of women.**
- Both female and male social entrepreneurs showed a surprising reluctance to access finance from social or impact investors, business angels, microfinance, or crowdfunding.

> Perceptions on gender and social finance:

- Most female social entrepreneurs do not feel that being a woman influenced their ability to raise finance, and only 20% believed they had been discriminated against due to their gender.
- However qualitative interviews revealed how the social enterprise ecosystem is subtly gendered. For example, investors are prioritising the economic over the social (where women tend to put more emphasis than men on the social). They emphasize scale and short-term objectives (which are quite masculine paradigms). Moreover, there remains the stereotypical and heroic idea of the individualist social entrepreneur.

THE VOICE OF SPANISH SOCIAL INVESTORS: HOW FAR IS ACCESS TO SOCIAL FINANCE GENDERED?

- > Supporting the findings from the social entrepreneur survey, there is an even support for male and female social entrepreneurs at the early stages (50% male, 50% female), but at the acceleration or external financing stage, there is a sharp drop in the number of female social entrepreneurs selected and funded (70-80% male / 20-30% female). This is partly driven by the lower number of applications for social/ impact investment by female-led social enterprises, but also because of the specific type of social businesses key players in the field are supporting (with an emphasis on tech and high scalability, and the possibility for large financial returns).
- > The social impact investor space in Spain is primarily male-dominated with most impact investors being men. New women networks (such as the network 'Mujeres con impacto' set up by Ship2B or the recent creation of SWAN, the first network of business angels for women in Spain) are starting to address this imbalance. On a positive note, there are many women involved in decision-making within the major social impact investment organisations.
- > The Spanish social investment ecosystem is more gender aware than other European countries, since one of its key protagonists, Ship2B, has experimented with a gender lens over the last few years through several initiatives. In addition, other players are incorporating a gender perspective in their activities.
- > Like the rest of Europe, while Spanish social investors might be somewhat open to the idea of a gender lens, **the idea of investing in women or gender innovation receives little priority in comparison with what are considered more urgent issues** (e.g. obtaining more political and legislative support).



4. Reflections and recommendations

Gender is a relational construct where what is masculine (and valued) is partly constructed by what it is not (i.e. feminine and devalued). While social enterprise holds huge potential in terms of gender equality, the social entrepreneurship field has not taken gender into account sufficiently either in terms of its support for female social entrepreneurs, or for generating positive outcomes for women and children, or in directly tackling gender equality. In the realm of finance, social venture capital is suffering from similar gender imbalances as traditional venture capital. While there is no large-scale gender discrimination among social investors, there is a cumulative set of gendered barriers in accessing finance that is stopping many female social entrepreneurs achieving their potential. The gendered nature of the social enterprise ecosystem as it relates to finance, is subtle but powerful:⁷ including an emphasis on traditionally male characteristics such as the economic as compared to the social, on the global as compared to the local, on the individual as compared to the collective/community, on the rational (numbers) as compared to the emotional, on the prioritisation of scale and short-term objectives as compared to longer-term sustainability.⁸ The golden opportunity for social enterprise to be a beacon for female empowerment is diminishing as social impact investment consolidates with a male bias.

What might a gender-positive social enterprise ecosystem look like? The gender lens investing movement provides a glimpse of what needs to change. For example, moving beyond the chasing unicorns model of venture capital to a world that values long-term, sustainable growth; new and different selection and funding processes via peer groups or crowdfunding; seeking out female social entrepreneurs and supporting them in new and more collaborative ways through, for example, female-only entrepreneur and female investor communities; and highlighting how far social innovation needs to focus on improving girls' and women's lives (and thus entire communities). In addition, there needs to be the creation and emphasis on different financing tools, that may be more appropriate for normal growth enterprises (i.e. those not suitable for VC funding). For example, flexible debt structures, quasi equity structures, peer to peer lending and other loan products.⁷ There is a question as to whether gender lens investing in its current form is sufficiently radical to create the system change that will make a difference in terms of creating a less gendered field. In addition, gender lens investing needs to adapt and evolve to grow deep roots in Europe, and there is much to be done. It also needs to be acknowledged that the issue of gender is complex and that change will rely on broad social patterns – and a small movement, such as gender lens investing, can only currently influence society to a degree.



7 Dr Anne Laure Humbert, 'Women as social entrepreneurs,' Third Sector Research Centre, Working Paper 72, February 2012.

8 Hehenberger, L., Mair, J. & Metz Cummings, A. (2017, August). Categories such as Analytical Tools to Uncover Political Processes in Field Projects - A Tale From the Marketization of the Social Sector (Academy of Management Annual Meeting). In 2017 Academy of Management Annual Meeting, Atlanta.

There are some positive steps that the European social enterprise system can make right now to start creating a more gender positive environment. Firstly, more education and awareness-raising. This study reveals the significant journey ahead, **in terms of building gender awareness in the European social enterprise space.** The question of how far and in what way gender lens investing can find fertile soil in Europe is still open – it will certainly need to adapt to the various contexts in terms of the European gender and feminist discourse, as well as the specific set of social issues facing European countries that have a gender dimension. There are already signs that European practitioners will innovate and make gender lens investing their own, for example by including more men in the development of the story and making this more about gender complementarity – rather than just about women. Secondly, there needs to be more experimentation and exploration by social investors in terms of adopting a gender lens, similar to that pioneered by many key American impact investors, such as the Calvert Foundation, Acumen Fund, and Root Capital. Finally, there needs to be a much greater effort in exploring how far social innovation can genuinely support and further gender equality.



Introduction



Rationale for the study

The Institute for Social Innovation published in 2016 a report about female social entrepreneurs in Spain. On the one hand, the findings of this project were very encouraging: female entrepreneurs were more comfortable in the social entrepreneurship sector than in conventional entrepreneurship. However, the study illustrated that even in this ‘social’ sector, women experience more barriers than men when they create and grow their social enterprises: such as lack of access to finance, limited visibility, and lack of support networks.

Finance is essential for women-led social enterprises to thrive. Historically, there has been a vicious cycle whereby many female social entrepreneurs tend to stay small and local partly because they are receiving less external finance than male social entrepreneurs. Social venture capital, as well as social bank finance, appear to suffer from a significant gender imbalance, like their traditional sector counterparts. The Institute wanted to contribute to this important topic by investigating in more detail why women are not accessing external finance to grow their social enterprises and what can be done about it.

To create a path for the European social enterprise sector regarding the barrier of access to finance (but also touching on the other key barriers such as a lack of appropriate support and visibility), the project maps and learns from the growing gender lens investing movement in the USA. Gender lens investing can be defined as the use of capital to simultaneously generate financial return and advance gender equality. This international perspective enriches the earlier study on Spanish female social entrepreneurs, suggesting that new efforts need to focus on nurturing female social entrepreneurs and infusing the whole social enterprise ecosystem with gender awareness. The starting point is an awareness that each social finance decision has a gender component and that analysing and understanding gender is essential for optimising the social outcomes sought by the movement. Gender is not just a side issue for impact investment to be relegated to a niche topic area of investing in ‘women and girls’, but rather an essential framework for the whole movement.

There is good news coming from the gender lens movement: while gender equality should be sought as an objective in itself, female social entrepreneurs, as well as social enterprises focusing on women’s issues, represent a huge source of opportunity and value for social investors and are a very under-served segment.

How to create more gender balance in access to finance is one of the questions this study investigates. The array of initiatives emerging from the gender lens movement (such as impact investment products with a gender lens, female crowdfunding platforms, gender lens angel investing networks/communities, and female entrepreneur communities) provide ideas as to what can be done; however, given the newness of the movement, there is limited evidence about what works and in what context.

What will be required is creativity and imagination from the European social enterprise space in developing its own version of gender lens investing, building on global examples – but adapting them to the European context. This study seeks to provide a starting point for this journey, firstly pointing to the problem of gender imbalance within the sector, as well as the underlying opportunity, and then suggesting what might be possible in Europe. This European perspective on gender lens and social enterprise is important, because very little has been researched about how European countries and organisations are responding to the challenge of gender within the social enterprise/investment communities (apart from in Britain). It is the Institute’s belief that imbuing the European social enterprise ecosystem with a gender lens will positively advance gender equality and female empowerment. However, the complexity and subtlety of how gender operates cannot be underestimated: the project has also highlighted the challenges in moving towards greater gender awareness.

There are several exciting elements to this study: it is the first time that an in-depth survey has been undertaken specifically on access to finance among both female and male social entrepreneurs (to isolate the gender effect); and it is the first attempt to map gender lens investing initiatives in Europe in the social entrepreneurship sector, and to research European social investor attitudes on this topic.

Objectives of the study

The aims of the study are:

For Europe

- > Educate and inform the European social enterprise ecosystem and policymakers about gender lens investing;
- > Map the state of gender lens investing in Europe in the social enterprise space;
- > Ascertain the perspective of European social investors on the issue of gender lens investing;

For Spain

- > Generate greater awareness about gender within the Spanish social enterprise ecosystem;
- > Deepen understanding of the barrier of access to finance in relation to Spanish female social entrepreneurs;
- > Inspire practical initiatives to move towards a more gender aware social enterprise sector in Spain.

Ultimately, this study hopes to kick-start initiatives to cultivate a more gender-aware social enterprise sector in Spain (and potentially Europe). Such initiatives will help reduce the barriers facing female-led social enterprises, encourage more dialogue and collaboration between the sector and the gender equality movement – and enable the social enterprise sector to be an example of gender-inclusiveness, as well as a tool for achieving gender equality.

Project method

The study is based on an extensive bibliographic review, as well as qualitative and quantitative research.

For the study, over 40 semi-structured qualitative interviews were conducted with:

- I. European experts on gender lens investing (European module)
- II. European social investors (European module)
- III. Spanish social investors and social entrepreneurship experts (Spanish module)
- IV. Spanish female social entrepreneurs (Spanish module)

In addition, a survey sent during the summer of 2017 was completed by 59 female social entrepreneurs and 41 male social entrepreneurs (100 social entrepreneurs in total). The survey questionnaire was sent by email and included both closed and open questions. Telephone and mail interviews were also conducted with a smaller group of female entrepreneurs. The main objectives of the survey were:

- > To describe how male and female social entrepreneurs are accessing external funding to start and/or grow their social ventures, as well as their relationship with the financial field;
- > To test whether female and male social entrepreneurs are accessing funding in different ways.

The sample was gathered with the collaboration of various institutions working in the field of social entrepreneurship: Ship2B (Barcelona Activa); participants of the Social Entrepreneurship Programme of the Obra Social La Caixa; participants of the former Social Entrepreneurship Programme of Danone; participants of Eres Impulso Programme; E-social hub; and the Social Innovation Institute at ESADE. The survey was also sent to the database of the Social Innovation Institute through a special newsletter).

We recognise the study’s limitations due to the small number of players (social investors and experts) interviewed in the qualitative phase and potential bias in the selection of interviewees and survey recipients, but believe that the findings serve as an important starting-point for further exploration and discussion. The list of qualitative interviewees is contained in Appendix 1’.

Below is a diagram illustrating the key modules of work and the questions for each of the interviewee groups:

Who should read it

This report is primarily aimed at practitioners in the European, and specifically Spanish, social enterprise and impact investment sectors (funds, incubators, accelerators, networks of social investors, individual social investors, and other social enterprise intermediaries – as well as local, central, and European government.) It will also be interesting for those working with a gender lens, even if not specifically within the social enterprise space.

The report is also aimed at social entrepreneurs so that they can better understand the lay of the land relating to gender and social enterprise, as well as obtaining some ideas on how to create more gender-inclusive enterprises. Indeed, for those social enterprises working on gender equality issues, reading this report could be the first step towards building the necessary and important bridges between the social investing and gender equality movements.

While the report is not a how-to guide for different players to incorporate a gender lens (it is a mapping and awareness-raising study), there are some practical suggestions contained in the report, especially in the recommendations section, and more practical guides are referenced in the appendices.

Since it contains some new primary research and provides the first European perspective on gender lens investing in the social enterprise space, it could usefully be read by academics working in this area.



Contents of the report

The report is divided into three chapters:

- > **Chapter One** discusses the gender lens investing movement: how it can be defined, why it is important, as well as mapping key initiatives/activities about practices in the European social enterprise sector and potentially inspiring replications or parallel activities. It also contains an extensive bibliographic review of gender lens investing.
- > **Chapter Two** explores the concept of a gender lens for the European social enterprise sector. It provides evidence as to why a gender lens for social enterprise is especially important, and then discusses the current state of play around social investing with a gender lens in Europe (using best practice case studies and social investor interviews to discuss gender awareness in the sector). The chapter then contemplates how ready the ecosystem is to adopt a gender lens and the key challenges ahead in creating gender balance within the social enterprise and impact investment sectors.
- > **Chapter Three** discusses the situation in Spain for social entrepreneurs and social investors. It explores how Spanish social entrepreneurs are accessing external financing to start and/or grow their social ventures, and whether there are differences between male and female entrepreneurs in this regard. It also explores the perspective of several key Spanish social investors on the issue of gender lens investing, analysing gender awareness in the Spanish sector, and identifying the main barriers for its adoption. This chapter is based on interviews with Spanish investors, social entrepreneurship experts, and female social entrepreneurs – and on the implementation of an in-depth survey of male and female social entrepreneurs on access to funding.
- > **Reflections and recommendations:** summary reflections and recommendations for various players in the social enterprise ecosystem.

Key definitions

Gender lens investing: while there is no standard definition of gender lens investing, this study uses the following – the use of capital to simultaneously generate financial return and advance gender equality.

Gender equality: the state in which access to rights or opportunities is unaffected by gender.

Impact investment: investments made in companies, organisations, and funds with the intention to generate social and environmental returns alongside a financial return.

Social impact investment: the provision of finance to organisations addressing social needs with the explicit expectation of a measurable social, as well as financial, return.

Social enterprise: a player in the social economy whose main objective is to have a social impact, rather than make a profit for owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner that involves employees, consumers, and stakeholders affected by its commercial activities (European Commission definition).

Chapter one

Gender lens investing.
What it is, why it matters,
who is doing what, and what
are the emerging issues?

1.1 What is gender lens investing?

ABOUT THE GENDER LENS INVESTING FIELD

Across society there is growing recognition of the central role that women play in the world economy. Emerging from this heightened awareness is a movement focusing on the nexus of gender and investment. The gender lens investing field brings together different strands connecting gender and finance. Put simply, the movement highlights the important role of women in the economy and society, and advocates that capital: a) takes gender into account; and b) works towards alleviating the gender disadvantages women face worldwide. The movement acts as a bridge between the capitalist logic of financial returns and the feminist logic of gender equality.⁹ As such, **its key idea is that capital can simultaneously generate financial returns and advance gender equality.** Gender equality is defined as the state in which access to rights or opportunities is unaffected by gender.



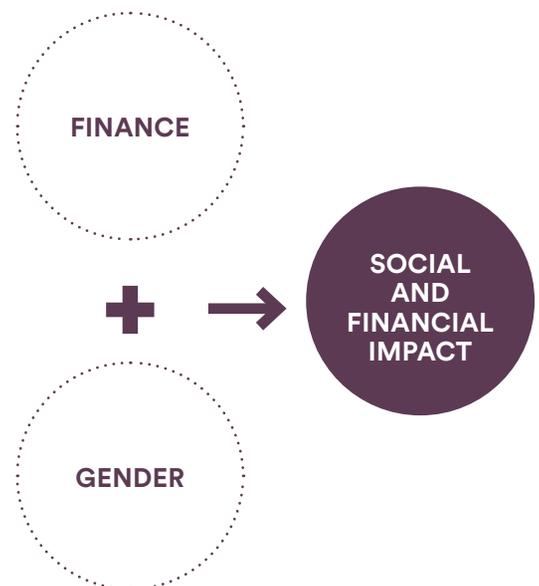
Suzanne Beigel

'What would the world look like if every investor – man or woman – considered the positive or negative impact of their investments on women or girls?'¹⁰

Gender lens investing is a type of impact investment, because it uses finance as a tool to advance gender equality. Such equality is an important social need in itself, but also as a key part of achieving other social goals such as ending poverty, improving health, achieving educational outcomes, and strengthening the economy.

The field is concerned with 'gender' rather than 'women and girls' because although empowering women *and* girls is its central focus, it highlights the need to look at the socially constructed roles, relationships, and expectations of women and men and the ways that these are reinforced by educational, political, economic, and cultural systems.¹² **Using the term gender means talking about women and men.**

Figure 2: Gender Lens Investing¹¹



9 Sarah Kaplan, Jackie Vanderbrug, 'The Rise of Gender Capitalism', Stanford Social Innovation Review, Fall 2014.

10 Suzanne Biegel, 'The Women Effect', Alliance Magazine, June 2014.

11 Ceri Goddard and Katherine Miles, 'The Sky's The Limit: Increasing social investment impact with a gender lens' (2016), page 13.

12 Sarah Kaplan Jackie Vanderbrug, 'The Rise of Gender Capitalism', Stanford Social Innovation Review, Fall 2014.

The field of gender lens investing has been built and developed in an open, collaborative process by US think-tank Criterion Ventures since 2009 when the term was first coined, through several large conferences that brought together thought leaders and practitioners working in social finance and gender equality (including players from microfinance, sustainable finance, international development, as well as gender equality experts).

Joseph Quinlan and Jackie Vanderbrug

‘Consider these scenarios: what would happen if countries did more to encourage childbearing-age working women to stay in the workforce after they have children? What if there was more support for women entrepreneurs who face gender bias, making it easier for them to succeed. What if companies and educational institutions work harder, and together, to prepare young women for careers in science and technology fields and to attract them to these fields? What if everyone agrees we need to correct gender imbalances, and find better ways to accelerate progress?’¹³

TOWARDS A DEFINITION OF GENDER LENS INVESTING

The idea of gender lens investing can at first seem amorphous and lacking in definition. It is undeniably early days and it may become more sharply defined, as practitioners and academics seek clarity. **However, its nature reflects its broad ambitions: it seeks ‘a systems change to have gender matter in decision-making in financial markets.’**¹⁴ Its objectives include improving corporate governance, increasing workplace equity and financial inclusion, improving sustainably, equitably alleviating poverty, and directly transforming health and education for girls, women,

and their families.¹⁵ Such diversity is inherent with gender being a ‘lens’ rather than a product or a theme, and how gender informs and influences investment decisions differs depending on goals, sector, geography, and vehicles.

Stephen R. Covey

‘We must look at the lens through which we see the world, as well as the world we see, and that the lens itself shapes how we interpret the world.’¹⁶

On a more practical and tangible level, there are three major focuses of gender lens investing to date: access to capital for female entrepreneurs; gender equality in the workplace; and products and services directed at improving the lives of women and girls.

Figure 3: Three key gender lenses¹⁷



Each of these focuses derives from a set of problems accompanied by some opportunities, which will be explained in more detail below.

¹³ Joseph Quinlan and Jackie Venderbrug, ‘Gender Lens Investing: Uncovering Opportunities for Growth, Returns and Impact’, page 72-3.

¹⁴ Joy Anderson and Katherine Miles, Criterion Institute, ‘The state of the field of gender lens investing: a review and a road map’, October 2015, page 7.

¹⁵ Joy Anderson and Katherine Miles, Criterion Institute, ‘The state of the field of gender lens investing: a review and a road map’, October 2015, page 7.

¹⁶ Stephen R. Covey, ‘The 7 Habits of Highly Effective People: Powerful Lessons in Personal Change’.

¹⁷ Joy Anderson and Katherine Miles, Criterion Institute, ‘The state of the field of gender lens investing: a review and a road map’, October 2015, page 12.

A. Access to capital for female entrepreneurs

The problem:

Female entrepreneurs have historically had difficulties accessing appropriate finance to start and grow their businesses. The statistics are stark: female-founded firms constitute nearly 40% of all privately-held companies in the US, but female founders receive only 2% of American venture capital funding.¹⁸ This is not simply an issue of a lack of supply of high-quality women-led businesses for investment. Data from the OECD shows that ‘birth rates’ of female-owned enterprises are higher than male-owned ones and there is no evidence that these enterprises fail more often than those owned by men.¹⁹

Many reputable studies have shown an unconscious funding bias towards men in angel investing. In a study published in the Harvard Business Review, the subtly different language used to describe male versus female entrepreneurs in Sweden was revealed, playing an important but often hidden role in shaping who is awarded funding and why.²⁰ Aside from a few exceptions, financiers rhetorically produce stereotypical images of women as having qualities that are the opposite to those considered important for being an entrepreneur, with VCs questioning their credibility, trustworthiness, experience, and knowledge. Conversely, when assessing male entrepreneurs, financiers leaned on stereotypical beliefs about men that reinforced their entrepreneurial potential. Male entrepreneurs were commonly described as being assertive, innovative, competent, experienced, knowledgeable, and having established networks. Another field study conducted on question-and-answer interactions at TechCrunch Disrupt New York City during 2010 revealed that investors tend to ask male entrepreneurs ‘promotion-focused question’ (about the growth potential of the business etc.)

while they asked female entrepreneurs prevention-focused questions (about not losing capital).²¹ These subtle differences are posited to have a strong impact on funding outcomes.



Joseph Quinlan and Jackie Vanderbrug

‘The reality is that the faces of women entrepreneurs around the world are missing in the media and in action because they are consistently undervalued, and struggle to get access to capital’

Beyond high-growth entrepreneurship, there is also a major funding gap for women-owned small businesses, especially in the developing world. There are 8-10 million formal women-owned small businesses in emerging markets, and the IFC estimates that as many as 70% of women-owned small businesses in the formal sector in developing countries are not served, or are underserved, by financial institutions – a financing gap of around \$285 billion.

There is an interconnected problem of a lack of female investors and decision-makers in the venture capital/angel investing space. In the USA, where there is more data, there are very few women founding partners in venture capital firms, with the percentage of women in the VC industry declining from 10% in 1999 to 6% in 2014.²² In Britain, the percentage of angel investors who are female is thought to be around 6-8%.²³ **There will be a virtuous circle for female entrepreneurs if there are more female investors and more female decision-makers.** For example, studies indicate that angel groups with a higher representation of women consider a higher percentage of women-owned firms and devote a higher percentage of their

¹⁸ Dana Kanze, Laura Huang, Mark A. Conley, E. Tory Higgins, ‘We Ask Men to Win and Women Not to Lose: Closing the Gender Gap in Startup Funding,’ *Academy of Management Journal*, April 2017.

¹⁹ International Finance Corporation, ‘Strengthening Access to Finance for Women-Owned SMEs in Developing Countries.’ Global Partnership for Financial Inclusion (GPII) and International Finance Corporation (IFC). 2011.

²⁰ By M Malmstrom, J Johansson and J Wincent, ‘We Recorded VCs’ Conversations and Analysed How Differently They Talked About Female Entrepreneurs,’ *Harvard Business Review*, 17 May, 2017.

²¹ Dana Kanze, Laura Huang, Mark A. Conley, E. Tory Higgins, ‘We Ask Men to Win and Women Not to Lose: Closing the Gender Gap in Startup Funding,’ *Academy of Management Journal*, April 2017.

²² Candida G. Brush, Patricia G. Greene, Laksmi Balachandra, and Amy E. Davis, ‘Diana Report Women Entrepreneurs 2014: Bridging the Gender Gap in Venture Capital’, Babson College 2014.

²³ Suzanne Biegel, ‘The Women Effect’, *Alliance Magazine*, 1 June 2014.

investments to women-owned firms (13.3% versus 6.6%).²⁴ The evidence suggests that having something inherently in common (such as gender) with the funding decision-maker makes an enormous difference, since 56% of decision-makers in the study did not value an idea they did not personally see a need for, even when evidence suggests it is a good marketable idea.²⁵

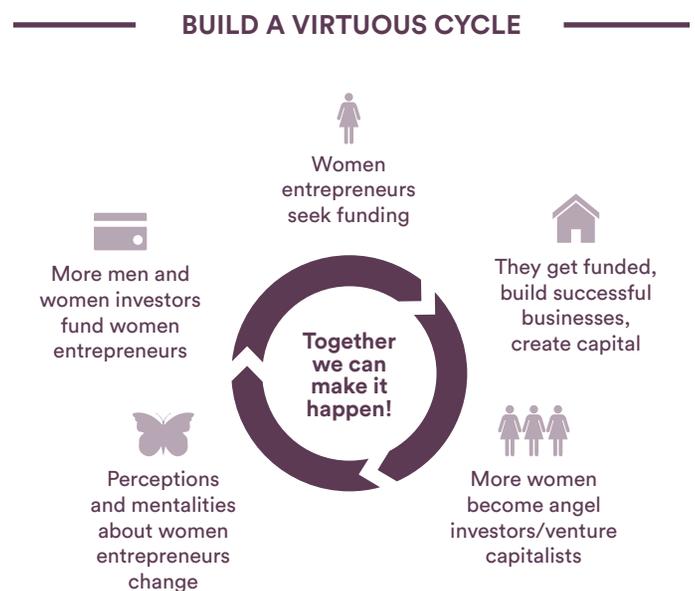
The opportunity

Funding female entrepreneurs represents a large, untapped opportunity. **There is emerging evidence that female-owned firms perform better than male-owned firms.²⁶ And that women are equally as innovative in their solutions as men.** According to the 2014 GEM Women's Report, women entrepreneurs in nearly half of the economies included in the survey are now 'equal to, or even outpacing their male counterparts in terms of innovation – demonstrating a growing parity between men and women selling products and services that are new to consumers and not generally offered by competitors.'²⁷ **Moreover, there is an enormous gender dividend in investing in women for the social/impact investor.** As women increase their income and assets, they tend to reinvest in their families and communities. In emerging markets, women reinvest 90 cents in every additional dollar of their income on their families, including education, health, and nutrition. This compares to 30 to 40 cents for men.²⁸ In addition, when women set up businesses they tend to focus on embedding socially responsible management practices throughout their businesses.²⁹

The female investor is also on the rise as women are increasingly controlling global wealth. American women now control almost half of the nation's personal wealth or investible assets. And women appear to be more driven by creating social and environmental impact.³⁰

There is a real opportunity to create a new virtuous circle that will break the current severe gender imbalances, as shown in the figure below.

Figure 4: Building a virtuous cycle³¹



²⁴ Jeffrey E. Sohl and Laura Hill, Volume 9, 2007, 'Women business angels: Insights from angel groups', in An International Journal of Entrepreneurial Finance.

²⁵ Alicia Robb, 'Narrowing the Gender Gap in the VC World', Forbes, 12 November 2014.

²⁶ Cindy Padnos, 'High Performance Entrepreneurs: Women in High-Tech', Illuminate Ventures, 2010.

²⁷ Joseph Quinlan and Jackie VenderBrug, 'Gender Lens Investing: Uncovering Opportunities for Growth, Returns and Impact', page 222.

²⁸ Jackie Venderbrug, 'The global rise of female entrepreneurs', Harvard Business Review, 4 September 2013.

²⁹ Joseph Quinlan and Jackie VenderBrug, 'Gender Lens Investing: Uncovering Opportunities for Growth, Returns and Impact', page 221.

³⁰ Joseph Quinlan and Jackie VenderBrug, 'Gender Lens Investing: Uncovering Opportunities for Growth, Returns and Impact', page 178. The 2016 US Trust Insights on wealth and worth annual survey of high net worth investors found 51% of respondents believe the social, political, or environmental impact of their portfolios is important in decisions on whether to invest. Women are 59% more likely to say this than men and a remarkable 93% of millennials (women and men) agree.

³¹ GlobalInvestHer website: <https://www.globalinvesther.com/about-us>

B. Gender equality in the workplace

The problem

While labour force participation is rising globally, driven by the growing educational attainment of women, there is still a significant gender participation and pay gap. In Britain, the full-time gender pay gap is 19% and in the USA 21%. Despite the rise of educational attainment of women, the gender pay gap between male and female workers remains a key sticking point and barrier to gender-led growth.

Moreover, a glass ceiling still exists. In America, as of 2014, women held only 19.2% of board seats at S&P 500 companies.³²



The opportunity



Nicholas Kristof, New York Times

'At the recent World Economic Forum in Davos, Switzerland, some of the most interesting discussions revolved around whether we would be in the same mess today if Lehman Brothers had been Lehman Sisters. The consensus is that the optimal bank would have been Lehman Brothers and Sisters.'³³

A gender lens on workplace equity enables the investor to look across the entire corporate value chain and ask: 'How are women's leadership and equal rights valued?' The answer may lead to different areas of opportunity.³⁴ **There is some evidence that boards with a significant number of women perform better than other boards.³⁵ And that organisations that are gender inclusive and have gender diverse teams perform better financially.³⁶** However, this evidence is not conclusive. More recently, the Wharton Social Impact Initiative advised that rigorous, peer-reviewed studies suggest that companies do not perform better when they have women on the board. Nor do they perform worse. Depending on which meta-analysis you read, board gender diversity either has a very weak relationship with board performance or no relationship.

Despite the unclear evidence base, many corporates believe that gender impacts strongly on corporate performance. This is demonstrated by the 1459 business signatories to the UN's Women's Empowerment Principles, a set of seven principles for business offering guidance on how to promote gender equality and empower women in the workplace

³² Joy Anderson and Katherine Miles, Criterion Institute, 'The state of the field of gender lens investing: a review and a road map', October 2015, page 52.

³³ Twitter, Women and Power, New York Times, 23 October, 2013.

³⁴ Sarah Kaplan and Jackie Vanderbrug, Stanford Social Innovation Review, Fall 2014.

³⁵ MSCI which has published a global 'State of the Union on Boards' in the USA report since 2010 found that companies on the index with 'strong female leadership' – three or more women on the board – generated 36% higher returns on equity per year versus companies that did not have the same level of women on their boards.

³⁶ A 2015 Peterson Institute analysis of gender diversity in management and profitability – based on a global survey of close to 22,000 public companies in 91 countries – showed a repeated and significant 'correlation between women at the C-suite level and firm profitability.

UN Women's Empowerment Principles

1. Establish high-level corporate leadership for gender equality.
2. Treat all women and men fairly at work – respect and support human rights and non-discrimination.
3. Ensure the health, safety, and well-being of all women and men workers.
4. Promote education, training, and professional development for women.
5. Implement enterprise development, supply chain and marketing practices that empower women.
6. Promote equality through community initiatives and advocacy.
7. Measure and publicly report on progress to achieve gender equality.

C. Products and services directed at improving the lives of women and girls

The problem:

Traditionally, companies rarely design for and with women.

The opportunity:

There is an opportunity to innovate collaboratively to produce products that will have a positive impact on women's lives: for example, reducing infant mortality or improving feminine hygiene. This is not about designing for women (i.e. taking products and making them 'pink') but rather designing with women.



Londa Schiebinger

'One you start looking, you find that taking gender into account can improve almost anything with a human endpoint: stem cell research, assistive technologies for the elderly, automobile design, transportation systems, osteoporosis research in men, and natural language processing.'³⁷

By 2028 women will be responsible for about two-thirds of consumer spending worldwide. Women are currently making 80% of consumer decisions. The female economy represents a growth market that is more than twice as large as China and India combined.³⁸

³⁷ Joseph Quinlan and Jackie VenderBrug, 'Gender Lens Investing: Uncovering Opportunities for Growth, Returns and Impact', page 344.

³⁸ Ceri Goddard and Katherine Miles, 'The Sky's The Limit: Increasing social investment impact with a gender lens' (2016), page 13.

Example of product design with women:
Global Alliance for Clean Cookstoves

The Global Alliance for Clean Cookstoves has more than 1,000 partners working to build a global market for clean cookstoves and fuels. What they found was that adoption of the new cookstoves was erratic, primarily because the designs did not fit the needs of women. The organisation used gender analysis to improve product design (observing women cooking and involving women in the design aesthetics), production (giving women the opportunity to manufacture components), financing (supporting financial institutions in lending to women and considering rent-to-own or micro-consignment strategies), and distribution (using gender-informed marketing messages and offering trial periods to female distributors).³⁹

In addition, there is a fourth emerging lens which is championed by the Criterion Institute, focusing on revaluing gender in financial analysis. This lens asks us to imagine complex gender analyses about how we make investment analysis. Specifically, gender analysis can be used to correct assumptions about patterns. Through a gender analysis, analysts and investors look for:⁴⁰

- > Patterns that are overvalued because of how we see gender. For example, all-male teams continue to attract significant dollars, even though diversity has been shown to contribute to profitability;
- > Patterns that are undervalued because of how we see gender. For example: women entrepreneurs have been historically undervalued.

- > Patterns that are shifting but the previous assumptions stay in place. For example: women's buying power has been changing rapidly over the past decade
- > Patterns that are missed because a gendered experience is not seen.

Most gender analysis in finance has focused on counting (for example, how many women are on the board, how many female entrepreneurs have received funding, or how many girls in school). However, the Criterion Institute believes that, *'counting only gets you so far. Counting only allows you to operate in whole numbers, rather than more nuanced calculations. We need to do more sophisticated math.'*⁴¹

How gender can be further incorporated into financial analysis, including environmental, social and governance (ESG) criteria and impact investment measurement systems, is an ongoing question for the movement. ESG data platforms capture and aggregate company data based on Global Reporting Initiative (GRI) indicators, among others. GRI's global framework for sustainability reporting is a disclosure standard that supports companies of any size reporting performance information related to different aspects of its social and environmental performance. The fourth iteration of the GRI sustainability reporting framework (the G4 Guidelines) includes, among others: disclosures (both in terms of management approach and performance indicators) on the gender wage gap; corporate governance information (including diversity information); workforce demographics and benefits by gender; and return to work rates after parental leave.⁴²

³⁹ Sarah Kaplan and Jackie VanderBrug, 'The Rise of Gender Capitalism', Stanford Social Innovation Review, Fall 2014.

⁴⁰ Anderson and Katherine Miles, Criterion Institute, 'The state of the field of gender lens investing: a review and a road map', October 2015, page 36.

⁴¹ Anderson and Katherine Miles, Criterion Institute, 'The state of the field of gender lens investing: a review and a road map', October 2015, page 36.

⁴² Anderson and Katherine Miles, Criterion Institute, 'The state of the field of gender lens investing: a review and a road map', October 2015, page 69.

One of the issues facing the gender lens investing movement in terms of financial analysis is that as different movements within social finance have developed, each has cultivated its own set of standardised tools, transparency requirements, and rating systems for non-financial impact measurement.

Some of the most developed initiatives relating to measurement for gender lens investing are:

- > **Edge certification:** a global certification and label for workplace gender equality for corporations worldwide in fostering equal career opportunities for women and men in the workplace.
- > **WE Connect:** identifies women-owned businesses and evaluates the business readiness of women-owned businesses to participate as certified Women's Business Enterprise vendors in supplier diversity and inclusion programmes.
- > **Fair trade labellers belonging to Fairtrade International (FLO):** incorporate aspects of gender in their certification schemes.



1.2. Why gender lens investing matters

Gender lens investing matters firstly because gender equality has not been realised, even in European countries that have been working hard to close the gap. In the World Economic Forum's Global Gender Gap Report 2014, even the top country (Iceland) had only reached 85% of equality according to the various indicators. The Global Gender Gap Index was first introduced by the World Economic Forum in 2006 as a framework for capturing the magnitude of gender-based disparities and tracking their progress. In the most recent report, the UK was number 26 in the list at 73% and Spain at 29 with 73% parity. In general, European nations fare quite well, making up a significant proportion of the top 20 countries in the index.

COUNTRY	SCORE (out of a maximum of 1)
Iceland	0.8594
Finland	0.8453
Norway	0.8374
Sweden	0.8165
Denmark	0.8025
Nicaragua	0.7894
Rwanda	0.7854
Ireland	0.7850
Philippines	0.7814
Belgium	0.7809
Switzerland	0.7798
Germany	0.7780
New Zealand	0.7772
Netherlands	0.7730
Latvia	0.7691
France	0.7588
Burundi	0.7565
South Africa	0.7527
Canada	0.7464
United States	0.7463

The Global Gender Gap Report shows that while the gender gap has been closing globally in the fields of health and education, there is a stubborn gap in terms of gender parity in the workplace. **The statistics suggest that we will have to wait 81 years for workplace parity.**

Gender inequality is more acute in the developing world, where inequalities are sharp and powerfully tangible. In 155 out of 173 countries there is at least one law that differentiates the rights of women and men, and discriminates against women. In 100 countries, women face gender-based job restrictions. Forty-six countries have no laws specifically protecting women from domestic violence.

Yet inequality still exists, albeit in a more subtle and hidden form, in the developed world, especially in the issue of economic participation. **Reaching gender equality is fundamental to whether and how societies thrive.** In addition, there is clearly a rights-based case for gender equality: women are one half of the world's population and deserve equal access to health, education, economic participation, earning potential, and decision-making power.



Freya Johnson Ros, Young Foundation (UK)

'The opportunities and outcomes for men and women are starkly different in many areas. Employment, education, wealth, and wellbeing outcomes all demonstrate that the economy and labour market, institutions of representation and our education system, are all gendered. This results in long-standing and entrenched inequalities which interact with other forms of inequality, for example class and ethnicity, to create deep and complex forms of discrimination and disadvantage.'⁴³

⁴³ Freya Johnson Ros, 'Unequal Nation, the case for social innovation to work for a gender equal future', Young Foundation, July 2015.

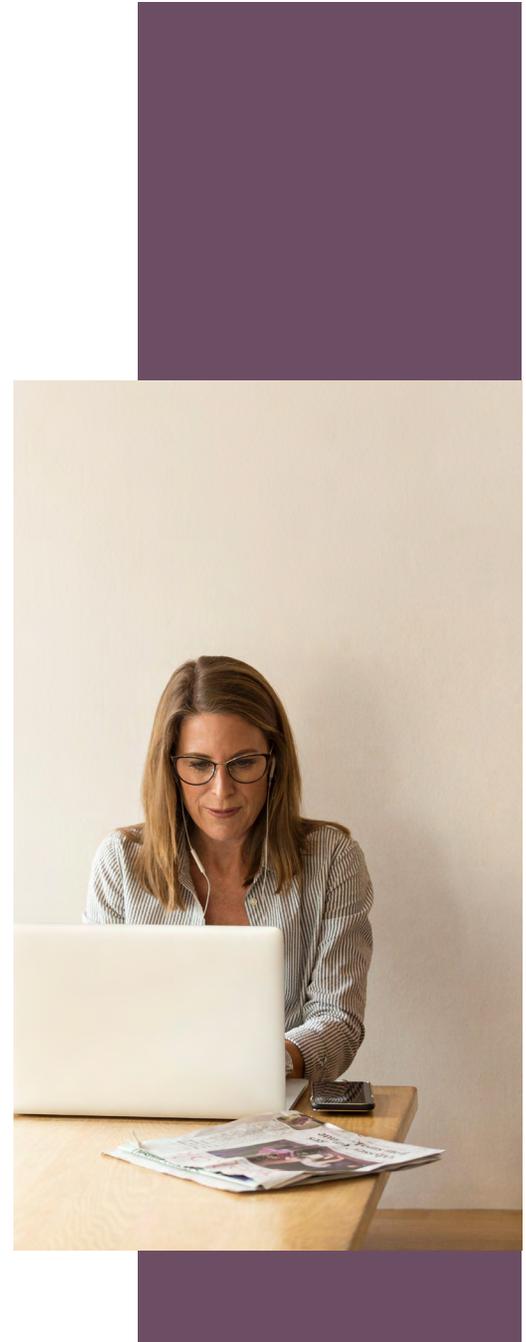
The UN's Sustainable Development goal number 5 is to 'achieve gender equality and empower all women and girls.' On 1 January 2016, 17 sustainable development goals (SDGs) officially came into force, adopted by world leaders in a historic UN summit in September 2015.

Secondly, because beyond being the ethical approach, it is also the smart approach. Investing in women reaps dividends financially and socially. Women are perhaps the world's greatest under-utilised asset. At the global level, advancing gender equality could add \$12 trillion of annual GDP, according to McKinsey and Co.⁴⁴ A recent report establishes that closing the gender gaps in access to products and services in water, contraception, telecommunications, energy, and child care sectors could unlock \$300 billion in incremental annual spending by 2025.

The business case for gender lens investing is clear, although the track record and evidence of financial returns for specific products is still being assembled by the pioneers of the movement. In terms of SME and early-stage financing, women represent a dramatically under-served market.⁴⁵ The Global Banking Alliance for Women and McKinsey and Company argue that there is a multi-trillion dollar market for women's banking services and that women represent a significant opportunity for banks. There is strong evidence that female entrepreneurs and business-owners perform as well, if not better, than their male counterparts. In Europe, access to finance is the most commonly reported barrier to success for female social entrepreneurs – the second being time.

In the workplace, advocates argue that diverse teams and boards can improve performance. Workplace gender diversity is linked to employee recruitment, retention, and organisational performance.

Moreover, addressing the importance of females as consumers, there is evidence of a gap in products and services designed with females in mind, as well as opportunities in adapting businesses distribution channels. The report, 'Return on Equality: Investment Opportunities that Help to Close the Gender Gap' describes how just five sectors represent a potential \$300 billion annual opportunity for gender lens investors:⁴⁶



⁴⁴ BNY Mellon and the United Nations Foundation, 'Return on Equality: Investment Opportunities that Help Close the Gender Gap', page 1.

⁴⁵ The IFC estimates that in the emerging markets there is an estimated credit demand per year by women-owned SMEs of \$260-320 billion. In the US between 2011-2013 only 15% of all funded businesses had a woman on the executive team and only 2.7% of the companies receiving funding had a woman CEO, and women only received 3% of the total venture capital dollars.

⁴⁶ BNY Mellon and the United Nations Foundation, 'Return on Equality: Investment Opportunities that Help Close the Gender Gap', page 10.

SOCIAL IMPACT (impact on gender equality of closing unmet need)	CONSUMER IMPACT (current total unmet need)	MARKET IMPACT (potential incremental annual market opportunity in 2025)
140 million women could have more business or employment opportunities	Telecommunications: 200 million fewer women than men own mobile phones globally	\$20 billion in incremental spending in the mobile industry
52 million unintended pregnancies could be prevented annually	Contraception: 225 million women have an unmet need for contraception	\$5 billion in incremental annual spending in the healthcare industry
1,750 hours could be saved annually that the average woman currently spends on unpaid work, including child care	Child care: 290 million children under the age of three lack access to child care	\$140 billion in incremental annual spending to increase enrolment of children under the age of 3 to 30%
73 billion hours could be saved annually that women and children currently spend on water collection	Water: 663 million people do not have access to clean water	\$80 billion in incremental annual capital and operating spending to achieve access in line with SDG goals
680 hours could be saved annually for each girl who collects wood, dung or other polluting fuel for household use	Energy: 1.2 billion people lack electricity in their households	\$40 billion in annual capital spending to ensure access to electricity in line with SDG goals

Finally, gender lens investing is another enhanced way for finance to drive social change. For this, the movement must go beyond simply counting women and understand and then tackle the key gendered issues. This would mean, for example, looking at how finance can contribute to solving challenges (such as reducing the incidence of sex-trafficking, creating more inclusive forms of agriculture for women, or ensuring that climate change mitigation strategies take account of women's leadership roles in adaptation strategies).⁴⁷ Gender lens investing therefore becomes committing to broad-based social or system change goals, beyond simply moving capital to investments that are screened for women on boards or to women-led businesses. Finance is a powerful tool for driving social change, 'in the end how we deploy capital shapes where it grows, how it grows, and the world we live in. It shapes who has the power to solve problems, which problems are solved, and which are left unexplored.'⁴⁸

⁴⁷ Ceri Goddard and Katherine Miles, 'The Sky's The Limit: Increasing social investment impact with a gender lens' (2016), page 8.

⁴⁸ Joseph Quinlan and Jackie VenderBrug, 'Gender Lens Investing: Uncovering Opportunities for Growth, Returns and Impact', page 460.

1.3. Who is doing what in the field: key gender lens investing activities, players, and case studies

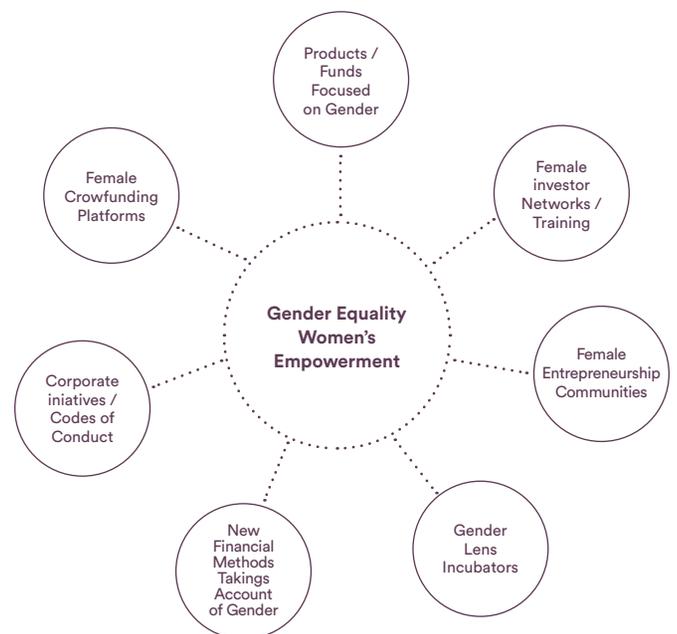
There has been a strong wave of gender lens activities over the last five years, primarily originating from the USA, but also present in other markets. As Jackie VanderBrug and Joseph Quinlan state: *'In 2012, when gender lens investing first emerged from backroom conversations and onto the main stages of galvanizing events, most of the gender lens investment vehicles were new and lacked track records. Only four years later, however, there are over 50 vehicles.'*⁴⁹ Since 2014, the volume of assets under management in publicly listed debt and equity with a gender lens mandate has risen more than five-fold to \$561 million, according to Veris Wealth Partners, an investment advisory firm specialising in impact investing with a focus on environmental, social, and governance issues. And the number of private equity and venture capital firms making investments with a gender lens has mushroomed. Women Effect, an information hub promoting gender lens investing based at Wharton, is tracking some 30 to 40 venture funds.⁵⁰

Since the activities are so diverse and because gender lens is a practice or approach rather than an asset class or market, it is hard to estimate the market size of gender lens investing in total. It is undeniably still a small market. No fund publicly promoting incorporation of gender factors in investment decisions exceeds a billion dollars. But the market is growing.

Figure 5: Different types of activities / initiatives associated with gender lens investing

The growth of gender lens investing appears in parallel and somewhat on the wings of the maturing impact investment movement. In the most recent GIIN survey of impact investors, approximately 6% of total impact funds under management were allocated to women and sexual health issues (approx. \$6 billion out of a total \$113.7 billion).⁵¹ However, this is considered an over-estimate by experts. The survey showed that approximately 60% of investors reported that they actively track the financial performance of their investment with respect to sustainable development goals (SDGs) or plan to. Indeed, there are already 30 impact investors who are tracking impact relating to SDG 5 (gender equality).⁵²

The various activities have been broken down in Figure 5 below and are briefly discussed using case studies. **This is important for readers considering how they can practically engage with the issues of gender lens investing and for considering what type of initiatives could be replicated in Europe.**



49 Joseph Quinlan and Jackie VenderBrug, 'Gender Lens Investing: Uncovering Opportunities for Growth, Returns and Impact', page 398.

50 Wharton Social Impact Initiative, 'Gender Lens Investing Gains Ground – But Can It Conquer Wall Street', July 18, 2017.

51 Abhilash Mudaliar, Hannah Schiff, Rachel Bass, Hannah Dithrich, 'Annual Impact Investor Survey, the Global Impact Investing Network', May 2017, page 16.

52 Abhilash Mudaliar, Hannah Schiff, Rachel Bass, Hannah Dithrich, 'Annual Impact Investor Survey, the Global Impact Investing Network', May 2017, page 43.

1.3.1. Products/funds focused on gender

While some impact investors may be increasingly convinced of the need and desirability to take gender into account when investing, until recently there have been few investible products (besides microfinance which often did not collect strong impact data on women). **In recent years, pioneers across asset classes have worked to develop these investment products and now there are many opportunities** as shown in Figure 6 below (although this is not a current list, as the number of products has grown considerably). Since 2014, the amount of assets under management in publicly listed debt and equity with a gender lens mandate has risen more than five-fold to \$561 million. Most of these products have been created in America and this is where the strongest supply and demand for gender investment products is located. Some of these products (in italics) will be discussed in more detail below.

New products are constantly coming to market. For example, a new \$8 million Women's Livelihood Bond has just been launched by the Impact Investment Exchange, where funds are raised from impact investors and lent to microfinance institutions and impact enterprises. The goal is to benefit some 385,000 women across Southeast Asia.

Figure 6: Gender lens investing products as at 2015⁵³

PRODUCTS	TYPE OF INVESTMENT
<i>Barclays Women in Leadership Exchange</i>	Exchange traded notes
<i>Makeda Capital LLC</i>	Public equities
<i>Morgan Stanley</i>	Public equities
<i>Pax Ellevest</i>	Equity mutual fund
<i>Golden Seeds</i>	Angel investing
<i>Springboard Enterprises</i>	Venture capital
<i>Texas Women Venture</i>	Venture capital
<i>Oxfam America</i>	Venture capital
<i>Community Capital Management</i>	Bond, mutual fund
<i>Exclaim Capital Partners</i>	Venture capital
<i>Astarte Ventures</i>	Venture capital
<i>Self Help Credit Union</i>	Certificate of deposit
<i>Win-Win – Calvert Foundation</i>	Private debt
<i>Root Capital</i>	Private debt
<i>Breckinridge Capital Advisors</i>	Public bonds
<i>Nia</i>	Public equities
<i>Aperio</i>	Public equities
<i>US Trust, Bank of America, WAGES</i>	Public equities
<i>Imprint Capital</i>	Gender lens portfolio
<i>Veris Wealth Partners</i>	Gender lens portfolio



⁵³ Anderson and Katherine Miles, Criterion Institute, 'The state of the field of gender lens investing: a review and a road map', October 2015, page 53.

Public equities

Public equities, the earliest focus of social impact investors, has attracted gender lens investors. For example, Pax Ellevest's Global Women's Index focuses on several gender lens criteria, such as: women on the board of directors or in executive management; women CEOs or CFOs; and whether the company is a signatory to the UN Women's Empowerment Principles. Several gender-equality indexes or securities have appeared in recent years, including State Street Global Advisors' Gender Diversity Index and ETF, Bloomberg's Financial Services Gender-Equality Index, MSCI's World Women's Leadership Index, and Thomson Reuters' Diversity and Inclusion Index.



Joseph Quinlan and Jackie Vanderbrug

'A gender lens provides another important set of metrics for separating high-quality companies from the others.'⁵⁴

Microfinance and community development financial institutions

Micro finance institutions (MFIs) that have more women clients have lower write-offs and lower credit-loss provisions, confirming the common belief that women in general are a better credit risk for MFIs. However, while women are the face of microfinance, without an active gender lens, this could be more rhetoric than reality. For example, Women's World Banking (WWB), a global non-profit with a network of 40 financial partners from 29 countries, is devoted to giving low-income women access to the financial tools and resources needed to build security and prosperity and has developed gender performance indicators for benchmarking and research.

Venture funds with a gender lens

There has been a growth of funds for qualified and accredited investors that are not focused exclusively on female entrepreneurs, but **show that with hard work and intentionality, venture capital can flow to female entrepreneurs and gender-diverse teams.** Indeed, they are proving (and corroborating prior research) that investing in women is smart. Golden Seeds is an active angel investor group that manages three funds only investing in women-owned companies. Golden Seeds now has over 275 investors and two funds with over \$37 million invested.⁵⁵ Astia Ventures, Cowboy Ventures, and several other seed and venture funders also require gender diversity in the founding team.



Stephanie Newby, founder of Golden Seeds

'I care most about ensuring that there is a female voice involved in the creation of company culture.'⁵⁶

One of the most interesting features is that these funds show that it is possible to find and nurture female entrepreneurs by changing the model slightly (since venture capital traditionally bemoans that there are few female entrepreneurs). For example, Cindy Padnos set up Illuminate Ventures in 2009 to invest in enterprises in cloud computing and mobile technologies with an exclusive focus on the enterprise software sector. Without making gender an investment criterion, Illuminate actively ensures it does not become a barrier. Padnos chose to be much more aggressive than her peers in pursuing a diverse deal flow. She filled her advisory council with more than 20 world-class tech women who could grow Illuminate's referral network. Around 40% of Illuminate's portfolio companies include at least one women founder in a field where less than 5% is the average.

⁵⁴ Joseph Quinlan and Jackie Vanderbrug, 'Gender Lens Investing: Uncovering Opportunities for Growth, Returns and Impact', page 407.

⁵⁵ Joseph Quinlan and Jackie Vanderbrug, 'Gender Lens Investing: Uncovering Opportunities for Growth, Returns and Impact', page 420.

⁵⁶ Ibid., page 420.

There are also funds that invest in companies whose products and services have a positive effect on women. For example, EXXclaim Capital which is focused on women's health. Anula Jayasuriya, managing director of EXXclaim Capital sees trends in demographics, gender research, digital technology, and women's role as the 'chief medical officers' of their families converging to create a 'perfect storm for transforming women's health into an attractive investment area.' Among the products developed by the companies in EXXClaim's seed portfolio are an early detection device for ovarian cancer; a pregnancy tracking app, a male reproductive health product, a device to prevent nightmares in children, and a solution to the problem of mild female urinary incontinence.⁵⁷

Bond market

The IFC launched the first-ever women's bond in 2013 in the Japanese market. The five-year triple-A-rated offering raised \$165 million supporting women-led ventures in emerging markets through loans made by local banks. Following the success of this bond, the IFC partnered with Goldman Sachs to create a \$600 million facility for investing in women-led enterprises.

Banks

Many banks or alternative finance providers have recently become more attuned to the different needs of women and have developed specific opportunities for women. For example, Westpac Bank in Australia created a women's unit in 1999 that is dedicated to women's needs as customers, including support for women entrepreneurs seeking capital and building their businesses and careers. It has its own brand – Ruby – which takes a holistic approach to finance, including education, and a network of peers and mentors.

SPOTLIGHT: PIONEERING IMPACT INVESTORS

Some of the most well-known impact investors, such as Calvert Foundation and Root Capital, have pioneered the gender lens investing space. Calvert Foundation, which has raised more than one billion dollars of impact investment from over 15,000 investors, developed a women's product in 2012 and raised \$20m from retail and institutional investors to lend to organisations and projects that empower women through microfinance, small business lending, affordable housing, and other critical services in America and internationally.

Root Capital's women in agriculture initiative was set up in 2012 to better understand how women help grow rural prosperity. It set a goal of reaching 200,000 women producers by 2016. Through a gender analysis, Root Capital found that effective investment in agriculture requires attention to the whole social system, from enabling land ownership for women farmers to empowering middle managers (often women) and who are the hidden influencers in small agricultural enterprises, to training entrepreneurs in financial management. Through this analysis it identified businesses in traditionally male-dominated industries (such as coffee) that have a high impact on women – and to focus more on female-dominated but neglected industries such as shea butter.

Institutional investors, and specifically the multilateral development banks, pioneered the use of gender and continue to innovate. Pension funds, such as the California State Teachers Retirement Fund, play a public role in the integration of gender into investment analysis.

⁵⁷ Joseph Quinlan and Jackie VenderBrug, 'Gender Lens Investing: Uncovering Opportunities for Growth, Returns and Impact', page 383-385.

1.3.2. Gender lens investor networks/training

Research confirms that much venture funding happens through male-dominated networks. So female investor networks have sprung up to educate, train, and offer a dedicated space to potential female investors. This is an area of burgeoning activity – these networks have struck a nerve and potential female investors are lining up to be involved.

An interesting example of such an investor network is the Next Wave Network, set up by Alicia Robb, which is a global movement to increase woman's participation in angel investing as an asset class. It has developed a global angel community of successful business women across the US, Europe, Africa, Middle East, Asia, and Latin America. Alicia Robb launched the US programme in 2015 based on research about why there are so few women in angel investing: *'we worked out that women don't know about it, they don't see the deal flow, they are risk averse about investing, and they don't know how.'*⁵⁸ The first pilot programmes provided nearly 200 women with a learning opportunity that allowed them to build a diversified portfolio of investments, receive mentoring by women who are experienced angel investors, and a training programme around angel investing. The entrance price was €10,000. Of the 10 investments from the first US Rising Tide fund, nine had women in the management team and six had women CEOs, even though it was not an active screen. Now the US network is making the journey from a mostly female investor network to an impact investor female network. Alicia Robb says: *'I came away with the desire to feel passionately about the companies that I invest in. The impact investment field resonates with women especially.'*⁵⁹



Thought-leaders and practitioners such as **Alicia Robb** are questioning the entire way that the VC model operates:

'in venture capital, out of ten investments, there are eight failures. This has such a destructive impact on funds, entrepreneurs, and investors. There must be a better way to support these enterprises. To create more successes.'⁶⁰

Another important initiative is the Pipeline Angel's Fellowship in the United States – consisting of a six-month training programme including education, mentorship, and investment practice. In the programme, women work together to source and vet deals, culminating in an investment in a woman-led for-profit social venture by each programme participant. Since launching in 2011, Pipeline Angels has held a signature bootcamp pitch summit for startups looking for funding. 200 women have graduated from the bootcamp and 40 investments in women-led businesses have been made (around \$4 million).

There are more female angel networks (Astia Angels, 37 Angels, Golden Seeds), as well as impact investment angel investor networks that are operating with a gender lens (Clearly Social Angels in the UK) or global impact investment communities with circles of gender lens investors (Toniic and Investors Circle).

58 Phone interview with Alicia Robb, 25 May 2017.

59 Ibid.

60 Ibid.

1.3.3. Female entrepreneurship communities

If one of the barriers to female entrepreneurship is a lack of networks, then developing a strong sense of community for female entrepreneurs is important. There is a growing move to create on-line and off-line communities (which often mingle both investors and entrepreneurs), especially in Europe. An example is the AllBright funding and education network in Britain, set up in October 2016 and designed to provide the support and finance needed for female-led businesses to launch and scale. The AllBright Collective is an ecosystem that delivers capital, business skills, connections, and confidence to female founders. In a survey of over 500 female founders conducted by AllBright, some 40% of respondents said that they did not know where or how to start the process of seeking funding. Over 50% said they wanted guidance and knowledge about how to prepare for investment. And over one in five said that they have spoken predominantly to male investors and feel as if they are not being heard.



Debbie Waslow, Founder, AllBright

'Confidence is also a big issue for founders. I know first-hand as an investor, that women don't ask for what they need, they are usually more conservative in what they ask for and only share returns that they truly believe they can deliver.'

Global Invest Her is another example, based in France. Set up by Anne Ravenona it is a platform and online community for early-stage women entrepreneurs that demystifies the funding process and helps women get investor-ready.



Anne Ravenona

'When women entrepreneurs go looking for funding, it is a dark art, it is intimidating, it is a strange language. I don't know how to look for the right investor, it is like kissing a lot of frogs before you find the prince.'⁶¹

Globally, there are a few examples of social entrepreneurship communities with a gender lens. These include: Girl Tank, which is a collaborative and global community of female social innovators and Young Women Social Entrepreneurs which hosts a global network of women change-makers organised and led through volunteer chapter networks. There are also programmes to train female social entrepreneurs, such as the Young Women Social Entrepreneurship Development Programme (in conjunction with the British Council and Diageo).

1.3.4. Gender lens incubators / accelerators

Incubators and accelerators have a unique and important role in the development of early-stage businesses. However, the standard process of selection and incubation may not be appropriate for many women-led enterprises.

There is a powerful example of a global social enterprise incubator and accelerator, Village Capital, which is changing the rules of the game and creating a more level playing field for women founders. In place of the traditional due diligence process, Village Capital developed a peer mentoring and peer selection approach. It selects cohorts of about 15 social entrepreneurs in specific geographical areas and industries for a 12-week programme based on peer mentoring. Village Capital commits to providing funding for the top two enterprises, based on peer evaluations. Although only 15% of the participating companies

had female co-founders, these companies represented 40% of the investment winners.⁶² Over 550 ventures have participated in over 45 Village Capital programmes.



Ross Baird, Executive Director of Village Capital

'There are systematic, implicit biases that investors have in the traditional venture world that many don't even recognise and that disproportionately favour men. When you are more structured, methodical, and transparent and your assumptions are things you have to back up, women-run ventures tend to be appropriately valued.'

This idea of re-thinking incubation and acceleration with a gender lens also applies to Canada's Vickie Saunders who founded, SheEO, which has created a women-only incubator. Saunders believes that 'chasing unicorns' angel investing is an inefficient use of capital. 'In economies built on small businesses starved for capital, the winner-take-all-model hasn't worked. We need a new one.' This was her motivation for launching 'Radical Generosity' where 500 women each make \$1000 donations to the fund. They vote on five enterprises to receive low interest five-year loans from the aggregate, with the chosen entrepreneurs getting together and negotiating who gets how much.

Another important and exciting gender lens accelerator in the developing world is the Spring Accelerator, which supports businesses whose products and services could transform the lives of adolescent girls. It is a partnership between the British Department for International Development, the Nike Foundation, and USAID. The Spring Accelerator has incorporated a human-centred design process, combined with strong research into

specific issues affecting girls in each local context. Example social ventures that have been incubated include: the Sub-Saharan Africa's BanaPads, which makes eco-friendly feminine hygiene pads; and Totohealth, a provider of SMS and voice technology to assist parents with maternal and child health. Other companies in energy, water, and sanitation access explore the role of women in sales, distribution, and maintenance.

1.3.5. Corporate initiatives/codes of conduct

There are various corporate initiatives with a gender lens. For example, Coca-Cola's 5by20 initiative aims to empower five million entrepreneurs by 2020 by providing access to training, financial services, and connections. Charlotte Oades, vice president and global director of Women's Economic Empowerment says, *'Investing in women is smart and the right thing to do. In the long run, supporting women helps build stronger communities, making our business more sustainable.'*

A variety of blue-chip companies have signed up to a supplier diversity code of conduct and work with an organisation called WE Connect to increase the diversity of the supply chain. WE Connect certifies firms that are at least 51% owned, managed, and controlled by women. Moreover, Edge (standing for Economic Dividends for Gender Equality) is a certification system for corporates for workplace gender equality. Key areas of assessment are: equal pay for equivalent work; recruitment and promotion; leadership development training and mentoring; flexible working; and company culture. EDGE is working with more than 170 organisations in over 40 countries and 22 industries across the globe.

⁶³ Joseph Quinlan and Jackie VenderBrug, 'Gender Lens Investing: Uncovering Opportunities for Growth, Returns and Impact', page 434.

⁶⁴ Joseph Quinlan and Jackie VenderBrug, 'Gender Lens Investing: Uncovering Opportunities for Growth, Returns and Impact', page 434.

1.3.6. Crowdfunding platforms with gender lens

Crowdfunding's development has been accompanied by a sense that it might provide a new avenue for women historically left outside of the capital funding networks. Some evidence supports this assumption. New York University and the University of Pennsylvania's business schools published a study showing that all-women teams had a 40% better chance of meeting fundraising goals on Kickstarter than men.⁶³ Women also make up 44% of investors on Kickstarter, according to research by Kauffman and the Hebrew University of Jerusalem. Crowdfunding websites are demonstrating a ready audience for products made by women, several of which are targeted at women. For example, founders raised \$600,000 on CircleUp for their socially conscious condom company, which markets primarily to women and donates a part of its profits to improving women's reproductive health. Crowdfunding appears to be favourable for female entrepreneurs in the tech space. In technology, the success rate for women-led Kickstarter projects almost doubled that of men.⁶⁴

In the USA, there are two crowdfunding platforms focused on female entrepreneurs: Portfolia and Plum Alley.



⁶³ Joseph Quinlan and Jackie VenderBrug, 'Gender Lens Investing: Uncovering Opportunities for Growth, Returns and Impact', page 434.

⁶⁴ Joseph Quinlan and Jackie VenderBrug, 'Gender Lens Investing: Uncovering Opportunities for Growth, Returns and Impact', page 434.

1.4. Emerging issues

1.4.1. Opportunities for gender lens investing in different contexts

The market size and opportunity for gender lens investing differs between the developed and developing world, although this has not necessarily been discussed in the research and literature. A significant proportion of gender lens products have been focused on the developing world, and the gender equality gap in sectors such as telecommunications, contraception, water, and energy is much more pronounced in the developing world than the developed world.

The major opportunity that is being exploited by investors in the developed world is the underserved opportunity of investing in high-growth female entrepreneurs. Indeed, the most intense activity related to gender lens investing has been in channelling capital to female entrepreneurs. There may be more initiatives in this area because it is possible to devise creative workarounds to institutional barriers, whereas in other areas entrenched inequality makes this harder.⁶⁵

While there is a link between supporting these high-growth female entrepreneurs and investing in gender equality, these entrepreneurs may or may not be developing products and services that have a positive effect on women and girls. There needs to be a case made for investing in social businesses developing products and services that improve the lives of women and girls living in the developed world (and more examples of these), as well as social businesses that further gender equality.

1.4.2. Evidence about what works and measuring gender outcomes

Since the field is young, there is still limited evidence about what exactly is being achieved through gender lens investing and its various activities. This is an area that those in the field are starting to acknowledge as an essential issue.



Ruth Shaber, Tara Health Foundation

‘Just like in medicine, the only way that we’re really going to understand the best use of capital is by investing in research. We can’t just rely on good intentions and intuition, that there is a lot to learn.’

However, there is not one standard framework for measuring gender outcomes. This is partly due to the diversity of goals for gender lens practitioners: some want to boost the levels of female employment, education, and access to professional roles; while others want to boost women’s access to capital, or women’s participation in policy and decision-making. For some, the goal is less tangible, such as improving the overall confidence and voice of women and girls, bestowing a sense of dignity, or removing the stigma attached to things marked ‘feminine’ in society at large. Within the movement there are open questions as to what metrics are needed to track different goals and whether these differ by sector.

⁶⁵ Wharton Social Impact Initiative, ‘Gender Lens Investing Gains Ground – But Can It Conquer Wall Street’, 18 July, 2017.

A photograph of a person's hands writing on a white notepad with a black pen. The notepad is on a wooden table. In the foreground, there is a glass filled with a dark red liquid. The background is slightly blurred, showing the person's arms and a red folder. The text is overlaid on the image in white font on a dark purple background.

Chapter two

Adopting a gender lens
in the European social
enterprise sector

2.1. Social entrepreneurship and gender

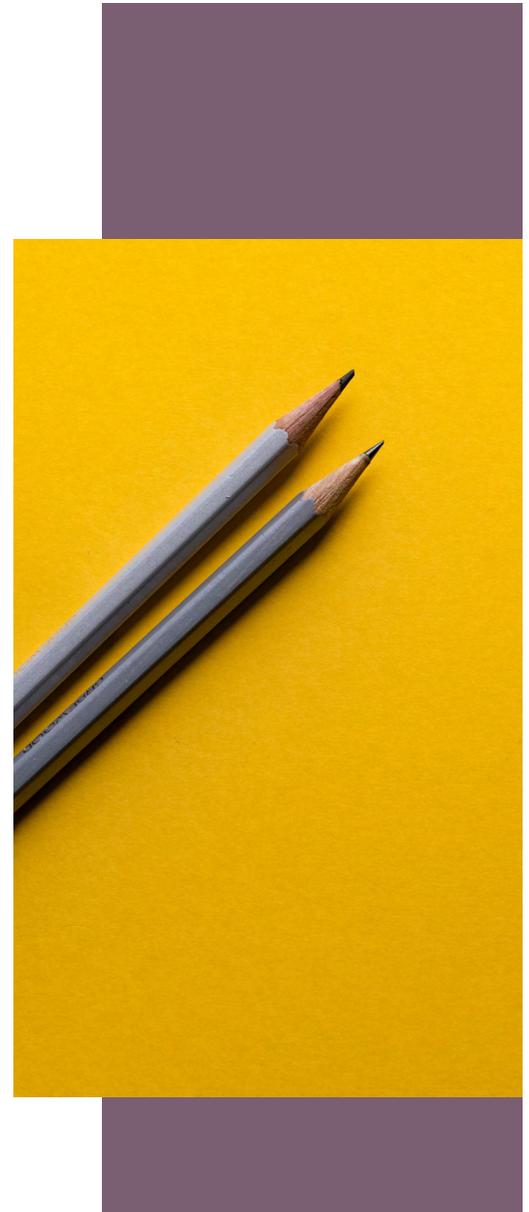
Social entrepreneurship with a gender lens represents a hugely positive opportunity for increasing female empowerment and gender equality.

Social enterprise provides an important new dimension of activity for advancing gender equality and women empowerment. Social enterprise empowers female entrepreneurs, employees, and beneficiaries, even if not intentionally working on gender equality. It seems that social enterprise can provide a more gender-equal and inclusive way of creating jobs, inspiring innovation, and tackling social issues. Female social entrepreneurs often state that they feel that they are pioneering a new way of doing business, one that is more in line with their values and goals.⁶⁶ They believe social enterprises are challenging gender norms.⁶⁷ There is thus a very important potential role for the social enterprise sector as a catalyst for female entrepreneurship, and as a way of engaging in a re-modelling of the more traditional growth-focused, masculine-dominated paradigm of doing business. Indeed, the social entrepreneurship space appears to be more open to feminine characteristics such as tending to relationships, co-operative working styles, orientation towards process, empathy, and dialogue.



Huysentruyt

'The promotion of social entrepreneurship can act as a powerful lever towards promoting female entrepreneurship and female labour market participation more generally. Women entrepreneurs, social and mainstream, seem capable of playing a key role leading us towards more societal change. This link between female entrepreneurship, on the one hand, and transformative change that fosters more inclusive, green and smart growth on the other, has so far been widely underappreciated.'⁶⁸



⁶⁶ For 80% of women surveyed in the WEstart survey, seeking to create a more ethical way of doing business was a strong or very strong motivating factor. WEstart, Mapping Women's Social Entrepreneurship in Europe, Synthesis Report, 2015 page 23.

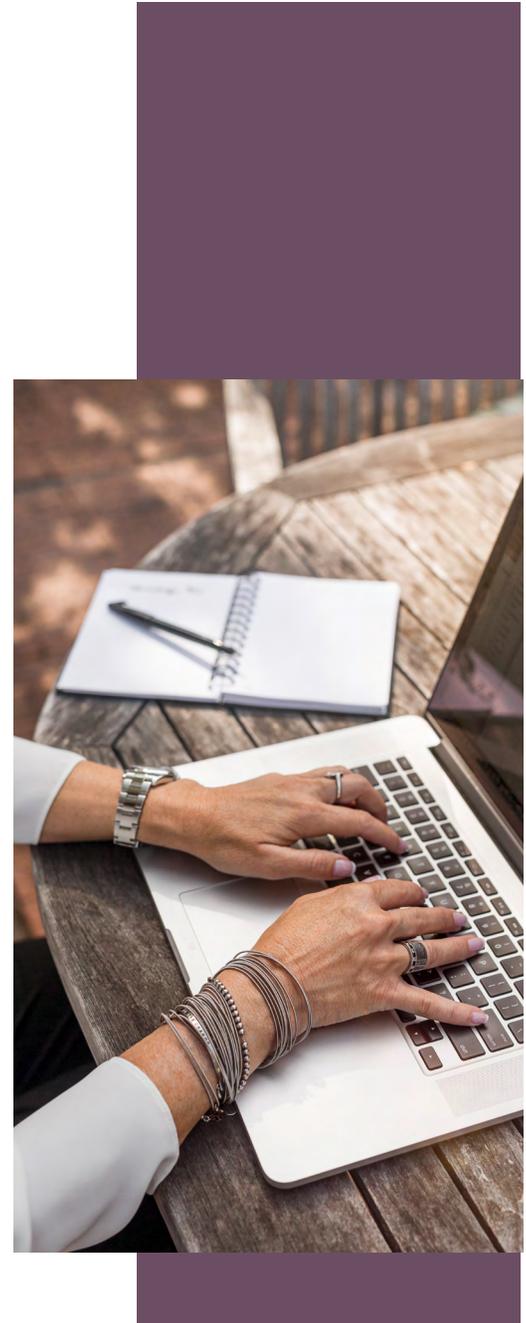
⁶⁷ British Council, 'Activist to entrepreneur. The role of social enterprise in supporting women's empowerment', 2017 (survey received 1140 responses across five nations).

⁶⁸ Huysentruyt, M. (2014), Women's Social Entrepreneurship and Innovation OECD Local Economic and Employment Development (LEED) Working Papers, 2014/01, page 21.

As Figure 6 below shows, **major surveys of female social entrepreneurs show the resoundingly positive impact that setting up a social enterprise has had on their sense of empowerment.** The well-being outcomes are also experienced, but to a lesser extent, by male social entrepreneurs. It appears that the impact of starting a social enterprise on women is powerful. Moreover, even if they do not start with the conscious intention to work on gender equality, female social entrepreneurs end up believing they are contributing to gender equality by enabling other women to lead, grow and flourish. They become ambassadors for their gender.

Figure 7: Survey results for women’s empowerment issues

WESTART SURVEY OF EUROPEAN FEMALE SOCIAL ENTREPRENEURS ⁶⁹	BRITISH COUNCIL SURVEY OF SOCIAL ENTREPRENEURS ⁷⁰
85% reported that they feel like they are empowering women with their social entrepreneurship activity	77% of female entrepreneurs said that starting a social enterprise had given them an increased sense of self-worth
90% feel that their experience with social entrepreneurship has empowered them, or is empowering them as a woman	56% said that it had made them better able to make their own choices 64% reported increased confidence



69 WEstart, Mapping Women’s Social Entrepreneurship in Europe, Synthesis Report, 2015 page 36.

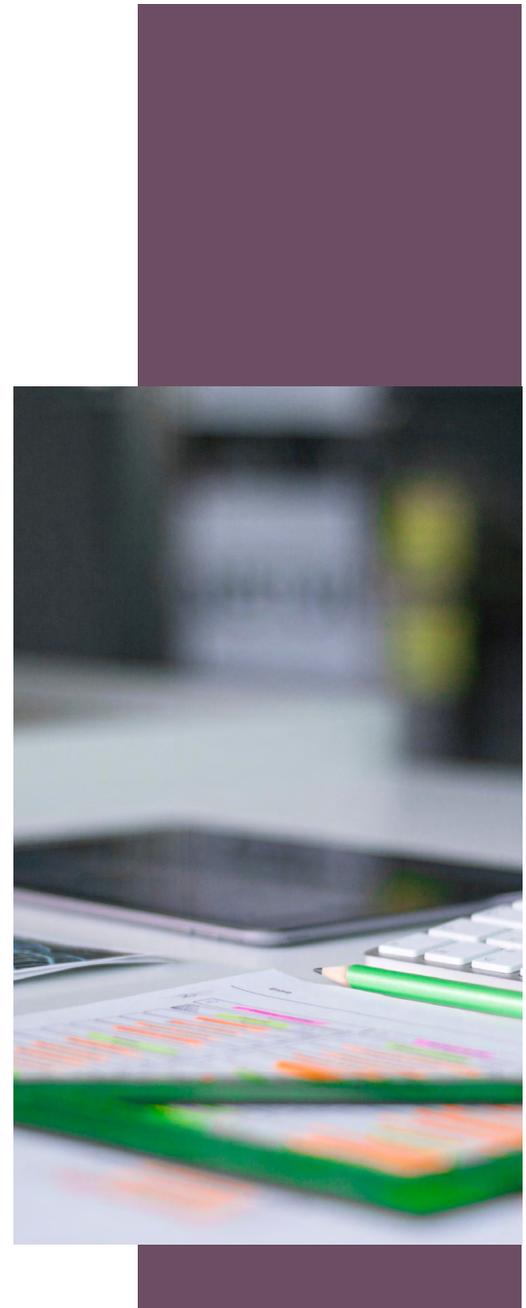
70 British Council, ‘Activist to entrepreneur. The role of social enterprise in supporting women’s empowerment’, 2017, page 8 (survey received 1140 responses across 5 different countries).

The social enterprise sector appears to be most aligned with and supportive of female entrepreneurial activity. Indeed, the global ratio between male and female in social entrepreneurship is more equal than that of normal entrepreneurship. Of the total number of social entrepreneurs globally, 55% are men and 45% women, in comparison with a ratio of 66% of men and 33% of women in the general entrepreneurship sector⁷¹

The social enterprise sector also has a positive effect on women not only as entrepreneurs/leaders, but also as employees. Figure 8 shows that it is providing more significant opportunities for employment and women’s leadership than the for-profit sector. It is also rated more highly than other sectors for being able to flex around family commitments. In the developing world, many of the women employed by social enterprises are from disadvantaged backgrounds (e.g. through poverty or abuse).

Figure 8. Female employment in social enterprise sector versus for-profit sector.⁷²

	BRAZIL	INDIA	PAKISTAN	UK	USA
Women (% of total workforce)	43	24	22	46	46
Women (% of social enterprise workforce)	55	25	37	66	65
Women (% leaders in for-profit sector)	43	9	5	18	31
Women (% leaders in social enterprise)	25	24	20	40	55

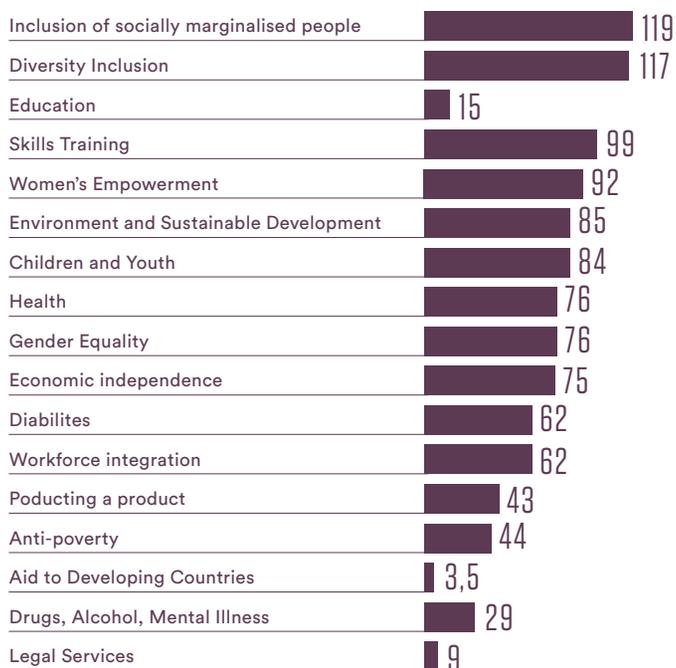


71 Bosma, N.S.; Schett, Th.; Terjesen, S.A. and Kew, R (2016): Global Entrepreneurship Monitor 2015 to 2016: Special Report on Social Entrepreneurship, Global Entrepreneurship Research Association.

72 British Council, 'Activist to entrepreneur. The role of social enterprise in supporting women’s empowerment', 2017, page 8.

Social enterprise also creates a new dynamic and potential for specific and intentional action on gender equality and women's empowerment issues (what might be called gender innovation). Indeed, social entrepreneurs are considered the R&D lab for women's empowerment innovation. As Figure 9 below shows, the combination of gender equality/female empowerment ranks highly among issues tackled by European female entrepreneurs.

Figure 9: Social issues most relevant to women-led European social enterprises⁷³



For women's empowerment organisations, social enterprise as a tool may be a lifeline. Globally, only 0.5% of development aid goes to projects that explicitly target gender equality and women's empowerment. With this severe shortage of resources, social enterprise could provide a new way of meeting the needs of their beneficiaries. **Moreover, there is evidence that social enterprises can break down the dichotomy between the 'empowerer' and the 'empowered'. If traditional interventions focus on women as beneficiaries, social enterprise can empower women as customers, employees, or business owners with a genuine stake in the future.**⁷⁴



Abi Bilinhurst, a British social entrepreneur who works with gang-affected girls observed

'Social entrepreneurship feels like a useful concept when working around gender equality. There is something around flexibility, it can be whatever you want it to be, it's up to you to make it work. There's scope to bring in women who have inequality, or challenges because they are women.'

However, the social entrepreneurship sector is still strongly gendered

Social enterprise challenges but also reflects gender inequalities in society. For example, within the social enterprise field, women are paid less, clustered in low-paying and gender-stereotyped industries, and are less present at the leadership level of organisations. The social enterprise sector generally conforms to the same gender segregation as the wider economy in each country, with (for example) women over-represented in care, education, and catering, and under-represented in manufacturing and tech. Women are less able to find funding from invested capital or government grants, and more likely to rely on friends and family.

⁷³ WEstart, Mapping Women's Social Entrepreneurship in Europe, Synthesis Report, 2015 page 18.

⁷⁴ British Council, 'Activist to entrepreneur. The role of social enterprise in supporting women's empowerment', 2017, page 26-27.

Moreover, the discourse around social enterprise tends to portray women stereotypically. According to Humbert, ‘Women are portrayed as doing different types of jobs, in different types of organisations, at a lower level and for less money. The rhetoric of difference prevails. Moreover, women are portrayed as not motivated by money, but more by a desire to act as what can only be described as mothers of the community: women are there to help, to build, for others but never for themselves, and are seldom valued or rewarded for their work.’⁷⁵

Globally, female entrepreneurs believe that they encounter specific barriers in running their social enterprises due to their gender. Among the most common listed are: greater demands on time through home and family commitments; less access to finance; less confidence in skills and ability; greater fear of failure; fewer role models; varying social, cultural, and family pressures on women; as well as prejudice and discrimination.

At a European level, there appears to be less evidence of significant difficulties facing women-led social enterprises that are directly related to their gender. Both the WEstart survey of 377 female social entrepreneurs in ten European countries, the survey of female social entrepreneurs conducted for the prior ESADE report ‘Mujeres con impacto’, and the survey conducted for this study, illustrate that most female entrepreneurs do not perceive themselves as having been discriminated against or treated differently because they were female. And yet, women are facing cumulatively many more barriers than men, especially related to funding, due to factors relating to the social finance sector, as well as external cultural issues. The survey of female social entrepreneurs for this study, as well as the WEstart survey, showed that during more in-depth qualitative interviews female social entrepreneurs often give examples of times and situations in which they have been treated differently and negatively because they are women.

Thus, female social entrepreneurs (like female entrepreneurs in general) are encountering specific problems accessing finance that hinders the growth and success of their social enterprises. This seems to follow the common pattern of female entrepreneurship in Europe which noted that: ‘*women entrepreneurs tend to start off with less capital, borrow less and use family rather than debt or equity finance. While such differences do not necessarily reflect discrimination, studies have found that many female entrepreneurs felt the pressure of discrimination in the process of obtaining finance.*’⁷⁶

The survey of female and male social entrepreneurs in Spain conducted for this study isolated more precisely the gender effect in relation to access to finance. On many levels, women are not operating in a level playing field. Indeed, qualitative interviews revealed how subtly gendered the social enterprise ecosystem is, with investors prioritising the economic over the social (where women tend to put more emphasis than men on the social), emphasising scale and short-term objectives (which are quite masculine paradigms, as compared to a more local emphasis where women are often working in sectors with less scalable potential), with a 24/7 working culture seeping into social enterprise that makes it harder for women with family responsibilities. These are all compounded by the stereotypical, heroic, and individualist idea of the social entrepreneur, where women tend to work in a more collaborative and networked way.

Integrating a gender lens into the social entrepreneurship sector is a real opportunity, but means more than simply supporting female social entrepreneurs



British Council

‘Social enterprise has played a small but significant role in women’s empowerment on a global scale. It has the potential to play a much greater one.’⁷⁷

⁷⁵ Humbert, A.L. (2012). Women as social entrepreneurs. Working Paper 72. Third Sector Research Centre, page 10.

⁷⁶ http://www.europarl.europa.eu/RegData/ta/etudes/STUD/2015/519230/IPOL_

⁷⁷ British Council, ‘Activist to entrepreneur. The role of social enterprise in supporting women’s empowerment’, 2017, page 12.

Social enterprise is a very diverse activity, as is female social entrepreneurship. The nature of the gender lens will be different according to the context.

However, integrating a gender lens into the social entrepreneurship sector means more than cultivating and nurturing female social entrepreneurs or female social investors (the most tangible and easiest to grasp concept, and an important part of the puzzle). It is also about making sure that the entire social entrepreneurship ecosystem becomes gender aware, and that the important nexus between gender equality and social innovation is supported and funded. This last challenge will mean building bridges and opportunities for collaboration between the female empowerment/gender equality sector and the social innovation ecosystem, which in many countries (such as Spain) are not connected.

Becoming gender aware means experimenting and starting to adopt different gender lens. Investors, social entrepreneurs, and other players/influencers in the ecosystem must all examine and address gender considerations in their activities.

Acumen Fund has shown that integrating a gender lens into its portfolio has meant better outcomes for its investees in terms of sales and impact. **This is a real and exciting opportunity, not a counting or positive discrimination exercise. Integrating gender equality has the potential to make social enterprises more resilient, successful, and impactful.**

Acumen fund diagnostic tool for social enterprises to include a gender lens⁷⁸

- > **Design:** To what extent does the product or service consider women's needs and desires and engage women in the design process?
- > **Production:** How are female and male employees incorporated across all levels of the production process?
- > **Marketing:** How well does the company understand how women and men are using its products and services and how they could be better using the products? Does the company take this into consideration when marketing to women customers?
- > **Sales:** Does the company employ female sales agents? Does the company sell products or services at times and locations that are convenient for women consumers and include financing mechanisms that enable the product or service to be affordable and accessible for female customers?
- > **Equitable systems and structures:** Does the company create an enabling environment to effectively engage female and male employees to create, produce, market, and sell products and services that target and reach the powerful female customer base?

78 Acumen, ICRW and Cartier Charitable Foundation, 'Women and Social Enterprises: How Gender Integration can Boost Entrepreneurial Solutions to Poverty', (2015).

2.2. Gender lens activities to date within European social entrepreneurship / social impact investment

2.2.1. Overview

One of the key questions that this study seeks to illuminate is how far European social enterprise may or may not be fertile soil for gender lens investing. While the bulk of activities to date have emerged from the USA, there has been some gender lens activity in Europe, but it has primarily been focused on supporting and funding mainstream female entrepreneurs (rather than social entrepreneurs). There are a host of new European organisations emerging to nurture and mediate female entrepreneurs or female investors (such as TheNextWomen in the Netherlands, Angel Academe and AllBright in the UK, and Rising Tide in Europe). Some of these organisations also help and fund social entrepreneurs – for example about 25% of Angel Academe’s deals fund ambitious tech startups with at least one women on the founding team.

Some European social investors interviewed commented on this growing activity and movement in support of female entrepreneurs, such as networks for female entrepreneurs (Italy, Germany, Austria, etc.) Slowly social investors feel that female entrepreneurs in general are becoming more visible, *‘An increasing number of roundtables and clubs for women to support other women founding and coming into management can be observed. Women seem to have stronger self-confidence today.’*⁷⁹

There are few dedicated gender lens initiatives in the European social enterprise space. The most notable are outlined in more detail in the case studies section below:

- > **Clearly Social Angels (UK):** an impact investment network
- > **Ogunte (UK):** a social enterprise which grows the women-led social enterprise ecosystem
- > **F-LANE (Germany):** an accelerator of digital high-impact social businesses focused on female empowerment

There are also some strong philanthropic initiatives working with a gender lens, such as Womanity Foundation (Geneva), Partnership for Change (Norway), and the With or Without Girls Collective which is run out of the Stars Foundation.

As will be discussed in the Spain study in Chapter 3, there are also Spanish social enterprise incubators/accelerators working with a gender lens in some of their activities (e.g. Ship2B), but these activities are small and in early or experimental stages.

More interesting (and radical) gender lens initiatives are emerging, but these have yet to obtain the funding to start operations. An example is that of Italian Gerardo Greco who is starting up an social-tech impact enterprise called the Gendered Innovation Accelerator, which specifically addresses the issue of *‘women running away from the IT industry.’* His goal is to form a critical mass of women software developers and social innovators, enabling their creative energy to manifest a new empathetic approach to IT innovation. This new start-up initiative is described in more detail below.

While there may not be a critical mass of catalytic organisations in the gender lens field, there have been champions and connectors building the movement in Europe. An example is Britain-based Suzanne Biegel who is the founder and chief catalyst of a pilot initiative for investing with a gender lens called Women Effect and which is now part of the Wharton Social Impact Initiative at Wharton Business School. She is founder of Clearly Social Angels and Investment Director for the Spring Accelerator. She is also founder of Women in Social Finance, a closed group of mostly senior level women working in the field of social impact finance in the UK.

⁷⁹ Telephone interview with Jochen Herdrich, Partner at Bonventure, Germany, 24 July 2017.



Suzanne Biegel

'My goal is to catalyse unprecedented capital with a gender lens, and catalyse the power of women as investors. I'm personally committed to investing with social and environmental impact. I'm doing that with my own portfolio, and I share that experience with others.'⁸⁰

In terms of products available for gender lens investors, **the major European social/impact investment players do not have dedicated gender products, nor do they have strong apparent organisational foci on gender lens** like Root Capital or Calvert Foundation in America. However, many venture philanthropy players and social investors do focus on women as a specific beneficiary group: over 25% of surveyed European Venture Philanthropy Association (EVPA) members targeted women beneficiaries in 2015/2016.⁸¹ The European Venture Philanthropy Association is a community of organisations interested in practicing venture philanthropy and social investment, and includes venture philanthropy funds, social investors, grantmaking foundations, impact investing funds, private equity firms, professional service firms, philanthropy advisers, banks, and business schools.

There has been limited institutional activity in Europe in social impact investment with a gender lens. However, the CDC (Britain's development finance institution), the European Investment Bank, and FMO (a Dutch development bank) are apparently ramping up their gender lens strategies. On the product front, a recent example of a gender lens initiative is a development impact bond called 'Educate Girls' that was set up in June 2015 with the European UBS Optimus Foundation and the UK-based Children's Investment Fund Foundation.

This is a three-year education programme implemented by the Indian non-profit organisation called Educate Girls that aims to reduce the gender gap among Indian schoolchildren, as well as improving learning outcomes in schools. UBS Optimus Foundation has injected working capital, while the Children's Investment Fund Foundation is the outcome payer. Targets are focused on increased enrolment and children's progress in literacy and numeracy – and have been assessed regularly by an independent evaluator (IDinsight). Year two results show that Educate Girls has achieved 87.7% of the 3-year enrolment target and 50.3% of the 3-year learning targets. Zurich-based UBS Optimus Foundation, which provided the upfront DIB working capital, remains on track to recoup its initial funding.⁸²

There have been some trailblazing individual impact investors who are dedicated to angel investing with a gender lens, such as Hedda Pahlson-Moller. She sits on the boards of the European Business Angel Network (EBAN), the Luxembourg Business Angel Network (LBAN) and Chameleon Invest, a venture capital fund. She has set up, alongside Larissa Best (who used to work in M&A in New York and is now an impact investor), a think tank called Equilibre that is working on gender complementarity in Luxembourg. Equilibre's mission is to empower change-makers (private individuals, public institutions, and local companies) to embrace and encourage gender complementarity. Equilibre is focused on participating in the shifting nature of work.



Hedda Pahlson-Moller, Luxembourg

'Every impact investor should have a gender lens.'

⁸⁰ <http://www.catalystatlarge.com/about/>.

⁸¹ EVPA, 'The State of Venture Philanthropy and Social Investment (VP/SI) in Europe', November 2016, page 28.

⁸² Instiglio, 'The Educate Girls Development Impact Bond: a New Finance Model for International Development', September 2015.

There have also been other European-based social/impact investors operating with a gender lens, mainly those focused on the developing world. For example, the Swiss-based AlphaMundi impact investment fund invests primarily in Latin America and East Africa, and its portfolio companies serve 233,000 direct clients (over 35% women).⁸³



Tim Radjy, AlphaMundi founder and managing partner

'We have three levels of gender lens in our fund and investment activities. The first one is the client or beneficiary level; we always want to make sure that we have a very strong contingent of women as beneficiaries. We're also looking to include women in the management of the companies we invest in; we've noticed that having women in senior management improves the governance and the overall performance of companies. Finally, if we can help it, we would like to invest in women entrepreneurs.'⁸⁴

In summary, while there are signs of experimentation and some strong and vocal champions for gender lens investing, the European gender lens movement relating to social entrepreneurship and social impact investment is fragmented, very small scale, and with limited products for investor demand.

The UK social finance sector is the most advanced in terms of gender awareness and gender lens activities

There are well-developed organisations such as the impact investor angel network Clearly Social Angel, that have invested in over 46 companies in the last five years, and has made 40%

of its investments in social businesses with a women founder or co-founder. In addition, there are other gender lens players such as Ogunte, a social enterprise which grows the women-led social enterprise ecosystem. Other social enterprise incubators, such as Hatch in London, have a strong focus on diversity – with most entrepreneurs coming from minority ethnic backgrounds, over half being women, and 80% under 30.

The UK social investment sector has also been part of a gender lens awareness-raising initiative conducted by the Young Foundation Gender Futures team in 2016 with the report, 'The Sky's The Limit: Increasing social investment impact with a gender lens.' The conclusions of this report show that there is only a limited use of gender lenses by UK social investors. *'This is despite some understanding of the benefits, and overwhelming agreement, among investors, that they have a role to play in advancing gender equality. We also find limited understanding of, and access to, social investment among current or potential gender innovation ventures or pioneers. This is despite a clear need and willingness on their part to explore and develop new financing models.'*⁸⁵

Some 85% of UK social investors say gender equality is important and they have a role in advancing it. However, only 25% of investors interviewed say they consider gender as a factor in their decision-making.⁸⁶ Meanwhile the key social entrepreneurs/organisations advancing gender equality do not seem to be using or understand social finance – only 6% of those interviewed had accessed social finance.⁸⁷

This work created the environment and momentum for change in British social investment, but practice is evolving slowly. There are some green shoots, such as key social investment organisations like Bridges Fund Management engaging in an exercise to map gender and social investing, and streamlining

⁸³ <https://www.alphamundi.ch/impact> (as at 17.09.2017).

⁸⁴ <http://www.womeneffect.com/gender-lens-investing-blog/he-for-she-at-evpa> (January 2016).

⁸⁵ Ceri Goddard and Katherine Miles, 'The Sky's The Limit: Increasing social investment impact with a gender lens' (2016), page 5.

⁸⁶ Ibid. page 33.

⁸⁷ Ibid. page 39.

a gender lens into how they work. Servane Mouazan, founder of Ogunte, commented that Britain is: *'in the awareness phase' but she feels that it is 'now time to modernise and to organise, to mainstream gender into people's practice.'*⁸⁸ Malcom Hayday, ex-CEO of Charity Bank, concludes that *'the message is beginning to get out there' and he believes that investors: 'are becoming more interested in who you are lending to in the gender sense and whether your organisation is gender progressive.'*⁸⁹ One of the positive conclusions for the Gender Futures team who wrote the report on gender lens and UK social investment was that they saw 'quite an open door' among social investors – and that the main barriers to investors practicing gender lens investing are a lack of confidence and understanding.⁹⁰

The European social impact investment sector is not particularly gender aware.

If we compare the landscape in the UK to that of other European countries, we can see that the European social impact investment and social entrepreneurship sectors are in the pre-awareness phase in relation to gender and gender lens investing. For the key impact investment firms supported by the European Investment Fund, gender is not a specific investment selection criterion in any of the firms.⁹¹ As qualitative interviews with some social investors in Europe have revealed, a gender lens is not an issue that has been actively discussed, considered, or actioned by many social investors, especially those focused on European social investments (where about 67% of venture philanthropy/social investment was targeted in 2015/2016).⁹² The (non-British) European social investors interviewed for this research did not track gender equality as a key social impact, did not collect gender disaggregated data on the funded entrepreneurs nor beneficiaries supported by investee organisations.



Johan Heep, Erste Bank, Eastern Europe

'In general, we haven't faced this challenge so far. The woman topic didn't come to the surface. In most of the countries where we are active, the male/female issue is not such a big one.'⁹³



Cyrille Langendorff, Crédit Coopératif, France

'Today the topic is more on social problems, contrary to other emerging market countries where we operate where there is more specific focus on women. We are not there yet.'⁹⁴

Most social investors believe that there is already a level playing field for female social entrepreneurs in the sense that as investors, they do not discriminate on gender, but rather they chose the highest quality social entrepreneurs.



Jochen Herdrich, Bonventure, Germany

'We don't care if they are women or not. Quality matters and not the gender of the founders / management. I do not take the male or the female founder. I take the best founder. The best if it is a man or a woman, should not matter.'⁹⁵

⁸⁸ Skype interview with Servane Mouazan, 26 May 2017.

⁸⁹ Skype interview with Malcolm Hayday, 24 May 2017.

⁹⁰ Skype interview with Ceri Goddard, 24 March 2017.

⁹¹ Telephone call with Uli Grabenwarter, deputy director, Equity Investments, European Investment Fund, 15 May 2017.

⁹² EVPA, 'The State of Venture Philanthropy and Social Investment (VP/SI) in Europe', November 2016, page 9.

⁹³ Interview with Johan Heep, Erste Group, Tuesday 23 May 2017.

⁹⁴ Interview with Cyrille Langendorff, Crédit Coopératif, 26 May 2017.

⁹⁵ Interview with Jochen Herdrich, Partner at Bonventure, Germany, 24 July 2017.

There is a general feeling that a good female social entrepreneur will always find money. **Although social investors notice fewer female than male social entrepreneurs in their investment portfolios**, there is limited understanding or analysis of why this may be the case. Investors do not seem aware of the different barriers between men and women social entrepreneurs in terms of starting and growing a social enterprise, and accessing finance.

There is also a danger that the social impact investment sector might replicate the issue in mainstream finance of having an under-representation of women in investment/lending decisions. As social banking insider Malcolm Hayday comments: *‘the banking sector is still male dominated and led by people over 50 years old. I hope that as there is a generational change, so things will change and women will have a bigger role. It is very important that this happens at all levels of the organisation: credit officers, lending managers, the board of directors. They all have to embrace it and change.’*⁹⁶

There appears to be quite limited pressure to create more gender balance within investment decision-making, although this is slowly changing, especially within social banks that have become increasingly aware of and sensitive to the issue of gender in their social investment lending decisions – as well as in their own organisational structures. Social banks may be especially interested in gender lens investing because they have an explicit social justice mission and it is commonly believed that women are better borrowers. Crédit Coopératif has a new CEO, Christine Jacglin who has set up Coopération’Elles, an association of women within the bank. In addition, the bank now has more women at the executive level. At Charity Bank, a focus on women is reflected at board level. According to Malcolm Hayday, ex-CEO of Charity Bank: *‘we felt that it was very important that we got gender diversity on the board, particularly the women who were part of the beneficiary customer group. From the outset, we wanted to ensure gender and ethnic diversity on the board.’*⁹⁷

European social investors are aware of gender inequality in their respective countries

On a positive note, there is an understanding by nearly all social investors that gender is an important and relevant social issue, and that gender inequalities persist.



Uli Grabenwarter, Deputy Director,
Equity Investments, European Investment Fund

‘The way that we organize our economic space, business environment and interaction in the context of access to education and flexibility of professional life to promote female participation – that is an issue for the developed world, where we are foregoing a lot of economic potential.’⁹⁸



Camilla Bäckström, Sweden

‘In terms of parental life and working life, there are very good statistics. There is a system of providing daycare so mothers can work and prohibiting/preventing gender discrimination in the workplace. That said, we are still not equal. The statistics for the number of women on the boards of publicly-traded companies, for example, are very low. There are still inequalities, even on the pay side. Everything is relative.’⁹⁹

⁹⁶ Interview with Malcolm Hayday, 24 May 2017.

⁹⁷ Ibid.

⁹⁸ Telephone conversation with Uli Grabenwarter, Deputy Director, Equity Investments, European Investment Fund, 15 May 2017.

⁹⁹ Interview with Camilla Bäckström, Tuesday 23 May 2017.



Johan Heep, Erste Bank, Eastern Europe

‘My feeling is that where we are lending, there is still a very hierarchical or traditional interpretation of the role of men and women.’¹⁰⁰

However, unlike the British social investment sector, European social investors may not feel that they have as a strong role in tackling the issue of gender equality. A hypothesis is that there may be different attitudes towards gender across Europe which are being reflected by a more cautious approach among European social investors, with more discomfort or scepticism around feminism and the links between feminism and gender equality. Gender lens investing will therefore receive a different response in Europe, and may find it harder to take root (than, for example, in America where feminism seems to be more accepted as a movement).

2.2.2. Gender lens and social enterprise in Europe: case studies

There is not yet a critical mass of gender lens initiatives in the social entrepreneurship space in Europe.

The major European gender lens initiatives are outlined below and provide an example of the types of activities that could be replicated in Spain.

Case study on Ogunte CIC, UK¹⁰¹

Ogunte is a leading organisation in the realm of female social entrepreneurship and has been working on these issues since its foundation in 2001. It is a certified B-Corp that grows the women-led social enterprise ecosystem, through capacity building and programme management for and with social entrepreneurs and lenders. Ogunte has supported over 6000 female change-makers; developed the first incubators for women social entrepreneurs in Britain, and has run the International Women’s Social Leadership Awards. The organisation also coaches intermediaries on adopting a gender lens approach in their portfolio.

Ogunte is amplifying the ecosystem supporting female social entrepreneurs: the Ogunte team combines entrepreneurs, activists, angels, and facilitators who want to help women make a positive impact on people and the planet, through business incubation, leadership programmes, networks, and awards.

Servane Mouzan, founder of Ogunte’s explains that: ‘*women social entrepreneurship is very diverse. There are totally different courses and needs.*’ She sees Ogunte as a capacity-building and advocacy agent for women. She also wants to think differently and ask different questions to debunk myths. For example, the myth that women lack confidence, or that social entrepreneurs do not understand business, or that women in social business

¹⁰⁰ Interview with Johan Heep, Erste Group, Tuesday 23 May 2017.

¹⁰¹ Most of the content for the case study on Ogunte, apart from where specifically noted otherwise, came from a Skype interview with Servane Mouazan, 26 May 2017.

are only in health, care, and education because that is what women prefer. *'We never accepted the patting on the head type of discourse i.e. that you won't have confidence, you are risk-averse. We have always stood firm against that.'* What she does see is that there is a different definition of risk between women and men – and that sometimes women need help on the journey, to build knowledge about finance, for instance.

Servane sees finance as important but also fun and experimental. She wished she had a different attitude towards finance when she was younger: *'Embrace finance! Women should learn about finance much earlier in life and not be afraid of it. For a long time, I thought fundraising was about filling in applications, but that's not true. It's about exciting people, engaging them, getting them on board, building a story together.'*¹⁰²

Servane decided to merge support programmes in a learning and incubation scheme that involved a lot of peer support from and for women social entrepreneurs – as well as a different attitude to finance and relationship building. While it is called an incubator, Servane says that it is not an incubator in the traditional sense: *'I couldn't have copied any incubator that was on the market and made a female-only version of it. It doesn't work like this. It was the result of thousands of coaching conversations, observations, and analytics.'*¹⁰³

Ogunte uses a five-pillar methodology in its work with female entrepreneurs, which includes:

- > Growing leadership: through design-thinking coaching and training support, female social entrepreneurs understand their influence on policy, governance, and increase the quality of their advocacy.
- > Increased sustainability: the growth readiness and learning programme focuses on money matters and how they influence the decisions to grow operations.

- > Sense of connectedness: helping women to manage greater numbers, quality, and power networks.
- > Growth of confidence - one of its goals is to 'work with women so that they recognise themselves as genuine agents of change, exercising power and influence to change people's worlds for the better.' Confidence is described as a 'volatile currency', and Ogunte works with women to grow their confidence.
- > Enhanced sense of learning.

Case Study on F-LANE, Vodafone Institute, Germany¹⁰⁴

F-LANE is a fully paid-for, six-week acceleration programme based in Berlin for five high-potential digital impact ventures focusing on female empowerment launched in 2017. It is open to male and female social entrepreneurs. It is funded by the Vodafone Institute for Society and Communications (a think and do tank exploring the potential of digital technologies to improve political, social, and economic participation). It is run in conjunction with partners ImpactHub Berlin and the Social Entrepreneurship Akademie competence centre in the field of education for societal change.

The programme provides various benefits for impact entrepreneurs: a living stipend, an individualised curriculum, a corporate partner, access to funding, access to an impact ecosystem through ImpactHub and mentors. Selection criteria are for start-ups that: have a more-than-profit model; are aware of their impact; are scalable; can prove their concept; are focused on female empowerment; and, use technology to implement their ideas.

¹⁰² Interview with Servane Mouazan, 7 July 2014 in the GlobalInvestHer blog.

¹⁰³ Interview with Servane Mouazan, Wild Women Do, 25 March 2015.

¹⁰⁴ Most of the content for the case study on F-Lane, came from a Skype interview with Alice Steinbrueck, Director of Strategies and Programmes, Vodafone Institute (Berlin, Germany), 15 May 2017.

One of the motives for setting up the project was that the Vodafone Institute for Society and Communications has a goal to minimize gender equality in the tech industry and foster the participation of women in technological development. Before setting up the project, the Vodafone Institute conducted a study of 100 female business founders in the German digital economy, asking about the opportunities and obstacles they faced in business.

Some aspects of the programme were driven by the fact that it was aiming to be inclusive towards female social entrepreneurs: the programme was not too long and childcare was offered. Much of the curriculum was the same as what might be offered to male founders. According to Executive Director of F-LANE, Alice Steinbrueck, women social entrepreneurs did not appear to need more financial literacy training than men. However, there was a specific segment within the programme about pitching and presentation that was directed towards women.

The first acceleration programme was held in February 2017. The 80 global impact hubs sent a message about the programme and F-LANE received 155 applications. There was an initial concern that there may be insufficient demand for the programme as it combined social entrepreneurship, women, and technology. This anxiety was disproved by the quantity and quality of the applications.

The projects were filtered down to 12 finalists (through analysis of business plans, as well as Skype calls with the founders) who were reviewed by the advisory council. Five social ventures were selected, of which three had female founders and two had mixed male/female co-founding teams:

> **Ask Without Shame, Uganda:** provides emergency sex education via mobile to young people aged from 12-35 without judgement or shame. Led by female founder, Ruth Nabembezi.

> **DigiSitter, Germany:** facilitates the reconciliation of work and family. DigiSitter is an application that works like a digital 'family fridge'. Founded by Kaharina Schiederig and Ashish Pratap.

> **Lensational, Hong Kong:** Lensational equips marginalised women and girls in developing areas with second-hand cameras and photography training through locally established charities. Women gain creative and digital skills and therapy through Lensational's advocacy and e-commerce platform. Founded by Bonnie Chiu.

> **Securella, Morocco:** to increase the safety of women on the streets, Securella offers a multi-layer approach based on confidence, community, and technology. Founded by Samia Haimoura.

> **Wazi Vision:** provides affordable eye care to children aged 6-15 in Uganda. The Wazi Vision App (mobile eye screening application and virtual reality) diagnoses vision defects and provides eye glasses handmade by Uganda's female artisans who are also trained to carry out simple tests with the wazi vision testing mobile application. Founded by Brenda Katwesigye, Uganda.

The programme worked well because there was a positive and nurturing atmosphere among the social entrepreneurs, who were all living under the same roof. Although the programme was extensive and intensive. Outcomes of the first round were that two ventures received new investment, one obtained a new partner, and the others are working on their scaling up strategies. Based on the success of this initial round, the idea is to roll-out the programme and have five teams coming through every three months i.e. 20 supported start-ups each year.

Clearly Social Angels, UK¹⁰⁵

Founded in 2012, Clearly Social Angels is a private members organisation managed by ClearlySo for high-net-worth individual investors dedicated to investing with an impact lens. CSA meets every six weeks to discover and invest in enterprises who need capital and guidance to catalyse their growth and offer compelling and innovative solutions for social and environmental problems.

While the investor community started with 40% females, the representation is now around 30% females of the core group of 40 impact investors (whereas there are about 25% women in the larger investor network of around 600 people). This is significantly higher than the normal angel investing figure of around 6-8% in the UK. **Suzanne Biegel who started the group feels that this diversity leads it to positively question their investments for their impact on women; it means that they consider women entrepreneurs and co-founders equally to men in screening and selection, look at gender equity in senior management, and actively look at gender as a factor in predicting the success of the venture.**

Some 40% of 46 ventures backed by CSA over the last five years have a women founder or co-founder. Suzanne Biegel says: *‘we have really been openly looking for female social entrepreneurs. Even in the unusual places.’* And having a portfolio filled with women, and an investor base with a significant number of women, plays a signalling role – we are open for business for women as investors and as entrepreneurs.’ Within the group, men are just as likely to invest in women founders as women. There is a high proportion of women on the ClearlySo team, and the founder, Rod Schwartz, has always worked with and supported female social entrepreneurs. According to Suzanne, *‘we have had men who really got it’.*

Some examples of Clearly Social Angel gender lens investments include:

- > **Digital Mums (female founders – Kathryn Tyler and Nikki Cochrane):** this social enterprise trains low-income mothers on how to improve their social media capability.
- > **Fair Finance (male founder – Faisal Rahman).** This is considered a gender lens investment because of its social impact on women: it employs a high number of women; helps the financially excluded access finance at affordable rates; offers microfinance to entrepreneurs; and provides advice and support to the over-indebted. About 70% of their customers are women.

From her experience working with female social entrepreneurs, Suzanne Biegel notices that: *‘many (but not all) really need support. They need the normal business development support. I wouldn’t necessarily say that they need this more than men. What they need is to feel free to admit what they don’t know in a different way.’*

When setting up CSA, women said that they would rather be in a mixed group. Suzanne Biegel believes that the culture of the group is more important than the male or female component. CSA has been lucky enough to have *‘some phenomenal men who really get it about women.’* While in a training context, it can be fantastic to have women working with other women, support for entrepreneurs can of course come from men and women equally. *‘It is hard enough to build a venture in the first place – early stage entrepreneurs need supportive angels and mentors around them. It’s just good when there is a gender balance across the board’*, says Suzanne.

¹⁰⁵ For this case study, Suzanne Biegel was interviewed by telephone on Monday 27 March 2017 and the quotes come from this interview.

Gendered Innovation Accelerator, Italy¹⁰⁶

The Gendered Innovation Accelerator (GIA) is a response to the perceived male domination of the IT industry, responding to some stark statistics such as that in the early 1980s almost 40% of computer science graduates in the USA were women, whereas the number now has dropped to 13% – while 83% of software programmers are men.

According to Gerardo Greco, founder and president of the Gendered Innovation Accelerator, innovation is a gendered concept and he is seeking to build a more distinctive and feminine innovation model, focusing on traits such as empathy, collaboration, solidarity, holistic thinking, and creativity. He is building a multinational co-creation team largely composed of women. Unlike the traditional individualistic concepts of accelerators, Gerardo comments that: ‘women need to be part of a group or a network’. He proposes to work in the opposite of a top-down approach.

The GIA plans to launch the Sorority co-creation node (blockchain-based solutions) in a Nordic capital, the Life co-creation node (IoT, mHealth and Transformational Tech-based solutions) in Vancouver and the Cogito AI co-creation node (AI-based solutions) in Rome, all women-based, focused at globally improving the quality of life of women, and empowered by the dedicated GIA Fund in New York.

The GIA is currently in fundraising model, talking to unidentified potential supporters in the university sector, venture capital sector and in the private wealth world. In terms of product development, at the moment they are in discussions with the Ministry of Defence in Rome. For example they are looking into dual innovation solutions for Post-Traumatic Stress Disorder (for veterans and rape survivors) as well as a non-offensive anti-terrorism solution focused on migrant women, based on the assumption of putting women more at the centre of the discourse in terms of countering violent extremism (inspired by UNSCR 2242 on Women, Peace and Security Agenda).

Gerardo Greco: ‘The accomplishments of the existing male IT industry so far constitute a fundamental step. However, the core traits around which the sector evolved are inept to generate a greater social impact, let alone the goal of gender equality. We need to nurture radical changes in the IT industry culture – and the cultural pillars that support it – to be able to meet the current challenges and catalyse not just economic growth but real progress, social and technological. The agents of this rebalancing effort are women (and forward-looking men) expressing their unique potential towards a higher social good for all through the means of IT.’



¹⁰⁶ Skype interview with Gerardo Greco, Wednesday 28 May 2017; Memo by Gerardo Greco on ‘Women Reshaping the Information Technology and its Social Impact’.

2.3. Can the European social entrepreneurship sector become more gender aware?

Most European social investors do not see an urgent need to work with a gender lens.

Social investors seemed to unanimously feel that gender equality was an important issue. And many felt more could be done to encourage female entrepreneurship (which in some countries such as Germany was encountering specific barriers around childcare for very young children).

Yet most social impact investors interviewed (apart from those who are leaders in the gender lens movement) illustrated little sense of priority/urgency around the adoption of a gender lens in their activities. This is partly because they had not looked deeply or thought about these issues. The exception seems to be interviewees from the social banking sector, who did seem convinced that there was a problem both in terms of female social entrepreneurs accessing finance and the male-dominated finance paradigm, as well as an opportunity to be seized.



Malcolm Hayday, ex-CEO Charity Bank, UK

‘There is still a big untapped market out there for gender lens investing. There is a growing marketplace for providing products and services for women and to make women’s lives more equitable, even in European countries.’¹⁰⁷

What is clear is that the general discourse and framing around gender is different in Europe than it is in the USA. A more feminist discourse around gender and impact investment/social entrepreneurship adopted by gender lens activists/practitioners in America appears to be less suitable for the European context. According to Hedda Pahlson Moller: *‘as it has played out in*

*Europe, the gender lens movement has focused more on the idea of waste i.e. that lack of female participation is a vast waste of human capital’.*¹⁰⁸ The European gender lens pioneers are framing this area more as an opportunity within an underserved market. According to Suzanne Biegel, who has worked with many British impact investors on this topic: *‘this is about women being smart and capable, in how they build teams, negotiate and go after the market opportunity’.*¹⁰⁹ Uli Grabenwarter from the EIF believes that there is a case for having a gender lens strategy focused on female entrepreneurship, since it is an underserved segment (there are such EIF funds in mainstream female entrepreneurship).

For European impact investors already involved in the gender lens movement, there needs to be more focus on having men as well as women tell the story, and a more inclusive framing, which includes the positive impact on men (and importance of men) in some of the gender issues of today (e.g. childcare and work/life balance). Indeed, **one of the innovations that European gender lens investors are introducing is a greater focus on the wider implications of gender lens investing for both men and women.** The idea being that men also benefit enormously from female empowerment, and that a more holistic view of the inter-related gender challenges needs to be adopted, recognising that men also face many gender challenges (for example in becoming more active fathers and sharing more of the caring workload). Linked to this is a key unanswered question for European investors: how far and in what way is there a need for gender lens activities focused on European markets/economies (rather than European impact investors who are investing in the developing world). The business case and opportunity will differ from most gender lens social entrepreneurship initiatives (which have been more focused on the developing world). There are specific areas – such as the work/life balance and family life or the declining presence of women in technology – that are areas of potential activity for gender lens impact investors to concentrate on in Europe.

¹⁰⁷ Interview with Malcolm Hayday, 24 May 2017.

¹⁰⁸ Interview with Hedda Pahlson-Moller and Larissa Best, Friday 24 March 2017.

¹⁰⁹ Telephone interview with Suzanne Biegel Monday 27 March 2017.

A high proportion of social investors are open to working with a gender lens, but the main barrier is the relative prioritization of this issue.

As with any field, there are some who are more open to the idea and some that are more sceptical. However, overall, feedback was positive about bringing a gender lens into the social impact investment arena.



Johan Heep, Erste Group

‘Our job is to see which segments are under-served by banks and if this is a women’s issue, we would say: let’s do it! We are always looking for opportunities.’¹¹⁰

One of the key barriers mentioned by several investors was that social impact investment is struggling to gain a foothold in Europe, and that energy and priority must go into building the sector, rather than focusing on a specific part (i.e. gender). In countries with small impact investment sectors, the issue of gender is not the first to come up. Social investors seem to be concerned about building a pipeline of investible social enterprises and feel that a focus on gender could be limiting when a shortage of high quality social entrepreneurs is perceived. According to Uli Grabenwarter from the EIF, *‘impact investing is struggling to demonstrate its value proposition. To do this with a subset, i.e. gender lens investing, would be exponentially more complicated. The promotion of female entrepreneurship must be the pursuit of an untapped opportunity, not a constraint to prove the dynamics of an ideal world.’¹¹¹*

Another barrier was the perceived lack of clarity and evidence around gender lens impact investing: i.e. why is it a problem, what is the theory of change that could reduce the societal issue attached to it, and what is its impact on women as well as the wider community.

There was also a sense from some social investors that **focusing on gender touched on difficult themes and debates about positive discrimination.**

Finally, social investors interested in the topic felt that **some external catalyst was needed to make this happen, and that there were neither the skills, knowledge, nor internal experience to start adopting a gender lens impact investment approach.**

Developing the gender lens investing field in European social entrepreneurship.

There appears to be some interest in gender lens investing as it relates to social entrepreneurship. However, there is a lack of confidence and knowledge about how to adopt a gender lens – as well as a concern that it could be limiting rather than enhancing to the impact investment movement. Moreover, given the newness of the movement there is no track record for gender lens investing initiatives. In America, similar barriers and issues were encountered, but the field was kickstarted by certain pioneering players. Key tips/learnings from these first American efforts are captured by the thought leaders in the box below and may assist European experiments.

¹¹⁰ Interview with Johan Heep, Erste Group, Tuesday 23 May 2017.

¹¹¹ Telephone call with Uli Grabenwarter, Deputy Director, Equity Investments, European Investment Fund, 15 May 2017.

TIPS FOR GENDER LENS INVESTING, SARAH KAPLAN AND JACKIE VANDERBRUG¹¹²

Design with women, not for them. Women should be involved in every stage of the discussion about investing with a gender lens, and in significant enough numbers that they are not merely tokens.

Use a gender lens to expand rather than narrow opportunities. A gender analysis is not only a screen that narrows the scope of action; it can also uncover hidden opportunities and provide unexpected insights.

Do not be afraid of quotas. Quotas are a blunt instrument, but often a useful way to start a conversation. For example, by asking if there are at least three women on a company's board of directors, one can begin a conversation about why there are not.

Use a gender lens across the entire value chain. Opportunities for shifting value and empowering women can come during all phases of the process, including financing, design, production, distribution, and after-sales service.

Do not ask women to change to fit the system. It is not enough to have a meritocratic system because the criteria people use are often gendered. Instead find ways to change the system so that outcomes are truly equal.

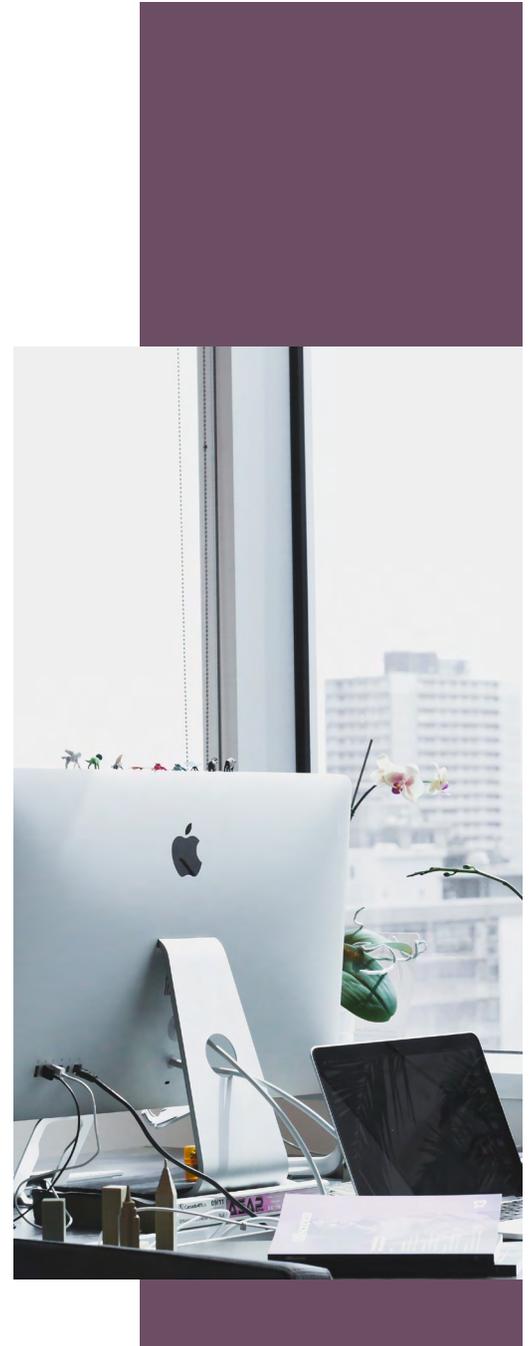
Assume implicit bias against women until proven otherwise. Men and women alike are socialised within a gendered system. Look for unconscious bias in metrics, decision-making processes, etc.

Start. There are lots of subtleties, but it is important to start the process. Focusing on gender can feel like a minefield, but the upside of uncovering hidden opportunities is too good to pass up.

¹¹² Sarah Kaplan & Jackie Vanderbrug, 'The Rise of Gender Capitalism', Stanford Social Innovation Review Fall 2014.

The European trajectory for gender lens investing is likely to resemble that of America, although it relies on several catalytic organisations and initiatives coalescing and building the field together, as well as confronting some doubts about its importance and timeliness. The EVPA has already played an important role in highlighting gender lens investing to venture philanthropy and social investors: there are gender lens investing panels at its annual conference; training sessions are held on due diligence with a gender lens; and there is an EVPA working group on gender lens investing. Umbrella bodies such as the EVPA will play an important role in cross-European knowledge-sharing and making gender lens investing practices more visible and accessible. However, the research shows that many European social investors are still unaware of the issue, and there is a significant amount of work to be done to create more gender awareness in the European social enterprise space. More cross-border European knowledge sharing and collaboration is essential.

It is encouraging that at the European political level, the issues of gender equality/female empowerment within the social entrepreneurship agenda is being taken more seriously. In the recent GECES report for the European Commission, **working towards gender equality was considered a key theme** for social enterprises. This could encourage more focus and work in this area.¹¹³



¹¹³ Commission Expert Group on Social Entrepreneurship (GECES), 'Social enterprises and the social economy going forward. A call to action', October 2016.

EUROPEAN COMMISSION EXPERT GROUP ON SOCIAL ENTREPRENEURSHIP – DISCUSSION ON GENDER EQUALITY

Numerous studies have shown the importance of fighting gender discrimination to improve both the financial performance and social impact of any organisation. Every organisation should support gender equality internally and externally, but social economy and social enterprises must be exemplary in this regard, as their vision and objectives are often based on values such as solidarity and equality.

Women more often hold senior positions in social enterprises than in traditional SMEs. In the United Kingdom for instance, 40% of social enterprises were managed by women in 2015, compared to only 18% in traditional small businesses. However, these efforts need to be sustained, especially if social enterprises wish to keep their reputation as agents of positive and progressive change in the European Union. In this regard, the European Commission, and the various levels of authority in the member states, must support them. This means implementing tailored measures to improve access to funding and strengthening women's leadership and managerial skills. These include enhancing self-confidence, conducting additional research, collecting more data on women's participation in the social economy and social enterprises, increasing access to information, and the availability of mentoring programmes and support structures.

Following its strategy for equality between women and men (2010-2015), the European Commission introduced a Strategic Engagement for Gender Equality 2016-2019. Social enterprises have a specific responsibility in terms of gender equality and they need to lead by example. Gender equality should therefore be a principle at the core of recruiting and career development policies in the social economy and in every social enterprise: the right of women to access the same opportunities and resources as men, and women's decision-making capacities cannot be overlooked by social enterprises, as this would considerably weaken the overall potential of communities and societies.



What is needed for the European social entrepreneurship/ impact investment sector to start becoming more gender aware? Perhaps an increased awareness and understanding of gender lens investing and its benefits; greater skills and knowledge in terms of using a gender lens; and further experimentation and practice with gender lens activities by European players in the social enterprise/social impact investment ecosystem.¹¹⁴ This report will hopefully shine a light on the issue and create some momentum for specific actors within national ecosystems (and especially those in Spain) to become more informed and active.

Some ideas and approaches for the European social impact investment sector to adopt a gender lens.

As the figure below shows, there are many different players involved in the gender lens investing ecosystem.

Figure 10: The Women Effect Landscape¹¹⁵

THE LANDSCAPE: OVERVIEW



¹¹⁴ Ceri Goddard and Katherine Miles, 'The Sky's The Limit: Increasing social investment impact with a gender lens' (2016), page 45.

¹¹⁵ The Women Effect, 'Gender Lens Investing, A Guide to Roles in the Ecosystem' November 2016, page 3.

In terms of what the use of a gender lens might look like, there are a host of gender lens activities that players within the European social entrepreneurship and impact investment ecosystem can draw inspiration from – as described earlier in the report: female entrepreneurship communities; gender lens angel networks; and crowd-funding initiatives. What is useful and appropriate depends on the context in each country, and the specific needs and gaps.

When going beyond simply investing in female entrepreneurs, and thinking about investing in products and services that further gender equality, investors might consider which women’s issue area they would like to focus on. Existing frameworks such as the Five Dimensions of Women’s Lives with the Key Indicators and Determinants of Progress, developed by the Centre of Philanthropy at the University of Pennsylvania, might be helpful:

Figure 11: Five Dimensions of Women’s Lives

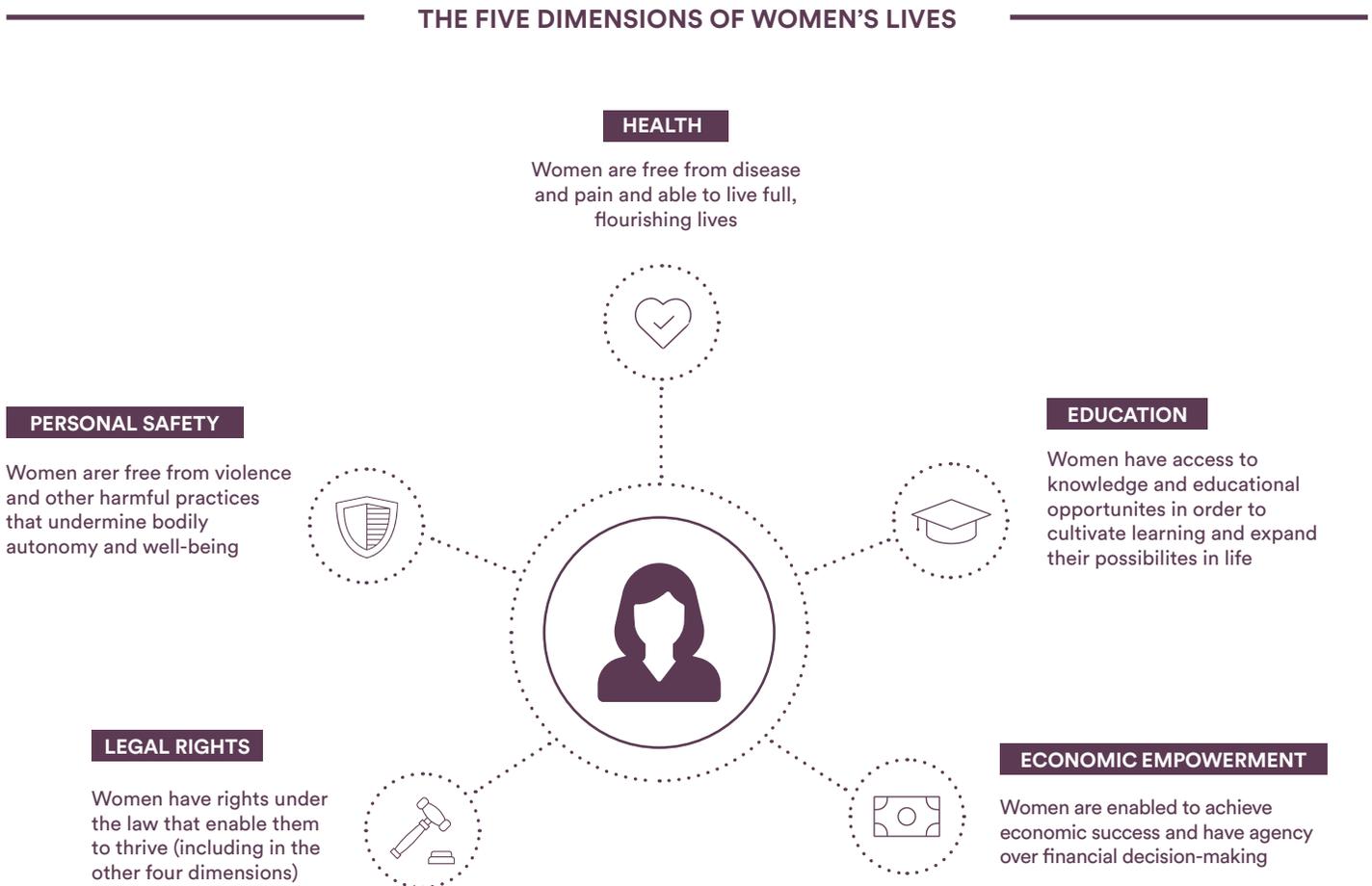


Figure 12: Key Determinants of Progress¹¹⁶

All the players in the social entrepreneurship and impact investment ecosystem could usefully examine how they might adopt a gender lens. Appendix 4 contains a guide to practical resources for investors.

KEY INDICATORS AND DETERMINANTS OF PROGRESS

	OVERALL OUTCOME MEASURES	DETERMINANTS OF THOSE OUTCOMES (AND ASSOCIATED MEASURES)
HEALTH 	<p>Years of Life Lost (premature death measure)</p> <p>Years Lived with Disability (disease & disability measure)</p> <p>Maternal Mortality Ratio (female-specific health measure)</p>	<p>Nutrition (Body mass index, Low Birth Weight)</p> <p>Water & Sanitation (access to safe and clean drinking water, access to safe method of human feces removal)</p> <p>Mental illness (self-reported prevalence rates, numbers of people seeking help)</p> <p><u>Specific to Maternal Mortality Ratio:</u></p> <p>Access to contraceptives (percentage of women of reproductive age who have an unmet need for family planning)</p> <p>Presence of a skilled attendant at birth</p>
EDUCATION 	<p>Enrollment rates (educational access measure)</p> <p>Completion rates (educational attainment measure)</p> <p>Literacy rates (educational achievement measure)</p>	<p>Compulsory & tuition-free education (generally measured by presence of country-level policy)</p> <p>Living in poverty (most commonly defined globally as living with \$1.90 or less per day of purchasing power)</p> <p>School environment (school infrastructure and resources, geographic distance from school, water and sanitation)</p> <p>Health (rates of infectious disease, malnutrition, rates of teen pregnancy)</p> <p>Cultural norms (attitudes toward child marriage and overall gender roles)</p> <p>Safety (country conflict, violence at home, violence in school)</p>

¹¹⁶ The Centre for High Impact Philanthropy, University of Pennsylvania, 'The XX Factor: A Comprehensive Framework for Improving the Lives of Women and Girls.' (2017).

	OVERALL OUTCOME MEASURES	DETERMINANTS OF THOSE OUTCOMES (AND ASSOCIATED MEASURES)
ECONOMIC EMPOWERMENT 	<p>Household wealth (economic status measure)</p> <p>Control over household spending (economic agency measure)</p>	<p>Female labor force participation (percentage of population that is working or actively seeking work)</p> <p>Access to finance (having an account at a financial institution, having access to credit)</p> <p>Access to internet & mobile phones (owning or borrowing a mobile phone, internet use)</p> <p>Educational attainment (the highest level of school an individual has completed)</p> <p>Marriage/reproductive health agency (ability to decide when and whom to marry, when and how many children to have, and whether or not to leave a marriage)</p> <p>Property rights (ability to own land and other assets, such as livestock or small farm equipment)</p> <p>Equitable work-related policies & practices (equal pay for equal work, paid maternity leave, freedom from discriminatory labor laws)</p>
PERSONAL SAFETY 	<p>Proportion of women subjected to physical and/ or sexual violence by a current or former intimate partner, in the last 12 months (intimate partner violence measure)</p> <p>Proportion of women subjected to sexual violence by persons other than an intimate partner, since age 15 (non-partner sexual violence measure)</p>	<p>Educational attainment (the highest level of school an individual has completed)</p> <p>Child marriage (large age difference between child bride and husband as an important risk factor)</p> <p>Living in poverty (most commonly defined globally as living with \$1.90 or less per day of purchasing power⁹)</p> <p>Attitudes toward women in a society (particularly around the use of violence against women)</p> <p>Economic opportunity for women (see economic empowerment measures above)</p>
LEGAL RIGHTS 	<p>Percentage of women in national parliament (governance rights measure)</p>	<p>Improved educational and economic opportunities for women (influenced by the determinants in the education and economic empowerment sections above)</p> <p>Presence of a female political quota (mandatory or voluntary)</p>
	<p>Our five dimensions are interconnected. This is particularly evident when you look at legal rights for women. To the right, we recap the legal rights that link to positive outcomes in each of the other four dimensions above. In fact, many of these rights affect outcomes across multiple dimensions, as highlighted in our “Ten Best Bets” – see page 11 of the full PDF report.</p>	<p>Health: reproductive rights (access to safe, effective, and affordable methods of fertility regulation, and access to healthcare services during pregnancy and childbirth)</p> <p>Education: compulsory and tuition-free education policy</p> <p>Economic empowerment: property rights & equitable work-related policies & practices</p> <p>Personal safety: protection from child marriage</p>

CALVERT FOUNDATION: DO'S AND DON'TS OF GENDER LENS INVESTING¹¹⁷

- 1 Do put research into practice: the impact investing field has been the subject of many studies, as established think tanks seek to quantify the financial gaps and opportunities in certain markets, the impact benefits of certain products and services, and the resources needed to advance our field.

- 2 Don't consider gender a sector: we should see women, or gender, as a lens because gender cuts across sectors. In each sector – access to finance, energy, health, and education – we need to focus on certain gender elements that create more opportunity for women.

- 3 Do focus on one sector and its intersection with gender dynamics: we've learnt that focusing on one sector offers the most potential to instil a gender mentality among investors and investees.

- 4 Don't create highly specific impact screens.

- 5 Do collect data that has both an impact and financial benefit to the enterprise: when faced by human capital constraints, many social enterprises consider impact reporting as an added investor requirement with no financial return. This perception could be reversed if we collect data that fits investor impact reporting requirements, but also enterprise growth goals.

- 6 Don't over burden the end-borrower with exhaustive metric requirements.

- 7 Do focus on the type of investing you do best: investors could create better outcomes by building their strengths in a given vertical in the value chain. Our lending through WIN-WIN will be concentrated on financial intermediaries in the clean energy space, enabling these enterprises to scale and channel more capital to social enterprises.

- 8 Do partner with other investors to advance enterprises along the financial value chain.

- 9 Don't focus the gender analysis only on the impact side.

- 10 Do share your successes, failures, and the lessons you've learned.

¹¹⁷ <http://www.calvertfoundation.org/blog/536-gender-lens-investing-advice>.

A close-up photograph of a woman with long blonde hair, wearing a blue top, sitting at a desk and writing in a spiral-bound notebook with a black pen. The notebook is open, and the page she is writing on has some faint, illegible handwriting. The background is softly blurred, showing what appears to be a classroom or office setting with other desks and chairs. The lighting is bright, suggesting a window nearby. A semi-transparent purple rectangle is overlaid on the top left of the image, containing the chapter title. Another semi-transparent purple rectangle is overlaid on the middle of the image, containing the subtitle.

Chapter three

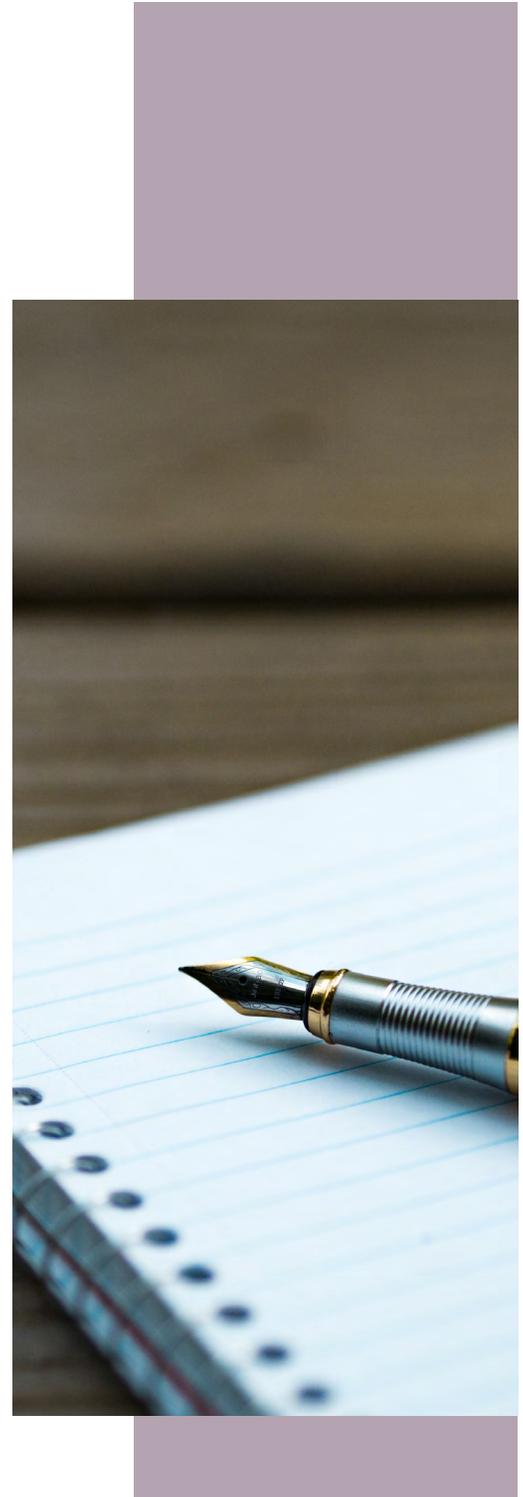
Country case:
gender, finance, and social
entrepreneurship in Spain

Introduction

To gain a more profound understanding of the issues surrounding gender and finance in the social enterprise ecosystem, we performed an in-depth study of Spain. We felt that it was important to hear the voices of social entrepreneurs and social investors to understand the different perspectives and so generate a more holistic understanding, in at least in one country, of what is happening in relation to gender, social entrepreneurship, and finance. One of the challenges of the movement is the different perceptions on each side of the table: for example, social entrepreneurs often complain about a lack of funding opportunities, while social investors feel that there are insufficient investible deals.

On the issue of access to finance, we were interested to discover whether this was a gendered issue in Spain, and how. For example, how do male and female social entrepreneurs access finance? How do they relate to and feel about finance? And what role does gender play in access to finance? We were also interested in finding out whether social investors feel that gender is an important issue, how far they take it into account, and what is their perspective of the dynamic between gender and social entrepreneurship. With these investor and investee voices, we aimed to generate a more balanced view of what needs to change, understanding both the demand and supply side of the equation.

For this case-study, we conducted a quantitative survey of 100 social entrepreneurs (59 female and 41 male), asking questions about access to finance which were supplemented by qualitative in-depth interviews. We also conducted qualitative interviews with female social entrepreneurs. On the social investor side, we spoke to some of the principal incubators and accelerators, as well as smaller individual investors. We recognise that we have not included the perspectives of all players in the Spanish social enterprise ecosystem, but just a sample.



The voice of male and female social entrepreneurs in Spain: gender and social finance. Results from the survey conducted to 100 social entrepreneurs (59 female and 41 male)

TYOLOGY

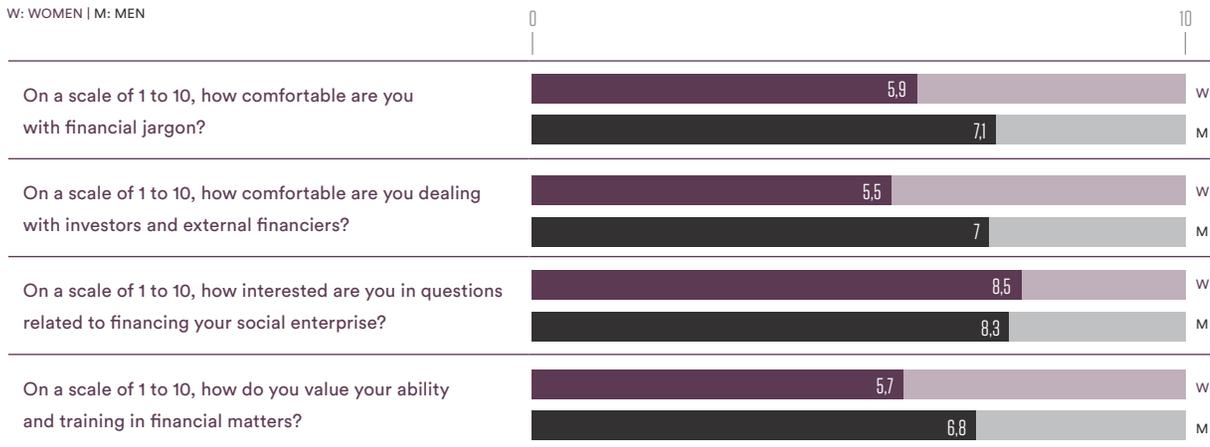
- > **There are no major sociodemographic differences between Spanish male and female social entrepreneurs**, but female social entrepreneurs spend more time on domestic work, less time on their social enterprise, and have less previous experience (which might hinder their possibilities to access external funding).
- > **Female social entrepreneurs are creating businesses which might be valued as less attractive for potential investors**
 - o They tend to work in sectors that are traditionally less valued by investors (such as health, care, education) and have smaller and younger social enterprises. These factors may also condition how they access external funding.

ATTITUDES TOWARDS FUNDING

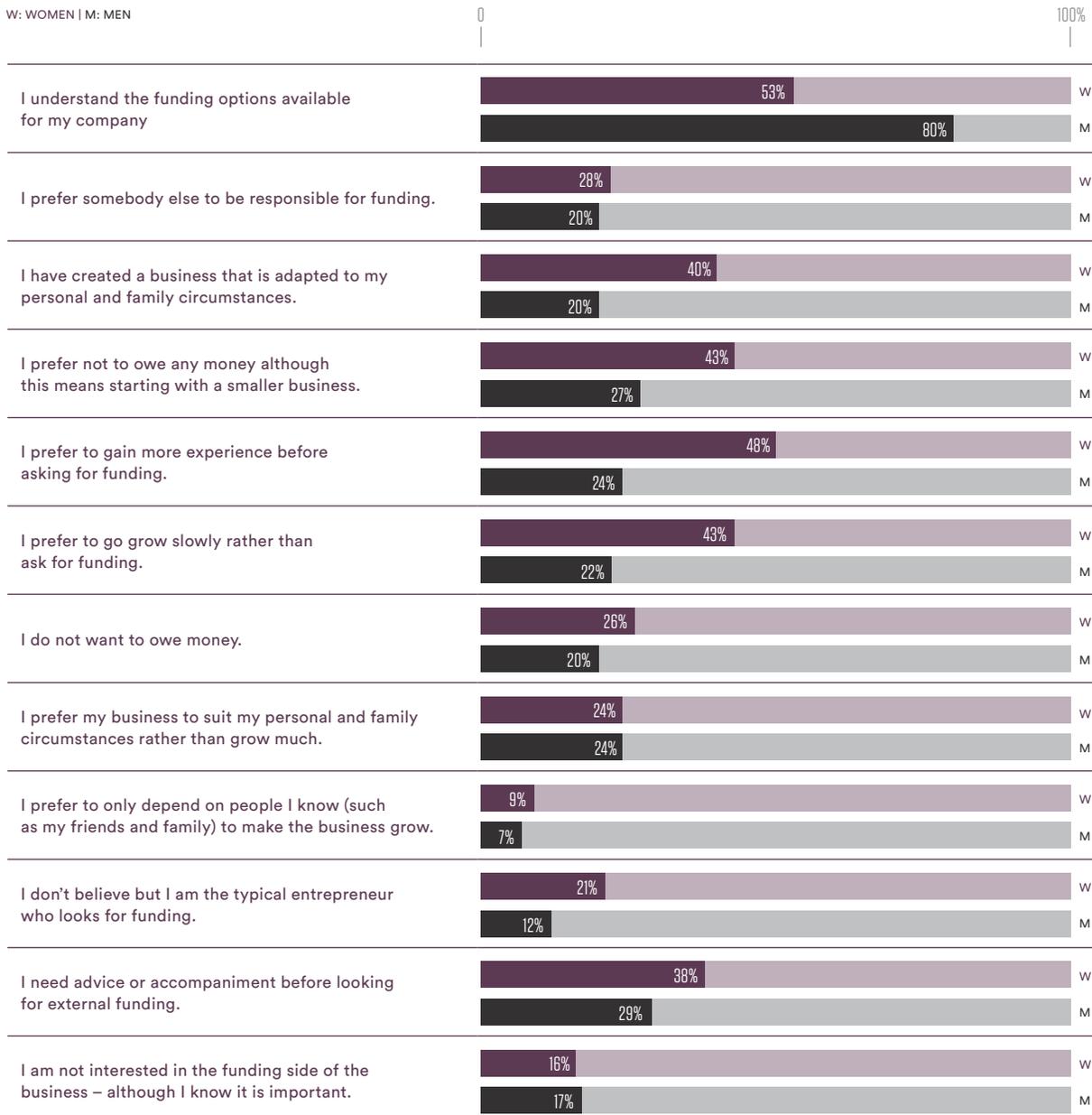
- > **Female social entrepreneurs have a different attitude towards funding than their male counterparts:**
 - o Women showed less confidence in the growth possibilities of their social enterprises, at the same time as they showed themselves less comfortable with financial terminology and their ability to speak to investors (despite being equally interested in finance). For instance, only 3% of female entrepreneurs claim to be 'very comfortable' with financial terminology compared to 15% of male entrepreneurs.
 - o The survey did not illustrate a different attitude towards risk between men and women, but female social entrepreneurs were more prudent when they sought external financing. They were also more likely to prefer not to owe money to third parties, to start with a smaller project, and to have more experience before looking for financing.
 - o Importantly, women were less informed about external finance opportunities: only 53% of women stated that they were aware of different financing options compared to 80% of men.
- > Other relevant differences between male and female social entrepreneurs identified in the survey include: a notably higher percentage of women have learnt to deal in the financial field in an informal way (compared to most men having received formal training); a greater proportion of women have created a business adapted to their personal and family circumstances; and a smaller percentage have been in contact with a business angel.

**Attitudes towards finance. Differences between
male and female social entrepreneurs.**

W: WOMEN | M: MEN

**Which of these statements is true for you?**

W: WOMEN | M: MEN

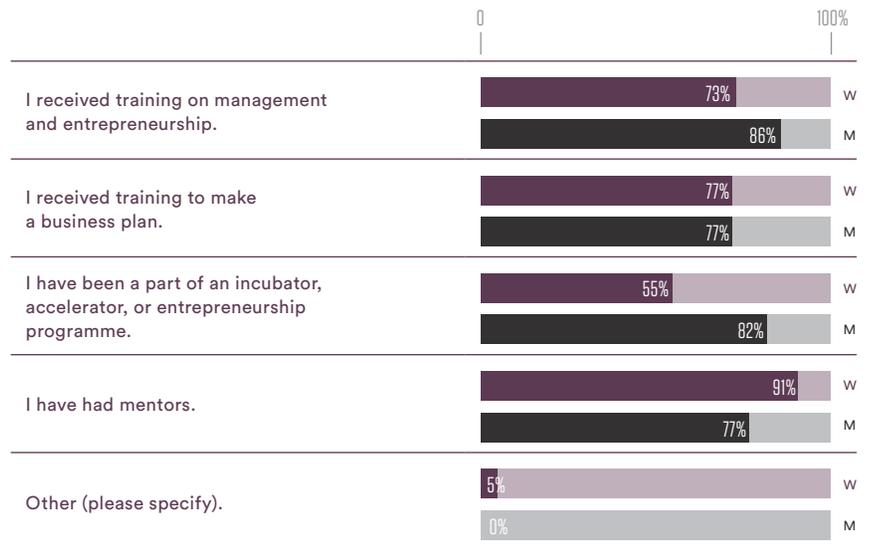


**DEPTH AND QUALITY
OF SUPPORT RECEIVED**

- > Women receive less support than men from external organisations – 65% of men received support compared to 55% of women, and just over half of women had been part of incubators, accelerators, or entrepreneurship programmes in comparison with 82% of men.
- > Women are active in networks – 81% of women belong to a network

**What type of help have you received?
(Indicate all the applicable options)**

W: WOMEN | M: MEN

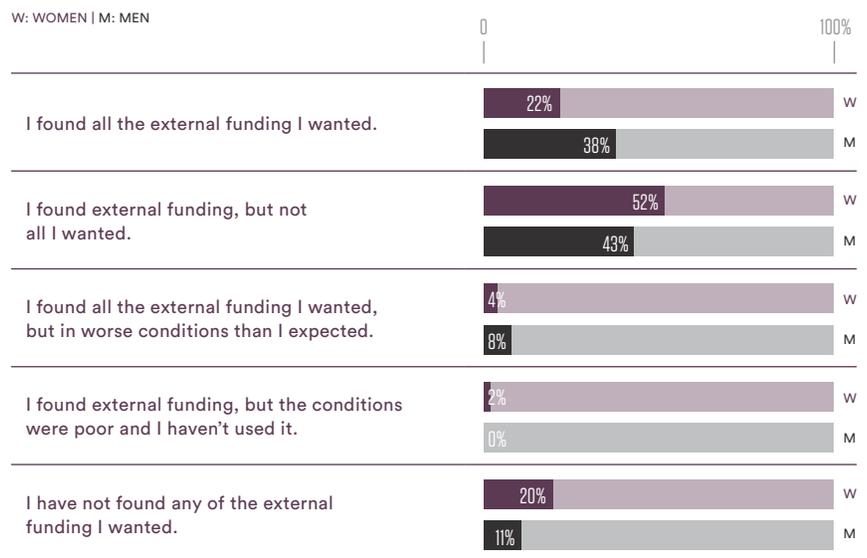


EXPERIENCES OF RAISING FINANCE AND TYPE OF FINANCE ACCESSED

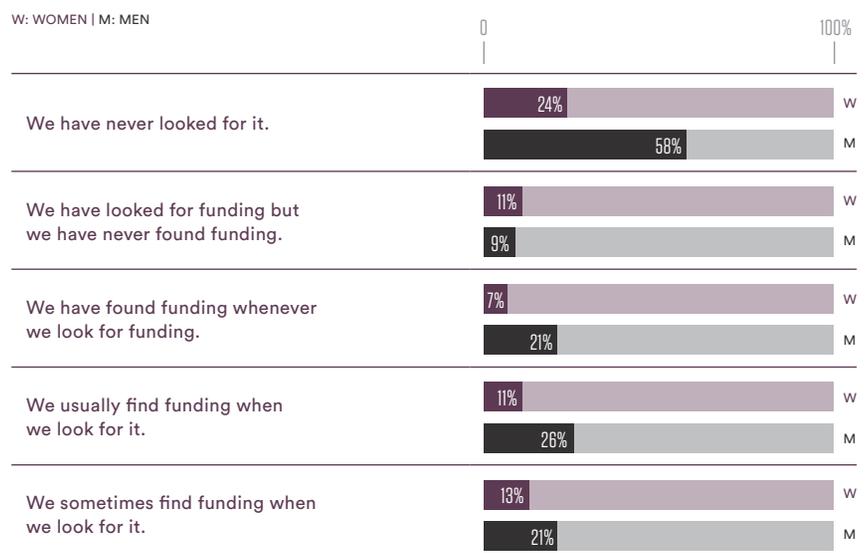
> Men start their projects with more investment, they look for it externally to a greater degree, and they achieve what they want more often than women. **Only 26% of female social entrepreneurs (in comparison with 46% of male social entrepreneurs) obtain all the external finance they want.**

> There is a large gap in terms of how far female versus male social entrepreneurs use bank finance – **58% of female entrepreneurs do not seek bank finance compared to 24% of male entrepreneurs.** In terms of business angels, 62% of men sought angels in comparison with only 29% of women at the start up stage. Women seem more reluctant about this type of external financing: 22% of women versus 0% of men have not sought bank funding because they do not want to lose control. There are also more women than men who have not looked for angels because they do not know how to access them, or they believe that they do not meet the requirements.

Have you been successful in looking for external funding? (mark only the option most applicable)

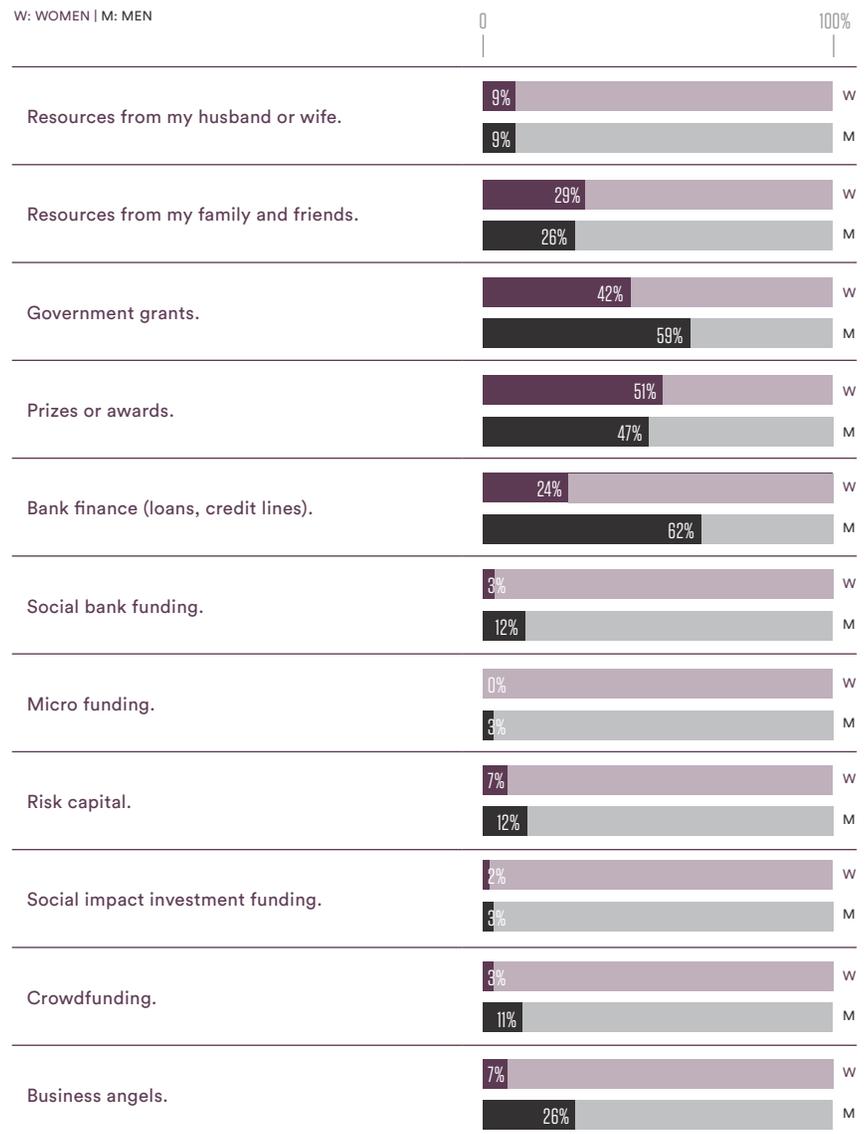


In relation to bank funding (mark only the option most applicable):



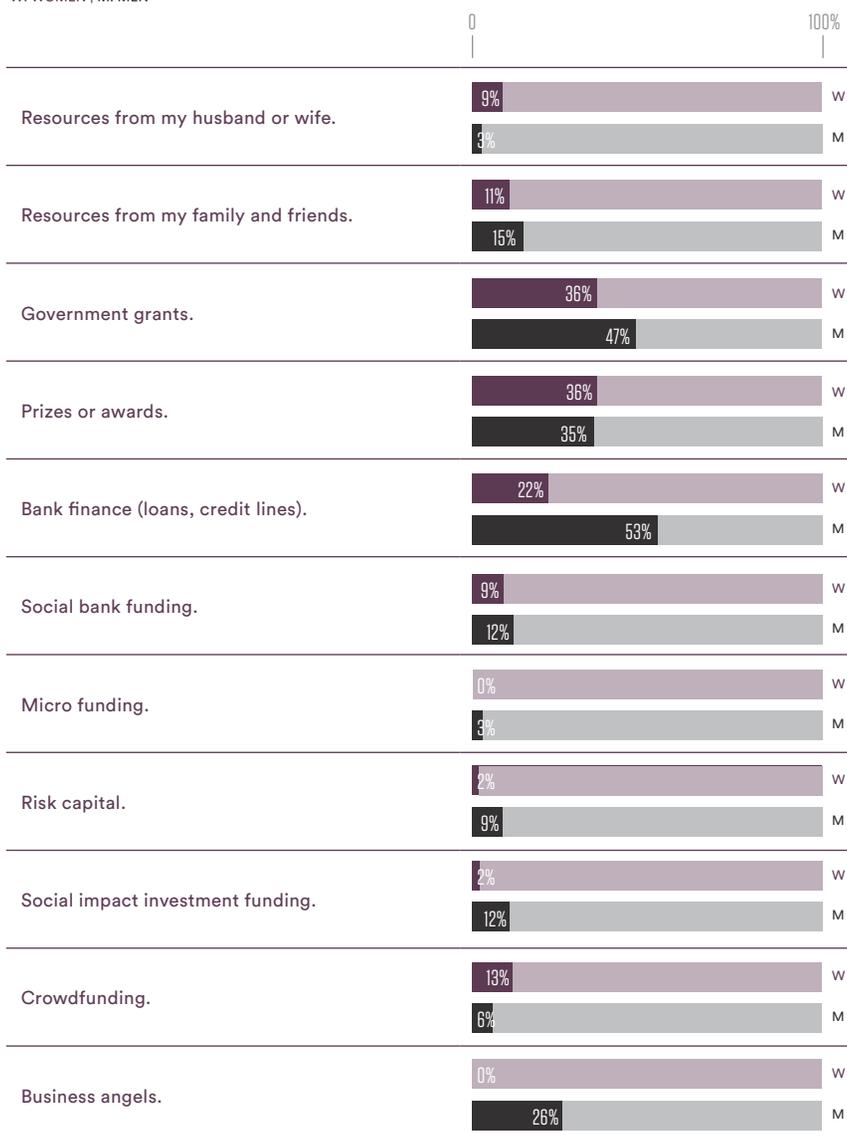
- > Both female and male social entrepreneurs showed a surprising reluctance to access finance from social or impact investors, business angels, microfinance, or crowdfunding.
- > Apart from their own resources, women entrepreneurs have sought and used mainly funds from prizes and government grants, both for the start up and growth stages. It is worth mentioning that 13% of women have used crowdfunding to grow and consolidate their social ventures (compared to 6% of man).
- > Moreover, failure rates are higher for women in almost all types of funding, both for the creation and consolidation of their social businesses.

Type of funding sought and obtained for starting an enterprise



**Types of finance sought and found to expand
or consolidate a social enterprise**

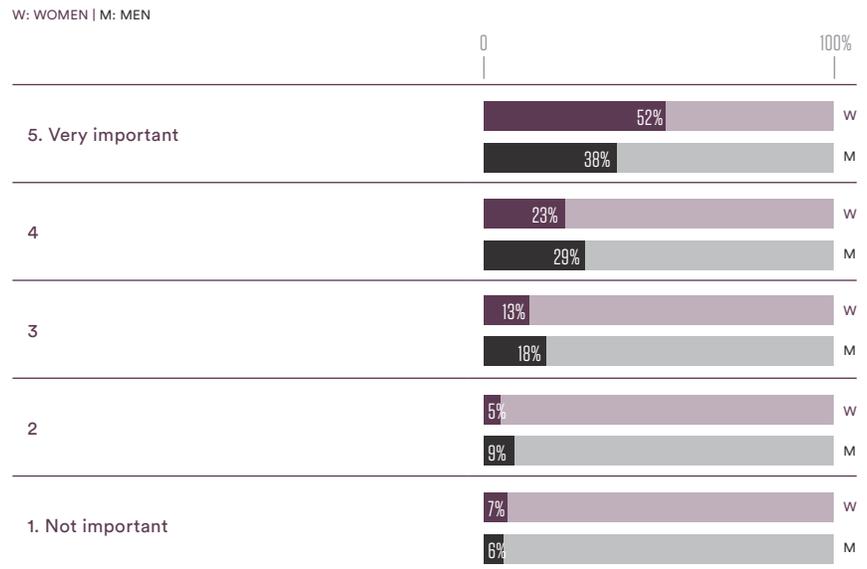
W: WOMEN | M: MEN



ATTITUDES TOWARDS GENDER EQUALITY

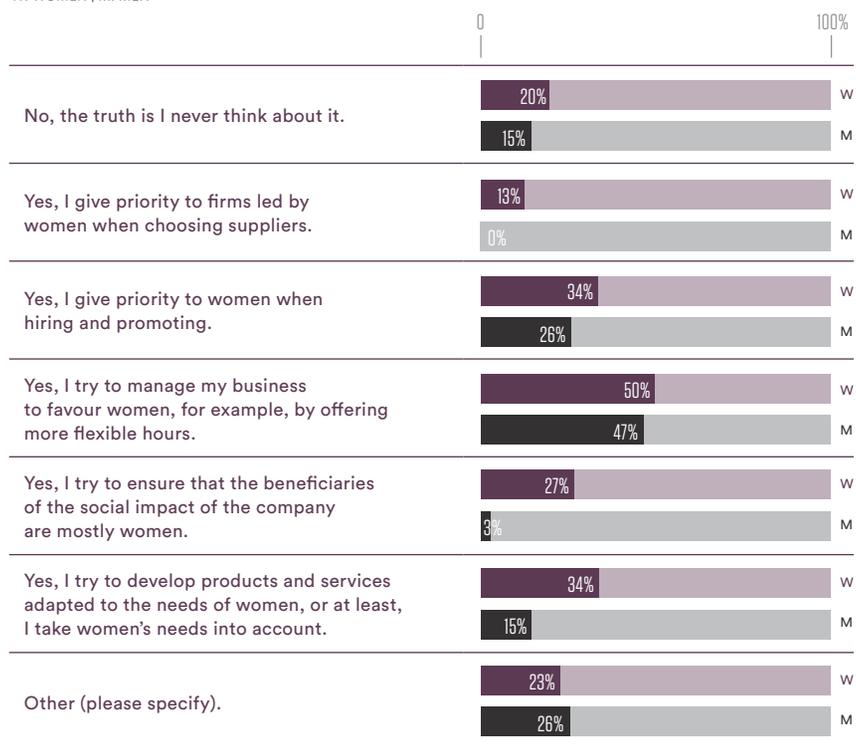
- > Male and female entrepreneurs show a significant commitment to gender equality.
- > However, this commitment is not necessarily reflected in practical initiatives. Half of female social entrepreneurs run their social enterprise in a way that is favourable to women (for example, offering working flexibility), but only a minority had made other initiatives, for example, aiming their goods or services to women, taking into account the needs of women when designing their goods and services, or in their supply chain.

What importance do you give gender equality when running your business?



Do you consider issues related to gender equality when running your business (indicate all applicable options).

W: WOMEN | M: MEN



PERCEPTIONS ON GENDER AND SOCIAL FINANCE:

- > Most female social entrepreneurs do not feel that being a woman influenced their ability to raise finance, and only 20% believe they had been discriminated against due to their gender.
- > However, qualitative interviews revealed the subtly gendering of the social enterprise ecosystem, with investors prioritising economic over social aspects (where women tend to put more emphasis than men on the social), emphasising scale and short-term objectives (which are quite masculine paradigms), with a 24/7 working culture seeping into social enterprise (making it harder for women with family responsibilities). These are all combined with a stereotypical and heroic idea of the self-sacrificing social entrepreneur.



Sandra Arévalo, founder of Wisar
by Talent Revolution

'I do not believe that funding is the main constraint on the development of my business. I think it would be more related to the difficulties of operating in social impact environments, without a focus on the economic outcome and scalability'.



Alicia Carpio, co-founder of Q'omer

'Measuring a new social enterprise only by impacts not yet achieved is unfair and incoherent. You must give enough time. The world of entrepreneurship has become so fashionable that it now seems that only 'dream' projects in the earliest phases are sought. When projects cease to be projects and become realities, then entrepreneurs find themselves in the real world and begin to revise goals and numbers downwards – then it seems that such projects stop being interesting. It would be good if the sector that rewards ventures was aware of this reality and understood that processes require effort, energy, and in many cases more time than originally planned.'

THE VOICE OF SPANISH SOCIAL INVESTORS: HOW FAR IS ACCESS TO SOCIAL FINANCE GENDERED?

- > **Findings from the survey of social entrepreneurs** show there is a relatively even ratio of support for male and female social entrepreneurs by players at the early stages; however, at the acceleration or external financing stage, there is a sharp drop in the number of female social entrepreneurs selected and funded. This is partly driven by the lower number of applications for social/impact investment by female-led social enterprises, but also because of the specific typology of social businesses the key players in the field are supporting.
- > **The social impact investor space in Spain is primarily male-dominated** with the great proportion of impact investors being men. Recently established women networks (such as the network 'Mujeres con impacto' set up by Ship2B, or the recent creation of SWAN as the first network of business angels for women in Spain) are attempting to address this imbalance. On a positive note, there are many women involved in decision-making within the major social impact investment organisations.

SHIP2B MUJERES CON IMPACTO (WOMEN WITH IMPACT) NETWORK IN SPAIN

Launched in 2016, the vision of this female network of 40 business leaders is to be the leading network in Spain for women committed to social impact. The rationale for the network is:

For Ship2B to have a feminine presence in all of its areas (social entrepreneurship, investment, and mentoring)

To increase the visibility of female role models: social entrepreneurs, mentors, and investors

To create a welcoming space to attract feminine talent both in terms of social entrepreneurs and investors

To educate and inform the ecosystem around unconscious bias and other issues that might lead them to miss good opportunities. 'We are an opportunity. We are not victims.'

SHIP2B WOMEN'S CHALLENGE

Launched in 2016, as an acceleration programme with a gender lens to support social businesses led by women or social businesses working on gender issues. The idea of Women's Challenge is to detect and attract projects which are led by women in all of Ship2B's labs through: communication that is sensitive to gender; having female role models and references in all Ship2B events and forums; as well creating a specific 'call' for social businesses led by women.

Women's Challenge has accompanied 14 start-ups led by women with two new social businesses just selected. While it started with a broad gender lens and aimed to encourage social businesses working on gender issues '*at the end of the day most projects were social businesses led by women*'.



> **There is very limited knowledge about gender innovation.**

None of the gender lens activities have encompassed the idea of trying to nurture social innovation which specifically tackles gender equality or gender issues. Moreover, there appears to be little relationship and links between gender equality organisations and the social innovation sector.

> **The Spanish social investment ecosystem is more gender aware than other European countries,** since one of its key protagonists, Ship2B, has experimented with a gender lens over the last few years through several initiatives. In addition, other players such as Barcelona Activa and Coop57 are incorporating a gender perspective in their activities.

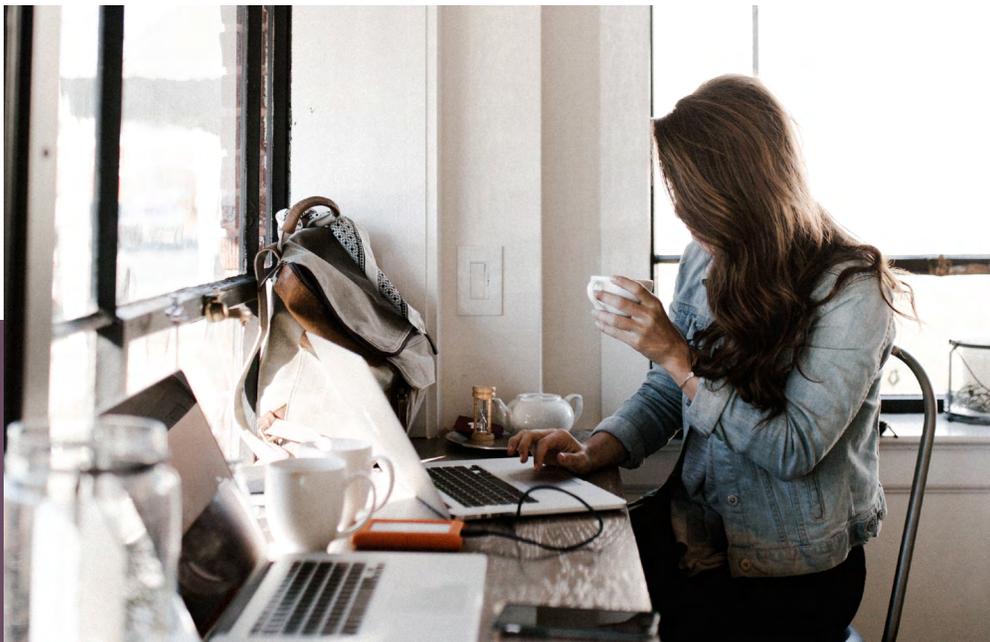
Ship2B co-founder Clara Navarro: *'the interest and activities of Ship2B in the women's sphere came from some complaints that there weren't any female entrepreneurs. The thought was: 'let's make a conscious effort.'*

> Similarly to the rest of Europe, while Spanish social investors may be somewhat open to **the idea of a gender lens, the idea of investing in women or gender innovation receives little priority in comparison with what are considered more urgent issues** (e.g. obtaining more political and legislative support).



José Montcada, Bolsa Social

'This is not the most important problem facing the impact investment sector in Spain. Social entrepreneurs needs help, training, regardless of their gender.'

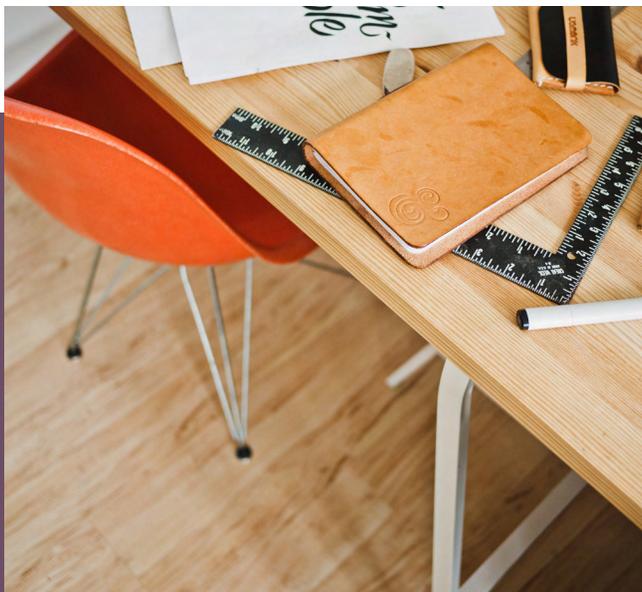


IS THERE A GENDER BIAS IN THE FUNDING OF SPANISH SOCIAL ENTERPRISES?

We have seen that, with few exceptions, most actors involved in Spanish impact investment and support for social enterprise, do not consider gender in their investment decisions and/or in the design of support programmes for social entrepreneurs. The survey shows that women social entrepreneurs have higher failure rates, and on average access less external funding than their male counterparts (because they seek less funding, and also because they receive less).

Various causes can be found. Firstly, as has been pointed out, differences exist in the circumstances and also in the attitudes and perceptions between men and women. These include the greater weight of women in the domestic sphere, their lower levels of professional experience, a much more careful attitude when requesting external financing, as well as more negative perceptions about their level of preparation and capabilities in the financial field. Secondly, there are differences in the types of companies created by men and women: with women

leading smaller and younger companies that are mostly found in sectors which are traditionally less valued by investors. Finally, there are a series of factors that, to the understanding of many male and female entrepreneurs, are limiting and conditioning access to external capital by social enterprises in Spain. These factors constitute dichotomies between opposing concepts: an emphasis on *economic* to the detriment of *social*; *global over local*; *individual over the collective and community*; *rational* ('the numbers') *over emotional*; and prioritisation of scale and short-term objectives over long-term sustainability. Such categories can be analysed from a gender perspective: qualities traditionally linked to the 'masculine' over and above more 'feminine' qualities. These viewpoints reflect a way of seeing business and finance anchored in the fundamentally patriarchal model that still exists in most societies (even the most economically advanced). **There is, therefore, a gender gap in access to funding by Spanish social enterprises that reflects a widespread reality in the field of business and entrepreneurship. For many impact investors, everything related to 'feminine' is systematically less valued than those attributes related to 'masculine'.**



The evidence shows, therefore, that although there are no obvious situations of discrimination, the way in which the Spanish social entrepreneurship sector and impact investment is developing and the perpetuation of the modus operandi of businesses in general, determine that women social entrepreneurs have more difficulties than their male counterparts accessing external funding.

Social entrepreneurship in Spain is missing a very valuable opportunity to contribute significantly to gender equity and so to socio-economic progress. Social enterprise is the ideal environment for empowering women (even when this is not the main objective of the Enterprise), especially if we take into account the majority presence of women in this area. **Although this sector is more advanced than others, it has still not harnessed its full potential and there is still a long way to go and some major barriers.**

One of the most important barriers is that many actors in the impact investment sector do not yet recognise the existence of the problem. Another important limitation is the newness of the social enterprise sector and impact investment in Spain.

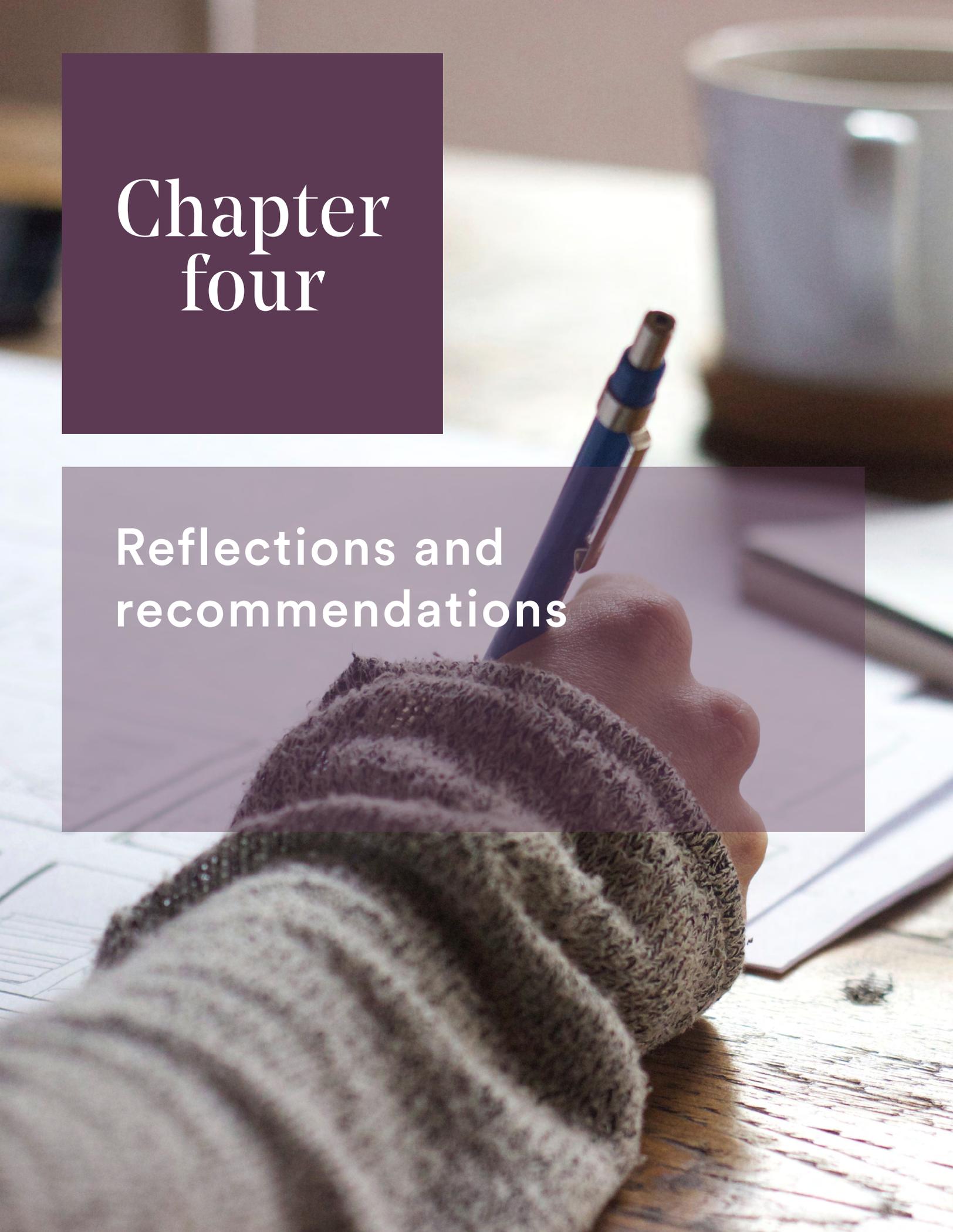
Given that we are still at an early stage, the sector still needs to demonstrate its profitability, which means that risks are avoided and investments are only made in those social enterprises with the greatest growth projections. In addition, efforts are also focused on improving the political and legal support for the sector.

Without denying the existence of other urgent problems in the sector, it is now, when the sector is still developing, that it should be used to introduce a gender perspective to generate new narratives about success, new selection criteria, and ultimately, a **new understanding of what makes a social enterprise a good investment and translates into funding offers that are sensitive to 'feminine' requirements.** Spanish investors are losing valuable opportunities by not considering, or sufficiently evaluating, the differential brought by women. While the magnitude and complexity of the social challenges requires that social entrepreneurs cope with the creation and growth of enterprises in conditions that ensure the realization of their full potential.



Chapter four

Reflections and
recommendations



4.1. Reflections

Gender is a relational construct where what is masculine (and valued) is partly constructed by what is not (i.e. feminine and devalued). While social enterprise holds huge potential in terms of gender equality, the social entrepreneurship field has not taken gender sufficiently into account in terms of: its support for female social entrepreneurs; generating positive outcomes for women and children; or in tackling gender equality directly. Social venture capital is suffering from similar gender imbalances as traditional venture capital. While there is no large-scale gender discrimination among social investors, there is a cumulative set of gendered barriers in accessing finance that stops many female social entrepreneurs achieving their potential. The gendered nature of the social enterprise ecosystem as it relates to finance is subtle but powerful: including an emphasis on traditionally male characteristics such as economic rather than social; global rather than local; individual rather than community; rational (numbers) rather than emotional; and the prioritisation of scale and short-term objectives rather than longer-term sustainability.¹¹⁸ The golden opportunity for social enterprise to be a beacon for female empowerment is diminishing as social impact investment consolidates a male bias.¹¹⁹

What might a gender-positive social enterprise ecosystem look like? The gender lens investing movement provides a glimpse of what must change. For example, by moving beyond the ‘chasing unicorns’ model of venture capital to a world that values long-term, sustainable growth; new and different selection and funding processes via peer group crowdfunding; seeking out female social entrepreneurs and supporting them in new and more collaborative ways (through, for example, female-only entrepreneur investor communities); and highlighting how social innovation must focus on improving the lives of girls and women (and thus entire communities). There is a question as to whether gender lens investing in its current form is sufficiently radical to create the system change necessary for a less gendered field. Moreover, the gender lens investing movement needs to adapt and evolve to grow deep roots in Europe and there is much to be done. However, it must also be acknowledged that gender issues are complex – and change will also rely on broader social patterns which a small movement such as gender lens investing is unlikely to influence at the moment.



¹¹⁸ Humbert, A.L., ‘Women as social entrepreneurs,’ Third Sector Research Centre, Working Paper 72, February 2012.

¹¹⁹ Hehenberger, L., Mair, J. & Metz Cummings, A. (2017, August). Categories as Analytical Tools to Uncover Political Processes in Field Projects - A Tale From The Marketization Of The Social Sector (Academy of Management Annual Meeting). In 2017 Academy of Management Annual Meeting, Atlanta.

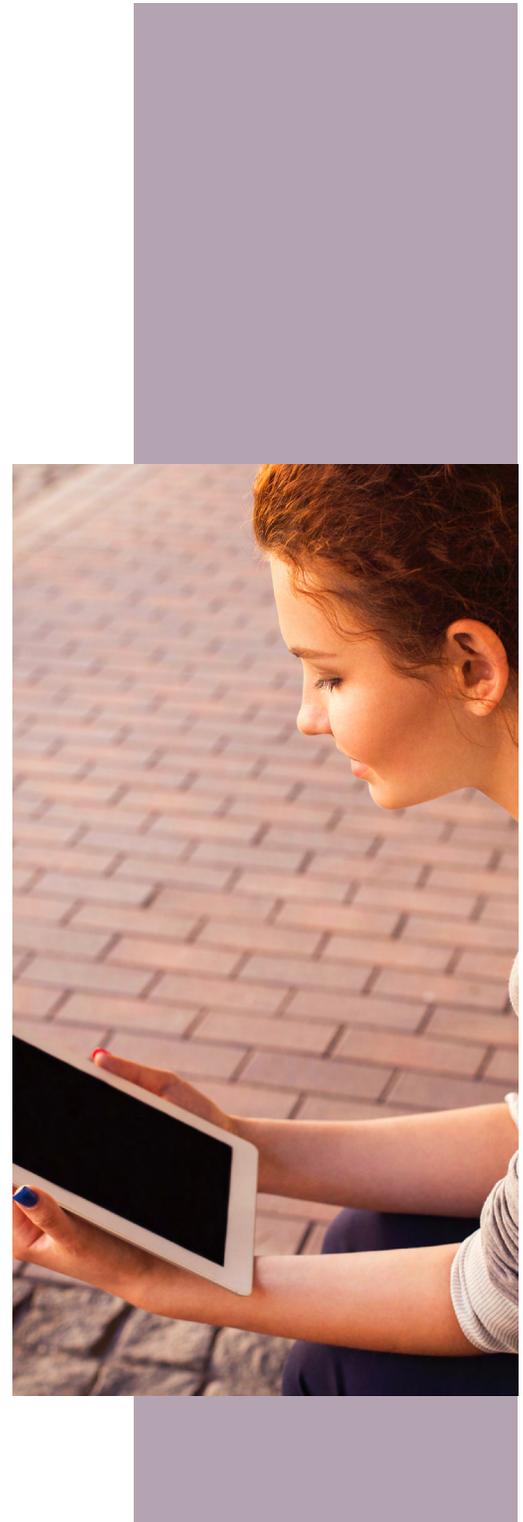
There are some positive steps that the European social enterprise system can make now to create a more gender positive environment. The first step towards change is awareness and education: **and this study reveals the significant journey ahead in terms of building gender awareness in the European social enterprise space.** The question of how much success gender lens investing will find in Europe is still open – the movement must adapt to the various contexts in the European gender and feminist discourse, as well as the specific social issues with a gender dimension facing European countries. There are already signs that European practitioners will innovate and make gender lens investing their own, for example by including more men in the development of the story and making this more about gender complementarity rather than just about women. Secondly, there needs to be more experimentation and exploration by social investors in terms of adopting a gender lens, similarly to that pioneered by many of the key American impact investors, such as Calvert Foundation, Acumen Fund, and Root Capital. Finally, there needs to be a much greater effort in exploring how far social innovation can support and further gender equality.



4.2. Recommendations

Moving towards a more gender equal future, and having social finance contribute as a key agent of this change, will not be simple. As the useful *Theory of Change for Women's Empowerment* from the British Council shows below, the formal and the informal, the institutional and the individual, all play a part. There are complex societal factors behind persistent gender inequality which a small gender lens investing movement may not, by itself, be able to greatly influence or change.

However, we should not be disheartened. The positive and energetic gender lens investing movement in the USA is showing that there are a series of small steps and initiatives that can cumulatively catalyse larger change in the world of finance and beyond. While the evidence base around these initiatives needs to be developed, there are strong indications that the conversation around women as workers, investors, and entrepreneurs is shifting. This is aligned with a general global consciousness about the role women play and awareness of gender inequality.



Social enterprise has the potential to be an area of great exploration and experimentation in terms of gender equality, and with the significant proportion of women as leaders and workers within the sector, it could be a beacon for gender equality and female empowerment.

The first step is that the European social enterprise and impact investment sectors become more gender aware and this underpins many of the following recommendations. This will require focusing on the issue of gender, collecting data, experimenting with a gender lens in terms of different products or initiatives, and ‘mainstreaming’ gender into existing processes. In summary, gender needs to be quickly integrated into the existing social entrepreneurship and impact investment movements. Of course, there are real and significant doubts about whether the time is right to bring such a focus, but as the American movement has shown, a gender lens increases and improves the market, rather than shrinking or limiting it. Why wait until the impact investment market is mature to address this critical issue?

The second step will be specific initiatives to create greater gender balance in access to finance. There is a role for more venture philanthropy to help female social entrepreneurs in the early stages. Moreover, social investment intermediaries and investors may have to reconsider what is an investible organisation and how to bring more female social entrepreneurs into the fold, using new criteria and methodologies pioneered in the USA. It is also essential to have more women at the table, contributing to making investment decisions, which means strengthening female investor networks, ensuring female presence on investment committees, and developing female impact investor training programmes.

A final step is exploring how social innovation can genuinely support and further gender equality through the creation or expansion of powerful interventions on key gender inequalities. This is about social innovation that directly and specifically tackles issues of gender inequality and which has been poorly explored.

The following provides a list of recommendations for key players across Europe involved in the social entrepreneurship/impact investment ecosystem. Prior reports have helped us enormously in putting together this list, most notably: *Mapping Women’s Social Entrepreneurship in Europe Synthesis Report for 2015* (WEstart); *Activist to entrepreneur. The role of social enterprise in supporting women’s empowerment* (British Council); and *The Sky’s The Limit* (The Young Foundation).¹²⁰

Implementing some of these recommendations will require funding and subsidy, which is where public bodies and philanthropists/foundations will need to play an active, market-building, and market-supporting role. As well as funds, building a gender lens investing movement in Europe requires the participation and collaboration of players working cross-sectorally. Moreover, organisations and individuals who can serve as ‘translators’ between gender and finance will play a critical role in building the field. These organisations and individuals are the potential enablers who can provide the needed support and guidance, including training players in the ecosystem, as well as giving technical assistance to gender sensitise existing impact assessment frameworks.

¹²⁰ Westart, ‘Mapping Women’s Social Entrepreneurship in Europe, Synthesis Report’ (2015); British Council, ‘Activist to entrepreneur. The role of social enterprise in supporting women’s empowerment’ (2017); Goddard, C., and Miles, K. ‘The Sky’s The Limit: Increasing social investment impact with a gender lens’, The Young Foundation (2016).

PUBLIC BODIES (LOCAL, NATIONAL, EU)

Government plays an essential role in shaping and developing the social impact investment market. Governments need to integrate the following within existing social enterprise/social impact investment strategies and programmes:

- > Incorporate explicit gender equality social impact goals into programmes.
 - > Develop strategies and activities to increase demand for gender lens investing, such as the promotion of the benefits of gender lens investing for investment outcomes and investor capacity building.
 - > Develop strategies and activities to increase the supply of gender lens investing e.g. grant or early stage financing to build investment readiness or pilot new financial models of gender venturing.
 - > Sponsor and provide guidance, training, and advice on gender mainstreaming for social enterprises.
 - > Sponsor and provide guidance, training, and advice for gender equality ventures or organisations to increase their investment readiness.
 - > Sponsor the development and implementation of gender-related impact measures and sex-disaggregated data collection.
 - > Commission further research into gender lens investment strategies and develop clearer evidence about which gender lens initiatives are most effective.
- > Create a 50% female-led social enterprise quota for funding streams. Funding applications should include questions about care responsibilities, and include stipends, vouchers, or additional funding to help entrepreneurs (both mainstream and social, male and female) manage unpaid care responsibilities.¹²¹
 - > All funding opportunities for women social entrepreneurs should be streamlined so that they can be applied for as quickly and easily as possible.¹²²

SOCIAL INVESTMENT INTERMEDIARIES

Accelerators / incubators / social entrepreneurship support programmes

- > Increase the number of social enterprises that focus on gender innovation. This might be achieved, for example, through campaigns, accelerator programmes, competitions, and funding that specifically encourages gender-focused ventures;
- > Increase the rate of start-up and growth of women-led social enterprises. This might be achieved, for example, through targeted support packages, accelerators, greater exposure to female role models, and targeted financial assistance;
- > Create specific capacity-building initiatives to help women-led social enterprises navigate the financial field and develop awareness of different financing options;
- > Start to address the general problem of female social entrepreneurs (at least in Spain) finding and accessing less support than male social entrepreneurs. Ensure female social entrepreneurs are being directly marketed to and are aware

¹²¹ Included as a recommendation in the WEstart, Mapping Women's Social Entrepreneurship in Europe, Synthesis Report, 2015 page 40.

¹²² Ibid.

of support programmes. Be intentional in finding female social entrepreneurs, including outside traditional spaces, and encourage them to apply;

- > Mainstream gender i.e. include gender considerations in existing processes:
 - o Investigate how a gender dimension can be incorporated into each stage of incubation/acceleration including: application process; due diligence; selection; monitoring and evaluation; and reporting.
 - o Investigate ways to include more women in decision-making processes
 - o Systematically collect data on gender
 - o Incorporate gender equality as a key social impact/metric
- > Encourage social ventures to include gender diversity in their organisational leadership and manage the gender impact of their operations.

Impact investment networks/communities

- > Develop initiatives to grow the female impact investor base (e.g. replicating American examples such as the Pipeline Fellowship).
- > Develop initiatives to increase the number of impact investor networks that work with a gender lens (e.g. replicating British example of Clearly Social Angels).
- > Mainstream gender considerations in decision-making processes.

SOCIAL ENTERPRISES

- > Use existing guidance, training, and advice to mainstream gender within the social venture.
- > Take steps to tackle gender inequalities – including actively collaborating with specialist gender organisations.
- > Prioritise gender diversity in organisational leadership and gain an understanding of gender impacts in direct operational processes and practices (e.g. in recruitment and workforce related practices, marketing and communications, sales and distribution channels, and procurement) and in the wider value chain (e.g. supplier workforce practices).
- > Take advantage of the new ways of financing that fintech is providing, e.g. crowdfunding or women-focused crowdfunding platforms.

FUNDERS AND INVESTORS

Grant-making foundations

- > Use philanthropic capital to help to build the gender lens investing market and support key pioneering catalytic organisations and initiatives;

Venture philanthropy funds / social impact investment funds

- > Develop more suitable venture philanthropy and social investment funding streams for female social entrepreneurs who are prioritising social returns and long-term sustainability.
- > Create alternative investment processes and methodologies that may better suit female impact entrepreneurs and impact investors (e.g. replicating US examples such as Village Capital detailed on ShEO).
- > Incorporate gender lens practices, including:
 - o Assess the gender impact of the current portfolio and future investments.
 - o Ensure own organisational practices are gender aware.
 - o Create financial products with gender-based criteria.
 - o Target gender equality as a social outcome by supporting gender accommodating venturing that addresses results of gender inequality; as well as gender transformative venturing that promotes gender innovation and deliberately tackles the structural causes of gender inequality.
 - o Nurture/build a pipeline of products/services that mostly cater to women.

Crowdfunding platforms

- > Mainstream gender i.e. include gender considerations in processes:
 - o Investigate how a gender dimension can be incorporated into key operational processes.
 - o Investigate ways to include more women in decision-making.
 - o Systematically collect data on gender.
 - o Incorporate gender equality as a key social impact/metric.
- > Capitalise on the fit between female social entrepreneurs and crowdfunding platforms as a source of opportunity to grow and increase the impact of the platform, researching/ understanding what female social entrepreneurs and female investors most value and need from crowdfunding platforms.

Appendix

Appendix one

LIST OF QUALITATIVE INTERVIEWEES

EUROPEAN SOCIAL INVESTORS AND GENDER LENS EXPERTS

Uli Grabenwarter	Luxembourg	European Investment Fund
Camilla Bäckström	Sweden	
Johann Heep	Central and Eastern Europe	Erste Bank
Stefania Coni	Italy	Fondazione CRT
Cyrille Langendorff	France	Crédit Coopératif
Malcolm Hayday	UK	Ex-Charity Bank
Jochen Herdrich	Germany	BonVenture
Hedda Pahlson-Moller and Larissa Best	Luxembourg	Equilibre
Alicia Robb	USA	Next Wave Ventures
Servane Mouzane	UK	Ogunte
Suzanne Biegel	UK	Clearly So
Ceri Goddard	UK	Ex Young Foundation
Alice Steinbrueck	Germany	Vodafone Institute, F-Lane

SPANISH SOCIAL INVESTORS AND SOCIAL ENTREPRENEURSHIP EXPERTS

Margarita Albors	Social Nest
José Moncada	Bolsa Social
Maria José Blanco	Barcelona Activa
Laura Guindeo	Momentum
Joaquin Alcalde Sanchez	El Hueco Soria
Clara Navarro	Ship2B
Xavier Pont	Ship2B
Luis Berruete	Creas
Maria Iglesias	Fundació Nous Cims
Jaume Oller	Tandem Social

SPANISH WOMEN SOCIAL ENTREPRENEURS

Mavi Villatoro	Mammaproof
Antonia Avalos	Le Vin Violette
Macarena López Cordón	SoulEm
Elena Rodríguez	Authenticities
Mireia Barba	Espigoladors / Es-Imperfecte
Miriam Reyes	Aprendices Visuales
Isabel Garriga	Belne
Patricia Polvora	Teterum
Carmen Plasencia	Aromics
Sandra Arévalo	Wisar by Talent Revolution

Appendix two

USEFUL RESOURCES FOR GENDER LENS INVESTORS

In recent years several organisations have produced guidelines and recommendations to facilitate the adoption of a gender lens in the field of funding and philanthropy. These include:

US TRUST

[Giving through a Gender Lens. A guide for Donors](#)

Available at:

<http://www.ustrust.com/Publish/Content/application/pdf/GWMOL/UST-PHIL-Gender-Lens-Guide.pdf>

CHICAGO WOMEN IN PHILANTHROPY

[Clear Sighted. A guide to using a gender lens](#)

ClearSighted is a gender lens tool designed to encourage both philanthropic and nonprofit leaders to evaluate organisations on the basis of whether they successfully address the needs of women and girls.

Available at:

<http://www.dafnafund.org.il/images/dynamic/FundingDocs/WomenInPhilanthropyBookletV6.pdf>

ACUMEN, ICRW AND THE CHARITABLE FOUNDATION CARTIER'S WOMEN AND SOCIAL ENTERPRISES

[How Gender Integration Can Boost Entrepreneurial](#)

[Solutions to Poverty](#)

This publication includes a diagnostic tool for enterprises to assess where they are effectively integrating gender into their business models, and where there are opportunities to further integrate gender to achieve increased business and social impact.

Available at:

<http://acumen.org/idea/women-and-social-enterprises-how-gender-integration-can-boost-entrepreneurial-solutions-to-poverty-2/>

BARROW CADBURY TRUST, GRANTCRAFT AND MAMACASH

[Funding for Inclusion: Women and Girls in the Equation](#)

Available at:

<http://m.mamacash.org/uploaded/2015/07/Grantcraft-Guide-Funding-for-Inclusion.pdf>

IFC & GLOBAL REPORTING INITIATIVE PROVIDES GUIDANCE ON REPORTING ON GENDER THROUGH THE REPORT

[Embedding Gender into Sustainability Reporting – A Practitioner's Guide, which may provide insights on indicators that could be used for measuring progress internally and of investees](#)

Available at:

http://www.ifc.org/wps/wcm/connect/9ab39d8048855cc78cccde6a6515bb18/GRI-IFC_Full_Gender.pdf?MOD=AJPERES

TRILLIUM ASSET MANAGEMENT AND ITS PARTNERS IN THE US RELEASED A REPORT IN LATE 2015 CALLED INVESTING FOR POSITIVE IMPACT ON WOMEN

[Integrating Gender into Total Portfolio Activation](#)

This provides a framework and guide for mission-driven investors as they consider how to put their investments to work in support of their own long-term goals to benefit women and girls. The total portfolio activation framework provides investors with a set of analytical tools to identify a specific impact opportunity set and a process for re-allocating assets across their portfolio. Conversation has shifted from looking at applying gender lens in one investment to across the whole investment portfolio, across a variety of asset classes.

Available at:

<http://www.trilliuminvest.com/wp-content/uploads/2015/11/Investing-for-Positive-Impact-on-Women1.pdf>

CRITERION INSTITUTE HAS DEVELOPED A TOOLKIT

'How to upgrade your due diligence with a gender lens'

to support investors with this process

Available at:

<https://criterioninstitute.org/revaluegender/files/2012/07/UDDwhitepaperPDF102715.pdf>

**US / SIF FOUNDATION
(THE FORUM FOR SUSTAINABLE
AND RESPONSIBLE INVESTING)**

Investing to Advance Women.

A Guide for Individual & Institutional Investors

Available at:

http://www.ussif.org/Files/Publications/SRI_Women_F.pdf

UNGC & UN WOMEN, 2010

The Women's Empowerment Principles

– Equality Means Business

Available at:

http://www.wepinciples.org/files/attachments/EN_WEPs_2.pdf

Appendix three

MAIN PLAYERS/PROGRAMMES IN THE SPANISH SOCIAL ENTERPRISE ECOSYSTEM

Public organisations and programmes that support the social economy

The central government has an office in the Ministry of Labour dedicated to the social economy: the **Directorate General of Self-Employed Workers, Social Economy, and Corporate Social Responsibility**. The regional governments also offer various support programmes for entrepreneurship and social innovation projects (**especially in Catalonia, the Basque Country, and Andalusia**).

@EmprenSocial (www.emprenedoriasocial.cat)

is a programme helping early phase start-ups and supported by the Catalan regional government since the end of 2010. The programme has three aims: search for social entrepreneurship projects; create an ecosystem of technical and economic support; and publish good practices so that they can be replicated.

Innobasque (www.innobasque.eus)

the Basque Innovation Agency, is a private, non-profit association created to coordinate and encourage innovation in the Basque Country and foster entrepreneurship and creativity. The programme supports social innovation.

Fundación Andalucía Emprende (www.andaluciaemprende.es)

is supported by the Andalusian regional government and includes several programmes for encouraging social economy enterprises. These programmes include a sustainable economy fund that facilitates the funding of, preferably, microenterprises for entrepreneurial initiatives in projects that contribute to the achievement of the objectives of social, economic, or environmental sustainability and the creation or maintenance of jobs in Andalusia. Operations approved by the fund are carried out under market conditions and are loans rather than public subsidies. The maximum funding from the fund is 80%. Investments range from a minimum of €20,000 to a maximum of €200,000.

Impact investment / social risk capital

There are two public organisations that offer funding for entrepreneurs, although they are not specific programmes for social entrepreneurship: the ICO Foundation and ENISA. The ICO Social Credits are especially noteworthy, and their aim is to create or maintain employment in the poorer Spanish regions. To achieve this objective, the social credit funds are used to finance socially responsible projects in the poorer regions.

ENISA offers three lines for small firms:

1. Enisa growth

- > Between €25,000 and €1.5m.
- > Maximum term of 9 years (7 for interest-free loans).
- > For consolidation, growth, or internationalisation of small firms.

2. Enisa entrepreneurs

- > Between €25,000 and €300,000.
- > Maximum term of 6 years (2 for interest-free loans).
- > For firms less than two years old.

3. Enisa young entrepreneurs

- > Between €25,000 and €75,000.
- > Maximum term of 4 years (1 for interest-free loans).
- > For firms less than two years old with major partners under 40.

At the private level, the Social Impact Network (REDIS) should be highlighted. Founded in February 2015, it is an association for the main Spanish social impact investors. Members include: Creas, Gawa Capital, Isis, the Social Exchange, and Vivergi.

Creas are pioneers in Spain in social risk capital as an investment instrument that guarantees economic profitability and social impact. They have two investment instruments: Creas Inicia, which invests between €5,000 and €25,000 in seed-phase projects; and Creas Desarrolla, a limited company with a capital of between €750,000 and €1.5 million. It invests in expanding Spanish organisations that create economic, social, and environmental value (with a prior evaluation) that have been selling for at least one year. The fund's investments range between €50,000 and €250,000 (not exceeding 25% of the total fund) and are always linked to the fulfilment of previously agreed targets. Investments are for a maximum period of eight years. Supported projects are subject to annual economic, social, and environmental audits.

Also relevant is the work of the Spanish subsidiary of **GAWA Capital**, which currently manages two funds: the GAWA Microfinance Fund (funding micro, small, and medium-sized financial institutions in Latin America, Asia, and sub-Saharan Africa); and the Global Financial Inclusion Fund (launched in 2014 with a value of €32.3 million). Both funds have been raised from large family offices, institutions, development agencies, and wealthy individuals.

Isis Capital, an initiative of the Isis Foundation, advises and finances sustainable social enterprises through two venture capital funds, one for investments in Spain and another for developing countries.

Vivergi Social Impact Fund is the first social impact fund established in Spain and is registered in the Spanish Stock Exchange. It is one of the largest in continental Europe with assets of €50 million and investment per project ranges between €500,000 and €6m.

B-Fund, the first co-investment vehicle for funding startups with a social impact driven by the Ship2B Foundation, has been gaining importance since 2016. The fund aims to invest more than one million euros in economically and socially profitable companies over the next two years. To select startups, the Ship2B Foundation has created an evaluation committee of members of the Ship2B community. The committee chooses companies with the most potential from *B-Ready* participants (the acceleration programme) or *B-Invest* (the financing programme for startups in second, or subsequent, rounds of investment and which opens three calls a year).

In addition to these large entities, there is a small ecosystem of family offices, private investors, business or family foundations, and networks that support social enterprises. In the area of support for women entrepreneurs, although not specifically social, is the '**Spanish Women Angels Network**', the first network of business angels for women in Spain. The platform was launched by a private network of investors, the **Seed & Click Angel Network**, and it aims to strengthen the female role in the investment sector.

Social banks

Formal banks

Traditional banks offer a range of similar savings and financing products for companies – from savings accounts to credit cards or loans. For social enterprises these banks offer the classic instruments of commercial banking. Due to their greater regulation and since they are using funds from private individuals, traditional banks usually require guarantees before granting loans.

It is worth highlighting Triodos Bank (www.triodos.com), founded in 1968 in the Netherlands, operating in Spain since 2004, and now Europe's leading European ethical bank. The financing products it offers include:

- > **Mortgages:** loans to companies and organisations for the purchase of a shop, office, or headquarters. It also finances the purchase of land for organic farms.
- > **Short, medium, and long term loans with personal guarantee or other type of guarantees:** aimed at companies, organisations, independent entrepreneurs, or individuals who want to make an investment in renewable energies, start a business, or expand their activity.
- > **Guarantees:** for organisations and individuals who, due to their activity, require a guarantee to the state or other organisations that grant subsidies.
- > **Factoring:** liquidity for companies or organisations to anticipate pending payments, undertake the development of its activities, or new projects.
- > **Advance payment of subsidies:** for cultural, social, and environmental organisations that have been granted public subsidies and need an advance for the development of their activity.

Another example of regulated ethical banking is found in Fiare (Fundación Inversión Ahorro Responsable), which started in Italy, has been operating in Spain since 2003, and has financed around 5,000 social impact projects. Fiare Banca Ética offers organisations and companies services for managing day-to-day operations, fundraising activities, or financial management. It finances organisations that are associated with Fiare, and therefore, share its mission and carry out activities in the following areas:

- > International cooperation and fair trade.
- > Social economy and inclusion.
- > Agroecology and renewable energies.
- > Social transformational and cultural values.

Also worthy of note is the **Cajamar-Caja Rural** agreement with the Spanish Business Confederation of Social Economy (CEPES), which offers financing for social enterprises with special terms. This is also the case of the Basque bank, the **Laboral Kutxa**.

Informal banks

Many organisations, especially associations, foundations, and cooperatives, perform the function of ethical banks despite not being banks. In these cases, they are not under the supervision of the central bank and their function is mainly focused on granting credits and managing long-term savings – leaving aside current accounts or credit cards.¹²³

It is worth highlighting the work of Coop57 SCCL, a cooperative of ethical and solidarity financial services supporting social transformation. It is a democratic and self-managed organisation and encompasses almost 800 companies and entities, and more than 3,500 members and partners. The maximum loan is 10% of Coop 57's own resources and the maximum repayment term is six years, with an average loan of between €9,000 and €12,000. The main recipients of the credits are cooperatives, although the entity also supports social enterprises. Coop57 was founded in Catalonia in 1987, although it began activities in 1996, and now also operates in Aragon, Madrid, Galicia and Andalucia.

Oinarri Economía Social is a guarantee company (SGR) that forms part of the Basque organisation Elkargi and has accumulated almost €460 million in financing to the social economy since its creation more than 20 years ago. It offers investment loans, current loans, lines of credit, external agreement lines, and innovation lines for companies in the social economy. Although its business focus has expanded over time to all types of small businesses, most clients are in the social economy. About 56% of its corporate base (formed by 3,737 companies, organisations, and self-employed) is in the field of social and solidarity economy.¹²⁴

The Cooperative Investor Group, Gicoop, with the support of the Seira Foundation, is a group of investors interested in obtaining a reasonable profitability and supporting a different way of doing business. This is achieved through participatory loans, or the purchase of equity securities. Repayment periods usually do not exceed eight years, and interest-free periods are considered if needed.

ASCA - Acció Solidària Contra l'Atur, offers interest-free loans to individuals or groups that offer a business project that is viable and creates jobs. It started its activity in 1981 and has granted over €10 million in loans, assisted 27,288 people, and helped create 7,542 jobs.

¹²³ Jaume Oller, "Financiando empresas sociales", Universitat Oberta de Catalunya 2015

¹²⁴ Europa Press, Bilbao. Aparecido en www.eldiario.es el 4 Noviembre 2016. http://www.eldiario.es/norte/euskadi/Oinarri-SGR-financiacion-economia-constitucion_0_576742469.html

Crowdfunding

Crowdfunding is increasingly used by social enterprises, especially for funding the initial phases of projects. The pioneering crowdfunding initiative in Spain is Goteo (www.goteo.org), a collaborative platform for civic initiatives and social, cultural, technological and educational projects. Goteo has won international awards since 2011 and has replicas and alliances in several countries, thanks to its open source code. It is a tool for generating resources 'drop by drop' for a group of communities made up of more than 65,000 people, with a financing success rate of more than 70%.

RealFunding (www.realfunding.org) offers social enterprises with a positive environmental impact the opportunity to carry out campaigns of collective financing in the form of a loan. It offers simple contracts and favourable conditions. In addition, the ethical investors become allies by providing contacts, time, ideas, advertising, etc. The project is still in beta phase.

Although it does not act in the social economy, Verkami, founded in 2010 and inspired by the American Kickstarter platform, has already supported almost 5,500 projects with more than €27 million. In the specific area of business financing, some of the most popular platforms in Spain are **Crowdcube**, **Socios Inversores**, **Crowd Angel**, or **Capital Cell** (although none are focused on social entrepreneurship)

Finally, it is necessary to highlight the La Bolsa Social, the first platform for equity crowdfunding or crowdfunding that has been authorised in Spain. To be part of La Bolsa Social, companies must require a minimum investment of €100,000 and allow access to professional investors (business angels, and mutual funds) and smaller investors. For the former, there is no investment ceiling, but in the case of non-accredited investors, the law imposes a limit of €3,000 for each project and €10,000 year for the platform. La Bolsa Social has already financed five companies with a positive social and environmental impact for a total of €1,186,000.

Programmes for training, accompaniment, and economic support

Anima Ventures is the first company builder in Spain focused on social entrepreneurship, a business model that is between an incubator and an investment fund. It sometimes also partners supported projects.

Unreasonable Institute is one of the most important young social entrepreneurs in the world, and **Teamlabs** is an innovative learning laboratory that encourages teamwork. In 2015 they organised **Unreasonable Lab Spain**, a five-day training programme aimed at accelerating the growth of companies with high social impact.

Think Big is a **Fundación Telefónica** project that helps young Spanish social entrepreneurs (between 15 and 25 years) transform their concepts into social projects over a six-month period with the collaboration of mentors who guide and advise.

Climate-KIC Accelerator is the only Spanish Clean Tech accelerator and the largest in Europe. Promoted by the European Institute of Innovation and Technology, it offers economic support and training for the best climate change mitigation startups. Non-refundable financing of up to €60,000.

Impact Hub (Madrid and Barcelona) is a global network of people, spaces, and programmes that inspires, connects, and pushes to generate a positive impact on society.

El Hueco is a coworking centre that, in addition to offering workspaces to companies and entrepreneurs, has a project incubator specialised in social entrepreneurship. In collaboration with the investment company SORIA FUTURO SA, it has launched IMPULSO, whose objective is to establish in Soria one of the first integral accelerators specialised in promoting social enterprises.

Appendix four

EXAMPLE GENDER OUTCOME FRAMEWORK

In its 2015 report 'Unequal Nation – the case for social innovation to work for a gender equal future', the Young Foundation grouped key gender inequalities into three main domains: resources, attitudes, and power. Below we set out a summary of the main challenges in each area followed by examples of the types of investment outcome goals that could address each.

A: RESOURCES

The economic opportunities and public services available to women and men are gendered, and their outcomes in terms of education, health, and economic wellbeing are unequal. Indicators of positive improvements in these areas include:

1. Education

- > Increased girl's participation in STEM subjects
- > Non-gender biased education practice – from early years upwards
- > Increased male entry into the teaching profession
- > Increased female entry into academic posts
- > Reduced sexist culture at university

2. Health

- > More gender responsive health services
- > Improved care and support for survivors of gender based violence and abuse

3. Welfare

- > Mitigate/reduce the impact of welfare cuts on women

4. Work

- > Reduction in gender pay gap
- > Higher female employment rates, particularly among black, Asian, and minority ethnic women
- > Improved status/value of caregiving work
- > Improved access to affordable childcare
- > Greater availability of flexible working patterns
- > Greater access to/take up of paternity leave by fathers and/or partners of women with children

5. Wealth and financial wellbeing

- > Greater female financial independence
- > Improved financial literacy among women
- > Improved access to pensions for women
- > Greater access to credit for female entrepreneurs

6. Crime and criminal justice

- > Adaptation of prison services/experience for women
- > Improved access to legal support for victims of sexual violence and abuse

B: ATTITUDES

Stereotyped representations of men, women, and gender relations continue to dominate across multiple areas of mainstream society. This contributes to the limitations placed on men and women of all ages in terms of their gender identity, sexual orientation, and ability to be healthy and free from violence and abuse. Indicators of positive improvements in these areas include:

1. Cultural and media representation

- > Reduction in instances of sexual discrimination in the workplace
- > Improved coverage of women's sport within the media (newspapers/tv)
- > A wider range of positive and non-stereotypical representations of women and men, girls and boys, in cultural outputs

2. Sexual orientation and gender identity

- > Reduction in school bullying and discrimination relating to sexual orientation
- > Reduction in work bullying and discrimination relating to sexual orientation
- > Reduction in discrimination against transgender people

3. Body image

- > Reduced incidence of self-harm including eating disorders

4. Gender based violence and abuse

- > Improved support and care for victims of sexual violence and abuse, and domestic abuse
- > Reduction in rates of sexual violence and abuse, and domestic abuse
- > Reduction in sexual exploitation

C: POWER

Women continue to be under-represented in positions of authority and influence across the political, business, and cultural spheres – although there has been some positive progress, especially in relation to members of elected bodies. Indicative indicators of positive improvements in these areas include:

1. Political representation

- > Improved female representation and participation at local, regional, and national governments, especially among black, Asian, and minority ethnic women
- > An increase in female entry and development into fields such as senior police, legal profession, media, and publishing

2. Organisational leadership

- > An increase in women led organisations in state, community, and private sectors
- > Greater diversity at organisational board and executive level

Appendix five

BIBLIOGRAPHY

- ACUMEN, ICRW & Cartier Charitable Foundation, 2015. *Women and Social Enterprises: How Gender Integration can Boost Entrepreneurial Solutions to Poverty*. Available at: http://acumen.org/wpcontent/uploads/2015/10/Women_And_Social_Enterprises_Report_Acumen_ICRW_2015.pdf
- BAIRD, R. 2015: *Village Capital: closing the entrepreneurial gender gap*. Impact Alpha. Available at: <http://impactalpha.com/social-enterprise-leveling-the-investment-playing-field/>
- BIEGEL, S. 2014. *The women effect*. Alliance Magazine, 1 June 2014. Available at: <http://www.alliancemagazine.org/feature/the-women-effect/>
- BMO WEALTH MANAGEMENT. 2016. *Are there gender differences among entrepreneurs? Insights on the characteristics and gender differences of business owners*. Report Canadian Edition. Available at: https://www.bmo.com/assets/pdfs/wealth/16-Sept_BMO_Wealth_Report-Final_EN.pdf
- BNY Mellon and the United Nations Foundation, January 2017, 'Return on Equality: Investment Opportunities that Help Close the Gender Gap' Available at: <https://www.bnymellon.com/us/en/our-thinking/return-on-equality.jsp>
- BRITISH COUNCIL: *Activist to Entrepreneur. The Role of Social Enterprise in Supporting Women's Empowerment* (2017). Available at: <https://www.britishcouncil.org/activist-entrepreneur-role-social-enterprise-supporting-women's-empowerment>
- THE CENTRE FOR HIGH IMPACT PHILANTHROPY, The University of Pennsylvania, 'The XX Factor: A Comprehensive Framework for Improving the Lives of Women and Girls.' (2017)
- COMMISSION EXPERT GROUP ON SOCIAL ENTREPRENEURSHIP. *Social enterprises and the social economy going forward*. October 2016. Available at: http://ec.europa.eu/growth/tools-databases/newsroom/cf/itemdetail.cfm?item_id=9024
- CONSTANTINIDIS, CORNET & ASANDEI. 2006. *Financing of Women-Owned Ventures: The Impact of Gender and Other Owner- and Firm-Related Variables*. HEC Business School, University of Liege, Belgium. *Venture Capital*, Vol. 8, No. 2, 133 – 157, April 2006
- CORDOBÉS, M, 2016. *Mujeres con impacto. Ecosistema de mujeres emprendedoras sociales en España*. Instituto de Innovación Social de ESADE. Available at: <https://es.slideshare.net/ESADE/estudio-mujeres-con-impacto>
- CRITERION INSTITUTE (ANDERSON & MILES), 2015. *The State of the Field of Gender Lens Investing. A Review and a Roadmap*. Available at: <http://criterioninstitute.org/wp-content/uploads/2012/06/State-of-the-Field-of-Gender-Lens-Investing-11-24-2015.pdf>
- CRITERION INSTITUTE (Anderson and Suzanne Biegel), 2015. *How to Upgrade your Due Diligence with a Gender Lens (3.0)*. Available at: <https://criterioninstitute.org/revaluegender/files/2012/07/UDDwhitepaperPDF102715.pdf>
- DE WINTER, D. FEBRUARY 25, 2014. *Gender lens on the social change industry: Focusing on women, gender & social entrepreneurship*. Available at: <http://www.thebrokeronline.eu/Articles/A-gender-lens-on-the-social-change-industry>
- DESJARDINS. Développement international. 2016: *Reference Framework. Gender Equality*. Available at: <http://www.did.qc.ca/media/documents/en/positionnements/reference-framework.pdf>

- EVPA, 'The State of Venture Philanthropy and Social Investment (VP/SI) in Europe', November 2016. Available at: <https://evpa.eu.com/knowledge-centre/publications/the-state-of-venture-philanthropy-and-social-investment-vp-si-in-europe-the-evpa-survey-2015-2016>
- GIZ, 2014. *Incubate, Invest, Impact. Building and Investing in High-Impact Enterprises for Empowering Women and Girls. An Action Plan for Gender Lens Incubation and Investing.* Available at: <https://www.giz.de/en/downloads/giz2014-en-incubate-investimpact-women-india.pdf>
- GLOBAL GENDER GAP REPORT, World Economic Forum. Available at: <http://reports.weforum.org/global-gender-gap-report-2016/>
- GODDARD, C. AND MILES, K. 2016. *The Sky's The Limit: Increasing social investment impact with a gender lens.* The Young Foundation. Available at: https://youngfoundation.org/wp-content/uploads/2016/05/2016.05.05-YF_The-Skys-the-Limit_report_AW_web.pdf
- Hehenberger, L., Mair, J. & Metz Cummings, A. (2017, August). Categories As Analytical Tools To Uncover Political Processes In Field Projects - A Tale From The Marketization Of The Social Sector (Academy of Management Annual Meeting). In 2017 Academy of Management Annual Meeting, Atlanta.
- HEWLETT, S.A. What's Holding Women Back in Science and Technology Industries, Harvard Business Review (March 13, 2014)
- HUMBERT, A.L., 'Women as social entrepreneurs,' Third Sector Research Centre, Working Paper 72, February 2012.
- HUYSENTRUYT, M. 2014, *Women's Social Entrepreneurship and Innovation OECD Local Economic and Employment Development (LEED) Working Papers*, 2014/01,
- IFC, 2014 a. *Women Owned SMEs – A Business Opportunity for financial Institutions. A market and credit gap assessment and IFCs portfolio gender baseline.* Available at: <http://www.ifc.org/wps/wcm/connect/b229bb004322efde9814fc384c61d9f7/WomenOwnedSMEs+Report-Final.pdf?MOD=AJPERES>
- KANZE, D, HUANG, L, CONLEY M.A., HIGGINS, T.E., 'We Ask Men to Win and Women Not to Lose: Closing the Gender Gap in Startup Funding,' *Academy of Management Journal*, April 2017. Available at: <https://hbr.org/2017/06/male-and-female-entrepreneurs-get-asked-different-questions-by-vcs-and-it-affects-how-much-funding-they-get>
- KAPLAN S, AND VANDERBRUG, J. 2014. The Rise of Gender Capitalism, *Stanford Social Innovation Review*. Available at: http://ssir.org/articles/entry/the_rise_of_gender_capitalism
- LANG, K., HUMPHREYS, J. AND ELECTRIS, C. 2015. *Investing for Positive Impact on Women. Integrating Gender into Total Portfolio Activation.* Available at: <http://www.trilliuminvest.com/wp-content/uploads/2015/11/Investing-for-Positive-Impact-on-Women1.pdf>
- MALMSTROM, M., JOHANSSON, J., AND JOAKIM, W. *We Recorded VCs' Conversations and Analysed How Differently They Talk About Female Entrepreneurs.* Harvard Business Review, May 17, 2017. Available at: <https://hbr.org/2017/05/we-recorded-vcs-conversations-and-analyzed-how-differently-they-talk-about-female-entrepreneurs>
- MCKINSEY & COMPANY, 2015. *How advancing women's equality can add \$12 trillion to global growth.* Available at: http://www.mckinsey.com/insights/growth/how_advancing_womens_equality_can_add_12_trillion_to_global_growth
- MORAN, G. How Women Entrepreneurs Can Get More Funding, *Fast Company* (April 16, 2016). Available at: <https://www.fastcompany.com/3058997/how-women-entrepreneurs-can-get-more-funding>
- MUDALIAR, A., SCHIFF H., DITHRICH, H., *The Global Impact Investing Network (GIIN) Annual Impact Investor Survey*, 2017. Available at: <https://thegiin.org/knowledge/publication/annualsurvey2017>
- NIELSEN JONES E., MUSIMBI KANYORO, December 2015, *Belief-based social innovation: gender lens' next frontier*, *Stanford Social Innovation Review*. Available at: https://ssir.org/articles/entry/belief_based_social_innovation_gender_lens_next_frontier

- OLIVER WYMAN, 2014. *Women in Financial Services*. Available at: http://www.oliverwyman.com/content/dam/oliver-wyman/global/en/2014/dec/OWWomen-in-Financial-Services-04_12_14_FINAL-v3.pdf
- OLLER, J, 2015. *Financiando empresas sociales*. Universitat Oberta de Catalunya. Available at: http://cv.uoc.edu/webapps/dspace_rei/bitstream/10609/56946/2/Financiando%20empresas%20sociales_M%C3%B3dulo1_Financiando%20empresas%20sociales.pdf
- QUINLAN, J. And Venderbrug, J. 2016 *Gender Lens Investing. Uncovering Opportunities for Growth, Returns and Impact*
- ROOT CAPITAL. Issues Brief no. 2: Applying a Gender Lens to Agriculture: Farmers, Leaders and Hidden Influencers in the Rural Economy. Available at: <https://info.rootcapital.org/applying-gender-lens-to-agriculture>
- SASKA-CROZIER, SARAH. 2016. *Can Applying a Gender Lens to Social Innovation Promote Women's Rights and Gender Equality?*. Electronic Thesis and Dissertation Repository. Paper 4098. Available at: <http://ir.lib.uwo.ca/etd/4098>
- SILVERSTEIN, M. AND SAYRE, K. 2009. The Female Economy. From the Harvard Business Review, September 2009. Available at: <https://hbr.org/2009/09/the-female-economy>
- THE YOUNG FOUNDATION (Johnson Ross & Goddard), 2015. *Unequal Nation. The case for social innovation to work for a gender equal future*.
- TURNER MOFFITT, A and Hewlett S.A, 2015, *Harness the Power of the Purse: Winning Women Investors*
- UN, 2015 b. *Transforming our world: the 2030 Agenda for Sustainable Development*. Available at: http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E
- UNGC & UN Women, 2010. *The Women's Empowerment Principles – Equality Means Business*. Available at: http://www.weprinciples.org/files/attachments/EN_WEPs_2.pdf
- US SIF FOUNDATION. The Forum for Sustainable and Responsible Investment. 2015. *Investing to Advance Women. A guide for individual and institutional investors*. Available at: http://www.ussif.org/Files/Publications/SRI_Women_F.pdf
- VANDERBRUG, J. 2012. *Mainstreaming Gender Lens Investing*. Stanford Social Innovation Review. Available at: http://ssir.org/articles/entry/mainstreaming_gender_lens_investing
- VERIS WEALTH PARTNERS, 2015. *Women Wealth and Impact: Investing with a Gender Lens 2:0*. Available at: http://www.veriswp.com/wp-content/uploads/2015/03/CA_Women-Wealth-and-Impact-2.0_2015-03-05.pdf
- WESTART – Mapping Women's Social Entrepreneurship in Europe, Synthesis Report (2015). Available at: <http://westarteuropa.org/wp-content/uploads/2016/02/WEstartENweb.pdf>
- WHARTON SOCIAL IMPACT INITIATIVE, 'Gender Lens Investing Gains Ground – But Can It Conquer Wall Street', July 18, 2017. Available at: <http://knowledge.wharton.upenn.edu/article/rise-gender-lens-investing/>
- THE WOMEN EFFECT, 'Gender Lens Investing, A Guide to Roles in the Ecosystem' November 2016. Available at: https://static1.squarespace.com/static/57287c5cab48de9c1e5884b5/t/583843fd8419c2f3cb68fcee/1480082430467/WomenEffect_GLIWhosWho_NOV16_FINAL.pdf

ESADE'S INSTITUTE FOR SOCIAL INNOVATION

ESADE's Institute for Social Innovation aims to help people and organisations in the business and non-profit sectors contribute to a fairer and more sustainable world. For this, the Institute generates and disseminates knowledge, and provides training in: corporate social responsibility and the relationship between stakeholders and responsible leadership; the social impact of cooperation between companies and charities; the strengthening of non-profit organisations, charities, and social enterprises; business sustainability and climate change; and innovation models for social and environmental challenges.

FUNDACIÓN EY

The EY Foundation has two main areas of activity: providing support for entrepreneurship (with a particular focus on issues such as female entrepreneurs) and fostering the entrepreneurial spirit; and developing initiatives to improve leadership in Spanish companies, particularly with regard to corporate governance.

THE AUTHORS

LEONORA BUCKLAND

Dr Leonora Buckland is a freelance author and consultant on social entrepreneurship and impact investment. She lives in Barcelona, researches for ESADE, and advises Ship2B, a social impact investment fund and accelerator. Previously, she was executive director at The Venture Partnership Foundation based in London, and a consultant for the Skoll Foundation, London Business School, EVPA, and Giving Evidence. She started her career as a strategy consultant at the Monitor Company before obtaining a masters in international economics at Johns Hopkins University, Baltimore, and a PhD in European history at the University of Oxford.



MAR CORDOBÉS

Mar Cordobés has a degree and a masters in business administration and management from ESADE and a degree in art history from the University of Barcelona. She has worked in various organisations in the field of development cooperation and culture, and is currently an independent consultant for the third sector. She is an independent expert on the European Commission within the framework of the Creative Europe Programme. She has been a researcher at the Institute for Social Innovation since its foundation, co-authored *'Rethinking monitoring and evaluation in Spanish charities. Challenges and future trends in a changing environment'* (ESADE-Obra Social 'la Caixa', 2008); *Tourism for development* (Obra Social 'la Caixa', 2009); *Annual Report: the impact of microcredits* (ESADE-Microbank 2010-2016); *ICT and social inclusion* (ESADE-Fundación Telefónica, 2012); *Corporate volunteering in Spain* (ESADE, 2012); *Women with impact. Social entrepreneur ecosystem in Spain* (ESADE, 2016). In the field of culture, she coordinated the International Cities That Dance Network, and was awarded the 'Ciutat de Barcelona' award in 2012 for the project with the greatest international projection.



DR. LISA HEHENBERGER

Lecturer in the Department of Strategy and General Management at ESADE, academic supervisor of the publication

ESADE

RAMON LLULL UNIVERSITY

INSTITUTE FOR
SOCIAL INNOVATION



ESADE'S INSTITUTE
FOR SOCIAL INNOVATION

Av. Torreblanca, 59
08172 Sant Cugat del Vallès
Barcelona (Spain)
T. (+34) 93 280 61 62

innovacionsocial@esade.edu
www.innovacionsocial.esade.edu
www.esade.edu

FUNDACIÓN EY

Torre Picasso,
Plaza de Pablo Ruiz Picasso, 1
28020 Madrid

www.fundacioney.es