



# Gender analysis of the present situation in Germany, Lithuania and Sweden – labour market, entrepreneurship, cross border exchange in trade and business cooperation

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# FACTS ABOUT GOING ABROAD

Going abroad is a project amongst partners and associated organisations from Sweden, Germany, Lithuania and Poland. It is part-financed by the South Baltic Programme.

The project aims to promote female entrepreneurs in micro-enterprises to growth, by helping them tackle the problems associated with accessing new markets. One of the means of achieving this is building cross-border networks in order to facilitate the steps to export and international trade.

The project is in line with European, national and regional strategies for development which, highlight the importance of utilising the potentials in small and medium enterprises to create growth in society. This potential for growth also has a gender dimension, since there are fewer women than men who start up and run a business. Amongst women there may be many successful entrepreneurs to be and it is this resource Going Abroad aims to target and support.

The crucial activities in the project are the development of a model for thematic workshops, the making of the

success team handbook and the gender analysis of the present situation in Germany, Lithuania and Sweden in respect of labour market, entrepreneurship, cross border exchange in trade and business cooperation.

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# INTRODUCTION

Accurate connecting business potential across borders requires good knowledge of the situation of countries or regions that are about to cooperate. Statistical analysis is a tool that gives specific, unambiguous comparison of regions. Cross-border networks operate more smoothly if individual stakeholders in the networks know the socio-economic situation of the partners. It is also important to separate the gender dimension of these structures and processes. Targeting and supporting

successful small and medium entrepreneurs cannot be gender blind.

The aim of the paper is to analyze of the present situation in each region and the cross border exchange in trade and business cooperation with a gender perspective. The results of the analysis will become a base for specifying a list of potential branches for networking and entrepreneurs. A special attention will be put on how female entrepreneurs are represented.

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## 1. CROSS BORDER REPORT FOR GERMANY, LITHUANIA AND SWEDEN ON THE BACKGROUND OF BSR COUNTRIES

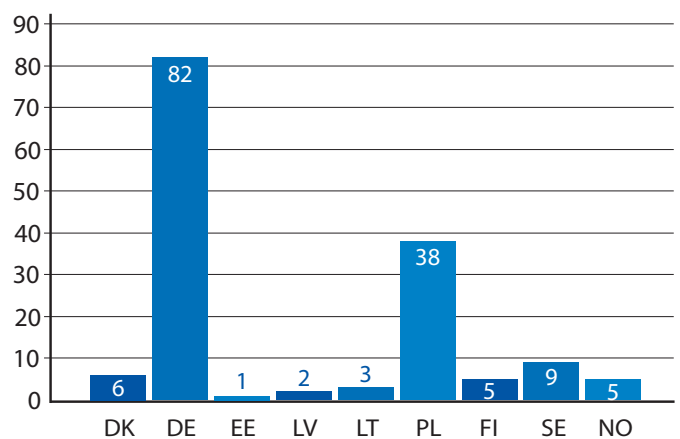
### DESCRIPTION OF THE TARGET GROUP AND SOURCE OF THE STATISTICAL DATA

The analysis was carried out for 3 countries of the Baltic Sea Region that is for: Germany (DE), Lithuania (LT) and Sweden (SE). In some cases, especially in the beginning of the cross border report, the analysis was extended to include other BSR countries in order to demonstrate the phenomenon in a broader spectrum. The statistical analysis was based on data from Eurostat and from national statistical offices. Part of the analysis was conducted in the regional context. Partner regions of Going Abroad project are in Lithuania: Klaipėdos apskritis LT003, Telsiu apskritis LT008, in Sweden: Kronobergs län SE212, Skåne län SE224, and Germany: Mecklenburg-West Pomerania except and Germany: the NUTS 3 Regions in Mecklenburg-West Pomerania except Greifswald, Kreisfrei Stadt DE801, Uecker-Randow DE80I. Specific reports and publications used in the study are listed in the references.

While analyzing business phenomena different sizes of the populations have to be considered (see Fig.1). Of course, some of the statistical variables are expressed as indexes that are based on 100, 1000 etc. inhabitants, but also important information is how many inhabitants live in a specific region or country. Baltic

Sea Region (BSR) countries, in terms of size, form two distinct groups of countries: a two-element group of large countries and a group of small countries. This is important information in terms of common policies and programmes prepared and implemented in those countries.

**Figure 1** Total population in 2010



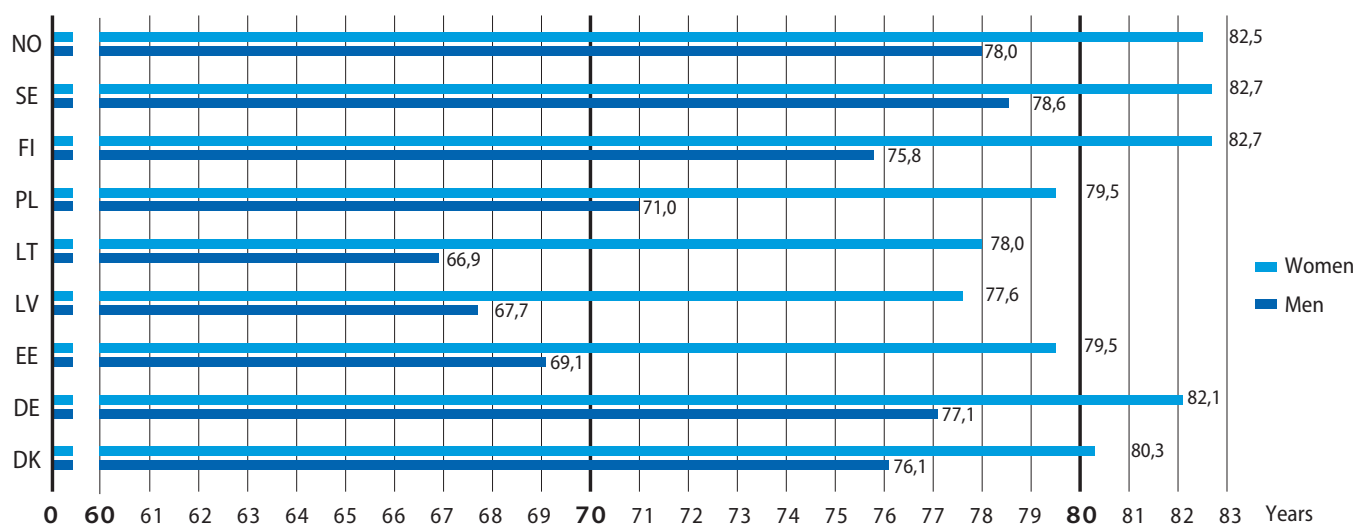
Source: Eurostat

Without a doubt, implementing new practices in a country that consists of more than 80 million citizens and in a country dozen times smaller has a different character and dimension. The total BSR population is 152M, while women constitute more than 51% of that population, exactly 78mln.

Next to the size of the population, the important matter of a simple demographic analysis is study on life expectancy. In all BSR countries, women live longer

than men; while the more wealthy country, the citizens, including both women and men, live longer (see Fig.2).

**Figure 2** Life expectancy at the age of 1 in 2009



Source: Eurostat

Life expectancy is a key factor presenting the quality of life. The figure 2 shows that the longest life expectancy among the BSR countries is in Nordic countries i.e. Finland, Sweden, Norway and Denmark. The highest values of the life expectancy were observed for women, who in all BSR countries live longer than men. The value stands for the high quality of life, good economic condition and healthy life style. The shortest life expectancy occurred for men in less developed countries - Lithuania, Latvia and Estonia, where according to the data from 2009, the life expectancy for a man is less than 70. What could be the reason of such differences between women and men? There is no clear answer. However, scientists have identified some factors that may affect life expectancy. Often mentioned are socio-cultural factors (e.g., propensity for alcohol abuse), economic factors (e.g., poverty, and excessive physical work related activity) and biological factors. Moreover, the next observation was that the poorer country is, the higher differences in average life expectancy for men and women. In Lithuania, Latvia, Estonia and Poland the difference is caused by relatively short life expectancy for men. The average life expectancy for women in all BSR countries does not differ significantly. The above information relates to the

age of the population in the statistical terms in 2009. Introducing a dynamic aspect, that is, taking a sample of what happens to life expectancy over time it should be noted that for all countries the variable is growing. Consequently, all analyzed populations are aging societies<sup>1</sup>, where population growth oscillates around zero.

### LABOUR MARKET

The basic characteristic of the labour market is the employment rate, which indicates the number of persons employed per 100 people at the working age. This variable decreases for all European countries. In 2008, the employment rate for EU27 was ca 66%, in 2009, 65%, and in 2010, 64%. It is a result of the economic crisis that can be noticed by, inter alia, the fall in demand for the labour. European Union authorities are aware of how important, from the economic development standpoint, is to stimulate and support the involvement of women and men in the labour market. The latest strategy, Europe 2020, for a smart, sustainable and inclusive growth is based on five targets; reaching employed 75% of the population aged 20–64 is one of those targets.

<sup>1</sup> Population ageing is defined as the increased share of the elderly in the general population (Holzer 1999).

**Table 1** Employment rate by gender in BSR countries in 2009

Country	Females	Males
Denmark	74,8	80,8
Germany	69,8	79,7
Estonia	68,8	71
Latvia	66,8	67,4
Lithuania	67,5	66,9
Poland	57,6	72,6
Finland	72,4	74,7
Sweden	75,7	80,9
Norway	77,9	83,1

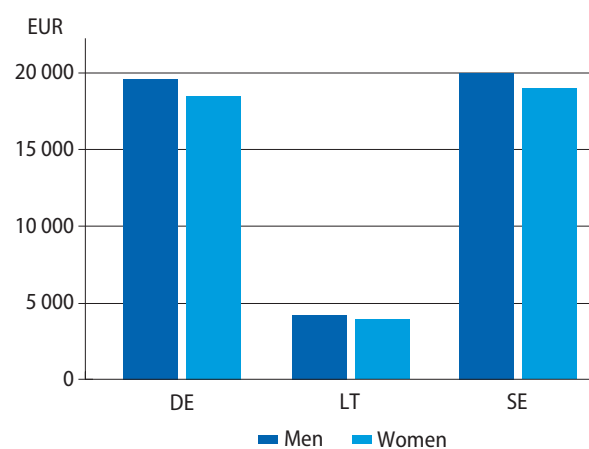
Source: Eurostat

Table 1 presents the employment rate in the BSR countries regarding mentioned above EU target. Only two of the nine BSR countries, Sweden and Norway, have met the required level of employment rate (75%) for both men and women. Two countries, Denmark and Germany, have met the criteria for men, while still some effort has to be put to involve more women in the labour market. In Lithuania, and the other three post-communist and the less economically developed countries, occurred the lowest level of the employment rate. Neither the rate for women nor for men has reached the required 75%. In those countries only a really strong commitment of the authorities and institutions at national and regional level will lead to a satisfactory level of economic activity of the population. Mobilization of the population to increase the participation in the labour market is often a difficult process, because it requires a change of the mentality, a change of thinking. Mentioned kinds of changes are said to be one of the slowest.

Another studied variable is the income of women and men. The study of net income in the BSR countries in 2009, showed again the division into two distinct groups of BSR countries. Poland, Lithuania, Latvia and Estonia form a cohesive group of low income countries. Another quite coherent group of richer countries is created by DK, DE, FI and SE. However, Norway clearly diverges from other countries. A question can be raised: is there a way that the less developed countries may take advantage of such situation? The first big opportunity is the possibility of direct participation and interaction with better organized and well developed

markets. For example, through export or import of goods and services, access to newer technologies and better solutions, proven best practices from more developed countries.

In all three countries, on which the analysis is focused; DE, LT and SE, the annual income of men in 2010 was higher than women's. However, the gender difference was smaller than it is often said (even around 15-20%). In Germany, the average annual income of a man was ca 19.6k EUR, and for a woman 18.5k EUR. This means that the income of women was lower by 5%. In Sweden, the income gap between men and women reached the same level, but the same values were higher - ca 20k per year for a man, for a woman 19.3k EUR. Situation in Lithuania differed from the previous two countries. The value of the variable for men stood at 4.2k EUR and for women 3.9k EUR. Moreover, in Sweden and in Lithuania the value of the income in 2010 comparing to 2009 was lower for both man and women. It should be noted that the net income was determined for the population over 16 years of age, which explains relatively low values.

**Figure 3** Median net income by gender in 2010 (age 16+)

Source: Eurostat

It should be mentioned that the richer countries with their well-organized labour markets have also advantages of cooperation in BSR. Those advantages include cheaper labour force, new, large output markets for products and services, job and cooperation security as the borders are open (in contrast to closed and hazardous areas as is the communism). Cooperation and belief in shared values in all the BSR countries will contribute to create a strong civil society of this part of EU, supported by a high level of material culture.

## ENTREPRENEURSHIP

Without a doubt, while analyzing women's and men's market activities it is essential to relate them to the category of entrepreneurship. Wide range of definitions of the term can be found. The entrepreneurship is defined inter alia as running a formalized business activity, usually taxed and market-verifiable. Therefore, in this study it is assumed that the entrepreneur is a person who sets up business deals in order to make a profit, but also, who arranges, manages and takes the risk of running a business. The adjective entrepreneurial can specify someone with the qualities that are essential for people to be successful as entrepreneurs.

In 2011 the share of men among all self-employed was significantly higher (65,6 %) than the share of women (34,4 %). This situation concerns all European countries; however it is obvious that there are big differences between different European countries. It has to be noted, that well-developed and wealthier countries show particular high share of self-employed women. Many actions recently are taken in order to support female entrepreneurship; such as promoting the idea of female mentors to help woman entrepreneurs to get started the business (EC 2011).

The mentoring is based on a partnership relation between a female mentor and the beginner female entrepreneur. This relation is focused on discovering and developing the potential of the latter. Female mentor inspires, stimulates and guides by supporting the development of new entrepreneurs and companies. The joint work is mainly based on the fact that the beginner female entrepreneur, with appropriate mentor treatment, develops self-awareness, and is not afraid to follow the chosen path of self-realization. Mentoring also includes counselling, evaluation and assistance in planning successful disciples of business (Karwala 2007).

Organizations carrying out the *Going Abroad* project have extensive experience in the field of mentoring. An example can be FEM Project- Female Entrepreneurs Meetings in the Baltic Sea Region Interreg III B ([www.feminfo.net](http://www.feminfo.net)) carried by the partnership in some similar composition. Many interesting ideas supporting entrepreneurs can be found in the collection of good practices collected under "Women's Resource Centres. Innovation and Practices for Smart, Inclusive

and Sustainable Growth", which is the result of the Winnet8 project, Interreg IVC ([www.winnet8.eu](http://www.winnet8.eu)).

The EU officials, for whom the economic growth of regions is an important matter, know how important it is to use the entrepreneurial potential of the population. There are many reports, programmes and action plans in this area, e.g., "Entrepreneurship in Europe" and "The European agenda for Entrepreneurship". EU understands that the entrepreneurship is focused on the business context although among the definitions given in the EU documents the multidimensional concept is stressed out.

Without a doubt, the importance of entrepreneurship results from the fact that it affects the creation of new jobs and the economic growth. Moreover, it produces healthy competitiveness that gives the dynamics into business life. Entrepreneurial attitude and behaviour can take full advantage of personal potential. Last but not the least; it satisfies many social needs such as wealth, jobs and diversity of market choices<sup>2</sup>.

An important issue for the policy makers is to know what factors create climate favourable for entrepreneurship, producing more entrepreneurial entities and making existing business grow. Despite this awareness, there are still numerous entry barriers like bureaucracy barriers and financing barriers in the primary phase of running a business. A major role in overcoming these barriers plays; professional training for starting entrepreneurs, public sector support in terms of risk-sharing and funds access.

## MOTIVATION FOR START-UP BY GENDER IN %

What motivates to start up a business? Are there any different motivations of women and men in this matter? Statistical analysis showed that motives are similar for both sexes. First of all, they want to be their own boss, as they appreciate the independence and feel that they are strong enough to manage on their own. Secondly, they want to earn more money and in the private sector average earnings are higher than e.g., in the public sector. Another often occurred argument was seeking a new challenge. One of the least chosen motives was a will of continuing a family tradition, which shows that in the modern world, family pressures on the choices of men and women appears to be much weaker than decades ago (FOBS Survey 2005).

<sup>2</sup> "Entrepreneurship in Europe", COM(2003) 27 final, European Commission, Brussels, 2003



Below more regularities concerning participation of women and men in the labour market, with the special emphasis on entrepreneurship, computing and ICT, can be found.

- While supporting gender equity in the entrepreneurship it is crucial to increase **women's involvement in ICT sector**. The importance of ICT (Information and Communication Technology) sector is based on its ability to create greater access to information in underserved populations. Increasing women's participation in this sector will reduce labour market segregation and, as mostly jobs related to ICTs are well paid, it will allow women to receive better salaries. In the BSR countries **quite strong disparities in the usage of computers** by women in different age groups can be observed. In Finland, Sweden, Norway and Germany, women often claimed an every-day usage of computers. The BSR countries that showed relatively low frequency of female computer usage are Poland, Lithuania and Latvia. The highest differences were seen for the oldest group of the population (55-74 years). Smaller differences were noted for younger age groups. In all BSR countries the frequency of computer usage in the youngest age group was high.
- Internet is without a doubt the one of the most powerful tools of ICTs. Analyzing women's Internet usage it can be easily seen that there are quite strong differences both between BSR countries and between age groups. Similar to the computer usage, statistics for younger women using the Internet were much higher, followed by middle-aged women, and at the last place, by the oldest women. Highest values were noted for young women in Finland, Sweden and Estonia. It has to be marked that in those countries, more than 75% of young women claimed a daily Internet usage. The smallest value of the study coincided with a variable for oldest women in Poland, Lithuania and Latvia - on average 4% of women from that group use the Internet daily. The relatively low frequency of Internet usage was also noted in Germany (11% of the oldest women use this ICT tool daily).
- In some BSR countries a large number of women in age 16–74 in general do not use the computer and the Internet. In the first group of countries, well developed in terms of the information flow (Norway,

Finland and Denmark), less than 10% of women have never used the internet or the computer. The second group consists of less developed and less wealthy countries: Poland, Lithuania and Latvia. In the first two countries: Poland and Lithuania almost 40 % of women in age 16-74 have never used a computer and the Internet. Germany was located between these two groups with the result of 15% (Eurostat 2009).

- A strong increase of usage of e-services: e-government, e-health and e-commerce can be observed, for example in 2009 comparing to 2004 the use of e-health services increased by nearly 30%. This is a strong step towards an active participation of women in the information society.
- Computer skills are the base while searching for a job in ICTs field. Unfortunately, statistics of women's employment in computing activities showed alarming low results. The proportion of women employed in computing activities (not ICT activities, but exactly computing) in relation to total employed women is only few percentages (less than 2 % in 2007) and usually it includes age group under 40.
- Looking more generally at the employment in ICT in most developed countries of the BSR: such employees consist less than 5% of all employed persons.
- A strong predominance of women over men in HRST (Human Resources in Science and Technology) was observed. While on the other hand, in the category of scientists and engineers the proportion is an opposite.
- Women's low interest in professions in the field of science and technology is linked with a small number of patents applications. Less than 10 % of patents awarded by the European Patent Office are awarded to women (EC 2008).

#### **GOVERNMENT DEFICIT, EXPORT AND IMPORT IN GERMANY, LITHUANIA AND SWEDEN**

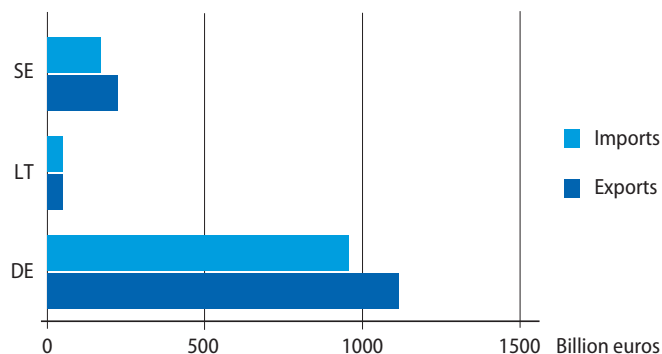
Looking at the newest data concerning general government deficit, big differences of the values between Germany, Lithuania and Sweden can be found. It should be explained that the general

government deficit (or surplus) is defined in the Maastricht Treaty as general government net borrowing or lending according to the European System of Accounts. It is the difference between the revenue and the expenditure of the general government sector. GDP used as a denominator is the gross domestic product at current market process (Eurostat 2011). In Germany the general government deficit in 2010, estimated at  $-4.3\%$  of the GDP. In Lithuania also a deficit was noted at  $-7\%$  of GDP. Only in the case of Sweden surplus was noted at  $0.2\%$  of GDP. Surplus is the opposite of deficit and means that Swedish government expenditures are lower than the income.

The next step was an analysis of the contribution to the intra EU27 trade of the European Union of the studied three countries. The variable presented in % presents share of EU imports by the member state. Comparing the three BSR countries, the unquestionable leader is Germany with the  $20.7\%$  contribution to the intra EU trade. Sweden, regardless the small size of the country comparing to Germany, noted the share of import at  $3.1\%$ . The last place in this set belongs to Lithuania with  $0.4\%$  of the EU intra trade.

Comparative analyses should be done in relative terms or by means of indicators and indices, which values are expressed as a percentage. This allows for meaningful comparisons in different countries, regions, etc. Such analyses should deepen to show certain aspects in absolute numbers, expressed in units of a variable, or in money, by weight, etc. The study of statistical data on imports and exports goods and services showed a huge discrepancy between the three analyzed countries. In Germany and in Sweden was a surplus balance of trade – export advantage over imports. The figure 4 presents the value of exports and imports of goods and services in current prices in 2010. The surplus of exports over imports in Germany amounted to EUR 135 billion and in Sweden 21 billion Euro. In Lithuania the value of imports exceeded exports by 353 million EUR.

**Figure 4** Goods and services, imports and exports at current prices in billion EUR in 2010



Source: Eurostat

Looking at the position of the countries, in terms of competitiveness in comparison with other economies of the world, it is worth noted that Sweden and Germany occupied a high position in 2011, in both cases the place was better than in the previous year. 59 countries were examined, of which Sweden took 4<sup>th</sup> place and Germany 10<sup>th</sup>. Lithuania was located at 43<sup>rd</sup> place when it comes to economic competitiveness (IMD World Competitiveness Yearbook 2011).

Another index, comparing the global economy, relevant to this analysis, is the Networked Readiness Index (NRI). This is an index that evaluates how much the economy is networked. Out of 138 countries that have been evaluated, Sweden was ranked number 1; as the most networked economy in the world. Germany occupied the 14<sup>th</sup> place, while Lithuania 41<sup>st</sup> place. The index examined different business issues such as readiness and business usage. In the first case were evaluated, for example, such issues as the extent of staff training, local availability of research and training and quality of management schools. Business usage component was based on, inter alia, evaluation of prevalence of foreign technology licensing, business-level technology absorption and capacity for innovation. (GITR Report 2010)



## 1a. GENDER SITUATION IN PARTICIPATING REGIONS (NUTS LEVELS)

The analysis of trade and cross countries business cooperation has been supplemented with some information on the regions and sub-regions of the partners involved in the project Going Abroad. The table 2 shows the populations of individual territorial units.

The largest population has Mecklenburg-Vorpommern (DE) – 1.65 million inhabitants. However it should be noted that not the whole NUTS 2 region is involved in Going Abroad project. In the second place is the Swedish Skåne län with a population of 1.23 million. The population of Lithuanian regions Klaipėdos and Telsiai amounts to 377 thousand and 171 thousand inhabitants. These regions differ strongly in terms of the % of the total population. It is worth noting that the most numerous in terms of population, Mecklenburg-

Vorpommern represent only 2% of the total population of Germany.

**Table 2** Population of participating regions in 2000 and 2010 and the size of the region as % of total population

	Population of the region		Size of the region as % of total population	
	2000	2010	2000	2010
<b>Mecklenburg-Vorpommern (DE)</b>	1 789 322	1 651 216	2,2	2
<b>Klaipėdos apskritis (LT)</b>	388 015	376 549	11	11,3
<b>Telsiai apskritis (LT)</b>	180 499	171 132	5,1	5,1
<b>Kronobergs län (SE)</b>	177 149	183 162	2	2
<b>Skåne län (SE)</b>	1 123 786	1 231 062	12,7	13,2

Source: Eurostat

## 2. SWEDEN – COUNTRY PROFILE

Statistical analysis of the labour market, conditions for running business, entrepreneurship, taking into account the gender perspective has shown that Sweden is the undisputed leader among the three BSR countries, but also comparing to Europe, or even the world. As has already been written in the first part of the report, based on an index NRI, Sweden is rated as the most networked economy in the world.

Sweden is the second most populous country of the analyzed countries. Total Sweden's population in 2010 reached 9.3 million and what is nowadays exceptional in Europe, the population is steadily growing. In 2000 the population was 8.8 million. The sub-regions involved in the Going Abroad project are Kronobergs län and Skåne län. The population of the first one represents only 2% of the total population; the second region is much bigger and covers 13% of the total population of Sweden. The average age of women in Sweden in 2010 was 42 years and men 40 years. The

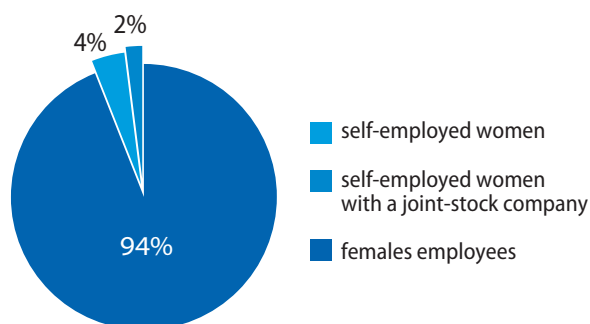
age structures of Sweden and the two regions were similar.

Swedish Nominal Gross Domestic Product per capita is the highest, comparing with the other studied countries that participate in the project, and amounted to 37 000 EUR per inhabitant. Moreover, GDP per capita rate is systematically growing; inter alia in 2004, amounted to 32 400 EUR.

Unemployment rate in Sweden is relatively low, keeping in mind that Sweden is a country with high professional involvement of men and women. In 2004, the unemployment rate was 7.4% and six years later 8.4%. Many effective methods of integrating into the labour market, both “native” citizens” and the so-called “new Swedes” were developed. This ratio for the regions participating in the Going Abroad project was lower than for the whole of Sweden. In Kronobergs län the unemployment rate in 2009 for citizens aged 25+ was 4.6% and in Skåne län 6.1%.

Looking at the values of the unemployment rate for women it was noted that in Kronobergs län it was exactly the same as for the total population, as in the case of Skåne län the rate was slightly higher. The unemployment rate of women in the region in 2009 was 6.4%.

**Figure 5** Gainfully employed Swedish women (16+) by status in employment in 2010



Source: Statistics Sweden

Looking at the structure by status in employment of gainfully employed women aged 16+ it should be observed that the self-employed women make up only 6% of all employed women (see Fig. 5). 4% are self-employed women in the strict sense, and 2% are self-employed women with a joint-stock company. Therefore an overwhelming majority (94%) of women work as employees in firms run by another person or in other institutions.

When it comes to industrial classification, the specifications of industries in which women were most often employed are the educational establishments and human health establishments. Subsequently, most often employment industries are retail trade (except of motor vehicles and motorcycles), public authorities and national defence, establishments for residential care activities and social work establishments without accommodation.

As it was already written above, Sweden can boast an extremely high rate of employment of the population that is growing all the time. In 2000, the employment rate of population aged 20–64 was 76%, and at the beginning of the next decade, in 2010, already 81%. Particularly impressive is the level and growth rate of employment of elderly at the age of 60–64 years. In 2000, the rate amounted to 46%, and in 2010, to 61%.

Looking at foreign trade among 10 countries to which Sweden exported in 2010 the most goods are on the first place Germany (10% of national exports), Norway (9% of total exports), United Kingdom (7%), USA (6%), Denmark (6%), Finland (6%), Netherlands (5%), France (5%), Belgium (5%) and China (3%). As for imports, the list of the 10 largest importers in Sweden is almost the same as exporters. 18% of imports of goods to Sweden are from Germany, 8% is imported from Norway, 8% from Denmark, from Netherlands and from the UK, 5% from Russia, Finland and France, and 4% from China and Belgium (Statistics Sweden 2012).

Sweden is often considered as a model country in which the economic situation and equality has reached very high level. The proportion of working women is one of the highest in the world, and the gender parity became an inspiration for many other countries. However it has to be kept in mind that even the Swedish systems have some problems or weaknesses. For example, the state provides paid parental leave, of which two months may be used only by the fathers, yet still mothers use four times more parental leave than men. Women more often are employed in the less paid public sector. As well as women in Sweden are more often employed part-time, often despite a willingness to work full-time, which greatly reduces their monthly salary. Gender gap in earnings in Sweden is about 15%, very similar in comparison of the other Baltic countries.

### 3. GERMANY – COUNTRY PROFILE

Germany is the most numerous of the three studied countries, however in contrast to Sweden; the country's population is decreasing. In 2000, the population of Germany was 82.2 million citizens and 81.8 million by 2010. In the Mecklenburg-Vorpommern region, part of which is involved in the Going Abroad project lived in 2010, 1.7 million people, so the population of the region accounted for ca 2% of total population of the country. 51% of the citizens were women.

In 2009, in Mecklenburg-Vorpommern lived 418k economically active women, which accounted for 56% of the population of women aged 15 and older. Comparing this level of professional activity to the level of the whole country, it can be estimated as relatively low. Thus, relatively high unemployment rate, both for women (13%) and the whole population (14% in 2009) was noted in the region. However, it is important to mark that the situation in terms of level of unemployment rate has improved recently; in 2004 the same rate for women was 23%.

For the whole Germany the unemployment rate in 2010, was 6.8% and 5.7% in 2011. Analysing the recent data from the Federal Employment Agency an increasing number of employees subject to social insurance contributions can be noticed (in 2010, 27.7M and in 2011, 28.4M). On the other hand, the number of persons exclusively in marginal employment declined in 2011 (4.89M) comparing to the previous year (4.92M).

Employment rate for the total population aged 20-64 in 2000, was 76%, and 81% in 2010. This means that the number of people employed in relation to people at working age in the labour market increased. The increase of the total variable was boosted by strong growth in employment in the adult age groups, i.e., 55-59 years and 60-64 years. For example, in 2000, among 100 persons from the group 60-64, 20 persons were employed. Ten years later, i.e. in 2010, 41 people out of 100 in that age group were employed.

The analysis of the number of self-employed population has shown a regular growth. In 2002 there were 2.65M self-employed persons in Germany, while in 2011, 4.49M. Examining the category of "self-employed" is worth noting that it consists of self-employed with and without employees. The latter is always bigger than the representatives of the first category (with employees). It should be noted that women represent a growing number of all categories of self-employed workers. Analysis of recent trends in self-employment also includes the number of helping family members.

Analyzing the scope of full-time employment for men and women strong differences were observed in the industries chosen by each sex. Full time employed men in 2009 usually worked in manufacturing (33%), sale, maintenance and repair of motor vehicles (13%) and construction (10%). Full-time employed women were most often employed in health and social care (20%), manufacturing (16%) and sale, maintenance and repair of motor vehicles (15%). As for the women's part-time employment often chosen industries coincide with the industries of full time employment, but the structure is rather different: health and social care (25%), sale, maintenance and repair of motor vehicles (19%) and manufacturing (7%<sup>3</sup>).

Working part-time has both strong and weak sides. Among the principal advantages are often mentioned; less workload and better ability to balance the sphere of family life, the possibility of independent adjustment of working hours, i.e., depending on the circumstances of the daily ration of duties can be done in the morning or afternoon. If the work takes place at home (various forms of on-line or distant work), the advantages include the lack of possible contact with unhealthy competition and an unpleasant atmosphere in the office and the ability to stay in the house, which is especially important for so-called "home-birds". The main downside of a part-time job is of course the lower income. Despite this, it is a form of employment appreciated especially when people have children who have not yet begun to regularly attend school.

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<sup>3</sup> 7 % for manufacturing means that per 100 women employed half-time, 7 of them were employed in this sector.

## 4. LITHUANIA – COUNTRY PROFILE

Lithuania is a young republic, in which the democratic tradition is just being built. After the collapse of the Soviet Union, and extraction of the new republics such as Lithuania, Latvia and Estonia, relations with Russia are still strained. A big plus is the fact that Lithuania is largely independent of Russia in terms of energy. It has an extensive nuclear program, providing for the production of about 80% of energy. After the entry to the EU, the agricultural market access and favourable conditions for tourism development gave the impulse to the intensification of economic relations with foreign countries.

For a long time, strong economic growth was accompanied by low inflation. Recently, also due to the global crisis, GDP growth declined and amounted in 1,3%. In 2011, the annual inflation rate amounted in 4,5%. In addition to economic stabilization process, Lithuania also needs political stability. This is indeed the condition for confidence in domestic and foreign investors (Haus Rissen Hamburg 2006).

The population of Lithuania is decreasing. In 1990 the total population was 3.7 million inhabitants while in 2011 the amount was 3.2 million. As for the participation of women in the population, it stood during the period at a similar level of 53%. The majority of the Lithuanian population is married. 46% of women and 51% of the men was precisely in this marital status in 2011.

In the BSR countries, economic activity and fertility rate have a positive relationship. This means that in countries where relatively low level of economic activity of women is, relatively more children are born. These are considered as less affluent countries: Lithuania, Latvia, Estonia and Poland. The Lithuanian government in order to counteract the low level of TFR introduced a system of incentives for having children. One is a 3 years of payment for childcare at home. Such solution may be one of the bases of the situation that a small part of the children is the school age attend kindergartens. This means that the idea of

supporting parents of a new born may demobilize them to be active in the labour market. It is well known fact that after a long period of inactivity the return to the professional life can be difficult. However, an example of a successful combination of high economic activity with relatively high levels of fertility can be found in Scandinavian countries like Sweden. For statistical comparison, a woman in Lithuania in 2009 had 1.55 children, and in Sweden 1.94 children. Employment rate of women in Lithuania at that time amounted to 68% and Sweden 76%.

Analysis of disposable income in Lithuania showed significant differences by household type. The highest income per household member per month was the case of a couple without children and amounted to 1183 LTL when the household's head was a woman and 1230 LTL when the household's head was a man (Eurostat 2008). The lowest income coincided with the holding of single person with children under 18 years.

In Lithuania, most people are employed in the private sector – 80% of men and 62% of women. Labour force participation in Lithuania is increasing for women and decreasing for men. Both the increase, and decrease, was not significant, ca. 2%. The direction of changes for men is alarming. In 2000, the labour force participation rate for men was 74 %, and in 2010, 72 %. The same variable for women was 67 % in 2000, and 69 % in 2010.

Employment rate differs from the labour force participation rate by the fact that the employment rate indicates how many people were employed in 100 people of working age, while labour force participation rate refers to number of economically active persons per 100 persons at working age. Economically active population stands for employed or unemployed but actively seeking work. In 2000, the employment rate for women was 58% and 60% for men. In 2010, the situation has improved slightly for women, and decreasing for men – employment rate was 59% for women and 57% for men.

Lithuania is a country where the unemployment rate for men is significantly higher than unemployment rate for women. Moreover, the difference has increased over the last decade by the rise of the unemployment rate of men. In 2011, the unemployment rate for women stood at 13% and the unemployment rate for men was nearly 18%. Total unemployment rate for men and women in the second quarter of 2011 amounted to 15.6%.

The average monthly gross earnings in private sector are lower than in public sector. Gross earnings for women are lower than for men both in public and private sector. In the past decade, the gender gap determined on the basis of average monthly gross earnings for the public sector is decreasing. In 2000 was estimated at 23%, in 2010, 17%, which means that women now earn ca. 17% less than men. Gender gap in the private sector persists in the last decade at a similar level. In 2000, women earned on average 16% less than men and in 2010 up to 18% less. Average monthly earnings in the first quarter of 2011 amounted to approximately \$ 842. In Lithuania there is a particularly high level of female entrepreneurs, in 2008 this ratio stood at 41%. This means that for every 100 people who were self-employed, 41 of them are women.

Lithuania is rich in natural resources such as limestone, clay, sand, gravel and iron ore. This affects the structure of the major sectors of the economy. That is; wholesale and retail trade, transport, and communications – ca 35%, and manufacturing about 20%. Analyzing the balance of Lithuanian trade in the first half of 2011 it should be noted that there was a trade deficit, the main value of imports over exports. The value of exports in the first half of 2011 amounted to ca 17.9 billion USD. The value of imports in this period amounted to 20.2 billion USD.

Looking at the structure of export it is seen that 25% are mineral products, ca 10% machinery and mechanical appliances, ca 10% are chemicals and ca 9% the vehicles and transport equipment. Lithuania exports 61% of its products to EU countries and 28% to the countries of the Commonwealth Independent States (CIS), the former Soviet Union. Structure of imports is similar to the above-described structure of exports: 35% are mineral products, ca 12% of machinery and mechanical appliances, ca 11% of chemicals and ca 9% of the vehicles and transport equipment (Eurostat 2012). While the 56% import partners are EU countries, and 37% from CIS countries.



## 5. LISTS OF POTENTIAL BRANCHES

Most developing branches of the industry are specified based on two criteria:

- 1) The criterion for knowledge-based economy industries
- 2) The criterion for the highest salaries

### REF. 1

The term knowledge-based economy is defined as the economy directly based on the production, distribution and use of knowledge and information (OECD 1996). This means that knowledge is seen as an important determinant of the pace of development and level of economic development. In the knowledge-based economy, the economy growth does not depend on a number of key sectors of the economy such as agriculture or mining, but on all industries that need to incorporate knowledge-intensive production processes and services. According to another definition – KBE – is defined as export-oriented economy. It is the use of the knowledge economy, creativity and technology to produce products and services. The key to achieving this goal is innovation.

Knowledge-based economy is distinguished by six important characteristics:

- Investment in research and development.
- The growing importance of exports and international connections.
- Growing employment in knowledge-intensive industries.
- A new business type- a company based on knowledge.
- A high share of services in employment and GDP.
- An important role of formal and informal networks.
- Never-ending of knowledge (OECD 1996).

According to the above, the employment and self-employment in following industries should be enlarged:

1. Information and communication
2. Professional, scientific and technical activities
3. Education
4. Manufacturing
5. Services based on knowledge, creativity and technology

### REF. 2

By the criterion for the highest salaries it is meant encouraging taking up employment in industries with the highest salaries in each country.

For Germany that means:

1. Financial intermediation,
2. Education,
3. Industry (except construction),
4. Manufacturing.

For Sweden that means:

1. Financial intermediation,
2. Real estate, renting and business activities,
3. Mining and quarrying,
4. Industry (except construction).

For Lithuania that means:

1. Financial intermediation,
2. Real estate, renting and business activities,
3. Public administration and defence; compulsory social security.

The recommended industries are based on the table below. It has to be noted that the data for Lithuania is much older than for the other countries.

**Table 3** Average annual gross earnings by economic activity

	Germany 2007	Lithuania 1999	Sweden 2007
All NACE activities (except agriculture; fishing; activities of households and extra-territorial organizations)	39800	3 016,8	35417,6
Industry and services (except public administration and community services; activities of households and extra-territorial organizations)	40200	3 016,8	36871,4
Industry	40900	2 957,7	36320
Industry (except construction)	42200	3 019,6	37038,7
Mining and quarrying	41400	3 146,3	40272
Manufacturing	41900	2 842,3	36762,2
Construction	31000	2 746,7	34011,7
Services (except public administration and community services; activities of households and extra-territorial organizations)	39400	3 092,8	37359,2
Wholesale and retail trade; hotels and restaurants; transport	35300	2 802,9	33133,9
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	37500	2 527,1	35153,2
Hotels and restaurants	21700	2 127,5	20955,6
Transport, storage and communication	34300	3 317,9	33189
Financial intermediation; real estate	44700	4 224,1	42912
Financial intermediation	53700	6 081,5	54407,5
Real estate, renting and business activities	41300	3 447,4	40640,3
Public administration and defence; compulsory social security		4 347,9	36394,2
Education; Health; Other service activities	38100	2 690,4	31544,5
Education	43300	2 836,7	30758,7
Health and social work	35600	2 470,9	31654,7
Other community, social and personal service activities	36600	2 690,4	33383,5

Source: Eurostat

Recommendations criteria 1 and 2 should be confronted with the current structure of the self-employed women in the surveyed countries. This

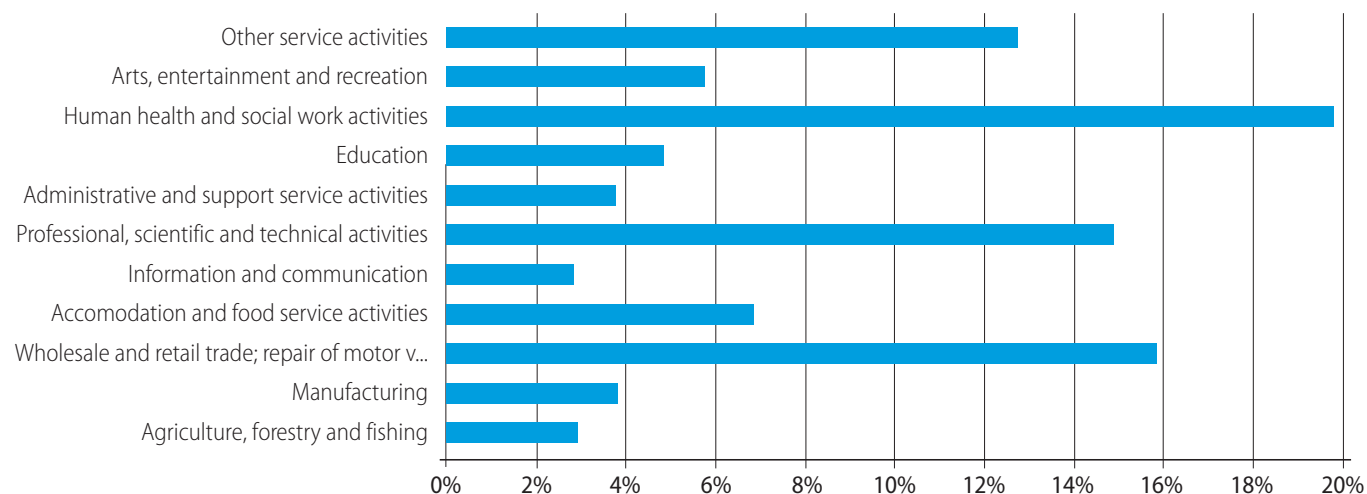
will assess whether it is favourable or not, and the recommended directions of the cooperation between the regions involved in the project *Going Abroad*.

**Table 4** Self-employment of women 25+ by economic activity (DE, SE 2010, LT 2009) in 1000 and in %

	Germany in K	Lithuania in K	Sweden in K	Germany in %	Sweden in %
Agriculture, forestry and fishing	35,2	22,3	8,6	3%	7%
Manufacturing	52,9		7,1	4%	6%
Wholesale and retail trade; repair of motor vehicles and motorcycles	190,6	14,6	23,5	16%	19%
Accommodation and food service activities	89,9		9,6	7%	8%
Information and communication	39,7		3,3	3%	3%
Professional, scientific and technical activities	181,4		24,2	15%	20%
Administrative and support service activities	67,5		5,1	6%	4%
Education	88,7		4,7	7%	4%
Human health and social work activities	243,5		11,5	20%	9%
Arts, entertainment and recreation	69,8		7,2	6%	6%
Other service activities	163,8	6,1	18,5	13%	15%
	<b>1223,0</b>	<b>43,0</b>	<b>123,3</b>	<b>100%</b>	<b>100%</b>

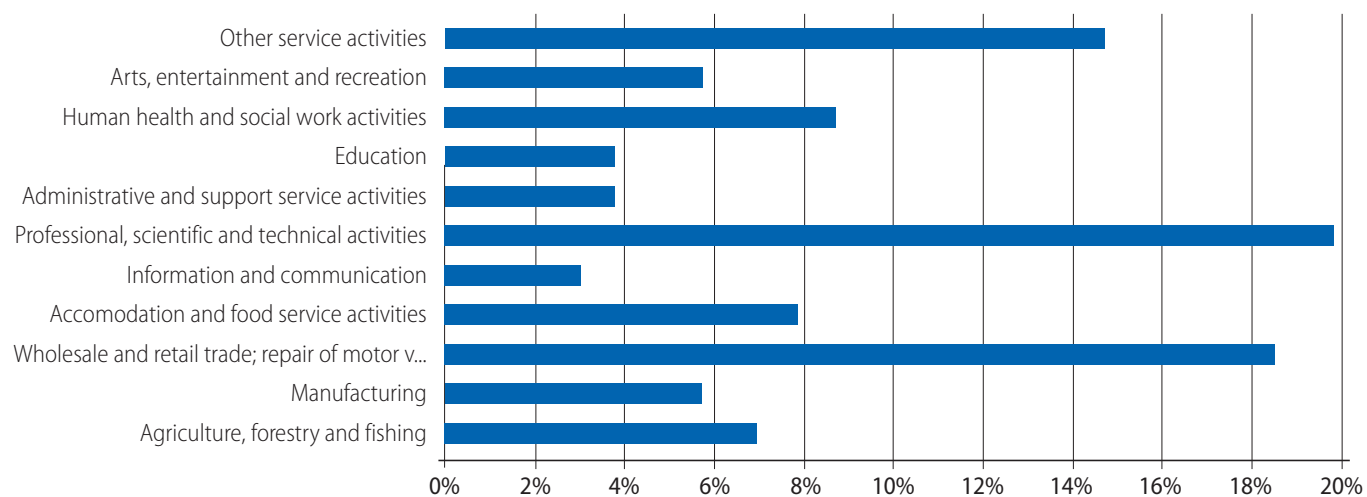
Source: Eurostat

**Figure 6** Self-employment of women 25+ by economic activity in Germany in 2010



Source: Eurostat

**Figure 7** Self-employment of women 25+ by economic activity in Sweden in 2010



Source: Eurostat

In Sweden and Germany the industries recommended in the criteria 1, that is knowledge-based economy industries, are not numerously represented by female entrepreneurs. In case of information and communication only 3 % of women in Germany and the same % in Sweden run their businesses in this sector. Professional, scientific and technical activities industry is better represented among self-employed women. 15 % of German women and 20 % of Swedish

women run an economic activity in this sector. As for the education, the results are not satisfying; only 7% self-employed women in Germany and 4% in Sweden have chosen this sector. Manufacturing in 2010, was the sector of 4% self-employed women in Germany and 6% in Sweden.

For Lithuania, due to lack of data (see Tab. 4) the analysis was based on separate data (see tables below).

**Table 5** Employment of women by economic activity in Lithuania in 1000 in 2011

	Employees		Employed	
	Males	Females	Males	Females
<b>AQ Total by economic activities</b>	<b>659,8</b>	<b>685,2</b>	<b>768,7</b>	<b>751,4</b>
A Agriculture, hunting and forestry	35,4	15	73,2	43,5
B Fishing	3,2	0,6	3,4	0,7
C Mining and quarrying	3,4	0,6	3,5	0,6
D Manufacturing	131,4	117,3	144,3	121,7
E Electricity, gas and water supply	20,9	6,6	21	6,6
F Construction	126,9	15,3	149,7	16
G Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	103,8	134,8	124,6	150,3
H Hotels and restaurants	4,3	31,5	5,6	33,3
I Transport, storage and communication	71,5	28,2	75,3	29,2
J Financial intermediation	5,3	14,5	5,4	14,8
K Real estate, renting and business activities	45,9	45,5	52,3	49
L Public administration and defence; compulsory social security	42,5	40,7	42,5	40,8
M Education	31,3	116,4	31,6	116,9
N Health and social work	11,6	82,3	12	83,7
O Other community, social and personal service activities	21,6	33,7	23,1	41,7
P Activities of households	0,8	2,1	1,1	2,7
Q Extra-territorial organizations and bodies	0,1	0,1	0,1	0,1

Source: Eurostat

**Table 6** Employment of women by economic activity in Lithuania in % in 2011

	Employees		Employed	
	Males	Females	Males	Females
<b>AQ Total by economic activities</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
A Agriculture, hunting and forestry	5%	2%	10%	6%
B Fishing	0%	0%	0%	0%
C Mining and quarrying	1%	0%	0%	0%
<b>D Manufacturing</b>	20%	17%	19%	16%
E Electricity, gas and water supply	3%	1%	3%	1%
F Construction	19%	2%	19%	2%
G Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	16%	20%	16%	20%
H Hotels and restaurants	1%	5%	1%	4%
I Transport, storage and communication	11%	4%	10%	4%
J Financial intermediation	1%	2%	1%	2%
K Real estate, renting and business activities	7%	7%	7%	7%
L Public administration and defence; compulsory social security	6%	6%	6%	5%
<b>M Education</b>	5%	17%	4%	16%
N Health and social work	2%	12%	2%	11%
O Other community, social and personal service activities	3%	5%	3%	6%
P Activities of households	0%	0%	0%	0%
Q Extra-territorial organizations and bodies	0%	0%	0%	0%

Source: Eurostat

It should first be noted that, in the economic activities, Lithuania does not specify two important industries because of the knowledge economy: information and communication and professional, scientific and technical activities. Probably women's participation in these activities was qualified as the other community, social and personal service activities. As for education and manufacturing women's representation as both employees and was employed was on a high level in comparison with other industries. In 2011, 17% of the women employees and 16% of employed ones were working in the manufacturing. Professional involvement in this industry is perceived as beneficial only if the production uses the knowledge, creativity and technology.

There are many reasons why raising the activity of women in industries connected with the knowledge-based economy, mostly in ICT – *Information and Communication Technology* is important. First of all it has to be marked that an increase of women's involvement in ICT sector will transform their lives for the better, as ICT is an efficient agent of change in the century. Secondly, that increase will reduce strong labour market segregation. Thirdly, an increased usage of women's IT skills will allow many companies, institutions and private persons to

benefit from women's skills that have been not used. Moreover, women's participation in ICT sector – one of the most dynamic and growing sector of economy, enable women to influence economic growth and alleviate the effects of the economic crisis. Furthermore, demographic changes cause structural changes in labour market; many people leave the labour market to retirement and women successfully take part in economic activities. Therefore it is essential to encourage women to train and find work in ICT sector. Next reason is the fact that gender differences in ICT can be analyzed for both equality and efficiency reasons. ICT participation equality policies and programmes are very important as the gender imbalance in the sector is not self-regulating, that is why proactive practices are important (Hozer-Kocmiel, Zimoch 2010).

Criterion 2 – the highest salary. Do women take jobs in industries where wages are highest in the country? Generally speaking; not. The analysis showed that the most self-employed women are working in wholesale and retail trade, repair of motor vehicles and motorcycles and human health and social work activities, but these are not so well paid sectors. The high involvement of women in these economic activities took place for all three analyzed countries.



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