Berlin

Overall Score: 47.5 out of 100 | Overall Rank: 15 out of 55

Basic Facts:
Population: 3.6 million in the metro area
- Gross Metro Production (GMP): $250.6 billion (2021)
- Top Sectors by Employment (2021):
  1) Public Services, education, and health
  2) Trade, transport, accommodation
  3) Consulting services

Notable Strengths:
Berlin is a city of reinvention and progress. Thirty-two years after reunification, the capital of Germany is home to free thinkers and known for its artistic spirit. As one of 15 European cities featured in the WE Cities Index, Berlin ranked 15th in this year’s ranking of 55 global cities. Berlin ranks ahead of fellow German cities of Munich, ranked 36th overall, and Hamburg, ranked 44th.

In the last three decades, Berlin has established itself as highly desirable city to live and work. Ranking 1st among all 55 cities in the culture pillar, Berlin offers an exceptional environment for women entrepreneurs. Berlin specifically ranks in the top five in the policy sub pillar for culture and the attitudes and expectations sub pillar in culture both of which can help reinforce one another. The city also boasts the strongest entrepreneurial network of all 55 cities. Berlin ranks 10th in the frequency of events for women in business like the Berlin Women Entrepreneur’s Day, providing ample opportunities for the vast entrepreneurial network to grow.

While the operating environment in Berlin is relatively weaker than the enabling environment, Berlin scores in the top 10 cities for women’s capital base and 13th overall in the capital pillar. Berlin ranks 2nd in the number of weeks of paid parental leave, promoting opportunities for parents to balance commitments without sacrificing their
savings thus enabling an important source of investment funds to continue to grow. Berlin also ranks 14th in the number of women founded venture capital firms, like Auxxo whose goal is to drive change by funding women-founded startups through their Female Catalyst Fund and building the Evangelistas network of over 150 women angel investors.

Areas for Improvement:
As noted, Berlin’s operating environment score is relatively weaker when compared to the enabling environment. Overall Berlin’s market score is in the top half of the index; however, the cost sub pillar shows room for significant improvement ranking 49th out of 55 cities. In particular, the city is held back by the relatively high corporate tax rate, high cost of starting a business, and the large number of procedures to start a business when compared to other cities. These costs raise the barrier to entry for potential women entrepreneurs who are also saddled with the burden of restricted access to capital, as is the case in Berlin. The city ranks 35th in the gender proportion sub pillar for capital, notably driven by relatively low proportions of city businesses in 2nd round or higher funding round with a woman founder or executive and low proportions of venture capital funds given to businesses with at least 25% female executives.

Also, within the operating environment, the talent pillar ranks in the bottom half of the index at 39th place. Notably, the women’s skill and experience sub pillar in 46th place. Berlin ranks 40th in the ratio of women to men with executive experience, 41st in the percent of women enrolled in top universities, 39th in women’s labor force participation. However, Berlin is uniquely positioned to overcome this challenge through the technology sector where they can leverage their strong 8th place showing in the policy sub pillar to encourage more women both in technology and to use technology to help them scale their businesses. For example, Berlin ranks 14th in technology training organizations for women per capita like Women Techmakers or the Digital Women Program at ReDI School of Digital Integration. In future years this will hopefully pay dividends in encouraging more women leadership in the tech industry, where Berlin currently has a dearth of women compared to men ranking in the bottom half. Women also use the internet less then men for business research although their use of the internet for business networking purposes is nearly on par with men. Overall Berlin is showing strong momentum in the index since the 2017 inauguration, ranking it 12th and in the taking off position to be a powerhouse for women entrepreneurship.