

ENTREPRENEURSHIP AND FEMALE ENTREPRENEURSHIP

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The entrepreneur is synonymous with the developer, the factor that organizes the production process, is responsible for economic decisions concerning what is produced, what quantities and by what methods of production. In the United States entrepreneur is often defined as "someone who starts his own small scale business"; in England was associated with business firms operating in new areas, innovative; France assumed small enterprises, sometimes reduced to the level of families. On the other hand, if you look at entrepreneurship in terms of news brought - in products, system management, technology - it is clear that should be the corporate privilege to be able to make major strategic changes.

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Size and development of entrepreneurial phenomenon

Classification of a company or economic entity in the category of entrepreneurial knew different views; for example, in the United States entrepreneur is often defined as "someone who starts his own small scale business"; in England was associated with business firms operating in new areas, innovative; France assumed small enterprises, sometimes reduced to the level of families. On the other hand, if you look at entrepreneurship in terms of news brought - in products, system management, technology - it is clear that should be the corporate privilege to be able to make major strategic changes. In these circumstances, we can say that entrepreneurship should not be characterized by the size of a company, but by the spirit of initiative, creative attitude, innovation, risk taking; entrepreneurship that can occur at the firm, individual, social group or community level, being evaluated by the performance that they generate and by the ability to cope with changes that may occur in the market.

As defined in the MacMillan Dictionary of Modern Economics⁵⁸ the entrepreneur is synonymous with the developer, the factor that organizes the production process, is responsible for economic decisions concerning what is produced, what quantities and by what methods of production.

Among the causes that lead to the emergence, development and success of entrepreneurial initiatives we can include: obtaining a profit, a gain corresponding effort, obtaining the so-called "independence" in financial terms and the activities developed (entrepreneurs have the opportunity to truly respect what they want to deal with and what they believe that generate a significant profit), the ability to implement and capitalize on an idea, a niche market, a category of customers, an opportunity for other business unknown by other entrepreneurs, desire innovation. However, we can say that the defining element of entrepreneurship is the innovation and change, whatever that is manifested in the economic, social, technological, etc.

In the study conducted by GEM (Global Entrepreneurship Monitor) and presented in the country report of Romania 2007 - Monitoring the global entrepreneurship, are taken into the record business from Romania in international comparison:

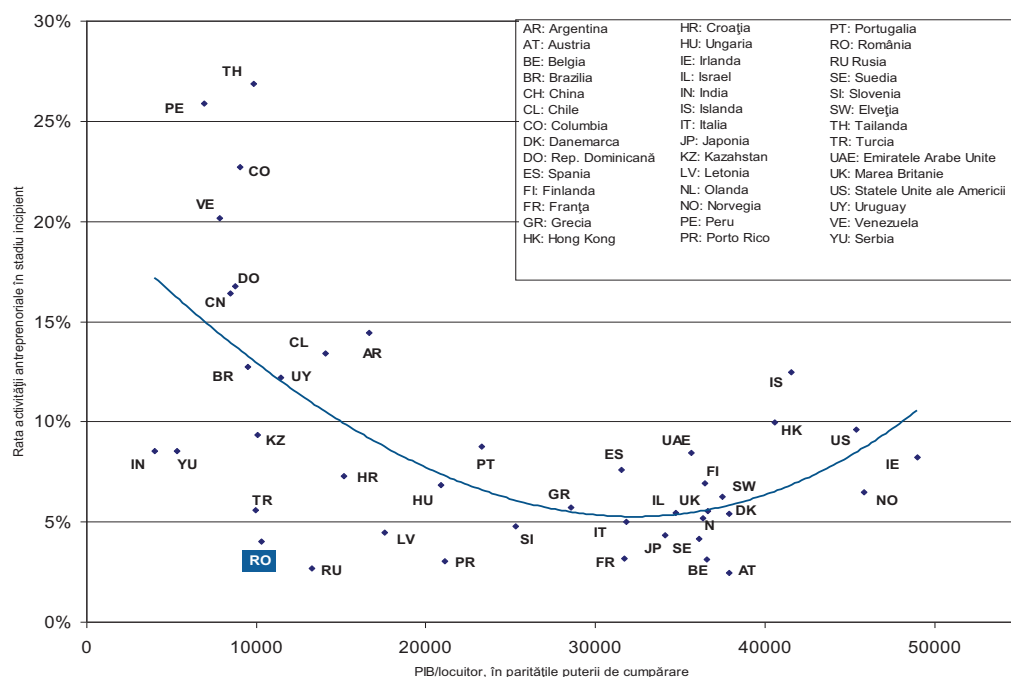
- lack of tradition, of business and entrepreneurship education before 90's, during the socialism;
- unfavorable business environment in the transition period of 90's;

⁵⁸ *** - MacMillan Dictionary of Modern Economics, 1999, p. 216.

- the period of growth after 2000: the acceptance by the population of jobs offered by large firms, being perceived as being at low risk.

Figure no. 1

Entrepreneurial activity from Romania in international comparison



Source: Global Entrepreneurship Monitor - Global Report 2007.

Explanation for the relatively low level of development of entrepreneurship in Romania can be found in the restrictions faced by small firms, in terms of resources and their vulnerability to environmental change and uncertainty, good understanding of the factors and mechanisms that explain the development of firms (CEBR - Human Capital in Romania).

Factors of influence of female entrepreneurship

To demonstrate the directions and guidance in business of the entrepreneurial European firms, there was a research whose results were presented in the publication *Key figures on European business with a special feature on the factors of business success*⁵⁹. Target of this study were enterprisers from the 15 Member States, companies established in 2002 with an activity at least until 2005 and who were led by original founders or entrepreneurs. The main results and conclusions obtained will be present below.⁶⁰

One of the issues investigated relate to the relationship between *business success and it's innovation* - see figure 2 and figure 3. Most entrepreneurs (among those who were the subject of research) have developed businesses based on innovations in terms of products (14% of all enterprises that have survived), following innovations in terms of market (10%) innovation in

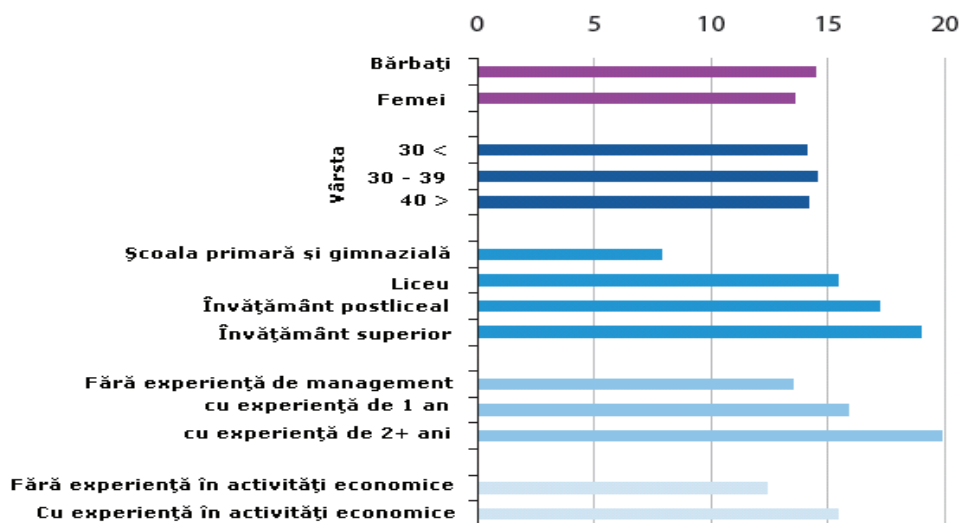
⁵⁹ <http://ec.europa.eu/Eurostat/europeanbusiness>.

⁶⁰ Key figures on European business with a special feature on the factors of business success, EUROSTAT, 2008, p. 116 – 130.

terms of processes (7%) and organizational innovation (6%). If innovation processes, there are some similarities, namely, the inclination toward innovation among entrepreneurs with managerial experience, also this type of innovation has been influenced considerably by age and sex - men or individuals under the age of 30 years are more willing to seek innovation process. In this respect, it should mention that at the innovation processes are associated with industry and construction activities in which women are not too involved.

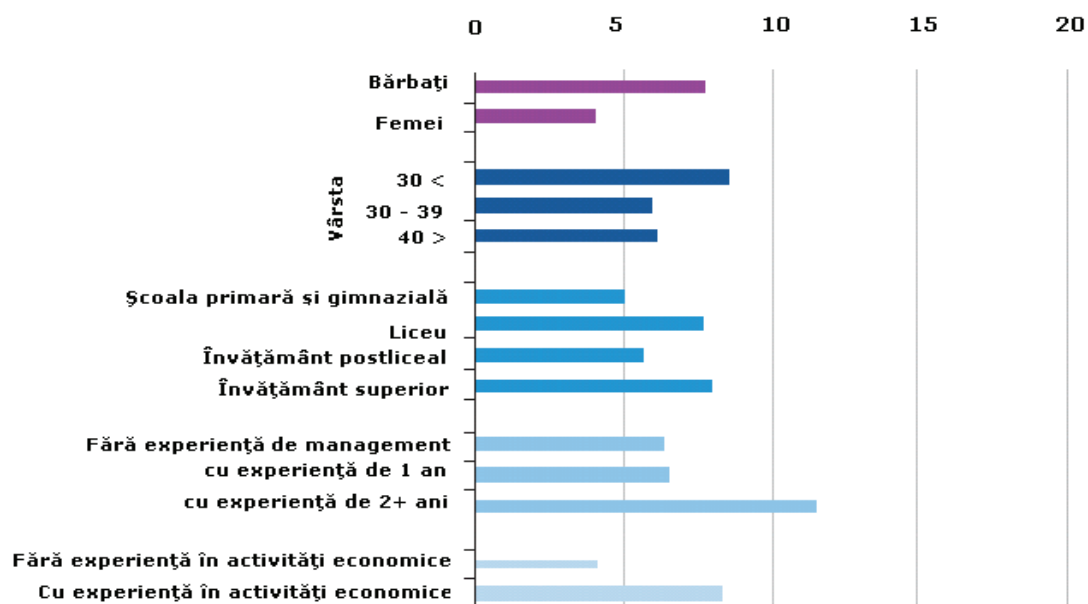
Figure no. 2

**Enterprises established in 2002, which survived until 2005:
the percentage of entrepreneurs that have introduced innovative products (%) (1)**



Source: Eurostat (FOBS)

**Enterprises established in 2002 which survived until 2005:
entrepreneurs' percentage reporting that they have introduced innovative processes (%) (2)**



Source: Eurostat (FOBS)

From research done on the relationship between *entrepreneurship success and the field of activity* results that a much higher percentage of male entrepreneurs (unlike women) have established businesses in construction, the same was true for most Member States with regard to industry, with women entrepreneurs who opt for trade and services. Regarding the educational level of entrepreneurs, it is notable that those with higher education were not setting up businesses in the construction field. Regarding experience, experienced entrepreneurs were tempted to open a business in industry or construction, and those without experience were focused on other areas. Another segment of this research concerns the link between *business success and some characteristics of entrepreneurs*. Thus, we find differences between countries and that women are more entrepreneurs in the new member states (who have joined EU in the period 2004-2007), also show clear differences in level of education of entrepreneurs from different countries. In all countries, except Luxembourg, most entrepreneurs had no previous managerial experience. Instead, most entrepreneurs who had experience in a field have decided to open business in that area. The largest proportion of experience in the field is observed in Luxembourg and Portugal, while the highest percentage of entrepreneurs without experience in the field of activity is recorded within the new Member States, Bulgaria and Romania

Table no. 1

**Enterprises established in 2002 which survived until 2005:
the type of entrepreneurs (%)**

	Gen	Industriy	Construction	Fields distributive	Other services
Avarage (1)	Men	13.1	21.0	27.4	38.5
	Women	8.6	2.2	41.4	47.9
BG	Men	12.5	5.2	52.3	29.9
	Women	7.6	2.6	63.4	26.3
CZ	Men	21.1	20.8	25.2	33.0
	Women	7.4	0.6	33.7	58.3
DK	Men	8.0	18.7	22.7	50.7
	Women	8.1	1.9	32.2	57.9
EE	Men	11.8	9.6	39.1	39.4
	Women	11.3	3.2	34.5	51.1
FR	Men	14.6	45.6	19.7	20.1
	Women	21.1	15.0	25.3	38.6
IT	Men	9.5	27.5	22.8	40.3
	Women	10.3	3.1	36.7	50.0
LV	Men	16.9	8.0	37.1	38.0
	Women	8.6	2.9	46.6	41.9
LT	Men	18.7	10.6	39.2	31.4
	Women	12.0	2.9	47.4	37.7
LU	Men	1.7	10.1	20.1	68.2
	Women	3.8	2.9	31.8	61.5
AT	Men	8.2	14.3	23.2	54.2
	Women	5.0	2.1	27.5	65.4
PT	Men	15.9	19.5	29.9	34.6
	Women	14.9	5.0	42.4	37.7
RO	Men	13.6	6.3	42.8	37.3
	Women	6.7	1.6	55.6	36.1
SI	Men	14.0	21.4	23.0	41.6
	Women	7.1	3.2	29.5	60.2
SK	Men	22.4	27.2	27.5	22.9

	Women	9.6	1.3	41.7	47.5
SE	Men	8.8	19.3	17.5	54.4
	Women	9.6	4.2	20.6	65.7

(1) Average based on data for: Bulgaria, Czech Republic, Denmark, Italy, Lithuania, Luxembourg, Austria, Romania, Slovakia and Sweden.

Source: Eurostat (FOBS)

One of the most complex field studies on female entrepreneurship in Romania was developed by CEBR - Center for Entrepreneurship & Business Research in 2007. The main *conclusions* of this study reveal us several factors that influence the activity of a female entrepreneur⁶¹:

- prospective women entrepreneurs have an average age of 35 years, and work experience of about 8 years. Most of them (62%) have education or training in management and business management;
- while new and potential women entrepreneurs says that their main motivation to go into business is the opportunity to obtain higher incomes, SMEs women owners believe that their main motivation is the detection of business opportunities that they wanted to take advantages from them;
- the social status associated with the developer and the feeling of respect for these are the factors influencing the perception of positive decision to become entrepreneurs;
- the existence of a positive entrepreneurial models stimulates the activity of women entrepreneurs in Romania; 38% of women who have not yet started a business but intends to do, declares that they have friends who are entrepreneurs in their social circle (family, friends); compared with men entrepreneurs, women still have fewer examples of entrepreneurship; this result confirms results obtained in empirical studies at the international level and supports the idea that women, due to their exclusion in time of economic and social life, have fewer examples of entrepreneurship;
- women tend to establish business smaller than those established by men entrepreneurs. Considered as criterion for the size of the business the initial number of employees, it is 3 in women case and 4 in men's. However, businesses of women entrepreneurs in Romania tend to grow faster, with a growth rate of 39% compared to a 31% in men case;
- women entrepreneur from Romania involves more than entrepreneurs in international business. 13.2% of the products or services of the companies created by women are dedicated to exports while this percentage is 13.14% for men.

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