

## THE POTENTIAL OF FEMALE ENTREPRENEURSHIP AS A REGIONAL GROWTH AND DEVELOPMENT ENGINE IN THE WESTERN ROMANIA

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**Abstract:** *Starting from the objectives, activities, and the results of the empirical, quantitative, and qualitative research carried out in the AntrES project (AntrES - Project acronym "Entrepreneurship and Equal Opportunities. A new school for women entrepreneurship" – Antreprenoriatul și egalitatea de șanse. Un nou model de școală antreprenorială pentru femei), during the two years of implementation, in the Western Romania referring to the new businesses start up; business development; the motivation and difficulties of female entrepreneurs and potentially enterprising women; of their perceptions regarding the need for entrepreneurship education, the role of female entrepreneurship promotion and the impact of the successful models on new businesses start up – this paper presents directions of action meant to emphasize and support the potential of the female entrepreneurship in Romania, as a regional growth and development engine.*

**Keywords:** *women entrepreneurship, new businesses start up, regional development*

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### **The potential of female entrepreneurship – as a research subject**

The analysis of the potential of female entrepreneurship in Romania starts from the premise that encouraging and supporting new businesses is one of the most important economic and social activities due to the impact on economic growth, innovation, job creation and the rise of living standards (Brush Candida et al., 2007). The literature in the field shows that women play an important role in the economic activity in many of the world's economies (Minitti et al., 2005, apud Brush Candida et al., 2007). According to Global Entrepreneurship Monitor (GEM, Reynolds et al., 2003), women represent 33% of the total of those initiating a business, with variations from a country to another according to cultural factors, natural and industrial resources together with the policies meant to stimulate the entrepreneurship and the attitude and faith in the female entrepreneurship. Although the number of business women is increasing, the rate of female self-employment is systematically

lower than that of men (Schmidt and Parker, 2003, apud Brindley Clare, 2007).

For Romania, studies show that for all the development regions, the most important problems in stimulating the spirit of female entrepreneurship are the low density of SMEs, the limited entrepreneurial culture, the reduced entrepreneurial spirit, especially among women and mainly in the rural area, the lack of programmes promoting entrepreneurship, especially female entrepreneurship, the lack of programmes supporting self-employment initiatives.

Taking into consideration these aspects, our research is trying to emphasise that through measures educating the entrepreneurial culture among women – as a determining factor of self-employment, the percentage of those setting up a business may increase significantly with a direct impact on the regional development. In our opinion, this aspect is significant, taking into account that we are referring to a single measure – that of educating and motivating the female entrepreneurial spirit which can, correlated

with measures supporting the access to financing, improving the social assistance system and especially supporting children's raise and education (Brindley Clare, 2007), lifelong learning (Drumond, 2004), supporting the development of the business (Brindley Clare, 2007), promoting the female entrepreneurship by successful business women, promoting good practices, determine the significant increase of this objective, underlying the still unexploited potential of Romanian female entrepreneurship.

Objectives and directions of action – aspects regarding the research methodology

Taking into consideration these premises, our research was delineated on at least three directions, of those mentioned above, that is:

- to ensure the female entrepreneurial education for the support of new business start up;
- to support the development of already initiated businesses;
- to promote and motivate the female entrepreneurship.

Our three objectives could be materialised by implementing the project ***“Entrepreneurship and Equality of Chances. An Inter-regional Model of Entrepreneurial School for Women”*** (acronym **AntrES**), implemented in the North-Western and Western Regions of Romania (counties Maramureş, Satu Mare, Bihor, Arad, Timiş, Caraş-Severin)<sup>32</sup>, which had as objectives, among others:

- *to provide training in order to acquire capabilities in the field of business start up; to provide training in the field of entrepreneurial culture formation and promotion, in order to improve the level of knowledge regarding a successful business initiation, organization, and working;*
- *to provide training for women in the field of business administration and development and to favour the improvement of the entrepreneurial*

spirit within the SMEs having women as managers or administrators;

- *to promote and stimulate the entrepreneurial spirit among women so that they can behave as active entrepreneurs; to promote active learning, lifelong learning, including the e-learning methods and techniques; to promote the competition spirit by organizing contests and awarding the best business plans.*

AntrES project addressed a number of 1800 women of the six counties situated along the Romanian Western border, grouped into three target groups. The first target group is made up of *288 women, SME managers, wishing to develop their business, from the counties situated along the Romanian Western border (Maramureş, Satu-Mare, Bihor, Arad, Timiş, Caraş-Severin)*. It concerns, at the level of each county, a number of 48 women managers who have been trained in the town where they work, as it follows: 24 at the territorial centre situated in the county capital city and 24 at the level of local centres (6 for each of the 4 local centres in each county), respectively a total of 288 women in all 6 counties. For this target group the project had in view the improvement of the intra- and entrepreneurial managerial skills in order to develop the existing business, to optimally use the opportunities existing on the market, the success factors increasing competitiveness, the management and marketing strategies etc. and the promotion of the adaptability, with effects on the performance, stability of SMEs and the employment level. The second target group is made up of *1440 women wishing to start up their own business, in the counties situated along the Western Romanian border (Maramureş, Satu-Mare, Bihor, Arad, Timiş, Caraş-Severin)*. It concerns, at the level of each county, a number of 240 women, trained where they live, as it follows: 24 at the territorial centre situated in the county capital city and 72 at the level of local centres (18 for each of the 4 local centres in each county), 144 at the level of rural centres (12 for each

<sup>32</sup> For more information, see [www.antres.ro](http://www.antres.ro)

of the 12 rural centres in each county), respectively a total of 1440 women from all the 6 counties. For this target group the project had in view the formation of entrepreneurial culture, the increase of the ability to transform business ideas into actual actions, by providing the necessary information regarding the business environment and the local existing opportunities, the drawing up of a business plan, the organization and carry out of a successful business etc. and by services supporting the initiation of a business, having as effect the generation of an increased number of businesses, both in the urban and in the rural areas. The third target group is made up of 72 women, last year students in Economics who have been trained to become coordinators in the entrepreneurial field and who currently have a job as rural coordinators in the project. It concerns, at the level of each county, a number of 12 women, selected from in the partner university centres, respectively a total of 72 coordinators at the level of the 6 counties. For this target group the project had in view the acquisition of the coordinator skills in the field of business start up, the increase of these people's capacity to become promoters of entrepreneurship, as well as the increase of the awareness and promotion of the positive attitude to entrepreneurial culture and to offer services supporting the start up of a business.

### Research study and results

To reach the three objectives mentioned previously, the activities carried out in the six counties in the implementation area on three levels: territorial, local, and rural, were channelled on the following directions:

1. The organization of courses in the Entrepreneurial school for women, *Start up of Business* – courses attended by a total number of 1512 women; the impact of these training activities in the entrepreneurial field on women wishing to start up their own business can be seen in the openness regarding the training

activities, the avowal of the need for entrepreneurial education and counselling “*The courses of Entrepreneurial School have been for me the first encounter with economic theory... I have acquired a theoretical basis which, collocated with the already existing practice, form a solid basis for the business I want to start up.*” (Meluț Corina, Oradea, Bihor); “*... this course represented an important opportunity being provided with all the latest necessary information in order to start up a business. The form of presenting the information was clear, concise, and mostly accessible... the project team has had the highest contribution ... which provided the necessary counselling, during the entire learning process ... the knowledge acquired here will represent an important support in my future business.* ((Roiban Roxana, Timișoara, Timiș); “*... to accumulate new knowledge, to deepen new concepts, to better assess the qualities a female entrepreneur needs and, with the help of the business plan, to evaluate the business we wish to start up ... it has greatly facilitated the communication and interconnection among us...*” (Vărguța Marta, Arad, Arad); the opportunity of training activities for personal development “*It has been an opportunity which helped us to make an important step for my professional development. I have discovered managerial qualities that I did not know I had ....* (Tanko Erika, Satu Mare, Maramureș).

2. The organization of courses at the Entrepreneurial school for women, *Business Development* – courses attended by a total number of 288 women managers of the six counties. The impact of the training activities on the women managers is also significant: personal development: “*.... it helped me rediscover myself and develop professionally. These courses have taught me how to present*

*myself professionally, my knowledge and experience acquired through practice” (Dăncescu Livia, Oradea, Bihor); the opportunity to meet successful women managers and to share the experience and difficulties of running a business “...the experts invited shared aspects from their own successful experience, which has been beneficial for me.” (Anton Maricica, Timișoara, Timiș); the desire to improve, motivation and reciprocal encouragement “...I have had the opportunity to learn new things, which are of real help to me both in running the business that I currently have and in assessing the business I want to set up. The use of action learning method allowed us to discuss with the other business women about the achievements and hardships we had encountered when running our businesses, to share our common experiences to the women wishing to start up a business ....” (Tașcă Carmen, Arad, Arad); “...the theoretical part and the practical studies, too ... have helped me involve and motivate the partners through a positive control of the business, each trying to understand that that the performance of a firm is not only revenues but other factors such as financial control factors, employees and generally the performance of the entire activity”. (Azap Mihaela, Reșița, Caraș Severin); “... women were poorly represented in the business environment, stimulating and encouraging through this course the women’s initiative regarding the development and initiation of their own businesses in order to acquire financial independence and to bravely enter the business world ...” (Laza Doina, Satu Mare, Satu Mare).*

The integration of the *Action Learning* [1] method in the AntrES Entrepreneurial School, for both categories of courses – *Business Start up* and *Business Development*, had in view the achievement of the objectives proposed beyond the simple supply of a set of

knowledge for the initiation, development or support of the business, by determining the change based on learning, in the real meaning of the word. The use of the action learning method “with and from the others”, by forming mixed sets (groups) – made up of women of all the three target groups: women managers of their own business wishing to develop it, women wishing to start up their own business and last year students in Economics, who have been trained and have become coordinators in the field of entrepreneurship; therefore, women with and without any entrepreneurial experience, in different stages of knowledge and understanding of entrepreneurship. Within these sets, women have been encouraged to discuss freely, based on the subjects suggested by the course book and applications, and also from the perspective of their own experience, being stimulated to share their own problems and to mutually give advice to each other, to ask and answer, being an inspiration for the others, mutually motivating, learning from each other. In completing and stimulating the use of this method, an external expert, preferably a well-known woman entrepreneur or a woman with well-known professional capabilities was invited for the subject tackled, at the level of that particular city or village, willing to share with the course participants her success story or her own experience in the field.

3. The organization of the contest “*My Business Plan*”, where all the 1800 trained women participated. The contest “*My Business Plan!*” was organized on three levels, in order to evaluate, select, emphasize, promote, and award the best Business plans made by the course attendants trained in the project. The contest was open to all the participants to the training activities from the target groups of the project, that is a total number of 1800 women. It took place in 2010 in three phases, thus: 1st Phase – Levels: territorial – selection / inter-regional – prize award; 2nd Phase –

Levels: local – selection / territorial – prize award; 3rd Phase – Levels: rural – selection / territorial – prize award. Each of the phases of the contest “ My Business Plan!” had 2 stages:

- *Highlighting the business plans* – a stage where all the business plans entered the competition, business plans made by the women selected in the target group in the Entrepreneurial school for women, a stage in which, after the Evaluation Commissions evaluated the business plans, 50% of the business plans from the urban areas were highlighted and 30% from the rural areas. The highlighting of the business plans was made by giving diplomas. The business plans have been promoted on the site of the project [www.antres.ro](http://www.antres.ro) in the section *AntrES Winners – The Presentation Catalogue of the Winners, 1st, 2nd and 3rd Phase*<sup>33</sup>, and through mass-media during the actions meant to ensure the visibility of the project, information and advertising regarding the project. As a result of this stage, a total number of 724 women from the three target groups of the project were highlighted and promoted, 387 from the urban area and 337 from the rural area, as well as the business plans made by them at the Entrepreneurial school for women.
- *Awarding the business plans*, a stage where only the business plans recommended in the previous stage participated. After the contest at this level, out of the 724 business plans

highlighted and promoted, a total number of 408 business plans were recommended to be awarded. These plans entered the 2nd phase of evaluation, after which **111 women wishing to start up their own business were awarded**, with minimum amounts necessary to initiate the business (amounts ranging between 1000 and 2000 lei).

The impact of organizing this contest and the activity to promote the female entrepreneurship have determined then increase of the motivation among women wishing to start up a business, which has determined the setting up of total number of 180 businesses in the six counties where the project was implemented.

Taking into account the demonstrated impact on the female entrepreneurship of entrepreneurial education, of the models, of the learning from the other's experience, success or mistakes, by using the *Action Learning* method, mainly characterised by *Learning with and from the others*, the AntrES Entrepreneurial School had in view – and we believe it succeeded – to help the women managers to better understand their business, to develop it and to become real *entrepreneurs*, the women wishing to start up their own business to give them the necessary courage and force to attract and mobilize resources in order to become entrepreneurs, and the young coordinators in the field of entrepreneurship to transform them into promoters of entrepreneurship from conviction and not from necessity.

This paper represents an attempt to contribute to the increase of awareness of the entrepreneurial potential in the Western Romania and not only, the encouragement of female entrepreneurship, an instrument to disseminate knowledge, information and practical experience resulted from this project.

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<sup>33</sup> See [www.antres.ro](http://www.antres.ro), *Catalogue of AntrES Winners 1st phase* – territorial level selection / inter-regional level prize award; *Catalogue of AntrES Winners 2nd phase* – local level – selection / territorial level – prize award, *Catalogue of AntrES Winners 3rd phase* – rural level – selection / local level – prize award.

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#### Notes:

1. According to the *Action Learning* method (“*Learning with and through action*”), the difference between *to know* and *to understand* is the following: *to know* means to be capable of doing it; *to understand* means to be capable of changing the reality that you understood. *Learning means* Progress, which in its turn represents our capacity to produce *the Change into better*. The use of the *Action Learning* method starts from the premise, widely accepted in the literature, that entrepreneurship is learnt to a higher extent through informal or non-formal means than through the formal education system.

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