

# WOMEN IN BUSINESS. THE NEED FOR POLICIES TO FOSTERING WOMEN ENTREPRENEURSHIP IN ROMANIA

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*In developing economies, the issue of overcoming the gaps in public policies regarding gender is closely linked to the ability of governments to identify policies that have worked successfully in regions with similar economic circumstances. Equally, there is a need for innovative data solutions that have the capacity to determine a real change of socio-economic relations. For now, as far as the Romanian context is concerned, female entrepreneurs do not enjoy as much government support as it is really needed. What literature refers to as the "glass ceiling" seems to be doubled in Romania by collective suspicion towards the discrepancy between the ambition and the skills of women who find themselves in the position of decision makers at top management level. This crisis of confidence faced by women makes their management tasks even more difficult. Not incidentally, literature mentions opinions according to which a woman must work twice as hard as a man to reach a certain position. The crisis brought about by the lack of models is confirmed by numerous studies and researches, all highlighting the urgent need for mentoring. Given such gender related constraints, it is only natural to expect that decision makers at government level would show a special interest for policies designed to encourage female entrepreneurship, and, in general, to support increase of employment of women in economic activities.*

*Key words: gender policies, women entrepreneurship, women in business*

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## **1. The context: facts and figures**

In the academic environment in Romania, the issue of female entrepreneurship has seen in recent years a lot of different approaches. The technical and statistical perspective dominates the research and the collective preference for the noticed issues can be explained by methodological reasons. It was desirable that, based on factual material and a rigorous field documentation, to produce models of policies or provide a basis for practical solutions. However, it turned out that, besides rigorous methodologies, statistics do not ensure a priori efficiency, and thus it become usual considerations with general appearance and which had not the expected utility with respect to real need for policies and measures to correct the regulations in the domain.

We cannot say that the simple overview of statistical items is not welcome. But we have good reasons to believe that, by itself, they do not represent a real contribution in the concrete process of elaborating public policy to encourage and support female entrepreneurship. As stated, 'in the Romanian context, supporting female entrepreneurship appears, in a distorted way, as a minor, frivolous and irrelevant issue to the priorities and imperatives of crisis' (Dodescu et al., 2011, p 24)

It can be assumed that these biases have partially contributed to a certain lack of government concern, so that "the potential of female entrepreneurship as an engine for exiting the economic crisis and poverty reduction for families and communities (...), is no doubt, not only undervalued,

but even neglected in the public strategies and policies at national and regional level in Romania, with the exception of the support provided by the European Union" (Dodescu et al., 2011: 24). It was stated that "In recent years the overall situation of female representation in politics or management structures of organizations did not recorded any significant changes. Relations were maintained, at least in the distribution of powers in the political, legislative and executive."(On, 2009). But the arguments only partly justify the thesis under discussion: "Consider only the composition of the Parliament and the Government of Romania: the proportion of women deputies in our country remains the last three legislatures at 11% of the total members of the lower house of Parliament, and in the Senate, when after the 2000 elections were chosen 11 women (8% of senators) and after 2004 13 women (9%), at the last elections in 2008 the proportion of women declined to 6%, i.e. only 8 women senators. In the composition of the Romanian Government, the current legislation recorded only 3 female ministries in a total of 22 portfolios (14%)."(On 2009). It is unlikely that the analogy business environment -political environment to function as bi-univocal relation and even if things would be so, a brief analysis of the public visibility of business woman registered in recent years is sufficient to raise serious questions on the matter. It is clear that, in the situation of women entrepreneurs, there are enough things that already have changed.

It is to mention that, in the same time, women – who represent 51% of the total population and 44.8% in the labour force, have a economic activity rate of 56% (against 70.1% for men), with considerably lower proportion in some sectors, but surprisingly high in other (such is the 71.7% of female judges in total number of judges):

**Table 1. Some figures on the female participation in selected professions, Romania, 2007**

Women Researchers, Percent of corresponding total for both sexes	44.7
Female legislators, senior officials and managers, percent of total	28.2
Female professionals, percent of total for both sexes	51.2
Female clerks, percent of total for both sexes	25.0
Female craft and related workers, percent of total for both sexes	25.0
Female plant and machine operators and assemblers, percent of total for both sexes	29.2
Female government ministers, percent of total	..
Female members of parliament, percent of total	11.2
Female ambassadors, percent of total	16.0
Female judges, percent of total	71.7

Source: UNECE database

A real problem remains the difficulty for the business woman to identify credible models of success. What in the literature is the so-called "glass ceiling" (Singh & Winnicombe 2004, quoted in: Avram and Cooper 2008, p. 127) would be doubled in Romania by the collective suspicion on the difference between the ambitions and skills of women who had reached in the position of taking decisions by top management. This crisis of confidence facing women makes their management task even more difficult. Not incidentally, there are opinions in literature that, in order to reach a certain position, a woman must work twice more than a man. Crisis models are confirmed by numerous studies and researches, all highlighting the urgent need of mentoring: The percentage of women who recognize the lack of mentors as a major weakness. "In the case of women, due to their under-representation in management and business environment, the problem gets worse accents. It is considered that women who are successful in business or management and not assume the role of mentors for other women who want to turn to build a similar career, merely close the vicious circle which results in lower and lower female representation. "(On, 2009)

Just in considering this need, in the academic environment in Romania there were developed several substantial projects. Taking into consideration the impact demonstrated on the women entrepreneurship of the models, of learning from the others' experience, success, or mistakes, by using the Action Learning method, mainly, characterised by Learning with and from the others, The AntrES Entrepreneurial School set up – and it succeeded, we believe – to help the women managers to better understand their business, to develop it and to become real entrepreneurs, to infuse to the women wishing to start up their own business the necessary courage to pool and mobilize resources in order to become entrepreneurs, and to transform the young trainers in the field of entrepreneurship into promoters of entrepreneurship from conviction, not from necessity (Dodescu and Bădulescu, 2010, pp. 470-476, Dodescu et al., 2011, pp. 23-46). In recent years, the private sector get the idea (confirmed by the results) that native women have qualities that recommend them for a performant management. Increased empathic abilities, willingness to efficiently mitigate conflicts offer to women entrepreneurs, in certain circumstances, a real advantage over autocratic management style with emphasis specifically men. "I appreciate that companies operating on a profit base need, at this point, just the typical female values: availability of mind, intuition, compassion and sympathy to the values of others. These are values that, considered together, began to turn slowly all organizational structures. Changes in the scale of values, in "corporate culture", the technology work, the structure of available jobs and labour, the classic pattern of lifestyles, social attitudes and the distribution of roles in the family, globalization, new requirements of the legislative framework, reorganization of companies, the emphasis on teamwork and the involvement of every employee - all these changes are factors that stimulate the emergence of new opportunities for women to withstand and compete successfully in an economic environment increasingly harder" (Pastor 2011)

Keep clearly enough traditional prejudices about gender differences. At the public opinion it takes time and factual evidence on women's capacity to perform tasks that are associated in the collective mental reflex typically male skills. A concerted civic action does help overcoming this inertia in mentalities. "Based on these issues, often raised by various bodies set up to promote woman and have outlined a series of possible measures necessary adjustment balance participation, including by changing attitudes about power and rights in society. He noted the need for real networks, functional, business women to exchange information, mentoring, partnerships, promotion, and models. (...) Finally, promoting women in decision-making bodies that can contribute to better represent and support women, may be crucial for better gender balance in society. "(On 2011). Given the specific nature of managerial work in the public and private nature of conditionality, the access of women in administrative top management positions is limited not only by prejudices, but also the total commitment involvement required by the administrative work. There are rare the cases of women with career objectives put ahead of all family aspirations. Research has shown that female managers increased the significance attributed to family and moral support expected from relatives and family.

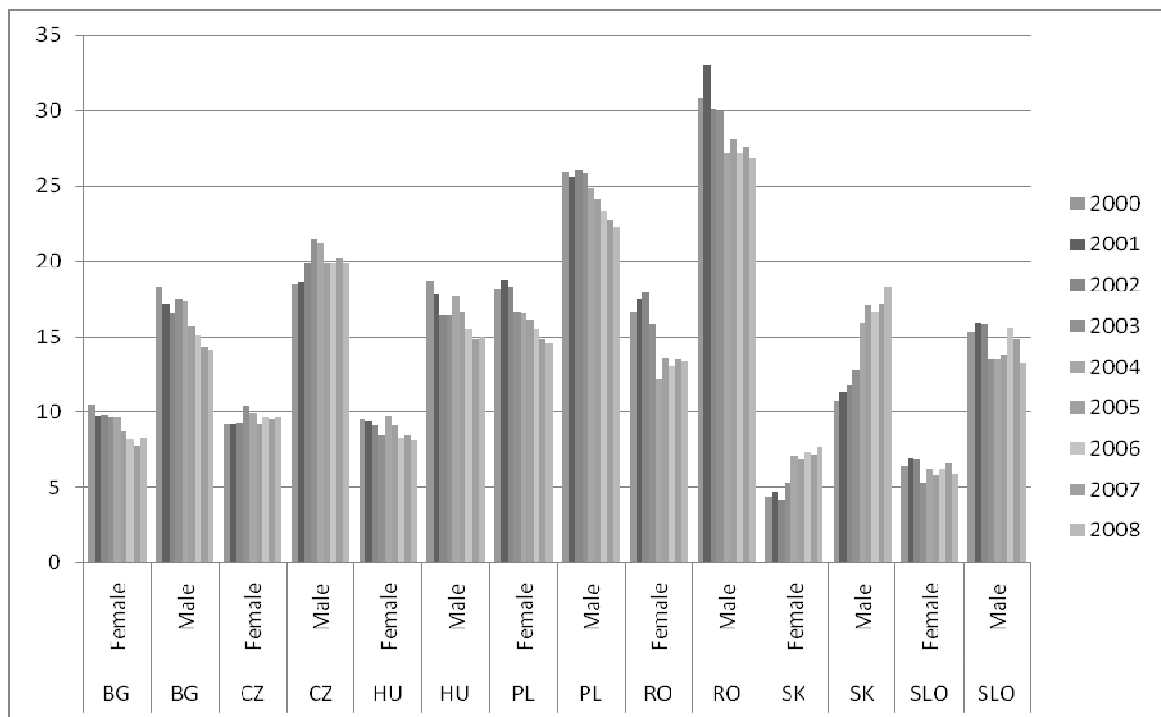
## **2. Woman entrepreneur – an active factor of business development in Romania**

In Romania, no study has challenged the existence of issues related to gender disparities in entrepreneurship - the so-called gender gap in entrepreneurship. European statistics show that in Romania the difference in wages between women and men (functions equal) in recent years is lower than in some countries with strong democratic tradition. Also, for now, in Europe, relevant gender differences remain and the number of entrepreneurs than men rather than that of women.

The same picture is also true for the Central and Eastern Europe countries, where female entrepreneurs are less numerous than men. Some facts are as follows:

- men start their own businesses twice as often as women;
- only 9% of employed women were entrepreneurs in the Czech Republic as compared to 18.8% of men (in 2000);

in Hungary, 9.6% of the women, against 18.7% of the men are entrepreneurs;  
 in Romania, due to the larger share of self-employed in agriculture, the share of self-employed women is 17.4%, compared to 32.6% for men;  
 in Slovakia, 4.1% of the women, against 10.9% of the men are entrepreneurs;  
 in Slovenia, 6.5% of the women, against 15.3% of the men are entrepreneurs (UNECE 2004).  
 Next charts reveal another aspect of the entrepreneurial gap between women and men, e.g. the proportion of firms with female participation in ownership:



**Chart 1. Employers and own-account workers, percentage of all employed**

Source: UNECE gender database

Consequently, it is not accidental that in most cases women entrepreneurs believe that the main quality that a successful business involves remains perseverance (Dodescu et al., 2011, p.36). Statistical results confirm a specific type of resistance that women entrepreneurs face when they compete in the business market.

Taken into consideration the gender constraints already mentioned, it is expectable that government shows a special interest in the policies fostering women entrepreneurship and supporting the economic involvement of women. Among the programmes related to that objective we can mention as follows:

1. Funding from the national budget:

- Multi-annual National Program during 2005-2012 to develop an entrepreneurial culture among women managers of small and medium sized enterprises sector.

- In 2010, 600,000 lei were allocated for this program, for which 826 women applied online and 232 women followed the business training course. Absorption rate is 100%.

2. European funding

- National Rural Development Program (PNDR). Although PNDR does not include a scheme for female entrepreneurship, it is supported under Priority Axis 3, the measures 312 "Support for the creation and development of microfirms," and 313" Encouragement

of tourism activities", with priority (extra points) to projects undertaken by women / young people.

- A.I.P.P.I.M.M.- National Network of Female Entrepreneurship Ambassadors, funded by EC, aiming to achieve the first network of 10 ambassadors of female entrepreneurship in Romania in order to determine and motivate women to start their own business (project launched in March 2011). Budget: 100,086.15 euros, from which grants of 48,840 euros (Paul-Vass, 2011).

National measures were designed to further existing EU regulations. One of the declared objectives of EU social policy is equality between women and men. This objective is supported practically by a series of documents such as the directive on the undifferentiated treatment and undifferentiated payment for equal positions. To ensure equal opportunities for women and men, the opportunity to make a career, at European level it was decided to adopt measures to ensure that more women can be employed and have access to industries and professions previously dominated by men. In this context, an important role has got the Directive on providing evidence within discrimination. This regulation introduces a new principle: the defendant must prove that he did not violate the principle of undifferentiated treatment.

In Romania, these principles are implemented through EU funded programs. In this framework, an initiative with immediate effect is the National Network of Female Entrepreneurship Ambassadors funded by the European Commission. "It aims to achieve the first network of 10 female entrepreneurs ambassadors of Romania and determine and motivate women to start their own business (project launched in March 2011). Awarded this new project budget is EUR 100,086.15, of which euro 48,840 grant. "At European level, it was created in 2000 the European Network to promote female entrepreneurship, which currently has 30 countries as members. Through annual reports, the organization highlights the major programs initiated in the individual countries on the promotion of female entrepreneurship (...) In Austria, the percentage of women who have founded a start-up in 2008 compared to 1997 increased by 13%. In 2008, out of 24,788 people setting up new enterprises, 33.9% were women, compared with only 27.1% in 2007. Out of all enterprises in Austria, about 32% were held by women, and their average age was 45 years" (Stefanescu 2011)

The situation of female entrepreneurship in Romania can be realistically assessed only by taking into account the impact of global crisis on local businesses. It is significant that since 2008 such entrepreneurial activities were seen as an alternative and not as an opportunity. "Early-stage entrepreneurial activity rate for women fell from 3.1% to 2.1%, and the early stage entrepreneurial activity motivated by the opportunity fell 2.7% to 2.12% in 2008 compared to 2007, while motivated by necessity entrepreneurship rate increased to 0.56% (2007) to 1.37% (2008). "(cf. GEM). These figures are confirmed by reports from the GEM 2009 and 2010. AntrES (see more on [www.antres.ro](http://www.antres.ro)) researches undertaken in 2010 led to conclusions that reinforce the hypothesis that in most cases women are willing to start a new business in the desire of self-realization (which also involve financial success) and secondly the need to earn more. These findings confirm similar results reported in various studies and national reports. According to GEM Romania in 2008, "In Romania the number of early-stage entrepreneurs motivated by opportunity and mainly aiming increasing revenue is greater than the number of entrepreneurs motivated by independence. Men in early-stage entrepreneurs are predominantly motivated by opportunity and women by necessity" (GEM, 2008, p.22).

In the case of AntrES database, we have found that, among female entrepreneurs from urban level, 52% indicated the desire for self-realisation, 33% the need for making more money, 10% the desire for a superior social and professional status.

According to the major stage of economic development (Porter, ME & Schwab, K., 2008), Romania is placed in the group of countries with 'efficiency-based economies'. The entrepreneurship among women is mainly motivated by the severe impact of the crisis symptoms.

Lack of safe alternatives for earning money and more and more complicated situation of labour market result in a growing number of women interested in starting their own business. Also, over time, successful entrepreneur woman model serves as a model of success and personal achievement. In this context, efforts to support female entrepreneurship highlight an immense potential that Romania can benefit.

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