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Aspects regarding female and male entrepreneurship within Europe

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Aspects regarding female and male entrepreneurship within Europe

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Abstract:

Entrepreneurship is a topic much debated and analyzed by many research institutions and organizations. In recent years, the total number of entrepreneurs has been increasing significantly, female entrepreneurship being the one that has increased a lot. In this study, we are going to present and analyze the results of studies conducted at European level regarding the comparative evolution of male versus female entrepreneurship. The main conclusion that emerges from the analysis of the results obtained is that the number of women entrepreneurs is almost equal to that of men entrepreneurs in many European countries.

Key words: Female entrepreneurship, male entrepreneurship, EU

Introduction

Entrepreneurship is a complex activity that gained importance in the global economy. In literature entrepreneurs are defined in numerous ways, thus some schools saw entrepreneurs as "discoverers", always open to new opportunities; others as "assessors" and even as "exploiters" of new opportunities and creators of new combinations. (OECD 2012 p.23)

The rise of female entrepreneurship in economies is a recent phenomenon. All over the globe, female entrepreneurship contributes to stability, to well-being among communities, and provides economic opportunities for various disadvantaged groups. (Ascher, 2012)

In this article we analyze the indicators related to entrepreneurship and the results obtained of various studies at European level and at the level of Romania and Slovakia, regarding the evolution of male and female entrepreneurs.

1. Entrepreneurs in literature

A general finding in the empirical literature is that entrepreneurs have special features, such as: they risk more in comparison with others; they have the ability to perform many different tasks; the willingness to act independently of an employer; superior skills of understanding, planning and execution; the ability to develop working relationships with co-operators from various professional backgrounds; decision-making power and discernment in prioritizing actions; physical and mental strength to sustain prolonged effort; ability to foresee, mobility and are change-resistant.

In terms of economy, entrepreneurs are those people (business owners) who wish to generate value through the creation or expansion of economic activities, by identifying and exploiting new products, processes or markets.

An entrepreneur is someone who organizes, manages, and assumes the risks of a business or enterprise. An entrepreneur is an agent of change. Entrepreneurship is the process of discovering new ways of combining resources. When the market value generated by this new combination of resources is greater than the market value these resources can generate elsewhere individually or in some other combination, the entrepreneur makes a profit. (Russell S., 2016)

Are Men Better Entrepreneurs Than Women? People generally believe that the answer to this question is “yes,” even if they don’t say so. A study made by *Entrepreneur.com* give us five reasons why women make better entrepreneurs than men:

1. Women are better calculated risk takers
2. Women are less prone to over-confidence
3. Women are more ambitious
4. Women are more likely to take the long-term view
5. Women succeed despite facing more barriers than their male counterparts

In recent years women have been gaining increasingly more confidence in their forces and have become successful women. Currently, women entrepreneurs represent an important number among all entrepreneurs in Europe.

2. Description of the methodology

The objective of the study conducted by the European Commission: *Statistical Data on Women Entrepreneurs in Europe* (2014) was to collect, analyse and systematically present the most recent data on entrepreneurs in Europa. This data will be used to develop evidence-based

policy and actions, and thus include number of women entrepreneurs, the type of entrepreneurship, the sectors in which women entrepreneurs are mainly active and age cohort.

In the second part of the study we took the data on the GEM website and we analyse them. We selected countries from Central and South-East Europe, countries that are in the neighbouring of Romania and Slovakia. The indicators chosen are relevant to entrepreneurial activity analysis.

Therefore in this study we are going to present the analysis of the statistical data from this two studies conducted on the male versus female entrepreneurship.

3. Aspects regarding women entrepreneurs in Europe: the evolution in time, areas of activity, age of entrepreneurs

Studies on female entrepreneurship are few in number, because female entrepreneurship started holding an important place just a few years ago. The study conducted by the European Commission *Statistical Data on Women Entrepreneurs in Europe* (2014) shows that in 2012 there were 40.6 million active entrepreneurs in Europe-37, of which 29% were women (11.6 million). The percentage of women entrepreneurs was slightly higher in the European Union (EU-28), that is 31% (10.3 million). The percentage of women entrepreneurs from the total number of entrepreneurs varied considerably between countries.

In 2008, as compared to 2012, the percentage of female entrepreneurs was 30% for Europe-37, thus higher, and for EU-28 it was 28%, thus less.

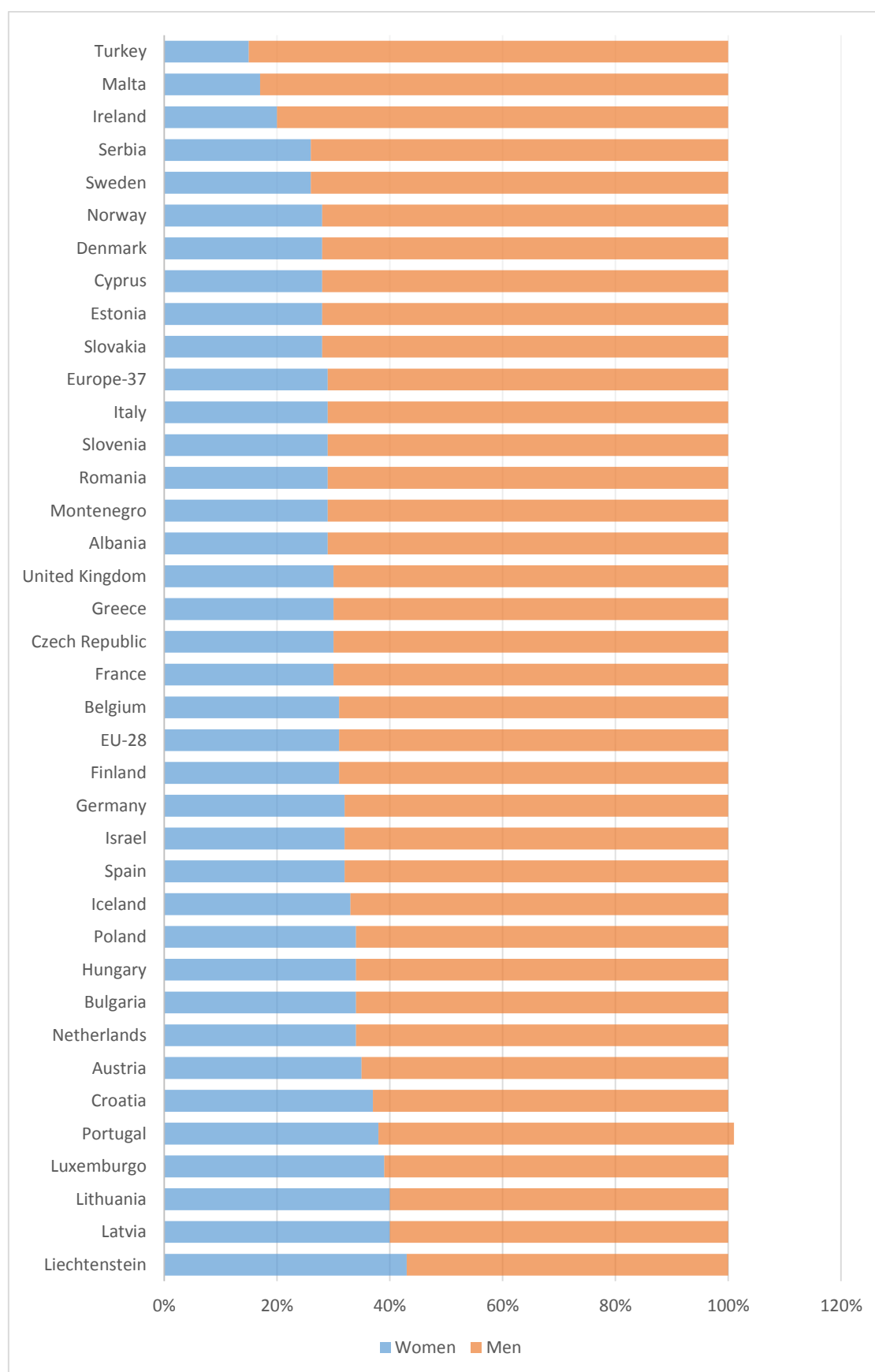


Figure no. 3.1 Female versus male entrepreneurship within Europe – 2012

Source: European Commission – Statistical Data on Women Entrepreneurs in Europa (2014)

According to statistic data, although the number of women active on the labour market is higher than that of men, the number of women entrepreneurs is lower than that of men. The results for female entrepreneurship in neighbouring countries to Romania indicate an equal level of the women entrepreneurs' number in all the 11 countries.

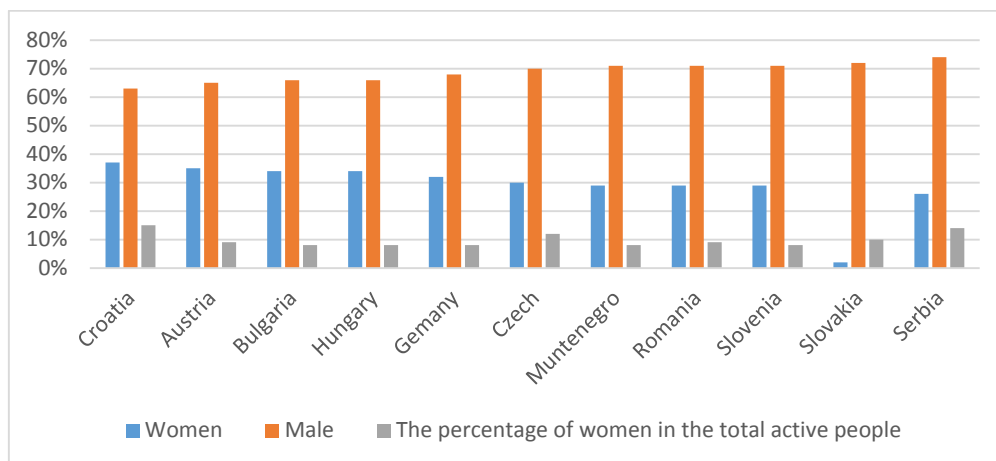


Figure no. 3.2 Male and female entrepreneurship and the percentage of women in total active people

Source: European Commission – Statistical Data on Women Entrepreneurs in Europa (2014)

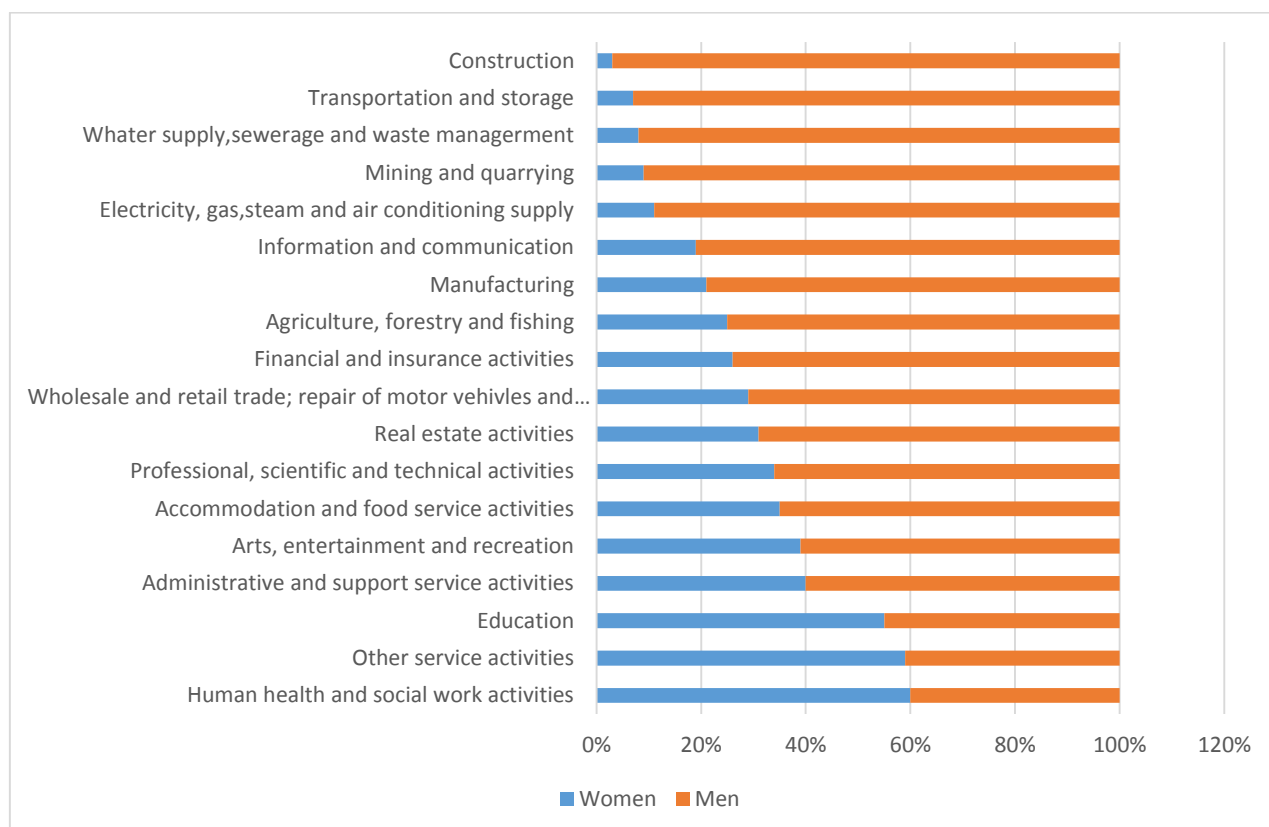


Figure no. 3.3 Sectors in which women were active – 2012

Source: European Commission – Statistical Data on Women Entrepreneurs in Europa (2014)

The percentages of solo entrepreneurs were higher for men than for women in most areas; exceptions were health and social activities, other services and education. The percentages of male solo entrepreneurs were highest in constructions, transport, delivery of services and mining. In all sectors, except other services, the number of men was higher than that of women employers.

The highest percentages of women employers were in activities related to services, education, health and social welfare, as well as arts, entertainment and recreation. The highest percentage of men employers has been in construction.

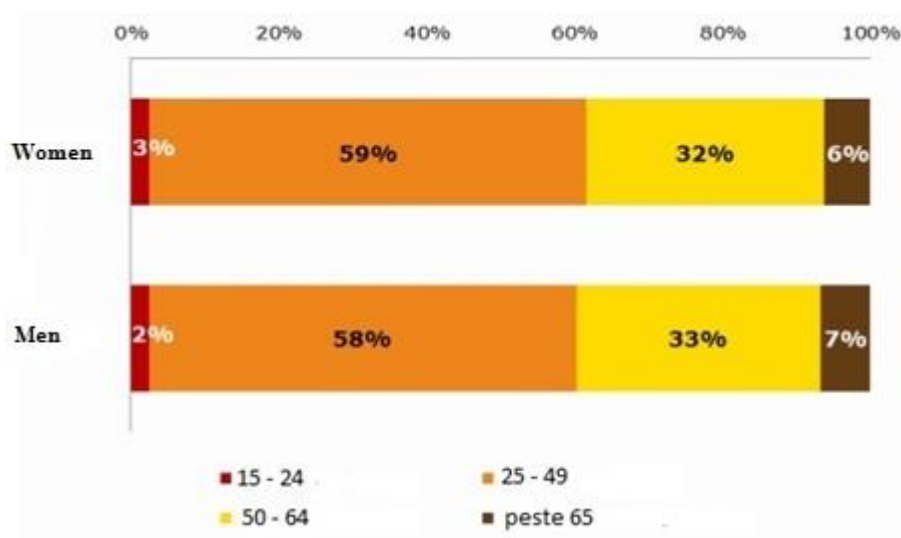


Figure no. 3.4 Age of entrepreneurs

Source: European Commission – Statistical Data on Women Entrepreneurs in Europa (2014)

From the image above we can see that the number of young entrepreneurs is very low, 3% women and 2% men, as compared with the number of people who are mature (aged between 25 and 49 years), 59% women and respectively 58% men. The percentage of people who have gained relevant experience and are at the end of their careers is 32% for women and 33% for men, and those who are over 65 years old and are entrepreneurs are 6% of women and 7% of men.

4.The analysis of several indicators relevant to entrepreneurship

After processing the data provided by GEM (Global Entrepreneurship Monitor) for the 11 EU countries can be seen that the support of the governments offers to entrepreneurs is very different from country to country.

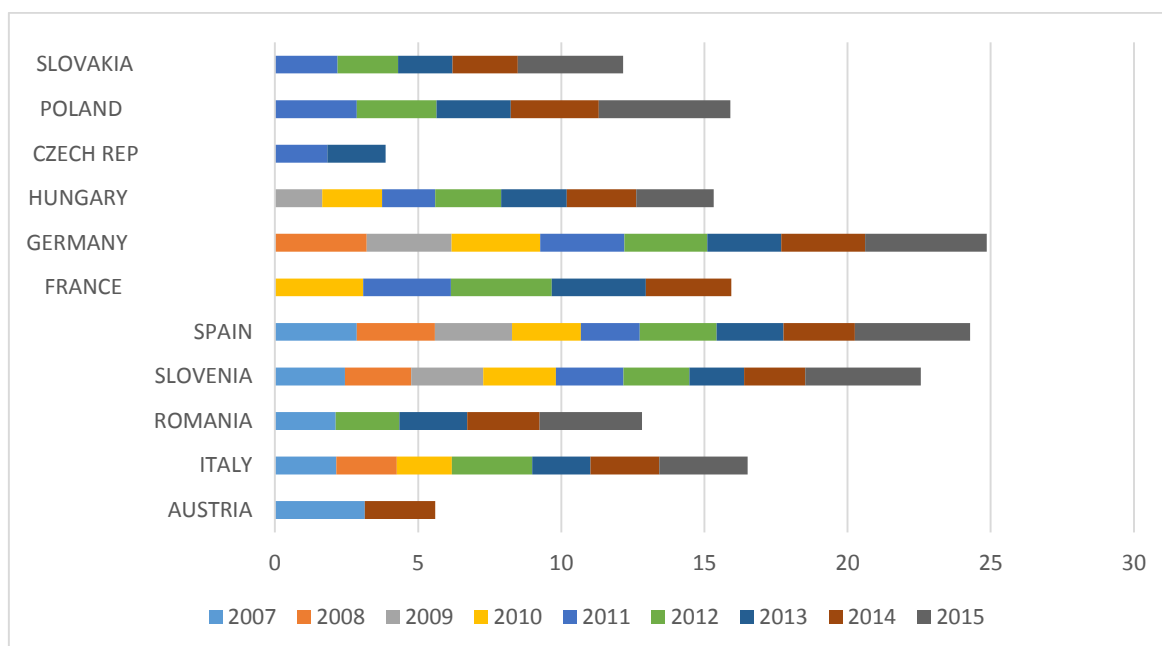


Figure no. 3.5 Governmental support and policies

Source: Global Entrepreneurship Monitor

Entrepreneurial activity, as other areas such as education or culture, is still struggling to get more support from society and public institutions, but it can be seen that in Spain and Slovenia the indicator values are quite high. Czech Republic and Austria had values for this indicator just two years after the period of economic crisis, Czech Republic and Austria only in 2007 and 2014. Starting with 2014 all countries, except the Czech Republic, have values that represents the expansion of entrepreneurship and the support implicit recieved from the governments.

The evolution of indicator calculated on the support of the state institutions for entrepreneurial activity shows an increase in values for 2015 compared to 2007.

Slovakia enjoys the governmental support since 2011, compared to Romania which has values for 2007, but from 2008 until 2012 having values due to the international financial and economic crisis that precipitated the economic activities. Inevitably, the crisis having a negative impact on economic growth in Europe.

The received support from the public administration to the antrepreneurs is an important and not to be neglected aspect.

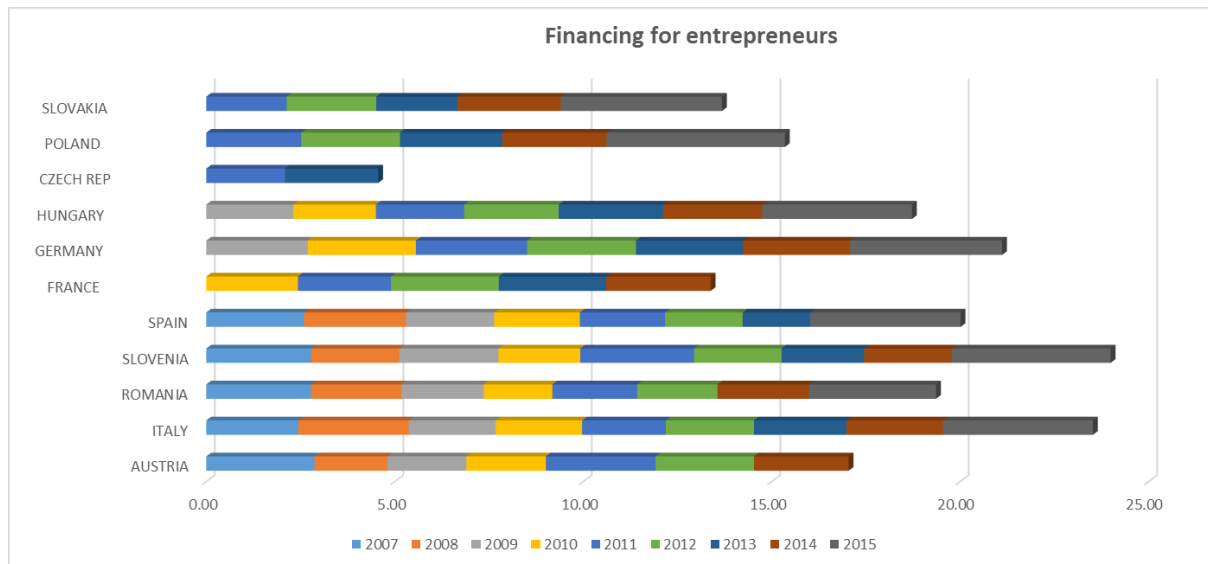


Figure no. 3.6 Financing for entrepreneurs

Source: Global Entrepreneurship Monitor

As can be seen in the figure no. 3.6 only Slovenia and Italy have values for all the analyzed period (2007-2015) compared to other countries such as Czech Republic or France, that have the indicator on financing entrepreneurs small. Because entrepreneurial activities are still at the beginning pointer on financing entrepreneurs by public institutions is limited, but you can see that countries in Southeast Europe values are relevant.

If we analyze the evolution of values we can see that the trend is rising and the 2015 values are significantly higher than those in 2007.

A special case is Czech Republic who has values only for 2011-2013 (meaning post economic crisis).

Slovakia missing values in the years 2008 through 2011 due to the financial crisis that took place on those years, compared to Romania which has also suffered due to the crisis, just like all over Europe and beyond.

But even in these conditions Romania managed to pass and exceed this threshold, although it has not received large sums from the state like other neighboring countries.

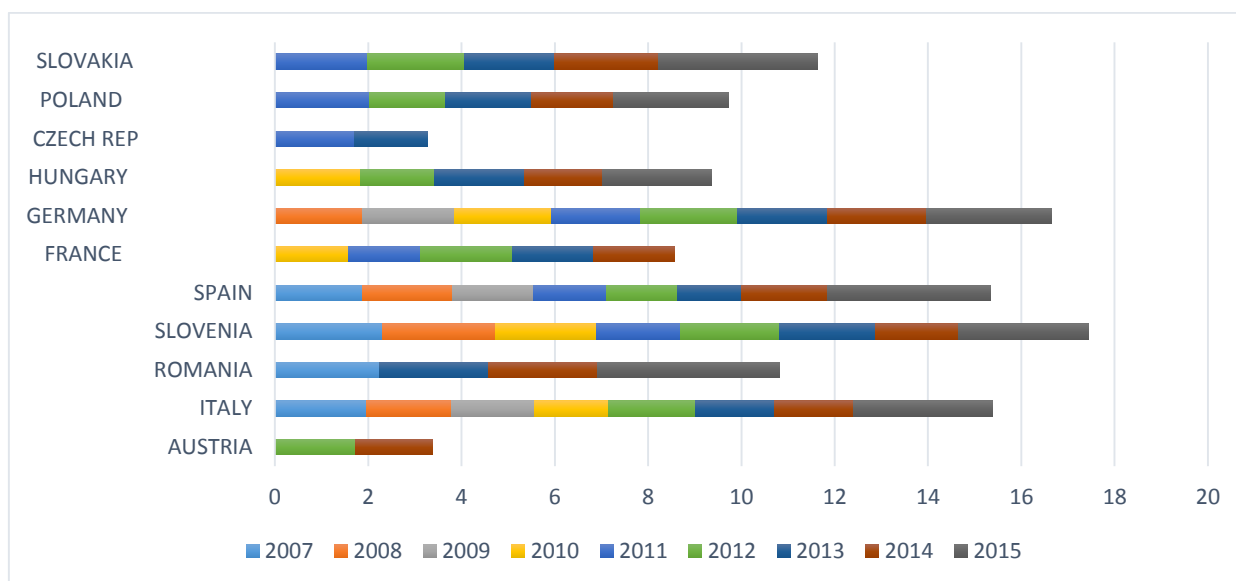


Figure no. 3.7 Basic-school entrepreneurial education and training

Source: Global Entrepreneurship Monitor

From the above chart we can see that Austria and the Czech Republic are the countries that form the least entrepreneurial skills for young people in primary and secondary school. In comparison with Germany and Slovenia which have the most value because they invested in educating and training young people for careers in entrepreneurship.

Slovakia is among the first countries that invest in the education of youth with high levels every year especially 2015 because the economic crisis began to disappear and the country starts to prosper, even if it has value only for 2011 so far. Compared to Romania who supported less entrepreneurial skills training because global economic crisis intervened and could not invest in this area until 2013, when resumed his work again.

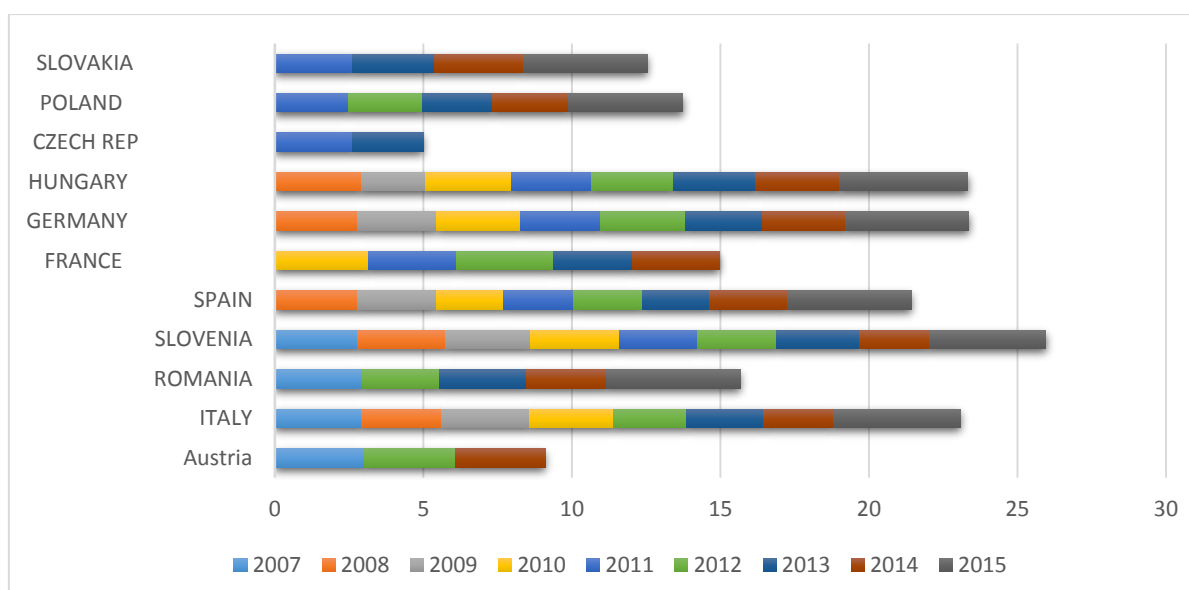


Figure no. 3.8 Post-school entrepreneurial education and training

Source: Global Entrepreneurship Monitor

What we see interesting in figure no. 3.8 is both Germany and Hungary are investing a lot in training young people in entrepreneurial skills through continued education and training.

Slovakia and Romania have begun to invest in training young entrepreneurs after finishing highschool but only after have recovered from the economic crisis.

For well-founded reasons, data from Austria and the Czech Republic are missing, this is not necessarily due to a lack of involvement in entrepreneurial activity of the respective states.

Conclusions

The main conclusions drawn from the results of the studies show that entrepreneurship is an activity that produces the following effects in economy:

- Entrepreneurial activity contributes to the economic growth by generating employment and by the development of innovations.
- Although it has an ascending trend, female entrepreneurship, both globally and in our country is still an underused source of economic growth.
- Another conclusion of a study shows that more people prefer a male boss.
- The development of entrepreneurship in one country or another is due to demographic, politics, economics, psychological and cultural factors.
- Women tend to be more calculated in their decisions and this factor helped and continues to help them to rise, in comparison with men who are willing to take more risks.

In a future study we will present more detailed results for Arad county, Romania.

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