

WOMEN ENTREPRENEURSHIP - A SOLUTION FOR ROMANIAN ECONOMY DEVELOPMENT

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Abstract:

Entrepreneurship is not only equivalent with a way of increasing national revenue or a source of new jobs, but represents also an important vector of economic growth by forming a bridge between innovation and market. The spectacular evolution and modification of family life as well as professional activity led to the increasing of women in business in the last 25 years, but this growth has brought with it the birth rate decrease. Women have become more important in the global market, not just as an employee, but also as a consumer, entrepreneur, manager and investor.

The article aims to capture the difficulties that women entrepreneurship is facing, gender differences and gender diversity in business, but also its impact on the economy. By approaching the theme we intend to highlight the problems faced by women both in terms of concepts, and education by analyzing employment rate by age, status, education level, gender and region, and also an analysis of the statistics on the discouraged people in finding a job by age and sex, and so on. Using the data collected and analyzed we will try to estimate the impact of female entrepreneurship on the Romanian economy.

Keywords: *entrepreneurship, women entrepreneurship, entrepreneurship gender barriers, economic development, employment rate*

JEL Classification: M13 and O10

1. Introduction

Female entrepreneurship is a complex phenomenon and an important challenge in modern economies, given that the result of a business is given by entrepreneur footprint. We live in the age of entrepreneurship, which should be supported both by educational institutions, government entities and corporations.

In the last three decades, in the context of economic development, the positive impact of entrepreneurial activity was felt in all sectors after which the number of women entrepreneurs has increased considerably. However, there is very little information available to teach us how to drive change and how to capitalize this potential, considering the fact that women are considered essential for prosperity and global economic growth.

According to the data recorded at the National Trade Register Office, 36.23% of the shareholders and associations of local companies, and 39.65% of freelancers category are women.

Women entrepreneurs have a major impact on the economy through the number of businesses that are able to create, but also by their ability to create companies with prospects to grow and develop. After studies it was shown that women are a minority of those who launch new businesses, are self employed or managers, owners of small businesses. It is obvious that this economic source has not yet been explored successfully, and sometimes even remained untouched. Specific barriers standing in the way of female entrepreneurship are related to the type of education, lack of role models in entrepreneurship, entrepreneurship based on gender, weak marital status, competing demands regarding the time and access to finance.

Female identity, especially in developed countries is no longer refers only to domestic and reproductive activities. An essential component of its identity consists in remunerated work as a key condition that ensures equality and autonomy. The women are those who, regardless of other characteristics such as race, social class, place of residence, level of education continue to carry the burden of reconciliation between work and family, and also "care" for other family members besides children, parents, elders, relatives. These

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differences between men and women in taking "double role" demonstrates that in the new working conditions these two sexes do not take part in the labor market in terms of equality, as long as the conditions are different in both supply and demand in their market labor.

Female entrepreneurship should be examined both at individual (choice to become self-employed) and at company level (performance of driven and owned companies by women) to fully understand the differences between women and men entrepreneurs. In addition, female entrepreneurship depends on the situation of women in society and the role of entrepreneurship in the society. The factors which affect the gender dimension, as well as factors that affect entrepreneurship in society are involved in this context.

The issue of this paper thus focuses on the comprehension and analysis of the barriers and challenges that business women in Romania are supposed to.

2. Barriers and challenges of business women on the Romanian labour market

Historical transition, by a major complexity, in which Romania is committed had as central axis transition from a socialist economy characterized until 1989 by an aberrant bureaucracy, to a market economy.

In a market economy, in former communist countries now members of the European Union, competition, competence, and work vision raise from obscurity a new category of people: business women.

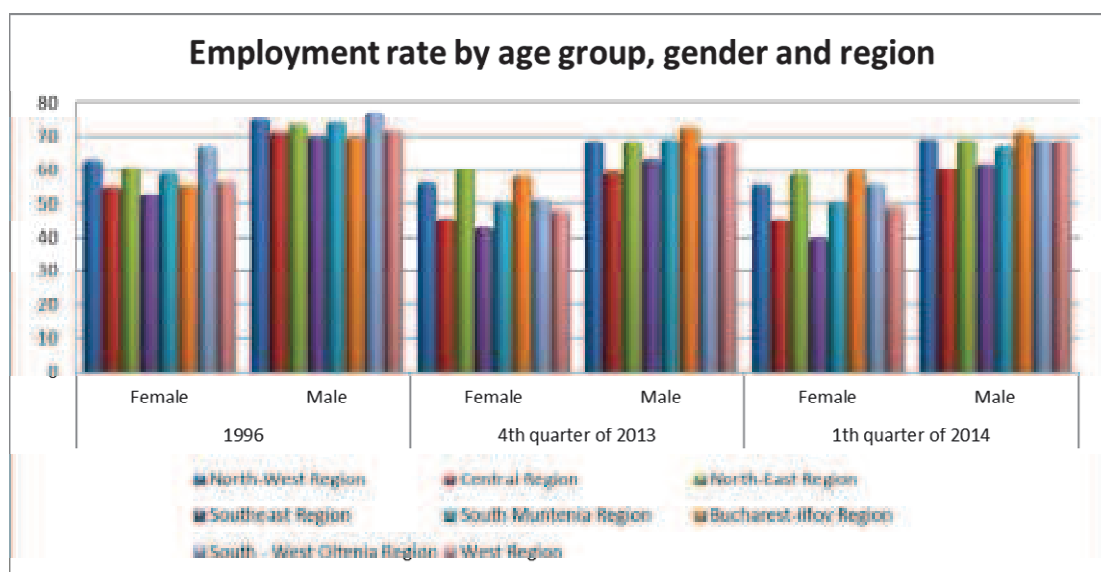


Fig. no. 1 Employment rate by age group, gender and region

Source: National Institute of Statistics

The economic success of the transition depends mainly on the speed of development of a new management culture that would facilitate the transition and development of a functional economy. Before 1989, equality between men and women played an important role in setting policy objectives. The transition to a market economy seems to have had a negative impact on women's representation in the labor market and the possibilities of obtaining their rights (Fig. No. 1).

Women entrepreneurs suffer from a large number of preconceptions, similar to those of women in the labor market, they are perceived as not able to face competition in the face of political pressure, but also economic and social.

For a proper representation of these impediments we have divided into three categories, as follows: contextual barriers, financial barriers and soft-skills barriers.

a. Contextual barriers refer to educational choices, stereotypes and women traditional principles, the field of business development, as well as vertical and horizontal occupational segregation.

The real value of a business man is appreciated according to the results and the type of relationships with others and not according to its gender. From this perspective, the future of women as managers, is provided.

The way women entrepreneurs are perceived brings an injury to their image, so, men, suppliers, customers sometimes see in the women a weak character and they do not give much credibility when it comes to business. Therefore women have to work harder, to insist more on applying knowledge and skills to overcome these obstacles.

Regarding the traditional role of women, the reality is that they have difficulty balancing personal and professional life. Women entrepreneurs have a life characterized by connections (family, work, community) and relationships than through typical man's autonomy and logic, they also manage their work and family life in a simultaneous manner, tending to involve the husband and children in their businesses.

Another obstacle which women entrepreneurs, and not only encounter it relates to occupational segregation, which refers to the concentration of women and men in different professions. Occupational segregation is divided into horizontal and vertical segregation. Through horizontal segregation distinction is made between "masculine" and "feminine" professions, and leads to exclusion of women from certain professions and their concentration in low-paid occupations, representing an obstacle in reducing unemployment.

In the case of vertical segregation it was shown that despite the changes in the labor market, by the massive penetration of women in certain occupational areas in the hierarchy of qualifications and positions that were previously excluded women entry in the higher levels is still limited even in typically female professions.

Labor force participation is presented in figure no. 2. Data analysis shows a low representation of women in high positions in the hierarchy and administrative level, in decision-making positions, policy development and government posts.

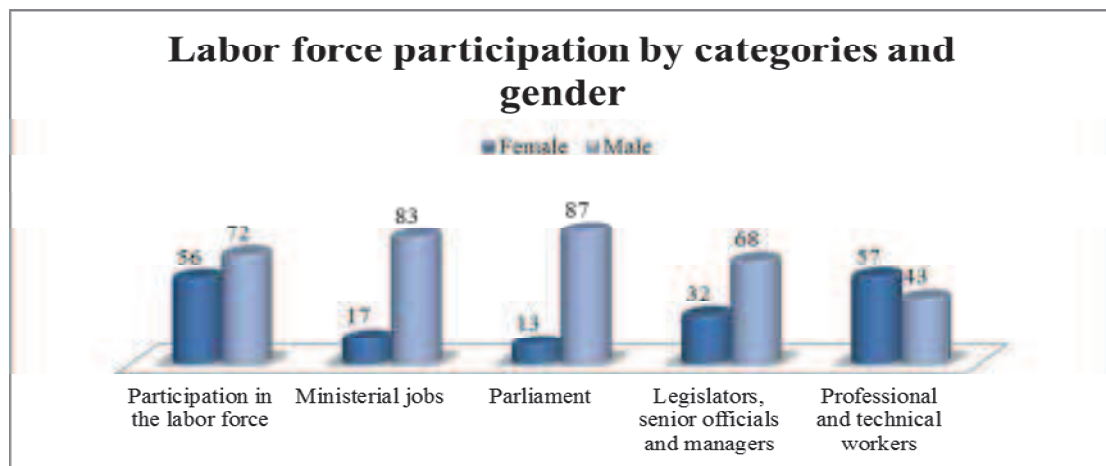


Fig. no. 2 Labor force participation by categories and gender

Source: The Global Gender Gap Report 2013

Based on the analysis, we see that women have a higher percentage than men just as professional and technical workers, especially in services.

In our country, women have proved that they can start their own businesses and take full responsibility in managing their specific activities as immediate practical reasons, the economic need to maintain single family or to contribute to the family budget.

Representation of the gender distribution according to the motivation of entrepreneurs is presented in figure no. 3. Here we see that both men and women were motivated by certain opportunities when they decided to open a business. Regarding the case of Romania, it is below the EU average, which is a problem for the country's economy.

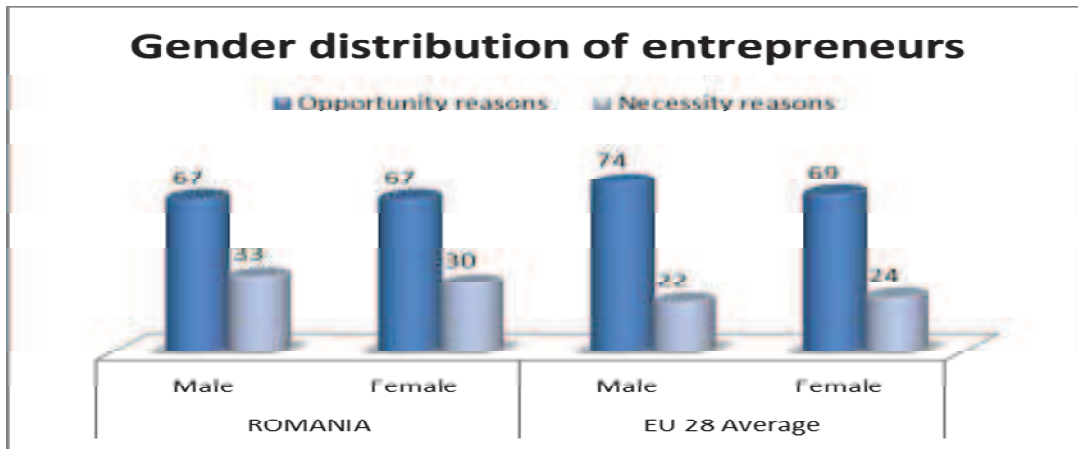


Fig. no. 3 Gender distribution of entrepreneurs

Source: Global Entrepreneurship Monitor 2013 – Global Report, Romania

Many women have decided to work on their own considering that unemployment has risen dramatically and previous work situation no longer complies with financial terms for family maintenance.

Most entrepreneurs have the tendency to get involved in sales and develop products and services, mainly oriented on women, they are also powerful in dealing with staff.

b. Economic barriers

Financial constraints have the largest share in all analyzed difficulties for entrepreneurs in general and especially for women entrepreneurs. For women entrepreneurs it is very difficult to obtain capital in order to set up or develop a company the causes are primarily focused on the distrust of the banks.

These difficulties faced by women lead to a slower development or in the development of smaller companies, evolution which leads to the impossibility of contracting funds.

A World Bank study concluded that there are fewer loans underperforming for women, they save more and assume less risk, even so the banks refuse to finance the business, or if the business plan is accepted the contracted amount is smaller but with higher interest rates.

In Romania, in the shareholders and members level, 33,33% of SMEs are owned by women.

Another economic barrier refers to the existing wage differences between men and women. Although currently there is a legal framework that provides equal pay, the problem persists and gets worse with the increase of the age.

Wage discrepancies are coming largely because of qualitative characteristics of women employment and their concentration in certain sectors. From the data analyzed it can be observed that women hold the largest share in agriculture. Also, their percentage exceeds men share in areas such as education, health, commerce, insurance. (Fig. No. 4).

Women remuneration is less than men for the same work by about 12%. Also, we have to note that there are currently job offers, especially managerial positions which although it requires knowledge and skills higher towards average, are not followed by an appropriate salary. Even if in Romania has been an improvement in terms of women's wages to those of men, the differences are still present.

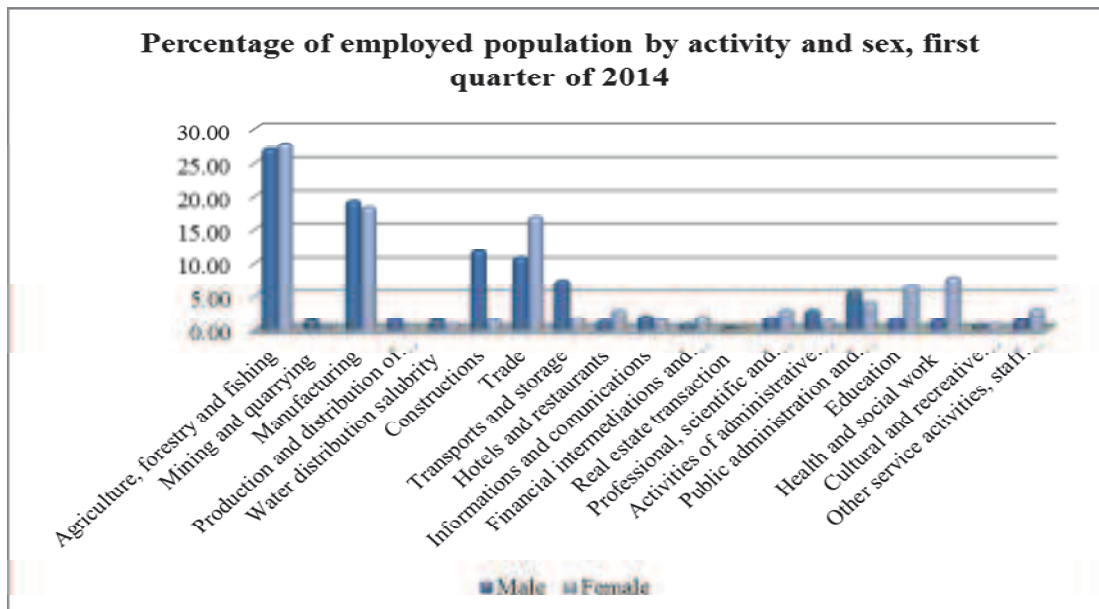


Fig. no. 4 Percentage of employed population by activity and sex, first quarter of 2014

Source: National Institute of Statistics

Another obstacle encountered refers to the current economic climate which is not favorable for start-ups. Bureaucracy, taxes are just two issues faced by entrepreneurs in general, and especially women entrepreneurs.

c. Soft-skills barriers

Besides the barriers listed above, the last category refers to the skills and competencies of entrepreneurs.

Women entrepreneurs must have a certain psychological profile, carefully tailored, entrepreneurship is an original characteristic. In order to access social networks and to initiate and maintain contact with partners, woman entrepreneur must be responsible, to know to do, to be flexible, to adapt, and not least to possess power of decision. Also, the entrepreneurial spirit can be acquired through experience, by desire.

The absence entrepreneurial training lead to a reduction of development opportunities. Many women entrepreneurs who run a small business, tend to isolate themselves from the rest of the business and focus on its segment.

3. Women entrepreneurship models

Entrepreneurship and success have no gender. Whether you are male or female, matters only vision, passion, skills and the way you act. However, entrepreneurship is a relatively new field for women, the number of men entrepreneur being significantly higher.

Today, the fair sex representatives show us through many successful examples that a brilliant career is build only with ambition and inner resources of each of us.

Rucsandra Hurezeanu, is Ivatherm company founder. It all started in 2005, when, after a decade in pharma field decided to build its own business. Ivatherm is the first Romanian dermo-cosmetic company, whose products are made with thermal water from Herculane, but "made in" France, which is the country with the greatest expertise in cosmetics.

The founder, major shareholder within Ivatherm decided that the research and manufacturing be realized in France, because the local industry hasn't the same expertise. The Ivatherm creams are produced in two small factories from southern France, and then packaged and sold on the Romanian market, and more.

She launched the business helped by the mother, pharmacist with experience in business, after an investment of several hundreds of thousands euros, own funds, and after two years has depreciated investment.

After eight years of existence, Ivatherm is one of the top five producers of cosmetic dermatology in the country, and its creams reach on the shelves of almost 1,000 pharmacies in the local market, but also on the shelves of pharmacies in Ukraine, Egypt, Hong Kong, and also Japan and Taiwan.

In 2013, Ivatherm recorded a turnover of 6.5 million RON, with 5.31% less than the previous year. In 2013, the company reported a net profit of 759,897 RON, with a total of 30 employees.

Camelia Sucu is one of the Mobexpert company founders, one of the most respected furniture retailers, the current owner of the Class Living furniture retailer, owner of a portfolio of diverse businesses in areas such as design, lifestyle, nutrition and agriculture.

She graduated the Faculty of Medicine "Carol Davila" from Bucharest and worked as a doctor for three years, at the Victor Babes Hospital in Bucharest, and in 1993 he founded with his old husband Mobexpert society.

Camelia and Dan Sucu started their business by opening a store in Unirea shopping center, where they had offered for sale imported furniture. In 1994 the group opened its first factory where office chairs were produced, followed by sofas and modern furniture melamine.

Year 1995 meant for the company the start of the development program of its own network of stores and the introduction of imported products from famous European manufacturers.

Later it began to acquire shares at Samus Dej (in 1996), Ilefor Targu Mures and Suceava Mobstrat so the company began to produce. In 2009, the company had 3,000 employees, of which 1,900 factories and 1,100 in retail and services.

Luxury furniture brand Class Living, operated by Class Mob, has recorded in 2013 a turnover of approximately 3.2 million RON and also, a losses of over 3 million Ron.

Even though the owned business has recorded losses, Camelia Sucu did not lost its confidence and continued to invest in furniture, and more. Thus, it has chosen to invest almost 5 million euros in a wholesale market in Bucharest, later rebranded Abundia. Also, she purchased some land, a vegetable farm and has plans to open two cow farms.

It also started to sell fresh juices from fruit and vegetable (Iconic Juices & Detox), and menu-products based on salads and soups, efficient for weight loss and detoxification.

Currently, Camelia Sucu is the entrepreneur who opened all the luxury furniture drawers, fresh agricultural investor, and mentor for young people in business.

Bibiana Stanciulov is one of the most powerful women in Romania, being associated with the brand of Topoloveni jams, the only Romanian traditional products protected by the European Union and awarded with the distinction "Superior Taste Award" for two consecutive years, her company being provider for the Royal House of Romania.

A sociologist by profession and ex radio women, she decided to make business immediately after 1989, going first in conserve trading, delivering this type of products, mainly to the Army, and after a damaging contract signed randomly, she decided to build his own factory.

The beginning was very hard, for almost eight years, up to 90% of product has been exported in Austria and Germany, in barrels of 250 pounds, the Germans putting it in jars with their own label and sugar beyond measure. Thus, it has decided to do something about it, and after a lot of scientific research succeeded to convince everyone that Topoloveni jam have no sugar, other preservatives, only plums.

Upgrading the factory investment was over 550,000 euros and was achieved in almost 10 years.

Currently, the largest market of Topoloveni jam is Bucharest, the company have contracts with several supermarkets and herbal stores.

According to the data from the Ministry of Finance, the company led by Bibiana Stanciulov recorded in 2013 a turnover of 3.3 million RON, with a profit of only 18,828 RON. But, this international brand owner continues to invest in the factory from Arges county, developing business up to production of jams, tomato paste and even vegetable stew, all made on the same concept, no sugar, no preservatives.

Cristina Batlan, known as "Lady Musette" is one of the few Romanian entrepreneurs in footwear area who managed to sell in New York or Paris shoes made in Huși.

She decided to become entrepreneur about two decades ago at 18 years, while she was student of Law Faculty. For her Musette shoes and handbags business success, it decided to abandon the university in order to focus its attention on the company which today is present in the fashion capitals and has revenues of nearly eight million euros.

Initially, the business was texture one, and after about 10 years has been made the transition to a new stage, a leather dressing production factory. Currently, Musette owns in Romania two production units, which are producing over 60,000 shoes and bags in each collection.

Cristina Bâtlan, Musette company founder, had in 2013, 375 employees and a turnover of almost 10 million euros. The products are made in Romania and are sold in 27 stores, both local market and abroad in USA, France, Hungary, Luxembourg, Israel, Mongolia, Bulgaria, and also, Lebanon and France.

Iulia Dobrin, is another well-known name of female entrepreneurship which has succeeded in Romania. This young lingerie designer, had the courage to dream and dare to venture, at 25 years to buy an 55 years old lingerie factory in Bucharest to produce elegant pieces for exquisite women. Thus, in 1992, was born I.D. SARRIERI company brand.

It all started from the desire to create more than practical lingerie, rather than white, black or beige pieces. The importance given to the "hand made" details, to the original models, France and Italy materials, the quality of the products transformed the Bucharest factory, with a 55 years in the lingerie area history, in I.D. Sarrieri, one of the most trendy fashion lingerie brands in the world (http://ro.wikipedia.org/wiki/ID_Sarrieri).

I.D. Sarrieri brand, is more than lingerie. The inspiration comes from vintage lingerie pieces, from exclusive haute couture and pret-a-porter trends. Special Corsets, new forms of bras or push-up triangle, girdles, slips "Marilyn Monroe", I.D. Sarrieri design is always high-fashion.

I.D. Sarrieri creations are present in over 35 countries worldwide, collections are sold in the finest lingerie boutiques and department stores like Henri Bendel, Neiman Marcus, Saks Fifth Avenue, Printemps, Selfridges, 10 Corso Como, Breuninger, Takashimaya and the most famous Ginza shopping avenues in the world, Faubourg Saint-Honore, Bond Street, Fifth Avenue (http://ro.wikipedia.org/wiki/ID_Sarrieri).

In 2013, I.D. Sarrieri company had a turnover of approximately RON 7 million, registering a loss of almost RON 750,000. According to the data from the website of the Ministry of Finance, the company reported loss also in 2012, but in 2013 the company had 95 employees, an increase compared with previous years.

These are just a few examples of powerful women in world business, which demonstrates that any representative of the so-called "weaker sex" can be a successful model.

Female entrepreneurs mentioned above have brought over the years many benefits to our country, from job creation up to increase exports, and more.

We observe that women entrepreneurs lead successful businesses in our country and the number of businesses started by women business becomes increasingly larger.

Women entrepreneurs outlined above have encountered many obstacles in their evolution, but passion, ambition to do something, to leave something behind gave these women the strength to continue.

4. Conclusion

Female entrepreneurship in Romania represents a subject acclaimed, censured, desirable or marginalized. The contribution of women entrepreneurs in the Romanian economy is growing, but they face political, social and economic barriers in creating healthy companies.

The models listed above have reached the top through what is very important for an entrepreneur, namely hard work, from a small business started as a student up to an international brand.

The transactions made by these women helped Romanian economy, the businesses initiated increased the exports, and automatically to GDP increase.

We live in a country where politics is the boss, with an economy that encourages consumption, not production. Loans interest increasing and the long and difficult process in order to obtain EU funds are only two barriers that female entrepreneurship have to face today.

For a healthy economy, we need a fiscal measures package that encourage investments, we need preferential interest for the entrepreneurs who just start the business, and a fair tax system, a tax collection accurate instead of their growth, are just two of concrete measures for business support.

Business environment is very tough, who reinforce the women, therefore it is necessary a balance that allow it to face demands. Thus, in Romanian business environment, many things can be changed, for example: "too big" red tape, the payment of VAT on invoicing and not on collection, social security reduction, as well as the implementation of some preferential conditions for the newly women businesses and lower taxes.

There are many Romanian women who make profit in troubled times, through work, perseverance and courage. All these are necessary qualities of an entrepreneur. There remains, however, finding and getting funding.

In order to have a growing economy and creation of new jobs, Romania needs more women entrepreneur and state support for them.

We need a unified economic society, balanced and developed under the dome of some consistent and proactive fiscal policies.

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