

FEMALE ENTREPRENEURSHIP IN ROMANIAN AGRICULTURE: BETWEEN MYTH AND REALITY

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Abstract: Deficient rural infrastructure, dependence on agriculture, lack of an organized market network, low income, low level of education and qualification of the rural population, poor productivity and quality of agricultural products, reduced installation rate of SMEs, rural youth migration, subsistence agriculture, unfavourable age structure are the weaknesses of Romanian rural area. These weaknesses are the source of challenges rural enterprises are confronted to: bureaucracy of accessing and managing European structural funds for rural development, fear of risk taking, lack of competitiveness of small and semi-subsistence farms, lack of entrepreneurial competencies, lack of entrepreneurial education, lack of family tradition in entrepreneurship, lack of proper training in management and marketing, low number of special financial products, poor quality of life, and resistance to financial investment whatever the financial resources. Women farm entrepreneurship is confronted by other barriers / challenges / limitations / obstacles specific to Romania that are analysed below.

Key words: women entrepreneurship, farm entrepreneurship, Romania

INTRODUCTION

Women entrepreneurship is the most common phrase for **female entrepreneurship** [1] or "**feminine entrepreneurship**" [12]. The Organisation for Economic Co-Operation and Development defines **women entrepreneurship** as "firms owned and managed by women" [14] and a **woman-owned firm** as "a firm where a woman owns more than 50% of ownership" [14]. A **woman entrepreneur in agriculture** is also called a **woman farm entrepreneur**. **Entrepreneurship** is defined as "the study of sources of opportunities, their identification, exploitation and consequences for the economy" [14].

Literature points to four types of **general** and **specific** (to start-ups, to managing small firms, to growing firms, to diversification, to moving up to the executive suite) **barriers/challenges/limitations/obstacles** preventing women from being (successful) entrepreneurs no matter the field of activity [2, 4, 6, 14, 15]:

- "**General obstacles to women involving in entrepreneurship (recognition of opportunity and desire to start firms)**":
 - *Business structure;*
 - *Constrained and regulated environment in which operate farmers;*
 - *Fear of failure;*
 - *Illiteracy;*
 - *Climate of investment* (access to finance and land, anticompetitive practices, business licensing, clerical corruption, cost of finance, crime, customs regulations, electricity, labour regulations, macro instability, policy uncertainty, tax administration, tax rates, telecommunications, trade regulations, transportation, workers skills);
 - *Lack of entrepreneurship skills;*
 - *Lack of experience* (from the very beginning to the end);

- *Lack of female-friendly entrepreneurship policies;*
- *Lack of (free) time* (women are in charge with so many different domestic chores and children raising);
- *Lack of relevant networks and of societal position* (men are more involved in networks than women, women type of network is different, and there is less access available to critical resources, support and information);
- *Lack of role models in entrepreneurship* (because women have not been historically present as entrepreneurs);
- *Lack of wealth* (hence, the lack of financial assets and of knowledge assets);
- *Problems in the combination of care and agriculture are caused by legislation on working conditions and food safety;*
- *Local development plans of the government ignoring non-agricultural activities in the agrarian area;*
- *Low credibility;*
- *Semi-literacy;*
- *System barriers* (policies, practices/procedures that cause some people receive unequal access or be excluded);
- ***“Specific obstacles to start-ups (getting necessary information, financial and human capital/resources to start a firm)”***, i.e. impossibility to externally fund a business because of sex discrimination:
 - *Capital/Finance for an existing firm may be less available* (men are more likely to penetrate informal financial networks than women);
 - *Childhood family environment* (birth order, occupation of parents);
 - *Collaterals needed for external financing above most women’s wealth;*
 - *Difference in training between men and women;*
 - *Ethnicity* – identified in the UK [3];
 - *Existing entrepreneurs among relatives;*
 - *Existing entrepreneurs in the family;*
 - *High income taxes;*
 - *Income/Wealth;*
 - *Lack of a social safety net* (women are, in general, more responsible in most economies for the provision of basic needs for their families);
 - *Marital status;*
 - *Nature of business;*
 - *Number of children;*
 - *Religion* (maybe in areas such as the Middle East, where religion is a valued non-work activity);
 - *Social class* (in areas such as the Middle East, where gendered social classifications presume that a person must follow a certain pattern, determining the relationship between the individual and the state, market, family, and community);
 - *Women are not permitted to seek capital/finance as individuals* (brothers/husbands must seek it in their place);
 - *Women are not seen as entrepreneurs because of the traditional roles in society;*
 - *Women engage in industries that are generally neglected by financial institutions* (care, personal services, etc.);

- *Women entrepreneurs' relationship with different financial institutions might suffer because of gender stereotyping and discrimination;*
- *Women may not be encouraged in raising the initial capital to start a new firm;*
- *Women still have difficulties obtaining capital/finance because their social position is weak;*
- *Work experience/history;*
- ***Specific obstacles to managing a small firm:***
 - *Differences on the behavioural level, which forces women to cope with stereotypic attitudes (from banks, customers, spouses, suppliers, etc.) towards them on a daily basis;*
 - *Differences on the financial outcome level (firm revenues, personal earnings);*
- ***Specific obstacles to growing firms:***
 - *Capital/Finance (women entrepreneurs start small firms that can be financed mainly from their own available resources);*
 - *Government policies;*
 - *Legislation;*
 - *Managerial gender/sex typing (the “think manager – think male” phenomenon);*
 - *Women's inability to achieve growth (because of greater day-to-day responsibility for their families, because of lack of motivation);*

We believe we should add to this list the following:

- ***Specific obstacles to diversification:***
 - *Access to distribution;*
 - *Capital requirements;*
 - *Channels;*
 - *Concern over diversification costs, equipment and training;*
 - *Scale economy (“the reduction in long-run average and marginal costs arising from an increase in size of an operating unit – a factory or plant, for example; economics of scale can be internal to an organisation – cost reduction due to technological and management factors – or external – cost reduction due to the effect of technology in an industry”) [13];*
 - *Experience curve;*
 - *Legal issues;*
 - *Legislation;*
 - *Security;*
 - *Uncertainty of appropriate business models;*
- ***Specific obstacles to moving up to the executive suite:***

The “glass ceiling” (“Invisible but real barrier through which the next stage or level of advancement can be seen, but cannot be reached by a section of qualified and deserving employees. Such barriers exist due to implicit prejudice on the basis of age, ethnicity, political or religious affiliation, and/or sex. Although generally illegal, such practices prevalent in most countries.” – cf. 3].

MATERIALS AND METHODS

The **research method** used in this paper is ***analytical***. We defined **Female Entrepreneurship**, analysed **general** and **specific barriers** preventing women be/become

entrepreneurs, and identified such specific barriers preventing Romanian women be/become entrepreneurs.

The **material** used consists in **books**, **articles** and PhD theses on **Female Entrepreneurship**, materials published in Romania and abroad in the last two decades and made available to the wide public via the Internet.

RESEARCH RESULTS

According to Dragusin [7] “The Romanian woman-entrepreneur is, in most of the cases, married with children, educated (high school or faculty), devoted to her business and *able to overcome barriers* but not interested in politics.” However, another Romanian author [5] claims women entrepreneurs “are perceived as not able to face competition in the face of political pressure, but also economic and social”. Cojocaru [5] distinguishes between **contextual** (educational choices, field of business development, stereotypes and women traditional principles, vertical and horizontal occupational segregation), **economic/financial** (bureaucracy, distrust of the banks, high tax rates, unfavourable economic climate, wage discrepancy), and **soft-skills** (adaptability, decidability, flexibility, knowledgeability, responsibility) barriers preventing women entrepreneurs from being successful.

Women entrepreneurs as a group are extremely heterogeneous (this also applies to **women farm entrepreneurs**, who run mostly businesses which have a close connection to consumers – agri-tourism, direct selling, etc.). Thus, they differ from each other in terms of:

- **Age**: liveliness (a component of social initiative) increases with age (how we define young and old entrepreneurs depends very much on the average age of the population, which differs between European countries);
- **Area of residence**: in Romania, of the total 2,653,779 employers and own account workers in 1995, 1,534,406 were men and 1,119,373 were women; five years later, 2,608,021 employers and own account workers, 1,775,941 were men and 832,079 were women – a descending trend that continued in the years to follow [14]; in 2005, almost 38% of the total active SMEs were led by women entrepreneurs in 2005, with important regional differences as far as the weight of their enterprises in the total: higher in the North-West Region (42.0%), West Region (38.8%) and South-West Region (38.6%); the South Region had the lowest weight (29.0%) of enterprises run by women – a situation correlated not only with the overall distribution of SMEs but also with cultural features.
- **Education**: the percentage of men and women entrepreneurs with higher education increased from 21.2% (1995) to 42.7% (2004); by region, Bucharest had the most educated entrepreneurs (58.0%), followed by the North-East Region (45.8%) and West Region (45.2%) [7];
- **Gender/Sex**: according to On [9], are gender barriers to business in Romania the following:
 - Balancing professional and family/private life;
 - Maternity and child care [10]; however, compared to other countries (for instance, South Korea), Romania has a more supportive legislation for maternal leave and better integration after return in the office [11];
 - Professional stereotypes (difficulties in getting specific jobs, smaller medium wages for women, etc.);
 - Stereotyping women promotion in mass-media;
 - Traditional collective mentality, plenty of prejudices,

which explains the percentage of male and female entrepreneurs aged 18-64 in 2007 (18.55% vs. 8.83%), in 2008 (15.55% vs. 7.86%), in 2009 (11.40% vs. 7.44%), and in 2010 (13.60% vs. 6.70%) [8].

Romanian females wishing to become or being entrepreneurs are prevented from doing so by **age**, **area of residence**, **education**, and **gender/sex**.

The last of these specific barriers brings about such issue as *balancing professional and family/private life; maternity and child care; professional stereotypes (difficulties in getting specific jobs, smaller medium wages for women, etc.); stereotyping women promotion in mass-media; and traditional collective mentality, plenty of prejudices*.

CONCLUSIONS

Compared to the *general and specific barriers preventing women to be or become entrepreneurs*, Romanian women are, apparently, less prone to such barriers. However, literature suggests that there is still much to do to encourage and support Romanian women become entrepreneurs or continue to be successful entrepreneurs.

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