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GENDER PECULIARITIES OF ENTREPRENEURSHIP IN THE REPUBLIC OF MOLDOVA

Case study

Keywords

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Abstract

The situation with women's entrepreneurship is analyzed in the given scientific paper. Special emphasis is put on the one of the main obstacles to women, the mentality of the inhabitants in our country. The purpose of this study is to identify characteristics of women's entrepreneurship in Moldova, the motives of the occurrence of women in business, the specific needs of women entrepreneurs and others that will enrich the theoretical knowledge and provide the scientific basis for the implementation of social and economic gender policy in the business.

1. INTRODUCTION

One of the debatable issues in the contemporary socio-economic research, especially in countries with developed market economies, is the participation of women in business. In the 80th of the last century women in Western Europe and the U.S. broke the psychological barrier and demonstrated fully their business activities and the wonders in business. "Women's business" arose mainly in services and trade and gradually became a powerful economic force in these countries. Small businesses in the market, such as small pubs, craft shops, boutiques were mostly created by women. The analysis, performed in countries with developed market economies shows that women have achieved the greatest success in the business in small and medium-sized public sector. Given such feminine qualities as sociability, interest in people, caring, and other features of the female character, women were able to adapt quickly to new conditions and to make themselves. Although the path of women in business was not easy and simple due to the lack of knowledge and support from public bodies, women successfully developed small businesses, and won the recognition of society. Currently, many countries with developed market economies have booming small business. Women have achieved great success abroad as a family business.

According to many researchers, the participation of women in business is one of the real ways to increase women's employment, the ability to adapt to new market behavior model. Activities of women in business affect the restructuring of the economy, increase the number of jobs in employment, reduce unemployment and has a generally positive effect on the stability in society.

The Moldova's law "On Equal Opportunities for Women and Men" discusses the equal access to entrepreneurial activity [1, Chapter III],

and the National program of gender equality ensuring for 2010-2015 supposed stimulation of entrepreneurship and private initiatives by women, particularly in rural areas [2].

The purpose of this study is to identify characteristics of women's entrepreneurship in Moldova, the motives of the occurrence of women in business, the specific needs of women entrepreneurs and others that will enrich the theoretical knowledge and provide the scientific basis for the implementation of social and economic gender policy in the business.

Problems of female entrepreneurship are relevant to present-day Moldova, where, despite the fact that the long period formally asserted the equality of men and women, the traditional stereotype that business career as a business is not for women continues to exist in society. In the transition to a market economy, a new social order in Moldova, it became possible for women to expand the range of social roles, to counteract the feminization of poverty, the tendency that the active women's entrepreneurship permit to avoid. Women have demonstrated their business professionalism and activity in many areas of labor and employment. Especially in the business, you can detect the presence of the ability of managers who can lead it to success in a relatively short time because of its dynamic nature. In business, women can wholly show their talents, open their untapped business potential, and thus inspire confidence in their abilities. Entrepreneurial activity can help women overcome the psychological barrier, the outdated traditional pictures of the business career. Simultaneously, the active work of the more advanced women entrepreneurs can serve as an example, a role model for less active and socially weak groups of citizens. In transition countries, including Moldova, the issue of female entrepreneurship is quite urgent. While studying women entrepreneurs it is important to identify and take into account the specific conditions of each country and

of the certain period, as the results of studies in other countries, primarily in the western do not always apply to the Moldovan reality. For example, in Moldova, the older generation in the Soviet period are used to seeing women in leadership positions in politics and economics: the women were directors of factories, schools and kindergartens, they are often seen speaking at meetings, presenting papers at congresses and conferences. This has greatly contributed to the quota for the presence of women in government and in leadership positions in the economic sphere. And in today's children from an early age get "instructions" mostly from women: teachers in kindergartens, school teachers, doctors and nurses at the clinic. Thus, business woman, a woman leader in Moldova, is both familiar and new phenomenon.

In Moldova, the women's business is still in its infancy, and therefore in need of systematic observation and support, both from the state and from public organizations. With the development of market relations in the sphere of employment, the opportunity arose to develop freely women's economic initiative, but, at the same time many women were less prepared and adapted to operate freely like men. However, in our country the gender aspect of the business activity was paid the close attention only in recent years. According to the head of the Moldovan women's organization ICAWB T. Batushkina [6], studies that have taken place in many countries show that there are differences between male and female entrepreneurs. And they are quite significant: the various ways and reasons for entering business, as well as the level of access to information, education, finance and other resources.

In the late 80's of the last century, in countries with economies in transition, including Moldova, women and men both got the opportunity to do business. At that moment they had the same high level of

education, as well as role models: successful managers of their sex. The fact that women are the owners of businesses, serve as managing his own business in Moldova does not surprise anyone. Women are actively involved in the transformation of the Moldovan economy, changing forms of labor activity. The role of women in society is growing every year. Today in Moldova, women already make up a relatively significant part of entrepreneurs: one quarter of employees work at small and medium-sized enterprises (9.5 thousand economic entities) owned by women [7]. Yet the establishment of "women's business" in our country is still slow, bumping into existing psychological, legal, economic and social barriers.

2. ANALYZE OF WOMEN'S ENTREPRENEURSHIP IN MOLDOVA

If we analyze the personnel structure of Moldovan firms (including those relating to small and medium enterprises), we find that women have in senior and middle management positions rarely than men. Most often, a woman holds the position of one of the vice presidents, chief financial officer or chief accountant.

Results of the scientific project [4] also showed an uneven playing field for business men and women from Moldova. Women wishing to engage in entrepreneurial activity face a number of social problems in public and private life. One of the key obstacles to the employment of women in business is established in the community tradition, the mentality of the people of our country, mass consciousness, deflected to the side of patriarchy. Inequality is due to existing stereotypes in society, the traditional view of women as second-class person, a housewife. This is indicated by the results of interviews with owners and managers of small and medium enterprises from Moldova in the framework of the

above project. So, the question: "Do you have a business any particular difficulties associated with the fact that you are a woman?" Of the respondents answered that "the woman more difficult because of the mentality of the people of Moldova". Thus, the difficulty of entry of women into business is psychological in nature.

The situation is complicated by the double burden of women. Serious problem for women entrepreneurs is the difficulty of combining work and family. Interviewees entrepreneurs noted that "in our society the woman always has a choice: work or family. If a man is easier to opt for a business, for a woman it is more difficult".

Not all interviewees entrepreneurs consider doing business exclusively male affair. Thus, according to respondents: "There are women, the most energetic and endowed with leadership qualities that can only be the first persons and owners of the business".

If we consider the reasons for the occurrence of women in entrepreneurial activity, they can be divided into three groups.

The first group includes women entrepreneurs who have come into business on their own, voluntarily, in which the motivation of choice is the self-affirmation, a serious desire to become an entrepreneur, a great interest in this type of activity, i.e. a group of diehard "businesswoman." However, the motive of self-assertion covers only a small group of women entrepreneurs that distinguishes women from men's motivation.

The second largest group consists of business women who took the decision under the pressure of unexpected twists of fate, chances, circumstances that prompted them to take responsibility to themselves. For example, in the new economic conditions during the period of economic reform, at the time of privatization, changed ownership of shops, cafes, pharmacies, hair salons, and the women

that led them became entrepreneurs almost automatically.

The third group includes women entrepreneurs who are forced to start their own business under the influence of adverse life circumstances, such as lack of means of living, unemployment, the desire to help the family, etc.

An increasing number of women entrepreneurs choose small business. For the vast majority of women the small business is a forced activity and, in most cases, this activity requires neither education nor the expertise. However, at the economic crisis, lack of social guarantees, this activity was the only alternative to poverty for many. Consequently, the main motive for contributing to the entry of women in entrepreneurial activity is a sense of responsibility for themselves and their relatives. Thus, if we talk about the occurrence of women in business, we can say that the emergence of women's business has forced character in most cases. In fact, a new economic policy has put women faced with the need to fill the free zones in the labor market.

Women are less active than men in including in the new market economic forms, such as entrepreneurship. They are much more careful and responsible than men in starting their own business, less risky, preferring to focus on sustainable business relationships. Statistical data fully confirm that the Moldovan business keeps traditionally masculine traits. The proportion of men engaged in business is up to 72.5%. The share of women entrepreneurs is 27.5%. "The number of male entrepreneurs is 2.6 times higher than the number of women entrepreneurs. The proportions do not correspond to the distribution of Moldova's population by gender: the proportion of women employed in business, much lower than the proportion of women in the economically active population (49.4%) and a total population of Moldova (51.9%)" [5, p.13].

These statistics indicate that the largest number of enterprises are micro enterprises - 71.5%, small - 22.1%, average - 5.4%. The proportion of women managers (holding) micro amounts 79.4%, while the share of men is - 67.8%. [5, p.30-31]. Also, statistics indicate that "the enterprises of other sizes are driven mostly by men. Moreover, the larger is the business, the greater is the proportion of men entrepreneurs." Among large employers we found men at three times more than women. Among medium-sized businesses the proportion is 2.3, and among small business owners the number of men is 1.4 times higher than women. [5, p.31].

We can not assert that men and women are equal starting conditions to entry into the business. "Gender differences are evident in the fact that women entrepreneurs are relatively less than men have the opportunity to create their own enterprises by privatizing ... and, accordingly, in all regions (except Chisinau) women often had to create businesses in a more sophisticated way (by establishing a new business)" [5, p.44].

Among the reasons why women can not do business, the first place is taken by the lack of funds, lack of initial capital, which would allow women to start their own business. Due to the lack of own funds, they are often forced to abandon the implementation of interesting business ideas and promising projects. Thus, the main obstacle to women on the path to entrepreneurship is the lack of seed capital, i.e., funding acts as a limiting factor. The fact that the start-up capital is one of the main challenges in building their businesses, indicating a lack of entrepreneurs' access to external finance. Thus, we can say that in Moldova during the establishment of business the system of preferential credits was not well developed, although it is obvious that the lack of seed capital is a major obstacle that makes for many impossible to establish their small businesses. Consequently, the

main form of support for women's entrepreneurship should be legally introduced preferential loans and the allocation of loans provided by the National Action Plan for Human Rights 2004-2008, under which the development of the legislative framework was scheduled to ensure the provision of preferential loans to promote women in the business sphere, especially in small and medium businesses [3].

Another important issue in order to do business is the lack of an efficient tax system. Thus, the need for more flexible fiscal policy and a taxation more favorable for women.

There are cases when women entrepreneurs can not establish normal relationships with their business partners. The results of interviews with entrepreneurs in the framework of a research project indicates that "the majority of business partners are men that can perceive businesswomen not quite seriously" [4]. Choosing a reliable business partner is a significant challenge. The most common flaws in a partner are the lack of professionalism, untidiness in the choice of means, the propensity for fraud, deceit and breach of contractual obligations.

Women entrepreneurs more often than men prefer to engage in activities such as trade, hotels and restaurants. This shows that women entrepreneurs do not tend to occupy the male territory and occupy relatively little free niches.

Difficulties arise in business with the sale of goods, i.e., when selling products. Most entrepreneurs are oriented to local markets. Some point to misinformation, deception, dishonesty of competitors.

If we talk about the opinions of entrepreneurs concerning their future, "women are somewhat more optimistic about the future. The expected deterioration of the situation indicated 19.7% women and 23.2% of men" [5, p. 81].

Another reason that prevents women engage in entrepreneurial activities is that,

in parallel with businesses, criminal structures often operate. Hence, there is the need for resolute action by the state to secure business, as part of an overall security tasks of society.

After analyzing the statistics, we can conclude that the most challenging task in employment at the moment is increasing the number of women engaged in entrepreneurial activity. For women, the less prepared to work in business, in this period the most suitable form of a small business. Small business has the ability to concentrate in the most needed areas, to provide the necessary consumer goods and services and generally helps to bring the economy out of crisis. Large and medium-sized businesses are likely to remain mainly a "male" as long as the society adheres to the traditional roles of women in labor and employment.

Thus, it is necessary at the state level, the creation of economic, legal and social opportunities and conditions in society that would promote women's entrepreneurship, including small business.

3. THE MEASURES FOR THOSE GROUPS OF WOMEN WHO NEED SUPPORT

It is extremely important to provide the following measures for those groups of women who need support:

- Facilitate women's access to training in business management and entrepreneurial skills;
- Assist in opening women's own businesses, in obtaining affordable sites, in the transfer of technology, equipment, organization, and support of new jobs;
- Informing the public about the contribution of women in entrepreneurship, assisting in the promotion of the company and its products on the market, organize trade fairs, exhibitions, advertising agencies;
- Extension of special information portals on female entrepreneurship placing the data on the organizations working with

women-entrepreneurs, advices, projects and activities that are relevant to the advancement of women's businesses;

- Changing the existing legal framework for business development in Moldova to create favorable conditions for women's entrepreneurial activities, including change in tax laws to reduce taxes and increase financial support for the establishment of enterprises (e.g., cheap loans);
- Encourage participation of domestic and foreign investments in small businesses;
- Providing social support for women in family and domestic problems that directly relate to their functions, such as improving the infrastructure for child care (expanding the network of kindergartens, nurseries), and others.

These measures could help to strengthen the position of women in business in Moldova.

In this regard, the state, holding to develop the business, must by all available media to disclose the social role of business, clearly promote women's entrepreneurship as a positive economic initiative, acting for the good of society.

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