Businesses and women in Romania

Dana Adriana LUPŞA-TĂTARU

Abstract: The paper presents the main findings regarding the role of women entrepreneurs in economy in general and in Romania specifically, the influence of the family and friends’ financial and emotional support that helped their business development. The main results show that, even though women are considered one of the greatest powers of macro environment development, their businesses are still small or medium sized, and the measures to encourage their business development are still not enough, but their characteristics – such as determination and perseverance – lead to sustainable businesses.

Key-words: women, entrepreneurs, Romania

1. Introduction

According to the European Commission (2013), even though throughout Europe the number of women is higher than the number of men, female entrepreneurs represent only a third of the self-employed.

There are some additional factors (such as reconciling business and family) that make entrepreneurship a less attractive option for them than for men. The European Commission is working with EU countries to overcome these aspects and encourage more women to start their own companies.

EU also states that “women constitute 52% of the total European population but only 34.4% of the EU self-employed and 30% of start-up entrepreneurs” and also that “female creativity and entrepreneurial potential are an under-exploited source of economic growth and jobs that should be further developed”.

The same opinion comes from the World Bank report (2011), which presents the hypothesis that the more women are economically empowered, the greater benefits the families and communities’ wellbeing will have.

Thus, it is obvious that women’s entrepreneurial activities do have a positive impact and a significant influence on the development of local economy and macro environment.

1 Transilvania University of Brașov, lupsad@unitbv.ro
2. Women entrepreneurs in Romania

According to statistical data on women entrepreneurs in Europe – the case of Romania – and all the data below represents the findings of EU - in 2012, around 29% of all entrepreneurs in Romania were women compared to 31% in the EU-28. The vast majority of these women entrepreneurs (94%) were solo entrepreneurs.

Women entrepreneurs constituted about 13% of the women in the active labour force entrepreneurship rate). This was higher than the EU-28 average entrepreneurship rate (10%). The proportion of men entrepreneurs in the active labour force in Romania (26%) was also higher than the EU-28 average.

Most women entrepreneurs in Romania work full-time. In 2012, about 31% of women entrepreneurs worked part-time in their enterprise and this percentage was slightly higher than the EU-28 average (30%).

In 2012, the highest proportions of women entrepreneurs in the total number of entrepreneurs in a sector were in sector groups, other activities, other service activities, and professional, scientific and technical activities. The lowest proportions were in construction, transportation, and storage. The percentages of women entrepreneurs in the sectors for which data were available were comparable to the EU-averages.

Women entrepreneurs in Romania were slightly older than men entrepreneurs. In 2012, the proportion in the age group 25-49 years was lower, and the proportion in the group of 65 years or over, was higher.

The average education level of women entrepreneurs was lower than that of men entrepreneurs. Compared to the total EU, women entrepreneurs in Romania had a significantly lower education level.

In Romania, the most comprehensive data about the number of businesses owned or conducted by women came from the National Trade Register Office, a report covering the 2013- 2015 period. It provides data on numbers and shares of female associates or shareholders in active companies compared with the total number of owners, divided by county.

One may notice that there is a higher proportion of women involved in starting a business in all regions except Western and Southern areas, where the number of men exceeds that of women. Also, in the West region this difference is quite significant (only 6% of women entrepreneurs in comparison to 20% men entrepreneurs).

3. The objectives and the research

According to Javadian and Singh (2012), most entrepreneurs referred to their close family members as their main source of financial, informational and emotional
support. Brindley (2005) stated that the main source of support and aid came from their family and friends during the initial business phase.

This notion is supported by Golrod (2005) which suggests that support provided by family and friends contributes to women entrepreneurs’ success in Iran. Family members such as the husband and/or father played an important role in their success (Javadian and Singh, 2012). Alam et al. (2011)

Because family is a crucial part and most important to a woman throughout her life (Alam et al., 2011) and most women start their businesses and expand them with the help of their family and peers.

According to literature review, even though they find internal motivation factors, they still need their family’s full support to become sustainable and successful in their businesses as women play an important role both at their workplace and at home (Alam et al., 2011).

Many of women-owned enterprises have a family-based business where family members, relatives, and close friends are part of the working team (Ahmad, 2011).

The objectives of the study were to verify the hypothesis according to which there is a link between the size of the business conducted or owned by women and the support of their families and friends, and also the hypothesis according to which business women are generally more confident and powerful if they have the financial and emotional support of their families and friends, or if they can at least rely on them when needed.

Also, the author aimed at establishing the factors that explain the sustainability of businesses owned or managed by women. The research was conducted between January 2017 and March 2017, on a number of 100 business women from Brasov, owning small businesses or being freelancers.

It was based on a questionnaire composed of 10 questions regarding the field of their business, profit of the past years, the sources of financing, and also open questions regarding their opinion concerning the role of family and friends, financially and emotionally, in their business development.

The reason for choosing only business women or freelancers from Brasov was the author’s professional acquaintances within this region, due to her role in developing a community of women entrepreneurs. Interviews were also conducted with all these business women in order for the author to get to know their personal and professional background and to be able to connect the dots between their abilities and their businesses.

4. Findings and discussions

The connection between the abilities of women entrepreneurs, the type of business and the financial and emotional support they get from their families and friends is
considered a focus in recent entrepreneurship research and particularly for this research. The primary focus is on women’s own perception of such support, and the second focus is on characteristics of the female entrepreneurs considered most relevant to sustainable businesses in the literature.

84% of women are freelancers and 26% of women own a business, as shown in figure 1. From those 84%, 16% are business consultants, 34% are experts in accountancy, 18% are communication specialists and 32% are beauty consultants.

![Fig.1. The sample of women entrepreneurs of the study](image1)

From the 36 businesses owned by women, most of them are small (38%) and the other (62%) are medium sized companies, as shown in figure 2. A very important mention must be made: that within the whole country the number of large companies conducted by women is very small, due to the lack of financing, the lack of a critical mass of female entrepreneurs managing large companies, and also due to a culture that does not encourage women to have such jobs.

![Fig.1. The number of companies managed by women](image2)
As for the link between the status of the women owning or conducting a business and the emotional and financial support offered by their families and friends, according to the interviews, most of the women (98%) are married and have children, they are around 35 years old and they hold a university degree.

![Pie chart showing the percentage of business women emotionally supported by their family](image)

**Fig. 3. The percentage of business women emotionally supported by their family**

Most of them (84%) have a business started from scratch, with the financial support of their family, which began with a passion altogether different from the field of study. This lead to a logical conclusion – either their interests changed over the years or they were not aware of their real abilities when they started the business.

As for their opinion regarding the connection between the sustainability of a business and the emotional support of the family, most of them, as shown in figure 3, (85%) said that there is a connection and they could not overcome all the difficulties of macro environment if they did not have such a support. 15% of them consider that sustainability is the result of other factors like hard work and innovation.

This lead to the conclusion that, correlated to the profit, there is a connection between the support of the family and the sustainability of the business, by emotional support women understanding the encouragement of their partners towards them owning a business, drawing decisions and investing back money within the company.

### 5. Conclusions

Most of the women from the sample consider that there is a link between the emotional and financial support from their families and friends and the sustainability of a business.
Most of them are freelancers, are educated and have a family and children. Most of them feel responsible for the wealth of the family and thus they choose to own a small business or to be freelancers, and in case the business turns out to be a failure, the amount of money invested, not being so large, does not affect the welfare of the family.

As a general conclusion, the hypothesis was correct, but the conclusions of the study may not be used to cover the opinions of all business women in Romania, though offering an image of the condition of women entrepreneurs of the Central Region of the country.

6. References


