

THE SCARCITY OF FEMALE ENTREPRENEURSHIP

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The main part of our paper presents an analysis of women's participation in the entrepreneurial process in the earliest stage – we were interested in gender differences with regard to the ability to create or start a new business. Our research is based on the Global Entrepreneurship Monitor (GEM) project. The results of this analysis revealed that there are evident differences between male and female entrepreneurs in the earliest stage of the entrepreneurship process, as well as among the 37 countries included in the GEM. There are a number of factors suggesting that dissimilar processes lead to opportunity and necessity entrepreneurship, which holds for men and women, and that processes that affect female entrepreneurship are different from those affecting male entrepreneurship. Specific attention in this paper is given, primarily, to Slovenia as well as to Croatia.

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INTRODUCTION

Entrepreneur and entrepreneurship theory

Although the entrepreneur's function in society is very old, the science of economics and other social sciences, e.g. sociology and psychology still have not managed to clearly define the role of entrepreneurship and the entrepreneur. A term comparable to "entrepreneur" dates back to 1697, when Daniel Defoe, with the term "projector", characterized an individual with similar attributes and roles as Joseph Schumpeter did with his creative and heroic innovator. Credit for introducing "entrepreneur" to economic literature must be given to Richard Cantillon, an Irish economist working in France,

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who in 1725 defined "entrepreneur" as a speculator who buys today at a lower price and hopes to sell tomorrow at a higher price, thereby creating profit. In a world of uncertainty, the entrepreneur is the primary agent of the economic system. Although entrepreneurship in economic theory has a long history, the consensus about its role in the development of national economies has still not been reached. Until recently, the main emphasis of reforms in transitional countries had been put on privatization instead of on fostering entrepreneurship (Rebernik, 1997).

The history of economic thought is full of varying concepts on the nature and role of the entrepreneur. Hebert and Link (1989) identified twelve different themes that can be found in literature: "The entrepreneur is: 1-the person who assumes the risk associated with uncertainty; 2-is the person who supplies financial capital; 3-is an innovator; 4-is a decision-maker; 5-is an industrial leader; 6-is a manager or superintendent; 7-is an organizer and co-ordinator of economic resources; 8-is the owner of an enterprise; 9-is an employer of factors of production; 10-is a contractor; 11-is an arbitrageur; 12-is an allocator of resources among alternative uses." (Hebert and Link, 1989: 41). At least three more may be added: "The entrepreneur is the destroyer of economic equilibrium. The entrepreneur is the creator of economic equilibrium. The entrepreneur is a resource completer." (Rebernik, 2002).

Today we can roughly identify two basic ways of looking at the entrepreneur and entrepreneurship. One is mainly employed by economists, and the other by strategic and management theorists. Rare among economists who find it worthwhile to investigate the phenomenon, are those who see entrepreneurship as an economic function which supplies the economic (and social) system with the potential for both growth and development. The entrepreneur is seen as an individual who reshuffles resources and moves them from an area of low productivity to an area where they can contribute to higher productivity and lead to capital gains.

Within the field of management and strategy studies, entrepreneurship is mainly viewed as an entrepreneur's activity. Studying entrepreneurship means studying the entrepreneur. The elementary unit of analysis for this kind of research is therefore the individual – the entrepreneur – and entrepreneurship is defined by his/her actions.

The greatest impact on entrepreneurship theory was made by Schumpeter (1911, 1942) who proposed a theory of creative destruction. The entrepreneur leads the process where new firms with entrepreneurial spirit displace those that are less innovative. Economic development is a dynamic process, and the entrepreneur is its driving force. Without the entrepre-

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neur there is no development. The economic system (and the social, as well) needs an entrepreneur to carry out new combinations of production factors that will yield new products and services, which then satisfy the constantly changing needs of consumers.

The most prevalent views of entrepreneurship focus on the perception of new economic opportunities and the subsequent introduction of new ideas in the market. This corresponds to the definition of entrepreneurship proposed by the OECD (1998, 11), which states that entrepreneurs are agents of change and growth in a market economy, acting as generators, accelerators and applicators of innovative ideas, identifying potentially profitable economic opportunities and are also willing to take risks.

The increasing importance of female entrepreneurship

At the core of the entrepreneurship process is the entrepreneur who is capable of recognizing opportunities and willing to undertake risks associated with their exploitation. Entrepreneurship is a scarce resource – not everybody has the talent, skills and motivation needed for a successful engagement in entrepreneurship. Therefore, it is very important for the society to prosper, in order to increase the level of entrepreneurial activity among men and women. Since women are generally less entrepreneurially active than men (as also described later in paragraph 2), it is particularly important to ensure that all necessary conditions needed for the "exploitation" of this scarce resource, are fulfilled.

In most economic societies, the patriarchal social context influences horizontal and vertical segregation between genders in the employment structure, resulting (and at the same time influencing) attitudes towards entrepreneurship. The purpose of this paper is not to analyze the causes behind the status of women in the economy and in society, but to detect the impulses, that make women and men active in the entrepreneurial process, as well as the differences between them.

An important part of the entrepreneurship process consists of female entrepreneurship. There is compelling empirical evidence that female entrepreneurship is increasing significantly and that there are some significant differences between male and female entrepreneurs.

Empirical evidence from the US indicates that the increase in entrepreneurial activity has been fueled by female entrepreneurship – the number of female owned businesses increased considerably during the 1990s (Mukhtar, 2002). Similarly, in most EU countries female self-employment has increased between 14 and 37 percent. Women not only generate an important amount of gross domestic product, they are

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also deeply influencing how the business community, public officials and the media perceive and respond to women (US Department of Labor, 2002).

A survey on the differences between female and male entrepreneurs in Great Britain (Cowling and Taylor, 2001) revealed that female entrepreneurs were better educated and that flows into self-employment were considerably higher for men than women in the 1990s.

The empirical evidence from a Swedish survey analysis, on whether female entrepreneurs underperform relative to males (Du Rietz and Henrekson, 2000), reveals that female underperformance disappears for most of the performance criteria. The only area where females do underperform is in terms of sales growth.

The main part of our paper is the analysis of women's participation in the earliest stage of the entrepreneurial process, primarily in Slovenia and Croatia. We were interested in gender differences relating to the ability to create or start a new business. The basic model and source of data for our research was based on the Global Entrepreneurship Monitor (GEM) project.¹

Global Entrepreneurship Monitor project

GEM is an international project aimed at the measurement of entrepreneurial activity. It examines factors that contribute to an entrepreneurial climate and the links between entrepreneurship and economic growth. This project started in 1999, with ten countries participating. Recognizing the benefits of benchmarking entrepreneurship internationally, a growing number of countries have subsequently joined the GEM. In 2002, 37 countries participated, including among others, for the first time, Croatia and Slovenia. Conclusions from the research are extrapolated from an extensive survey of participating countries, containing more than three-fifths of the world's population and 92 percent of its gross domestic product (GDP). Besides the adult population survey, randomly sampling a minimum of 2000 typical adults in each participating country, three main data collection methods are used: face-to-face interviews with country experts on various aspects of entrepreneurship, along with a detailed questionnaire and selected national economic data, measured in standard units, from credible international sources.

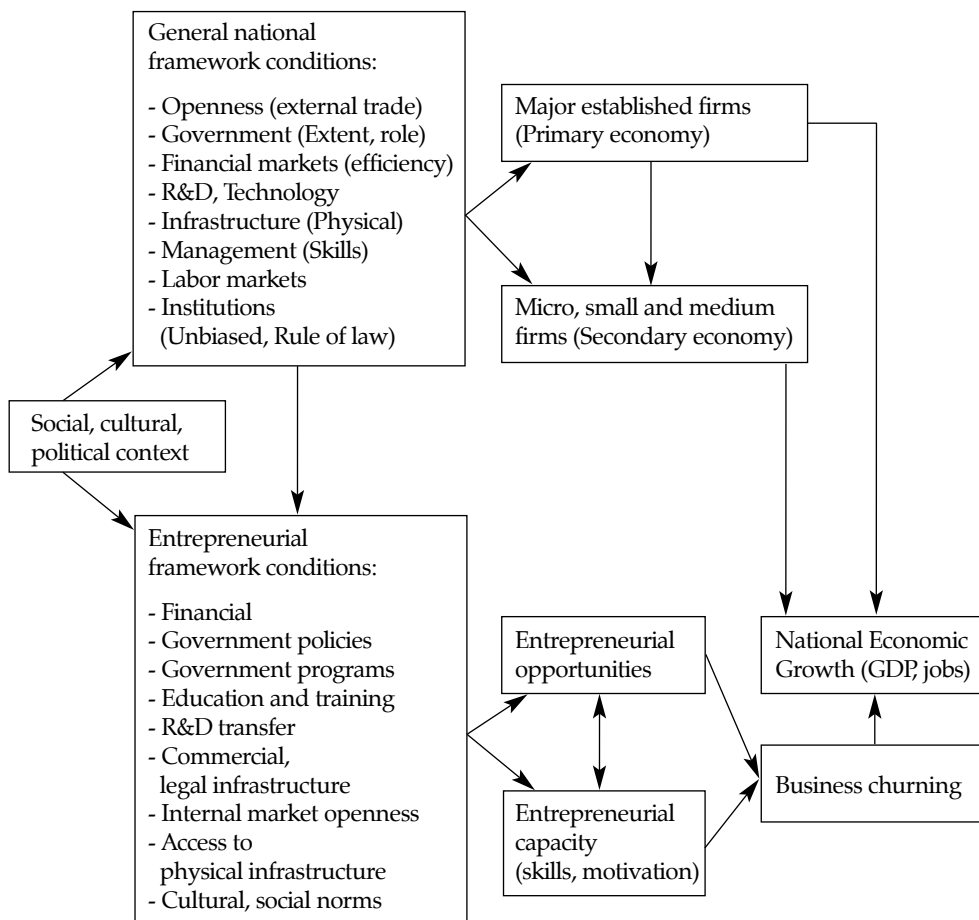
The basic GEM model is shown in Figure 1.

The GEM conceptual model (Reynolds et al., 2002) is based on the presumption that two distinct but complementary mechanisms are the primary source of national economic growth, measured in terms of new job creation and GDP. The top path links general national framework conditions to the well-being of major established firms and, in turn, to national economic

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FIGURE 1
 The GEM conceptual
 model



growth. However, the GEM is not designed to challenge the potential value of established firms to economic growth, but focuses on a complementary process that may occur as new and growth firms emerge from the entrepreneurial process. Therefore, the bottom path, which emphasizes the role of entrepreneurship, is of particular interest to our research. The entrepreneurial framework conditions reflect, to a great extent, the major features of an economy and host society that are expected to have a significant impact on the entrepreneurial sector, but are not captured in the general national framework conditions.

In the GEM research project we want to examine and measure entrepreneurial behavior in its earliest stage of creating/starting a new business (lower portion of Figure 1). The Total Entrepreneurial Activity index (TEA index), which shows the number of every 100 adults (between 18 to 64 years) who are trying to start a new business or who have been the owner/managers of an active business for less than 42 months, is the basic indicator of entrepreneurial behavior.

Entrepreneurs can be of two types:

a) *Opportunity entrepreneurs* are people who identify available opportunities and exploit them.

b) *Necessity entrepreneurs* are those who create self-employment in response to job loss or when their options for work or participation in the economy are absent or are considered unsatisfactory.

Ample evidence shows that women are much less involved in entrepreneurship activities than men. To contribute to the understanding of this phenomena, in the following paragraphs some characteristics of female entrepreneurship in GEM countries, especially Slovenia, will be analyzed:

- the percent of men and women who create/start new businesses according to age and whether this is opportunity or necessity based

- different factors that influence male and female entrepreneurship

- expert opinions about social acceptance and support for female entrepreneurs.

The results showed that there are evident differences between male and female entrepreneurs in the earliest stage of the entrepreneurship process, as well as among the 37 countries included in the GEM.

We will also consider the factors and processes that affect the entrepreneurial activity of men and women according to the stage of economic development of countries and the equality of men and women in the society: GDP per capita, population growth, unofficial economy as a percentage of GDP, total social security costs as a percentage of the GDP, female/male labor force participation rates, percentage of women in the three sectors of the economy and female unemployment.

FEMALE ENTREPRENEURSHIP

Gender differences in entrepreneurial activities

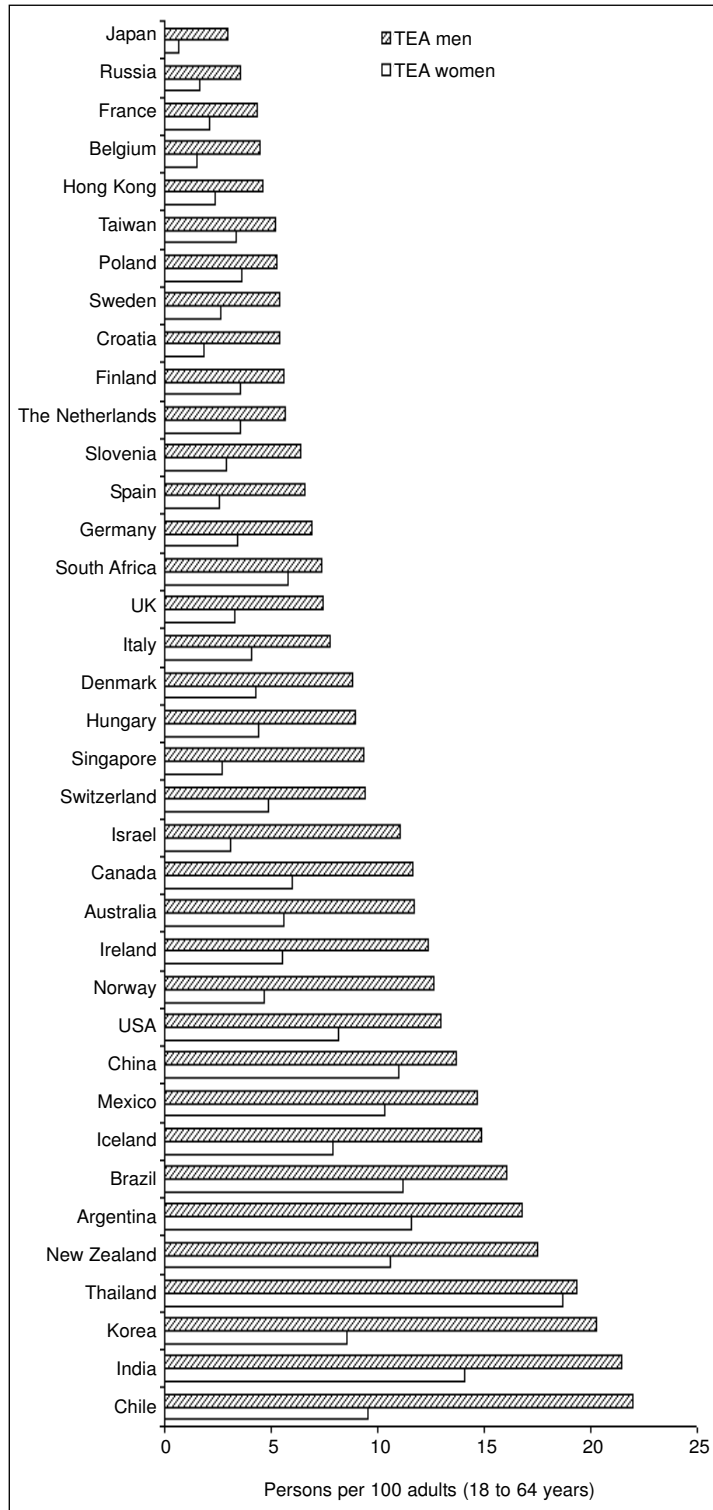
As illustrated in Figure 2, women are less likely than men to be involved in entrepreneurial activity in all GEM countries. The gender gap in TEA-male and TEA-female rates varies among countries.

The participation of men and women is almost equal in a number of developing countries (Thailand, China,...). Women are the least active relative to men in Japan (0.6 percent – 6 women per 1000) but the most active in Thailand (18.5 percent – 185 women per 1000). Slovenia ranked 26th among GEM countries (64 men per 1000 and 29 women per 1000). Croatia is three places behind Slovenia (54 men per 1000 and 18 women per 1000).

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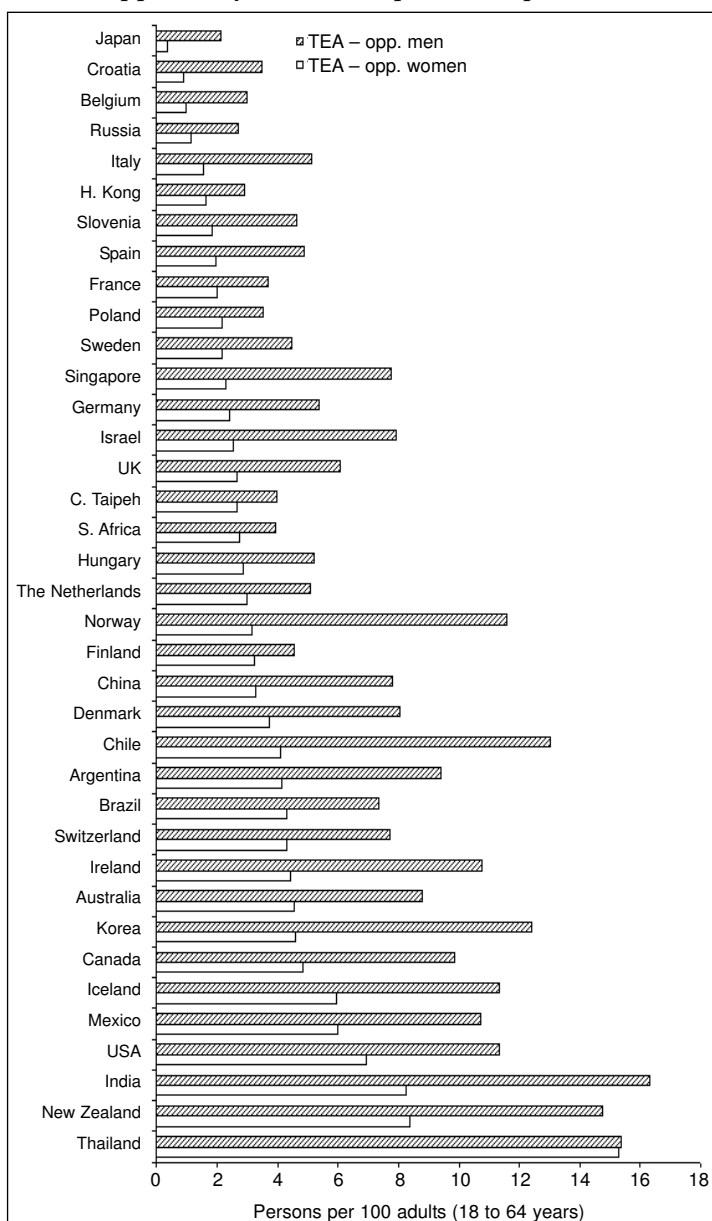
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➔ FIGURE 2
 Entrepreneurial activity
 by gender in GEM
 countries, in 2002



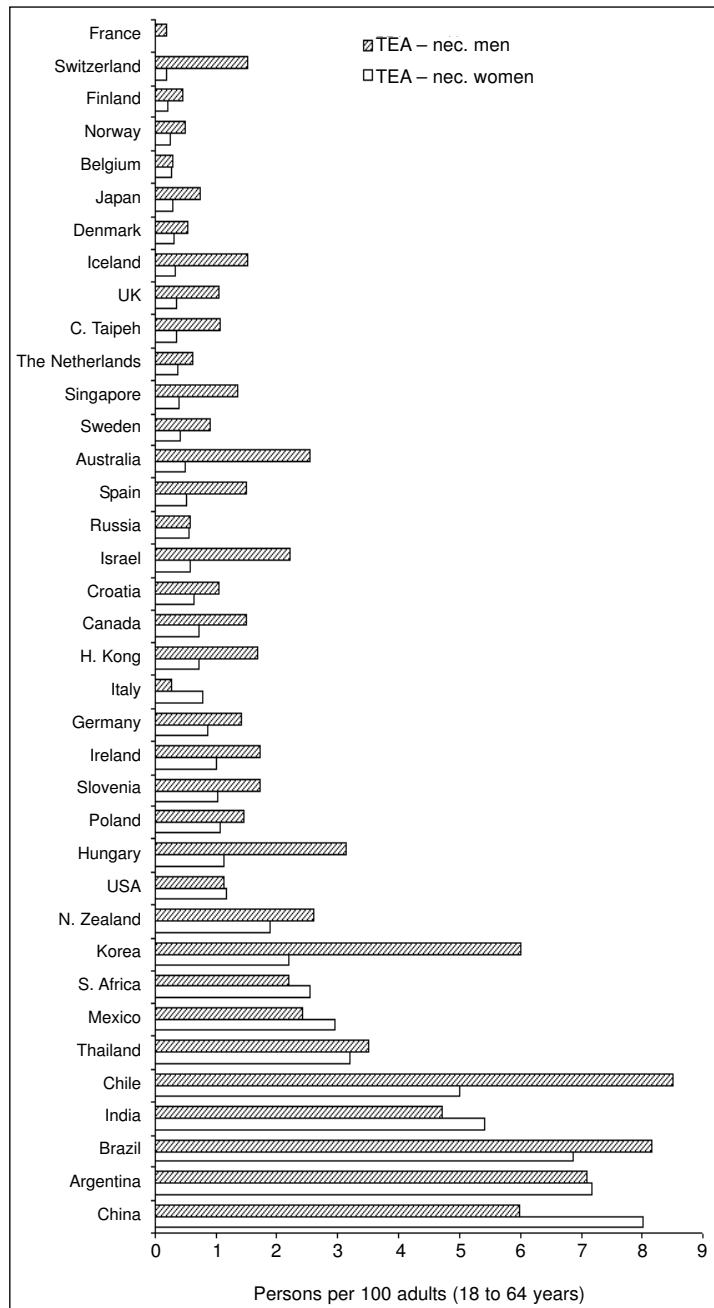
When comparing TEA opportunity and TEA necessity rates for GEM countries, the situation is a bit different. Women in Slovenia rarely exploit opportunities to start new businesses compared to the other GEM countries – Slovenia ranked 31st, as illustrated in Figure 3. On average, less than 20 women per 1000 identified themselves as opportunity entrepreneurs. Only women in Japan exploit opportunities more rarely than women in Croatia, where less than 9 women per 1000 enter into the opportunity-based entrepreneurship.

FIGURE 3
 TEA opportunity
 by gender in GEM
 countries, 2002



In general, necessity forces Slovene women more often into entrepreneurship than women in other countries, as illustrated in Figure 4. Slovenia ranked 14th according to the TEA necessity index of 1.02 percent. In Croatia, 6 women per 1000 are forced into entrepreneurship due to necessity. Thus, Croatia ranked better than Slovenia – in 20th place.

FIGURE 4
 TEA necessity by
 gender in GEM
 countries, 2002



Both gender and age play a major role in entrepreneurial activity participation. The average overall TEA, TEA-necessity and TEA-opportunity for both men and women peak at 25 to 34 years of age. The next most-active groups are those in the 35 to 44 age group and the 18 to 24 age group. Participation is generally the lowest for those 55 years and older.

When comparing entrepreneurship due to opportunity with that of necessity in all GEM countries, an interesting feature is evident, which is to a similar extent also present in Slovenia. In all GEM countries in the most active group – those who are 25 to 34 years old, men are almost twice as likely to be involved in entrepreneurial activity based on opportunity as women (13.3 percent – men, 7.6 percent – women). In Slovenia this gap is even wider: men are four times more likely to be involved in opportunity based entrepreneurship than women (9.49 percent – men, 2.13 percent – women).

But in necessity based entrepreneurial activity in this age group, men and women are almost equal (6 percent for men, 5 percent for women). In Slovenia, women in this age group are forced into entrepreneurship more than men (1.67 percent for men, 2.67 percent for women). It seems that (in GEM countries as well as in Slovenia) necessity on average forced men and women almost equally into entrepreneurship, but men perceived opportunities and exploited them more frequently than women.

The influence of self-perception in the entrepreneurial career

At the core of the entrepreneurship process is the individual, capable of finding business opportunities and motivated to exploit them. Respondents answered four questions about factors that are related to the individuals' opinion about their situation and that have influence on starting an entrepreneurial career. The questions were:

- Do you know someone that started a new business in the last two years?
- Do you think there will be good opportunities for new businesses in the next 6 months in the area where you live?
- Do you think you have the education, skill or experience to start a new business?
- Would fear of failure prevent you from starting a new business?

In Table 1, we present the correlation coefficients between TEA indices for men and women (overall, opportunity based and necessity based) in GEM countries with four factors that are related to individuals' opinions about their situation.

Reviewing this table, it is apparent that all four factors are positively associated with the entrepreneurial activity, al-

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though all correlation coefficients are not significant. The perception of good opportunities is significantly associated with both men and women entering into the opportunity based entrepreneurship. Knowing someone that started a new business in the last two years is also associated with the perception of good business opportunities (correlation coefficient between knowing someone that started a new business in the last two years and the perception of good business opportunities equals 0.556**) and men exploit this circumstance in their entrepreneurship activities more often than women. As could be expected, necessity based entrepreneurship is not significantly correlated with these two factors.

In % of YES answers	TEA men	TEA opp. men	TEA nec. men	TEA women	TEA opp. women	TEA nec. women
Good opp. for a new busin. in the next 6 months.	0.313*	0.436**	-0.009	0.273	0.322*	0.059
Know someone that started a business in the last 2 years.	0.385**	0.372*	0.229	0.300*	0.230	0.201
Have the education, skill or experience to start new business.	0.586**	0.571**	0.411**	0.494**	0.432**	0.345**
Fear of failure would prevent me from starting new business.	0.165	0.115	0.211	0.178	0.229	0.068

Stat. sign.: * < 0.05; ** < 0.01 (1-tailed).

TABLE 1
Correlation coefficients between TEA indices for men and women in GEM countries with four factors that are related to individuals' opinions about their situation, 2002

Both men and women, who are trying to start a new business or who have been the owner/managers of an active business for less than 42 months, are convinced that they have the education, skill or experience to start a new business, regardless of their opinion about the cause of their entrepreneurial behavior (necessity or opportunity), which illustrates a high level of self-confidence. Having the required education, skills and experience is correlated with the perception of good business opportunities in the next 6 months (the correlation coefficient between these two variables equals 0.559**) and with knowing someone that started a new business in the last two years (correlation coefficient equals 0.444**). It seems that the perception of good business opportunities, as well as knowing other entrepreneurs, strengthens the individual's opinions about required education, skills and experience for entrepreneurship.

Fear of failure, for both men and women, when starting new businesses is not significantly associated with the level of entrepreneurship of any type, although the signs of correlation coefficient are all positive.

The values of TEA indices for men and women in Slovenia, with regard to the four factors that are related to individuals' opinions about their situation, are presented in Table 2.

	All			Men			Women		
	TEA	TEA opp.	TEA nec.	TEA	TEA opp.	TEA nec.	TEA	TEA opp.	TEA nec.
Know someone that started a business in the last two years:									
Yes	7.14	5.18	1.96	7.89	5.46	2.43	5.90	4.72	1.18
No	2.58	1.73	0.85	4.31	3.63	0.68	1.39	0.42	0.96
Good opportunities for a new business in the next 6 months:									
Yes	7.28	4.68	2.60	9.38	6.57	2.82	4.33	2.04	2.29
No	4.00	3.04	0.96	5.59	4.53	1.05	2.59	1.72	0.87
Have the education, skill or experience to start a new business:									
Yes	9.21	6.32	2.89	10.03	7.25	2.78	7.88	4.83	3.05
No	1.11	0.88	0.23	2.19	1.63	0.56	0.37	0.37	0.00
Fear of failure would prevent me from starting a new business:									
Yes	2.65	1.88	0.77	4.31	3.13	1.19	1.47	0.99	0.48
No	5.70	3.97	1.73	7.54	5.52	2.02	3.55	2.17	1.39

TABLE 2
Values of TEA indices for men and women in Slovenia, with regard to the four factors that are related to individuals' opinions about their situation, 2002

The situation in Slovenia is in accordance with the correlation analysis presented in Table 1. Those men and women that know someone who recently started a business, that think there will be good opportunities for new businesses where they live in the next 6 months, those that think they have the education, skill or experience to start a new business and have no fear of failure when starting a new business, are much more likely to be involved in entrepreneurial activity, than people who answered negatively to these questions.

The influence of social status on the entrepreneurial career

The social status of people is to a large extent defined by their level of education, current labor force activity and their personal or household income. The first two are mainly linked to the entrepreneur's capability and motivation for starting a business. The latter is in accordance with the Evans-Jovanovic theorem on liquidity constraints (Evans and Jovanovic, 1989) linked to the issue of risk averseness, although other factors in this respect are influential, too (Cressy, 1999).

We analyzed entrepreneurship among men and women regarding:

- their level of education, which is classified into three groups: some secondary, secondary and post-secondary education;
- their current labor force activity, which is also classified into three groups: full or part time work, not working and retired or student;
- their household or personal income relative to others in the country, which is classified into three groups: lowest third, middle third and upper third.

The correlation analysis between these three factors, and all six measures of entrepreneurship for Slovenia, is present-

ed in Table 3. The values of TEA indices in Slovenia for each value of the three factors are presented in Table 4.

	TEA men	TEA opp. men	TEA nec. men	TEA women	TEA opp. women	TEA nec. women
Level of education.	0.085*	0.086**	0.021	0.011	0.043	-0.040
Current labor force activity.	-0.082**	-0.078*	-0.027	-0.112**	-0.089**	-0.066*
Household or personal income relative to others in the country.	0.098**	0.127**	-0.022	-0.071*	-0.035	-0.070*

Stat. sign.: * < 0.05; ** < 0.01 (1-tailed).

	Men			Women		
	TEA	TEA opp.	TEA nec.	TEA	TEA opp.	TEA nec.
Level of education:						
- some secondary education	3.29	1.97	1.32	2.62	1.05	1.57
- secondary education	7.76	5.89	1.87	2.81	1.72	1.09
- post secondary education	7.84	5.88	1.97	3.35	3.35	0.00
Current labor force activity:						
- working full or part time	7.45	5.46	1.99	4.24	2.74	1.50
- not working	12.71	12.71	0.00	2.66	1.69	0.97
- retired or student	2.50	1.23	1.26	0.00	0.00	0.00
Household income:						
- top third	9.44	8.10	1.34	0.98	0.98	0.00
- middle third	5.68	3.30	2.39	5.32	3.30	2.02
- lowest third	3.24	1.78	1.46	2.08	0.89	1.19

TABLE 3
Correlation analysis between the level of education, current labor force activity and household or personal income relative to others in the country, and all six measures of entrepreneurship for Slovenia, 2002

TABLE 4
TEA indices for men and women regarding their level of education, current labor force activity and their relative household or personal income, Slovenia 2002

It is evident that men's and women's entrepreneurial behavior is similar with regard to their level of education and to some extent regarding their current labor force status, but different regarding the individual's personal or household income. Let us analyze all three factors.² A higher level of education is significantly associated with a higher level of entrepreneurship in men. With regard to women, this relation is not significant, although the sign of the correlation coefficient indicates the same relationship. This is confirmed also by the values of TEA indices regarding the level of education in Table 4.

The impact of current labor force activity on entrepreneurship is somehow unexpected. Correlation coefficients in Table 3 indicate that full or part time working men and women are the most entrepreneurially active. This relation is highly significant for all six measures, except for necessity-based entrepreneurship among men. Values for TEA indices in Table 4 show a slightly different situation. While full or part time working women are the most entrepreneurially active

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group, men who are not working are much more active. It seems, that the unemployment of women adversely stimulates entrepreneurship of all kinds, but men become much more active. It is interesting that TEA necessity indices for men and women who are not working are very low – those, who are not working are not often forced into entrepreneurship due to necessity. It is also evident that higher income significantly stimulates men to become entrepreneurs and especially opportunity based entrepreneurs, as shown by the correlation coefficients with TEA overall and TEA opportunity for men (Table 3). Higher household or personal income lowers women's entrepreneurial activity, according to the correlation coefficient with the TEA overall and TEA opportunity indices for women. It is possible to assume that men with higher personal or household income are even more motivated and even more often exploit opportunities, than men with lower incomes. However, a higher income fails to stimulate women's entrepreneurial activities. As expected, higher income is negatively correlated with the TEA necessity indices for men and women. As also illustrated in Table 4, the TEA rates (overall and opportunity based) for men who have their household or personal income in the top third, are much higher compared with other groups. The TEA necessity for men is the highest in the middle-third income group. The TEA rates (overall and opportunity based) for women are the highest in the middle income group. Such a situation could be associated with the patriarchal structure of the society, where a woman is supposed to earn less than the man in a household.

Social acceptance of female entrepreneurship

Entrepreneurship is an economic, but also a social, phenomena. The expert survey also included a section on social acceptance and support for female entrepreneurs. Let us take a close look at the social acceptability of women entrepreneurs. In Slovenia, 37 experts were included in the survey. Experts were ministers (2), university professors (7), directors and managers (18) and others; 8 of them women and 29 men. The following statements were rated from 1 – completely false to 5 – completely true:

S1 In my country, there are sufficient social services available so that women can continue to work even after they start a family.

S2 In my country, starting a new business is a socially acceptable career option for women.

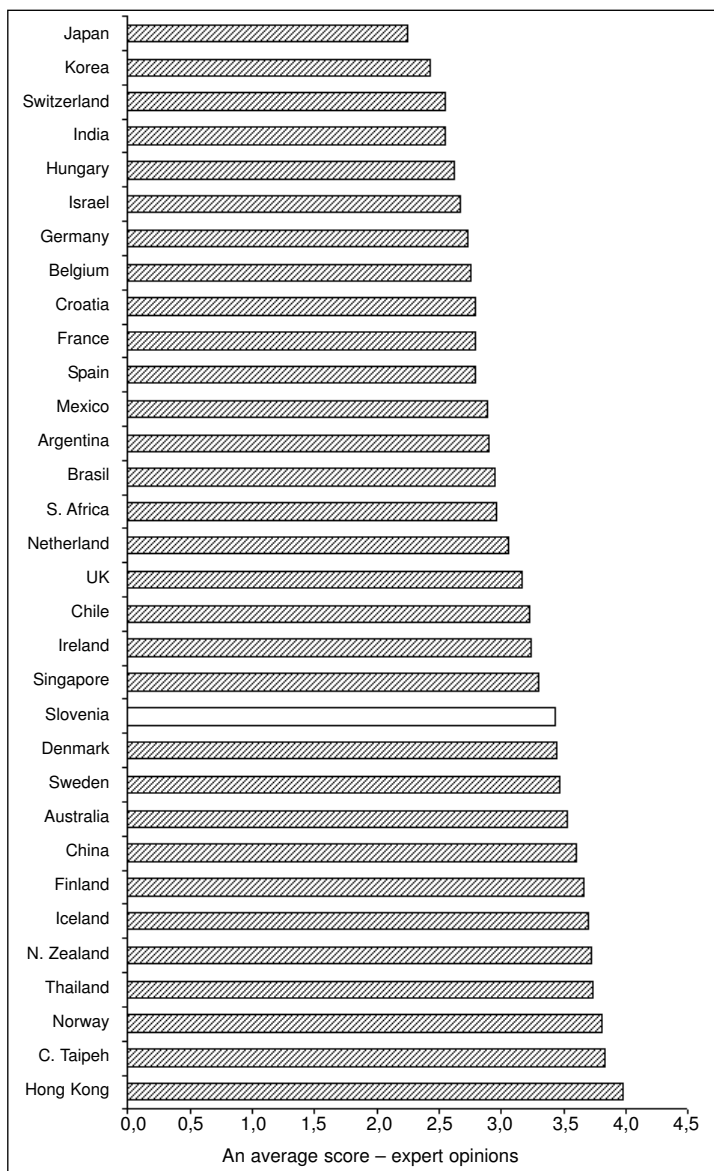
S3 In my country, women are encouraged to become self-employed or start a new business.

S4 In my country, women are exposed to as many good opportunities as men to start a new business.

S5 In my country, women have the necessary skills and motivation to start a new business.

Overall, Slovenia ranked quite well (S1 to S5 together), in 12th place (out of 32), above the average, as shown in Figure 5. Social acceptance and support for female entrepreneurship in Croatia, relative to other GEM countries with regard to the opinions of experts in Croatia, is lower. Croatia ranked in 24th place.

➔ FIGURE 5
 Support for female entrepreneurs, overall, in GEM countries, in 2002



Regarding the separate statements S1 to S5, the situation in Slovenia is not uniform. On the availability of social services to support working mothers (S1), the Slovene score (3.22) was above the average, but well behind the leading score in Denmark (4.65). These social services include kindergartens in Slovenia, while other organized services are rare. In this context, the role of grandparents is very large and also for this reason, young families in Slovenia often stay very close to their parents. It is interesting that, for example, Australia's score was also high (3.33), despite being one of the few countries where paid maternity leave is not required by legislation.

Asian countries are leading in the field of social acceptance of female entrepreneurs (S2). The Slovene score (3.67) is again above the average (3.37). Women in Slovenia rarely face moral social obstructions towards their entrepreneurship.

A high score for Slovenia that was above the average was also obtained for statement S3, if women are encouraged to become self-employed or start a new business. The opinion of experts, on average, equals 2.82, but in Slovenia it is 3.14. However, it seems that women are encouraged especially by friends and family, although the Slovene strategic plan for the development of entrepreneurship in the years 2001 to 2006 includes some measures to stimulate female entrepreneurs. But this support is not yet realized, for example by special funding loans offered to women or by stimulating educational or advisory programs for women.

Slovenia ranked far above average (2.98) regarding statement S4 on the exposure of Slovene women to as many good business opportunities as men. A high score for Slovenia (3.65) is almost as high as the highest score, obtained in Hong Kong (4.00). It may be true that women and men have equal access to information on good business opportunities, but women in general do not exploit them. There could be many reasons for this. As discussed later in this paper, women are concentrated in certain occupations, which in general include women in more nonprofit, social activities and which are not suitable for entrepreneurial activity. Besides this, women generally bear the double burden of paid and unpaid work at home more than men, especially during the most productive period of their lives.

Finally, the expert opinions regarding Slovene women have the skill and motivation to start a new business (S5), were also a bit above the average. Regarding skills, measured by the degree of education, we can say that this is true, but two main facts can be noted (Tominc, 2002). The average levels of women's professional skills, who work in male dominated occupations³ are:

– much higher than the average levels of professional skills of women working in female-dominated and integrated occupations

– higher than the average levels of professional skills of men in male-dominated occupations, where women are a minority.

But the situation is different in female-dominated occupations (where women are a majority), where women's average levels of professional skills are, on average, lower than men's. It seems that women can cooperate with men in traditionally male occupations only if they succeed in acquiring a very high (on average higher than men) level of professional skill.

Regarding the motivations of women, the story is not so clear. As already mentioned, women are in general more involved with family than men during certain life periods and their motivations can differ from that of men. Women entrepreneurs not only run their businesses, they often manage their families and fulfill community and other responsibilities as well. Balancing work and family commitments is a special challenge for female entrepreneurs, particularly in small firms where the unplanned absence of the owner or one of the employees can precipitate a crisis. With work and family demands often in conflict, flexibility should be integral to the workplace.

We also analyzed if these aspects of social acceptance and support for female entrepreneurship significantly influence the levels of female entrepreneurship in GEM countries. However, it is interesting that – except for the encouragement of women to become self-employed or to start a new business (S3), with a correlation coefficient of 0.355, which is significant at 0.02 level, and is associated with the higher level of opportunity based entrepreneurship by women – none of these aspects are significantly associated with higher levels of female entrepreneurship. It seems that subjective impulses, described by the four factors that are related to the individual's opinions about their situation, as well as education, current employment status and income, are much more associated with the level of entrepreneurship.

When comparing all these results with the participation rates of female entrepreneurship, we must conclude, that it seems that Slovenian women, despite relatively high social and cultural support for female entrepreneurs, do not take advantage of business opportunities, but are more likely to be forced into a business activity due to necessity.

Economic status of women

To get a more informed insight into female entrepreneurship, we need take a closer look at some selected economic indicators and the status of women in it (World Development Indicators 2001). Regarding GDP per capita, countries in our analysis were separated into two groups, with the cut-off point at \$18,000. The break at \$18,000 per year (in 1999) was

justified by the observation of a major gap in the distribution of per capita annual income between \$15,860 and \$19,160 (GEM Executive report 2002). Slovenia (\$9,890 per capita) as well as Croatia (\$4,580 per capita) are in the group of countries with per capita income less than \$18,000.

Total social security cost as a percent of the GDP and the unofficial economy ("black market") as a percent of the GDP (in 1999) are two more indicators for the status of the economy. Total security costs are the highest in France, with 48.4 percent and in Slovenia, with 19.9 percent of the GDP. There is no data for Croatia. The unofficial economy covers more than 30 percent of the GDP in Croatia and 26.4 percent in Slovenia. This percentage is the highest in Mexico, with 37.7 percent and the lowest in Switzerland, with 8.6 percent.

The growth of women participating in the labor force has increased in recent years. In 1990, women in GEM countries represented, on average, 69 percent with regard to participation in the labor force. This percent was almost 74 percent in 1999. In Slovenia, there is almost the same proportion of men and women in the labor force: 90 percent. In Croatia, this share is a bit lower, 70 percent in 1990 and 80 percent in 1999. Slovenia is classified almost at the top, together with the Scandinavian countries and led by Russia. In Soviet Russia, women's full integration into the "social sphere of production" was an ideological principle (Ogloblin, 1999). Policies predicated on this principle resulted in a more than 95 percent participation rate of women in the labor force, which is very high compared to international standards.

The most evident and well known characteristic of women's employment is that women are concentrated in certain sectors of the economy. Women are concentrated especially in the service sector of the economy in all GEM countries. The patriarchal stereotypes of a society result in the concentration of women in healthcare, education, food and light industries, trade and personal services, while men dominate sectors such as engineering, heavy industry, mining and construction.⁴ In Slovenia, almost 60 percent (in Croatia more than 60 percent) of women are employed in services – in all GEM countries the average is almost 80 percent. In Slovenia and Croatia, there is an above-average percentage of women employed in mining, construction and manufacturing. In Slovenia, the percent of women in this sector is almost twice the average value, ranking Slovenia in the top of all countries included.

The average unemployment rate of women between 1996-1998 is higher than men's in eleven GEM countries. The average male unemployment rate varies from 2 percent in Mexico to 13.8 percent in Spain; women's unemployment rate

varies from 2.8 in Mexico to even 26.6 percent in Spain. In Slovenia, the female unemployment rate is 7.7 percent, which is classified below the average, that is 8.4 percent, while Croatia, with 12.1 percent, is over the average. The average male unemployment rate for all GEM countries is a bit lower than for females – it is 7.2 percent. Both Slovenia and Croatia are classified above it.

This description gives only a brief illustration, but has encouraged us to analyze the gender differences in the entrepreneurial process with regard to the factors described. Partial correlation coefficients are computed, taking into effect an economic measure – the logarithmic value of GDP per capita. The partial correlation coefficients between the indices of entrepreneurial activity for men and women, and selected factors are presented in Table 5. Countries with more than \$18,000 per capita income are presented at the top and countries with less than \$18,000 per capita at the bottom of the table. It is apparent that there are differences between these two groups and that there are more significant correlation coefficients in the bottom half.

A higher percentage of the unofficial economy as part of the GDP is, in general, associated with a lower level of overall and opportunity based entrepreneurial activity among men and women in both groups of countries, as indicated with the sign of correlation coefficients. "Black market" labor generally influences higher personal or household income. Although the respondents were not required to distinguish between legal and illegal or black market entrepreneurship, we can reasonably assume, that the majority of it was excluded from their responses. A higher percentage of the unofficial economy in the GDP also significantly lowers the entrepreneurship level due to necessity among men in countries with per capita income of more than \$18,000.

Similarly, a higher percentage of social security costs in the GDP lowers the personal or household costs for this purpose and is associated with less entrepreneurship among both men and women in both groups of countries.

A higher participation rate of women in the labor force in countries with higher per capita income is associated with a higher level of opportunity based entrepreneurial activity, but with lower entrepreneurship due to necessity – women and men who participate in the labor force are less forced into entrepreneurship; in countries with lower per capita income this relation is even more clearly expressed. In both groups of countries, this negative correlation with the necessity based TEA index is highly significant.

	Women			Men		
	TEA	TEA opp.	TEA nec.	TEA	TEA opp.	TEA nec.
Countries with per capita income of MORE than \$18,000.						
Unofficial economy as % of GDP	-0.194	-0.378*	0.022	-0.096	-0.119	-0.515**
Social security as % of GDP	-0.352*	-0.438*	-0.149	-0.378*	-0.385*	-0.477*
Female/male labor force part. ratio	0.177	0.237	-0.378*	0.066	0.122	-0.262
Percent of women in agriculture	-0.193	-0.234	-0.143	-0.142	-0.200	-0.311
Percent of women in industry	-0.415*	-0.498**	0.185	-0.263	-0.323	-0.118
Percent of women in services	0.419*	0.522**	-0.052	0.322	0.374*	0.282
Female current unemployment	0.028	-0.128	0.008	-0.114	-0.160	-0.525*
Countries with per capita income of LESS than \$18,000.						
Unofficial economy as % of GDP	-0.017	-0.122	0.126	0.063	-0.068	0.126
Social security as % of GDP	-0.568**	-0.421*	-0.187	-0.638**	-0.788***	-0.140
Female/male labor force part. ratio	-0.133	0.221	-0.693**	-0.321	-0.089	-0.550**
Percent of women in agriculture	0.487*	0.656**	-0.106	0.097	0.277	-0.209
Percent of women in industry	-0.583**	-0.381	-0.619**	-0.548**	-0.464*	-0.488*
Percent of women in services	-0.109	-0.387	0.467*	0.233	0.017	0.488*
Female current unemployment	-0.384	-0.323	-0.096	-0.480*	-0.521*	-0.134

Stat. sign.: * <0.10; ** <0.05; *** <0.01 (1-tailed).

TABLE 5
Partial correlation coefficients between the entrepreneurial activity of men and women and selected factors in GEM countries

The proportion of women in different sectors of the economy has a different impact on entrepreneurial activity. A higher percentage of women employed in agriculture (including forestry and fishing) is associated with less entrepreneurship among both men and women in higher per capita income countries, while in countries with lower per capita income, this circumstance raises the level of entrepreneurship, especially women's. This can be explained by the fact that lower per capita income is commonly associated with a higher percentage of women in agriculture (the correlation coefficient between GDP per capita and percentage of women in agriculture equals -0.660 and is significant at 0,00 level) and women's traditional work in the field of agriculture offers good opportunities for gainful entrepreneurial activities on farms. A higher percentage of women employed in industry (manufacturing, wholesale and construction) lowers male and female attitudes to entrepreneurship in both groups of countries, especially in those with lower per capita income. A higher percentage of women employed in services is significantly related to higher levels of female entrepreneurial activity (overall and opportunity based) in higher per capita income countries. In lower per capita income countries, a higher percentage of women in services is associated with higher levels of entrepreneurial activity due to opportunities among men, but are lower among women. A significant positive associa-

tion with necessity entrepreneurship among men and women is presented in lower per capita income countries. Female unemployment is generally related to lower levels of entrepreneurship.

In sum, there are a number of correlations suggesting that dissimilar processes lead to opportunity and necessity entrepreneurship, which holds for men and women; for example: the unofficial economy as a percent of GDP or the female to male participation ratio in the labor force. On the other hand, it seems that processes that affect women are different from those affecting men's entrepreneurship (for example, the percentage of women in services in lower per capita income countries, or for example, current female unemployment in higher per capita income countries).

CONCLUSIONS

In this paper we examined and measured the entrepreneurial behavior of men and women in its earliest stage of creating or starting a new business, with attention focused primarily on Slovenia and Croatia. Opportunity and necessity based entrepreneurs were analyzed regarding different age groups. The most active group of adults are, on average, those who are 25 to 34 years old. In this most active group, men are on average twice as likely to be involved in the opportunity based entrepreneurial activity (in Slovenia even more than four times) as women. However, regarding necessity based entrepreneurship men and women are almost equal in this age group.

The impulses that lead to entrepreneurship were analyzed regarding the self-perception of individuals and their social status, as defined by their level of education, current labor force status and relative personal or household income.

Those who have positively answered the four questions related to the individuals' opinions about their situation (described in paragraph 2.2), are, on average, more likely to be involved in entrepreneurial activity, than people, who answered negatively. The same pattern is evident for both men and women.

Men's and women's entrepreneurial behavior is similar regarding their level of education, where a higher level of education is commonly associated with a higher level of entrepreneurship, and to some extent regarding their current labor force status. However, higher income significantly stimulates men to become entrepreneurs and especially opportunity based entrepreneurs, while higher household or personal income among women, on average, lowers their entrepreneurial activity.

Expert opinion on social acceptance and support for female entrepreneurs reveals that Slovene women, despite the relatively high social and cultural support for female entrepre-

neurs, do not take benefits from business opportunities, but are more likely to be forced into a business activity due to necessity.

The last part of this paper considers some selected factors and processes that affect the entrepreneurial activity of men and women according to the economic development stage of particular countries and the equality of men and women in a society. The results suggest that dissimilar processes lead to opportunity and necessity entrepreneurship, which holds true for men and women and that processes that affect women are different from those affecting male entrepreneurship.

In sum, women make up a substantial proportion of entrepreneurs, but generally remain 'behind' men. In Slovenia, this can also be undoubtedly associated with factors like the patriarchal social structure, the concentration of women in certain occupations, levels of professional skill etc., which influence and contribute to the differences in attitudes towards entrepreneurship. Women are more involved in nonprofit, social activities, which are not very suitable for entrepreneurial activity. Besides this, women generally bear more of the double burden of paid and unpaid work at home than men, especially in the most vital period of their lives.

Gender specific barriers that further limit women's capacities to be entrepreneurs in Slovenia, could be, in our opinion, smaller if women were encouraged to start a new business not only by friends and family, but also by the host society, for example by lowering costs associated with social services to support working mothers, or by offering special funding loans for female entrepreneurs and the like.

NOTES

¹ Details on the GEM project together with annual global and national reports can be found on www.gemconsortium.org

² Values assigned to these descriptive variables: some secondary – 111, secondary – 1212, post secondary – 1316; working full or part time – 10, not working – 20, retired or student – 30; income in the lowest third – 33, in the middle third – 3466, in the upper third – 67100.

³ Male dominated occupations are those with, at most, 30% of women among employees, female dominated are those with more than 60% of women among employees, and others are called integrated occupations (Gwartney-Gibbs, 1988).

⁴ Consequently, the patriarchal social context is also influencing the vertical segregation within occupations, associated with the level of seniority within an occupation, but this is not discussed here.

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Oskudnost ženskoga poduzetništva

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Osnovu našega rada čini analiza sudjelovanja žena u najranijem razdoblju poduzetničkoga procesa – zanimale su nas spolne razlike s obzirom na sposobnost otvaranja novih poslova (*businesses*). Naše istraživanje temelji se na projektu Global Entrepreneurship Monitor (GEM ili Globalno praćenje poduzetništva). Rezultati ove analize otkrili su da postoje

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očigledne razlike između muških i ženskih poduzetnika u najranijem razdoblju poduzetničkoga procesa, kao i među 37 zemalja uključenih u projekt GEM. Čitav niz činilaca upućuje na razne procese koji pogoduju poduzetništvu iz prilike (*opportunity entrepreneurship*) ili nužnosti (*necessity entrepreneurship*), što vrijedi i za muškarce i za žene, i da se procesi koji utječu na žensko poduzetništvo razlikuju od onih koji djeluju na muško poduzetništvo. Posebnu pozornost u ovom radu poklonili smo prije svega Sloveniji i Hrvatskoj.

Wenige Unternehmensgründungen durch Frauen

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Die Grundlage dieses Artikels ist eine Analyse über die Beteiligung von Frauen in der frühesten Phase privaten Unternehmertums. Das Interesse der Verfasser galt hierbei geschlechtsgebundenen Unterschieden bezüglich der Fähigkeit zur Unternehmensgründung. Diese Untersuchung entstand im Rahmen des Projekts Global Entrepreneurship Monitor (GEM oder Unternehmensgründungen im weltweiten Vergleich*). Die Analyseergebnisse erbrachten, dass es zwischen Unternehmerinnen und Unternehmern in der frühesten Phase privaten Unternehmertums offenkundige Unterschiede gibt, ebenso zwischen den 37 Ländern, die in das GEM-Projekt eingebunden sind. Eine Reihe von Faktoren verweist auf das Bestehen verschiedener Prozesse, die der Unternehmensgründung aus Gelegenheit (*opportunity entrepreneurship*) oder jener aus Notwendigkeit (*necessity entrepreneurship*) förderlich sind, was für Männer und Frauen gleichermaßen gilt. Des Weiteren erkannte man, dass die Unternehmensgründung durch Frauen anderen Prozessen unterliegt als die Unternehmensgründung durch Männer. Besondere Aufmerksamkeit widmeten die Verfasser den diesbezüglichen Entwicklungen in Slowenien und Kroatien.

* koordiniert durch das Babson College/USA und die London Business School (Anm. d. Üb.)