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WOMEN IN ENTREPRENEURSHIP – THE CASE STUDY OF UKRAINE AND CROATIA

ŽENE U PODUZETNIŠTVU – STUDIJA SLUČAJA UKRAJINE I HRVATSKE

KRAVCHUK, Emiliia & MIKIĆ, Ivana

Abstract: *The role and position of women in entrepreneurship is an important content of numerous studies in the last twenty years. The paper will analyse women in entrepreneurship with an emphasis on Ukraine and Croatia. The data for these two countries will briefly compared with an emphasis on the representation of women in entrepreneurship due to similarities in the historical and development aspects of the two countries.*

Key words: *entrepreneurship, women, gender gap, Ukraine, Croatia*

Sažetak: *Uloga i položaj žena u poduzetništvu važan je sadržaj brojnih istraživanja u posljednjih dvadesetak godina. U radu će se analizirati žene u poduzetništvu s naglaskom na Ukrajinu i Hrvatsku. Kratko će se usporediti podaci za te dvije zemlje s naglaskom na zastupljenost žena u poduzetništvu zbog sličnosti kako povijesnog, tako i s aspekta razvoja dviju zemalja.*

Ključne riječi: *poduzetništvo, žene, jaz između spolova, Ukrajina, Hrvatska*



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1. Introduction

Entrepreneurship, especially for small businesses, is the future for sustainability and development not only for economies on a state level, but also for the economy on a global level. Different concepts of entrepreneurship's impact on the economy could be found in various literature. There are different opinions on how new companies contribute to the development of the economy in terms of creating new working places, offering new or unique products and services, and contributing to the development and improvement of a positive competitive climate in the economy, industry or region. The position of women in the entrepreneurial scene is the current topic of numerous research and discussions in recent times. Recently, female entrepreneurship has been a growing trend in all countries, including Ukraine and Croatia. The reason for this is increased incentives from the government, the European Union and society. Regardless of these incentives, there are still various barriers that cause women to decide to start their own business, such as lack of self-confidence, wrong attitude towards women in the business world, family and the like. The paper consists of five chapters. The introduction is followed by a short description of the emergence and development of female entrepreneurship in the world and in which industries they are most represented. The third chapter consists brief description of obstacles to the development of women entrepreneurs and how to overcome them. Chapter number four will present collected data and their analysis, and the final chapter refers to the conclusion.

2. Female Entrepreneurship – The Emergence and Development

Women, with all their natural opportunities, can also have successful entrepreneurship and create something new and valuable for the world. Unfortunately, statistics tell that female entrepreneurship is less than male entrepreneurship. It is not surprising because, for a long time, the world dominated the patriarchate. Women didn't have the necessary rights. But with the birth of the feminist movement in the 19th century, women had the opportunity to try themselves as an entrepreneur.

Between 1975 and 1995, the number of self-employed women grew by 60 per cent, while the number of self-employed men grew by only 20 per cent [7]. Despite this good news, female entrepreneurship still has a lot of problems. According to the Global Entrepreneurship Monitor study for 2018, 21 economies of the 74 in the sample show low entrepreneurial activity rates, and gender gaps persist in many regions of the world with levels that are half or less than half the level of men [8]. Because of existing discrimination, entrepreneurship for women looks less attractive. Most women work part-time because they have a lot of household production and child-rearing. Their husbands don't do household production in such sizes. Even in the intervju, self-employed women have questions about children, but self-employed men don't have such questions [8]. Despite the fact that self-employment allows women to adjust the work schedule for themselves, it takes much more time from her, so the woman spends less time with her children.

Female entrepreneurship is not represented in many industries, primarily in sales and services. Men run more significant and more profitable companies than women. So self-employed women have less income. Also, men's wages increase with age, while women do not. Maybe it's because women are less at risk. In Britain, women entrepreneurs use one-third less external finance than men. Women own over 35 per cent of US businesses but receive only 5 per cent of venture capital funding. Only about 10 per cent of business angels in the USA and the UK are women [7].

Women have to be treated more seriously. They need more support, and then female entrepreneurship will be more developed. Men can also lead the household and care for children, and this is the whole essence of gender equality.

3. Obstacles to the development of women's entrepreneurship – a gender gap

In the world, it is still difficult to perceive women entrepreneurs because there exist some obstacles to the development of women's entrepreneurship. Entrepreneurship is usually associated with men. But also, the gender gap decreases every year. Of course, there is still something to work on because the gap remains enormous. Women need to overcome a number of barriers and limitations on the path to success. First, this should be done at a political level — support for women entrepreneurs should be registered in political programs, and women's businesses should receive additional funding from the state. In popular culture, women broadcast in a more homemade manner than men. This creates an unfavourable environment for women to start their own businesses. Gender stereotypes still remain a significant obstacle to women's entrepreneurship.

Women's perception of the world must also change. A lot of women are afraid of risk. They think that they don't have enough skills to start a new business. And when they still start their own business, there is a fear of failure. That is why it is harder to find a woman who launched a successful startup than a man. However, today men and women have the same training for doing business.

The necessary tool to overcome difficulties on the way to success is self-confidence. Women do not have this tool in sufficient quantity. Research on adults validated that women are more likely than men to limit their career choices or discontinue a business due to a lack of confidence in their skills, knowledge, and experiences [8]. This may be the reason that most self-employed women are owners of some small businesses.

Since it is accepted that a woman cares for the household and children, it is difficult for her to find a balance between her own business and life. This prevents them from competing with men.

All the potential of the modern economy will be revealed by the development of women's entrepreneurship. Women are more communicative and more customer-oriented. These skills are market demanding today.

In 2021, in The Global Gender Gap Index, according to the Global Gender Gap Report, which was released by World Economic Forum, Ukraine ranked 74th and Croatia was on 45th place out of 156 countries. In 2020, the proportion of women

among the heads of legal entities or individual entrepreneurs was 40,48%, while men were 59,52% [9]. Interestingly, among self-employed women, the majority of individuals are entrepreneurs. Unfortunately, most women are owners of not small but even micro businesses.

4. Share of women entrepreneurs in ownership in Ukraine and Croatia

Croatia, as a European Union member state, has the privilege to use different funds, and one of them supports women’s self-employment. As a result, many unemployed women choose to take this opportunity to start their own businesses, and there has been an increase in women entrepreneurs in the last decade. Such grants offer a multitude of opportunities for women to be their own bosses.

The following charts will show the percentage of the ownership structure of companies in 2020 in Ukraine and Croatia according to gender criteria.

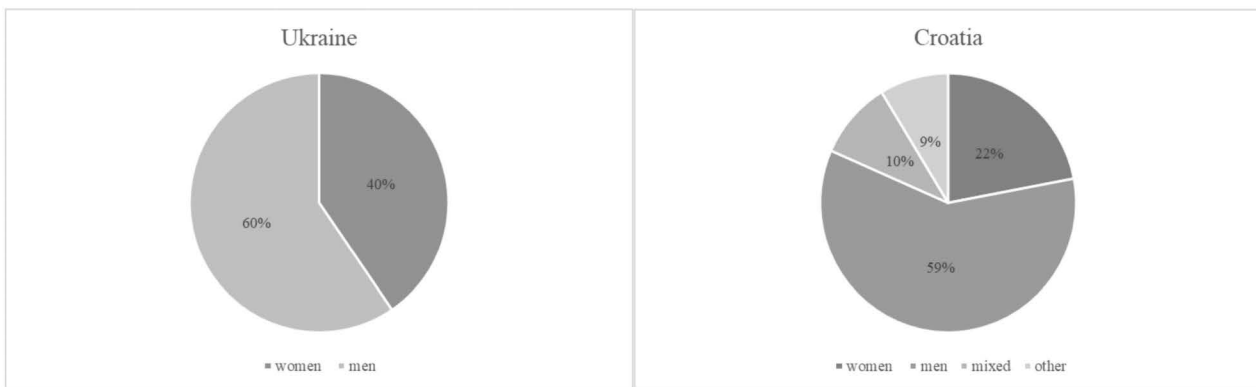


Chart 1. Ownership structure in Ukraine and Croatia in 2020

Source: *Made by the authors according to Women and Men in Leadership Position in Ukraine 2017 – 2020 and Analysis of share of Women Entrepreneurs in the ownership structure of Companies – period 2011 to 2020*

The data and analysis of the Financial Agency of the Republic of Croatia and research conducted through the framework of the Swiss-Ukrainian Project “Strengthening Business Association of Micro, Small and Medium Enterprises (Stage 2)”, implemented by the UN Development Program in Ukraine on the ownership structure of companies it can be seen that both countries have good ratio comparing women and men ownership. Ukraine has a slightly larger share of women in manager positions, which is 40%, and Croatia has 22% (or 32% if mixed ownership is added to the number).

Table 1. will be shown the share of women owners classified by NACE sections.

National Occupational Classification	Ukraine				Croatia				
	Total	Women	Men	Share of women in %	Total	Women	Men	Other	Share of women in %
A. Agriculture, forestry and fishing	112817	22172	90645	19,65	2619	789	1546	284	30,13
B. Mining and quarrying	4686	594	4092	12,68	208	57	96	55	27,40
C. Manufacturing	180791	43852	136939	24,26	14195	4068	8862	1265	28,66
D. Electricity, gas, steam and air conditioning supply	6606	1085	5521	16,42	838	196	364	278	23,39
E. Water supply; sewerage, waste management and environmental recovery activities	10953	2257	8696	20,61	805	115	258	432	14,29
F. Construction	119560	17974	101586	15,03	16610	2972	12428	1210	17,89
G. Wholesale and retail trade; repair of motor vehicles	1207917	564381	643536	46,72	27259	8395	16796	2068	30,80
H. Transportation and storage	151187	23956	127231	15,85	5979	1200	4357	422	20,07
I. Accommodation and food service activities	92006	47940	44066	52,11	12464	4176	7391	897	33,50
J. Information and communication	252328	70257	182071	27,84	6991	1669	4675	647	23,87
K. Financial and insurance activities	19924	7424	12500	37,26	452	142	234	76	31,42
L. Real estate activities	136715	61688	75027	45,12	6047	2009	2817	1221	33,22
M. Professional, scientific and technical activities	180361	75846	104515	42,05	20915	8852	10712	1351	42,32
N. Administrative and support service activities	132807	58417	74390	43,99	6948	2354	671	3923	33,88
O. Public administration and defence; compulsory social security	36956	19827	17129	53,65	15	0	4	11	0,00
P. Education	58337	42621	15716	73,06	1074	525	500	49	48,88
Q. Human health and social work activities	64060	32597	31463	50,89	931	500	391	40	53,71
R. Arts, entertainment and recreation	29293	13612	15681	46,47	1789	610	984	195	34,10
S. Other service activities	291637	143544	148093	49,22	4405	2788	1473	144	63,29
T. Activities of households as employers	978	801	177	81,90	2	1	1	0	50,00
U. Activities of extraterritorial organizations...	82	24	58	29,27	-	-	-	-	-

Table 1. The share of women owners classified by NACE sections in 2020

Source: Made by the authors according to *Women and Men in Leadership Position in Ukraine 2017 – 2020 and Analysis of share of Women Entrepreneurs in the ownership structure of Companies – period 2011 to 2020*

According to the data given in Table 1. sectors with the lowest share of women ownership in both countries, if mining is excluded, are Electricity, gas, steam and air conditioning supply (D), Water supply; sewerage, waste management and environmental recovery activities (E), Construction (F) and Transportation and storage (H) which is to be expected from one point of view.

On the other side, sectors with the highest share of women's ownership, almost the same in both compared countries, are Education (P), Human health and social work activities (Q) and Activities of households as employers (T).

From the above data, it can be concluded that in 2020 the most significant number of companies owned by women are in the industries of services, while those ownerships which are related to production are mostly owned by men. Despite the stimulating development of women's entrepreneurship and efforts to involve women as much as possible in the field of business that still primarily belongs to the male population, the analysis of data according to gender criteria shows that the situation is changing slowly.

5. Conclusion

The main goal of this work was to research the representation of women in entrepreneurship with an emphasis on Ukraine and the Republic of Croatia. According to the research conducted by the United Nations Development Program entitled Women and Men in leadership positions in Ukraine 2017-2020 and Analysis of share of Women Entrepreneurs in the ownership structure of companies in the period 2011 to 2020 by Croatian Financial Agency, it was shown that women owners are most represented in non-production, i.e. service activities like Education, Human health and social work activities and Activities of households as the employer. On the contrary, they are least represented in activities related to production like Construction, Water supply, Transportation etc. In both countries, the proportion of women in managerial positions is good, with the fact that in Ukraine, it is slightly higher than in Croatia.

In recent years, there has been a tendency for women to become more individual entrepreneurs than men. But women today remain uncertain, less risky, and tied to households. But they need to be involved in entrepreneurship because it will increase the pace of economic growth and the standard of living of the population. They can approach the management of the enterprise from another angle because they are more caring and emotional.

Regardless of the above, the importance of female entrepreneurship is recognized, and it is important to continue encouraging it through various projects. Such projects offer a multitude of opportunities for women to be their own bosses.

As the given data showed, most women are owners in service industries, but the situation is changing slowly. All the potential of the modern economy will be revealed by the development of women's entrepreneurship. Women are more communicative and more customer-oriented. These skills are market demanding today. The position of women has improved significantly compared to the past, but their role is still not equal to that of men in the business world. When the majority of

society accepts gender equality in all segments, including entrepreneurship, only then will women have the same opportunities as men. Only by working together through different associations will be easier to fight for the realization of rights and positive progress because they are not in competition but in support of each other.

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