

WOMEN'S ENTREPRENEURSHIP IN BULGARIA

Diana Kopeva²⁸⁰

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Abstract: *Women's entrepreneurship continues to play an important role in modernizing societies and changing public attitudes towards women, which in turn will enable governments to make better use of the economic potential of female entrepreneurs. The paper discusses the unique role of women in business and their role as entrepreneurs in one dynamic, turbulent and very often not favorable environment. On the background of a short description of the state of entrepreneurship in Bulgaria is presented and analyzed the role of women entrepreneurs – their characteristics, their motivation. Part of the paper reveals and analysis the barriers before women-entrepreneurs. Special place is given to the business profile and managerial competencies of women-entrepreneurs in Bulgaria*

Keywords: *Entrepreneurship, women, Bulgaria, barriers, motivation.*

1. INTRODUCTION

Entrepreneurship in Bulgaria flourished after socio-economic changes in 1989. It develops in different sectors and traces different levels of maturity. Business activities through development and implementation of entrepreneurship and risk-taking to start a new activity with no guarantee of return on investment, and business success, are wide spread. Because of the emergence and functioning of the entrepreneur, there is a widespread technological innovation, organizational innovation and growth of business in different sectors. Essential in a modern, dynamically changing environment is the support that women and young entrepreneurs have. Encouraging these groups of the society in setting up own business and introducing innovations, leads to improved business performance of organizations in agriculture, as well as to development of rural areas.

2. STATE OF ENTREPRENEURSHIP IN BULGARIA

The period after 1989 is characterized by dynamic changes in all spheres of economic life. During this period, the largest number of small and medium enterprises (SMEs), mainly micro enterprises, are registered.

The Global Entrepreneurship Monitor (GEM) survey 2016/2017 shows that Bulgaria remains among the countries with the lowest entrepreneurial activity in 2016. The country improves its performance from the previous year (2015). Although the level of entrepreneurship in the country remains low, last year (2017) more people started their own business than in 2015. The state has climbed somewhat higher in the Global Entrepreneurial Activity Index (GEAI), taking 62nd position from 65 countries. The previous year the country was in the penultimate place. This is one of the few tier rations where big economies such as Germany and Italy are behind Bulgaria, and the most enterprising are small countries like Estonia, Latvia and Cyprus.

²⁸⁰ University of National and World Economy, Sofia, Bulgaria

Bulgaria reported improvement after 2015, and according to the NSI 4.8% of Bulgarians between the ages of 18 and 64 are in the process of being established or have recently created a business. The share of entrepreneurs with an established business that has been active for more than three and a half years is also increasing. There is a negative change in the way Bulgarians view entrepreneurship as a social value. While in 2015, 71.5% of people believed entrepreneurs were well received and enjoyed high status in society, their share dropped to 66.9% last year. Fewer are those who believe that starting a business is a good career choice - 52.9% compared to 57.5% in 2015. Europe generally has the lowest conviction that entrepreneurship is a good career but the average score is higher than that of Bulgaria - 58%.

3. THE ROLE OF WOMEN ENTREPRENEURS – CHARACTERISTICS, MOTIVATION, BARRIERS

Research on women's entrepreneurship has steadily increased over the past decades as the number of female business owners around the world has grown at a moderate pace. Modern literature reveals that while there are many similarities between female and male entrepreneurs, there are also a number of differences, especially in terms of career preferences and business motivations. Different studies of entrepreneurs have contributed to various explanations of why female entrepreneurs are different from male entrepreneurs.

Bulgaria is part of United Europe and the problems, obstacles, and motives to start a woman's business come close to those typical of all women in the world. The crisis hit men harder than their female counterparts, and yet they kept their dominant position on the labor market. The economic stagnation was observed primarily in the male-dominated sectors such as the mining industry, the rest of the heavy industry, and the construction industry. The ladies stay in the labor offices on average 6 months, while the male representatives start work in a new place on average 4.6 months after they lost the previous one. The groups of unemployed people who have been unsuccessfully looking for a new employer for more than a year are mostly female – females are almost twice as many as men in that group [1].²⁸¹

Thus, although the number of people employed in the private sector is significantly increased at the expense of those employed in the public sector, more and more people, including women, work in the informal economy. The objective lack of time that women have (compared to men) for personal development, gaining new skills and knowledge, etc. is the main factor for gender inequality. The limited employment opportunities for women during the transition to a market economy and the building of a working civil society lead to the formation of several negative trends with a long-term effect on society. In the first place, this is the increase of women employed in the shadow economy. Since the early 1990s, this trend has particularly negative consequences due to the persistent discouragement and/or inability of women in the informal economy to re-establish their positions in the formal sector and to claim the corresponding labor rights and equality. Secondly, the lack of employment and production in small settlements and Bulgarian villages makes emigration an alternative, and for many women, low-skilled labor abroad (nursing home workers, housekeepers, maids, farm workers) is the only income option.

Women entrepreneurs have become important entrepreneurs in Bulgaria. Although their number is still small compared to male-owned businesses, this is encouraging. The common attitude has changed a lot, women who balance between family and business are also considered

²⁸¹ Ваня Ефтимова Всичката икономическа власт на жените; www.karieri.bg/

to have management competencies for the development of a competitive business. It is assumed that female entrepreneurs have made a significant contribution to the economy of the country.

The profile²⁸² of female entrepreneurs, as it is given in [2], definitely differs from that of men in Bulgaria. Above all, the highly educated and language-intensive among them are significantly more numerous than men. Women enter the business later than men. This leads, on the one hand, to a lower average age (44 years for women and 47 years for men) and, on the other hand, to fewer years of entrepreneurial experience (on average 12 years for women and 15 years for men). The 51-60 generation and the generation over-61 are among the entrepreneurs exclusively represented by men - four out of five SME owners in these age categories are men, while in the lower age groups women are more likely to be found. Half of all female entrepreneurs find a job in the service sector. Female entrepreneurs are typically engaged in micro-enterprises. Today, the Bulgarian woman successfully manages the roles of entrepreneur, politician, scientist, and manager. According to the National Representative Survey on the Condition of Small and Medium-sized Enterprises with an emphasis on Women and Entrepreneurship, the share of female entrepreneurs in the total number of companies ranges between 25 and 30 percent. Such are the trends in the development of female entrepreneurship in the EU countries. The owners of small and micro-companies prevail.

Women with their own business predominate in small and micro businesses, mainly in the sphere of services, hotels, restaurants, and trade. The profile of female entrepreneurs - highly educated women of active age, implies an extraordinary potential for business development. Combined with the strong desire of girls and young women - students who wish to start their own business in Bulgaria or abroad, this leads to the conclusion that the entrepreneurial spirit of women, especially university graduates, can be encouraged to develop a business in the context of the knowledge economy. While the majority of business ladies are experiencing difficulties, the assessment that they make to business conditions and prospects tends to realism and cautious optimism. The services sector dominated by women-owned businesses has a smaller volume, but small and micro businesses are flexible and are expected to survive in the stabilization of the economic environment.

The main motivation of women in Bulgaria to start their own business is to improve their financial status and to feel independent. Having accumulated the necessary knowledge and skills at the university, the vocational school, their previous work, backed up with the necessary self-esteem or bored with the behavior of their former leaders, the Bulgarian women take very easily the decision for self-employment. Female entrepreneurs do not share having difficulties in initial funding and its subsequent development. Many Bulgarian women deal with their own funds and with help from relatives and acquaintances. A large proportion of female entrepreneurs has passed a training/training course or has undergone specialized training for managers (61%). Most women have higher education and a high level of foreign language skills, have computer literacy skills, and use the Internet.

The European practice [3] puts forward the following main motives for starting a business by women²⁸³:

- **Finding a favorable market opportunity** - Many women who know a good manufacturing, technology, product/service, sector, market or niche market can find a favorable opportunity to start a new business. A financial motive - entrepreneurial

²⁸² ИАНМСП, Анализ на състоянието и факторите за развитие на МСП, „Българските МСП в условията на криза”, София, 2011

²⁸³ European Commission (2004), Promoting entrepreneurship amongst women

activity enables women to earn significantly higher incomes than paid employment, but also involves a risk of financial loss.

- **Accumulation of knowledge, skills and professional experience** - Women who have accumulated knowledge, skills, and professional experience as employees in a state or private organization may decide to use them more efficiently by starting and running their own businesses.
- **Achievement of independence and job satisfaction** - women decide to start a business after assessing all the profits and losses of this activity such as time, money, opportunity for development, satisfaction, etc. Also, the decision to start an own business may be influenced by the desire to self-justify or the need to achieve financial independence. The unreliability of the current job or the inability to develop a career in an organization can be a strong motive for starting up an entrepreneurial activity.

Many women in Bulgaria (37%) point out that the main reason women go to business is the desire to earn more money. Economic independence (27%) and experience gained earlier are the following motives (22%). In this way there is a correlation between the successful transition to a market economy and the transition of women into the business to a survival strategy. Often women are forced to make money because their husbands are unemployed. For example, only women are engaged in trade in the east, as this area of activity is considered purely feminine. An important role is also played by cultural factors (understanding of the entrepreneur by the government, by the society).

Along with motives there are barriers before women to become entrepreneurs, such as:

(a) Economic barriers: The most serious obstacles identified by women entrepreneurs in Bulgaria are: bureaucratic obstacles (26%), heavy taxes (23%), start-up capital (23%), lack of leasing (19%), unreliable and unstable legal basis (9%). The female entrepreneur points to the following serious problems: heavy taxes (90%), unstable legal environment (81%), limited access to capital (67%), corruption (55%).

(b) Cultural barriers: the acceptance by society of a particular economic activity; the lack of traditions that underlie fear of future changes; Discrimination in business.

Summarizing the most significant problems of the Bulgarian female entrepreneurs, it can be built a model that needs to be followed in improving the managerial competencies of female entrepreneurs. On this basis, some of the organizations working to support female entrepreneurship will know the main areas in which to focus their efforts.

5. CONCLUSIONS

Women's entrepreneurship is a concept that is increasingly expanding its presence in an attempt to respond in a new way to growing social and economic needs related to poverty, employment, migration, education, and their different faces in the context of the global and regional economies.

Women's entrepreneurship in Bulgaria should be promoted, encouraged, and supported, in particular through education and vocational training, promoting ownership among women, networks of woman entrepreneurs, and access to investment and credit promotion, their representation in management bodies, and by creating the opportunities needed to support young people, the self-employed, the part-time workers and often the low-paid females. Women entrepreneurs have a vital role to play in preserving family SMEs with prospects for the future.

New structural policies and incentives are needed to make women work, to allow women to be equal with men in the economic development of our country, and to encourage association as an instrument for developing the entrepreneurial spirit that is needed in Bulgaria. Support for women in Bulgaria should be undertaken in a very short timeframe, which gives us grounds to conclude that the Bulgarian female entrepreneur is at the threshold of many rapid and profound changes.

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