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Gender, Race and Religiosity Inequalities in an Entrepreneurship Context

Introduction. Who is an entrepreneur?

The terms of entrepreneurship and small business are used interchangeably in the literature. However, those two terms are related but not synonymous. In reviewing the vast amount of literature available on entrepreneurship, it is apparent that there is no generally accepted or agreed upon definition for the term entrepreneurship, despite the interest shown in this area.

The large number of definitions on entrepreneurship points out that it essentially involves a person who engages in some type of behaviour. Whilst there might exist a large contingency of viewpoints and definitions, interpretation of such concepts is dependent on the context within which it operates. Just as there are several definitions on the concept of entrepreneurship, there are also several approaches used to enhance its understanding. However, for the purposes of this research only two of these approaches will be looked at briefly. The first one is the economic approach and the second one is the multi-dimensional approach. The economic approach emphasises the role of the entrepreneur in economic development and the application of economic theory. The entrepreneur as a person who is responsible for coordinating different factors of production. In this instance the entrepreneur is seen as a pure risk-taker with the incentive being the ability to generate profits. Agreement emerged amongst the proponents of this approach in that, in conditions of insecurity and transformation, the entrepreneur is a key participant in the economy. The multi-dimensional approach involves a complex framework, where the individual (for example, need for achievement), the environment (for example, presence of experienced entrepreneurs), the organisation (for example, type of firm), and the venture process (for example, the entrepreneur locates a business opportunity) are emphasised. It is important to understand that there is never a wrong or right approach to entrepreneurship. The study of entrepreneurship is still emerging and therefore debates need to be encouraged based on the premise that there is no agreed upon or accepted definition which will in turn encourage further debates. They argued that entrepreneurship should be conceived of as an interdisciplinary concept as evidenced in the multitude of definitions.

The basic questions raised in this paper are following:

1. What is the profile of the successful entrepreneur and are there any similarities or differences across three continents?
2. Are there any gender, race or religiosity inequalities in entrepreneurship?

Background situation: basic macroeconomic conditions in each country – similarities and differences in the context of conditions fostering entrepreneurship

South Africa

The period from 1970 to the early 1990s was a politically and economically turbulent period. This was a period of substantial confrontation which set a precedent for political struggle over the next 18 years which had direct impact on confidence in the economy. Despite this, the economy grew by an average of 4% during the 1970s and also benefitted in the early 1980s from favourable gold prices. However, Oil price hikes during the 1970s and the later economic sanctions eventually slowed economic growth in the 1980s. Between 1981 to 1994, real per capita income had declined by 18%, which was the largest decline recorded. In the 1990s there was a declining rate of investment in fixed capital and in terms of the factors of production, levels of investment in capital and labour decreased, while there was an increasing investment in technology. The period post 1994 to 2001 was marked by slow economic growth and capital outflows. The liberalization of the trade environment within South Africa further placed pressure on existing manufacturing firms, while there was slow recovery from the period of isolation that proceeded. This period also marked the period of integration into the global economy. From 2001 to 2010, many of the labour intensive manufacturing sectors came under pressure due to global competition as well as the rising cost of labour. Economic analysis of the period post 1995 has shown the decreasing importance of labour towards output growth. It shows the increasing importance of rising costs of labour as a reason for the poor employment performance of the economy. High unemployment remains the single most critical challenge facing the country, with an estimated 4.5million people jobless and another 2.3million discouraged work seekers, bringing the broadly defined unemployment rate to 33.2%. Total employment is still 450 000 below the pre-crises levels.

The apartheid system also favoured the development of large monopolistic firms that were increasingly capital-intensive and less labour intensive. In addition, State monopoly firms also came to dominate the economy. Hence the national economy is characterized by large 'players' with a relatively weaker medium and small business sector.

Poland

In 90s of XX century Poland switched from socialistic regime to democratic open economy. This change caused dramatic changes in the economic and political situation of the country. This started also deep structural changes in economy and enterprises. The biggest companies owned by state were transferred into private companies. Not in all cases this change was economically justified and caused a lot of ineffective allocations. After more than 20 years of the transformation period Poland is considered to be a member of group of developed countries rather than developing ones.

As far as external factors determining enterprises' and entrepreneurs' situation we describe the basic figures of macroeconomic situation in Poland in 2000-2013, the last available year. In 2000 the level of GDP was high but on the decreasing turn. At the same time the inflation (CPI) was generally high level but at the local pick. At the same time the situation was characterized by high (c.a. 15%) but increasing level of unemployment. The period of 2004-2005 up to 2008 was a good time for a start of a business, the economy was in the up-turn cycle. Unemployment at that period was decreasing and GDP increasing up to 5-6% of y/y dynamics. The local crises were observed in 2001-2002 and again in 2009 with lowest level

of GDP dynamics. After 2009 we observe slow recovery of Polish economy with unemployment below 15% and GDP dynamics 2-3%. However during observed period the GDP dynamics did not fall below 0.

Programs supporting small and micro enterprises setting up and developing businesses – barriers reported

SMEs face a large number of challenges which affect them on a daily basis and when these challenges are not met with responsive solutions at an early stage, it often leads to the demise of the SME in its first year of operation. SMEs are not a homogeneous group since they often operate in different sectors and industries, and they face different challenges at different stages of their development. Some of these challenges are general whilst others are sector or industry specific. Common programs and policies for all SMMEs are less effective in addressing all of their needs. While there are many challenges that are similar, there are also challenges that are peculiar to specific countries.

The best practice approaches are:

- The policy environment should not unnecessarily restrain enterprise activities in general and small enterprise activities in particular. While such a principle does not appear to be contentious, there may often be trade-offs between different objectives, for example, business development and labour standards.
- The policy environment should create a level playing field for all enterprises, and not discriminate small enterprises relative to larger ones. Regulations that apply in a uniform manner to all enterprises may in fact discriminate the smaller ones for different reasons.
- Where specific support programmes aim at facilitating the development of small enterprises, these programmes should be well-targeted, not require excessive bureaucratic red-tape for participation, and the information on their existence and how to use them must be readily available for small enterprises.

Best practice statements, view labour regulations essentially as restrictions that tend to hamper business development and thus employment creation. Labour market policies often generate cost differences favouring small enterprises, but it is not very clear what the net impact of these policies is on small enterprises and their workers.

The profile of the entrepreneur: gender and race differences - in the context of programs and policies

Both male and female entrepreneurs play a vital role in creating wealth and jobs. However, women entrepreneurship as a concept is relatively new, the rising expectations fuelled by feminism, the sheer demographics of working women, the glass ceiling in many corporations, the downsizing trend among large corporations, and the general perception of small business activity as an answer to the economic ills of the world. More and more women all over the world are breaking away from the chains that for so long kept them in the shadows of their male counterparts. It is important not to neglect the possibility that the very character of the term entrepreneur is gendered. Women do not consider themselves entrepreneurs in the male sense of the word because an entrepreneur is defined in a masculine way, and women are often less likely to perceive themselves as masculine. The lack of integrative frameworks for comprehending the nature and implication of issues related to sex, gender and entrepreneurship had been a major impediment. Social feminist

theory, suggested that due to differences in early and ongoing socialisation, women and men do differ inherently. However, it does not mean women are inferior to men, as women and men may develop different but equally valuable traits. While this interpretation of past findings is relevant to the question of if and how female and male entrepreneurs differ, there are still large gaps in our knowledge. Understanding the barriers facing female entrepreneurs can be beneficial to females currently engaged in entrepreneurship, aspiring and emerging female entrepreneurs, and policy-makers. This understanding, led to more supportive policies and programmes for female entrepreneurs. The barriers which face female entrepreneurs are following: (i) social and cultural barriers, (ii) infrastructural barriers, (iii) educational and occupational barriers, (iv) role barriers and (v) behavioural barriers.

From the above it is apparent, according to various authors, that women experience greater difficulty in obtaining financial assistance because of their lack of assets to secure loans and their perceived ability to repay loans. Lack of access to start-up and small business financing is not unique to women, yet it poses a greater obstacle to their business development effort (OECD, 2001). The differences in educational levels of entrepreneurs in the more developed economies are smaller compared to those in less developed economies. Female entrepreneurs are often less prepared and have different business backgrounds than their male counterparts. Female entrepreneurs also have difficulties accessing the scientific, technological and economic information which is of vital importance in ensuring competitiveness. A further barrier, is that women faced dual role stress. In addition to the demands of a career and family, women also experience the additional behavioural expectations placed on them by society, the burden of child-rearing. Starting new smaller firms serve the double purpose of generating an additional family income and creating an arena for self-fulfilment. However, these entrepreneurial ambitions are then combined with the double female burden of also being the family person responsible for unpaid housework and upbringing of the family's children. The policy-makers need to start addressing systemic factors that afford women less access to experience. They believed that support for classroom training or related advisory activities may not be warranted; there is little evidence that women lack access to relevant classroom education.

Summary and conclusions about differences and similarities within and across analysed countries and continents.

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