Women’s Entrepreneurship in modern Russia

Mujeres emprendedoras en la Rusia actual

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ABSTRACT:
The entrepreneurship, including women’s entrepreneurship, started to develop in Russia during the process of the State economy transformation, beginning with 1992. The purpose of the study is the assessment of the women’s entrepreneurial activities in Russia and their motivation to create their own businesses. The study examined the change in the level of women’s entrepreneurial activity in Russia for the period of time from 2007 till 2016. We compared male and female entrepreneurship; did comparative analysis of the level of women’s entrepreneurial activity in Russia and a number of major economies in the world. As a base of our study we used the results of the report on the Global Entrepreneurship Monitor for 2016-2017, as well as the national report on Russia. We used data on the four main indicators of women entrepreneurial activity in Russia: the level of women participation in the early stages of creating their own business, the level of activity of established business owners, as well as information on women’s motivation, that is, whether they relate to necessity-driven entrepreneurship or have opportunity motives to create their own business. New information on women’s entrepreneurial activity in Russia is obtained. We proved that there is no gender gap in the total number of starting entrepreneurs in Russia. The number of women involved in entrepreneurship, reached more than five million people in 2016. Out of this total number, there are almost two times as many opportunity entrepreneurs as necessity entrepreneurs. This study provides the information on

RESUMEN:
El espíritu empresarial, incluido el espíritu empresarial de la mujer, comenzó a desarrollarse en Rusia durante el proceso de transformación de la economía del Estado a partir de 1992. El objetivo del estudio es evaluar las actividades empresariales de la mujer en Rusia y su motivación para crear sus propios negocios. El estudio examinó el cambio en el nivel de actividad empresarial de las mujeres en Rusia durante el periodo comprendido entre 2007 y 2016. Comparamos el espíritu empresarial masculino y femenino; realizó un análisis comparativo del nivel de actividad empresarial de las mujeres en Rusia y en varias de las principales economías del mundo. Como base de nuestro estudio, utilizamos los resultados del informe sobre el Global Entrepreneurship Monitor para 2016-2017, así como el informe nacional sobre Rusia. Utilizamos datos sobre los cuatro indicadores principales de la actividad empresarial de las mujeres en Rusia: el nivel de participación de las mujeres en las primeras etapas de creación de su propio negocio, el nivel de actividad de las propietarias de empresas establecidas, así como información sobre la motivación de las mujeres, es decir, ya sea que se relacionen con la iniciativa empresarial impulsada por la necesidad o tengan motivos de oportunidad para crear su propio negocio. Se obtiene nueva información sobre la actividad empresarial de las mujeres en Rusia. Demostramos que no existe una brecha de género en el número total de emprendedores iniciales en Rusia. El número de mujeres involucradas en el espíritu empresarial llegó a más de cinco millones de
1. Introduction

Currently, the importance of women entrepreneurship for economic development causes no doubt. Numerous studies demonstrate the positive impact of female entrepreneurs on the economic growth and development of many countries (Cuberes and Teignier 2014; Fetsch et al. 2015; Lewis et al. 2014). Also, the role of female business-owners as employers is essential, contributing to increase of employment and reduction of social tensions, especially in developing countries. The countries, which have a high level of women's entrepreneurial activity, are more resistant to financial crises and less likely to have economic recession experience (Global Entrepreneurship Research Association, 2017). According to Woetzel et al. (2015), more complete use of potential that women have to participate in the economy at a level comparable with that of men, can increase world’s GDP up to 26 percent. It should be noted that, in many countries, the potential of female entrepreneurs is not fully implemented, at present. A large number of studies are aimed at improving the understanding of the role of women and their involvement in entrepreneurial activity (Aidis and Weeks, 2016; Golla et al. 2011; Wang, 2015).

Entrepreneurship has been developed in the Russian Federation during the process of transformation of State economy into market-driven economy, starting with 1992. Thus, up to this moment, this sector of the national economy exists in Russia a little more than 25 years. Accordingly, women’s entrepreneurship in Russia is of the same age. Unfortunately, in the first ten years (up to the year 2001 inclusive), the phenomenon of women's entrepreneurship had almost not been studied. There are several works of Chirikova, among which the most interesting is the monograph [Chirikova, 1998]. It contains interviews, given by women entrepreneurs working in Moscow and five Russian regions. In an interview the women's leadership issues were discussed, including both theoretical approaches and empirical regularities. Researchers have paid significantly more attention to women's entrepreneurship in Russia in the period from 2002 to nowadays. Among the studies published in these years are following. In the paper of Starova [Starova, 2002] some aspects of women's self-employment in the sector of cosmetics industry using network marketing are being analyzed. Morozov in his study [Morozov, 2003] came to conclusion that the community of women businesses-owners was initially based on the initiative of the engineering and technical graduates during the transformation of State-owned enterprises and organizations. Dolgorukova and Kolesnikov review [Dolgorukova, Kolesnikov, 2004] focuses on the differences specific to female entrepreneurship. Gricajuk paper [Gricajuk, 2006] shows that although there is a discrimination against women in the labor market, the majority of women do not see significant expressions of distrust on the part of government officials and businessmen. Gilmanova in her study [Gilmanova, 2007] focuses on the development of women's entrepreneurship in the Bashkortostan region (region of Russia, located near Ural Mountains). And she comes to a conclusion, that most women start their business from "despair", unable to earn money another way. Gilmanova pays attention to the contradiction between the industry structure of businesses (where retail and real estate
Entrepreneurial peculiarities in another Russian region (Omsk region) are described in the paper of Kipervar and Sevelova [Kipervar, Sevelova, 2009]. The study indicates that among Russian businessmen in the period from 2000 to 2010, the percentage of women ranged from 25% to 30%. Companies with a small number of employees dominate among women’s business. Economic activities, the most popular among female entrepreneurs are retail, catering, science and health.

Analysis of forces, confronting women's entrepreneurship is described in the study of Moskovceva [Moskovtseva, 2011]. She also indicated that the share of women business owners in 1997 was 18% of the total number of entrepreneurs in Russia. Semenova [Semenova, 2013] in her study pays attention to the fact that among women entrepreneurs the higher education graduates, middle-aged and seniors prevail (related to a group of potential risk of unemployment). While conducting business, to be proactive, independent and creative choose to be mainly those women, who have significant executive experience, or those who are not only highly qualified, but have the necessary resources and connections to create and grow their own business as well. Polutova in her study [Polutova, 2015] shows the development of female entrepreneurship in postindustrial period, when the predominant products are not goods but services. The results of the interviews conducted by Kolobova [Kolobova, 2016], have shown great importance of entrepreneurial activity for seniors and middle-aged women who got involved in business, when another alternative for them was just unemployment. Gallyamov in his study [Gallyamov, 2016] proves that the main factors for organizing women's businesses are the need for self-fulfillment and the desire to have high income. In his view, primarily they seek to achieve success, independence and higher social status. Utkina in her study [Utkin, 2017] formulated gender and cultural stigmas of modern entrepreneurship, including impeding business activity of women. She discusses the special role of the family business in women's entrepreneurship. In the majority of the published works, the information on the significant prevalence among male business owners and, accordingly, the relatively low proportion of women entrepreneurs in the Russian domestic economy was provided. There are different opinions about the motivation of women’s entrepreneurial activity. Some authors consider that the basic motive is fear of unemployment, while others consider the predominance of the desire for self-fulfillment and to enhance their social status as the main driving factor. Most researches are based on the results of the local polls. Assessment indicators of women's participation in the entrepreneurial sector of the Russian national economy had been unduly neglected. Relevant data wasn’t collected during the annual official statistical observations on the development of small and medium-enterprises in Russia.

2. Methodology

This paper is devoted to the study of the problem of women's involvement in entrepreneurship in contemporary Russia. The purpose of the study is a comprehensive assessment of women’s entrepreneurial activity and their motivation to create their own businesses. During the study we completed the following tasks:

- dynamics changes of women entrepreneurial activity in Russia was studied for the period of time from 2007 until 2016;
- a comparison of male and female entrepreneurial activity was conducted;
- comparative analysis of the level of women’s entrepreneurial activity and their motivation in Russia and some of the largest economies in the world was conducted.

We studied the dynamics of female entrepreneurship in Russia for the period of time from 2007 until 2016 due to the fact that Federal Law [On the development of small and medium-sized enterprises ..., 2007] established institutional framework of small and medium-sized businesses in the modern Russian economy in 2007. This law outlines the criteria of determination for companies of small and medium-sized businesses (legal entities and individual entrepreneurs), describes the order of support for entrepreneurs at the Federal, regional and municipal levels. The current stage of SME development in Russia started in 2008.
In our study we used the results of the report on the project of global monitoring of entrepreneurship [Global Entrepreneurship Monitor ..., 2017] for 2016-2017 as well as the relevant report on Russia [Verhovskaya et al., 2017]. Global Entrepreneurship Monitor is a project on organizing country studies on the development of entrepreneurship and entrepreneurial activity. The project based on a survey of the adult working-age population (i.e. citizens from 18 to 64 years of age) using specially designed questionnaires. Russia is involved in the project since 2006.

3. Women’s Entrepreneurial Activity in Russia

During the adult working population interview in 2016 the data were obtained, which characterize four main indicators of female business activity in Russia. These indicators are:

- the level of entrepreneurial activity in the early stages of creating their own business,
- the level of activity of well-established entrepreneurs,
- as well as data on early entrepreneurs motivation.

The level of entrepreneurial activity at the early stages describes the relative weight of the citizens (from 18 to 64 years of age) at the time of the survey in the process of starting a business (those who are running new businesses that have been in operation for less than 42 months) in the total number of working-age adults. The level of entrepreneurial activity of the established business owners describes the relative weight of the citizens (aged 18 to 64) at the time of the survey who are running a mature business, in operation for more than 42 months in the total number of working-age adults. This indicator gives the information about sustainability of the entrepreneurial sector of the national economy. Established business owners ensure stable production and the provision of services, employment, innovative products and processes development. Considering the motivation of new entrepreneurs, there are basically two types of entrepreneurs. The first type is voluntary (also called opportunity entrepreneurs). These include adult, able to work citizens who use opportunities and seek to benefit from entrepreneurial activity compared to employment. These benefits include increased income from their labor, independence in activities enhancing the social status, the possibility of personal fulfillment and creative activity. The second type is the forced entrepreneurs (also called necessity entrepreneurs). These include citizens who are trying to start their business due to the lack of other opportunities for income generation. Entrepreneurs motivation affects entrepreneurial aspirations. Necessity entrepreneurs, often when employment opportunities on hired labor (with comparable earnings) appear, would choose to join the hired labor force. Accordingly, the businesses, started by this type of entrepreneurs, have a low survival rate. The short-term horizon of their activity results in owner's low desire to invest in the development and growth of their business. This is the most significant difference between opportunity and necessity entrepreneurs. Opportunity entrepreneurs direct all their efforts on business development and improvement, in order to receive the maximum positive effect. Global Entrepreneurship Monitor project (GEM) data show that opportunity entrepreneurs often conquer new markets, create innovative products and services, plan to hire new workers. As a motivation indicators GEM use percentage of opportunity and necessity entrepreneurs, respectively, in the total number of entrepreneurs. Indicators of Russian women’s business activity in 2016, are shown in table 1. This table is also includes the performance of men’s entrepreneurial activity for comparison.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>The indicator value, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nascent entrepreneurs and new entrepreneurs business activity</td>
<td>5.7</td>
</tr>
<tr>
<td></td>
<td>6.9</td>
</tr>
</tbody>
</table>
Established business owners business activity | 4.6 | 6.0  
Opportunity entrepreneurs percentage | 63.1 | 69.2  
Necessity entrepreneurs percentage | 31.7 | 29.6  

The level of female entrepreneurial activity in the early stages for 2016 in Russia was 5.7%. The level of female established business-owners activity (4.6%) is low compared to activity in the early stages. It is interesting to compare Russian female entrepreneurial activity in 2016 with corresponding data for 2007. The level of entrepreneurial activity among women in the early stages was only 1.6% in 2007. An increase of this indicator for the period of time from 2007 to 2016 is 3.6 times. Accordingly we noted a substantial increase (2.7 times) for the activity level of female established business owners. The relatively low level of entrepreneurial activity among women in the early stages in previous years has led to the phenomenon of excess early activity in 2016 over activity of established business owners in the same year. On the basis of official data on the number of adult able to work female population, which in 2016 was 50.3 million we were able to estimate the number of women involved in entrepreneurial activity. According to the information from table 1, it can be possible to assume that the women’s entrepreneurial activity in the early stages reached approximately 2.9 million women, and the number of women’s established business owners was about 2.3 million. Accordingly, the total number of women involved in entrepreneurship, reached 5.2 million people in Russia in 2016. The ratio of male and female entrepreneurial activity in the early stages in 2016 in Russia was 0.83, i.e. for 10 nascent and new entrepreneurs-men were 8.3 women-entrepreneurs. Slightly lower (0.77) is value for established business owners. Accordingly, for 10 established business owners-men were 7.7 women-entrepreneurs. The existing ratio is largely linked to educational level of entrepreneurs. It should be noted that there are two opposite patterns that characterize the professional education of Russian women. Higher education (most common among entrepreneurship) in 2015 year has 27.7% of women [Educational Indicators ... 2017], which exceeded the similar value for men (23.4%). Most women have a higher education in the fields of economics or liberal arts. This makes some difficulties in creating businesses with technical and technological direction, which are the areas of high growth. The importance of encouraging young women to study relevant subjects (STEM) in schools and universities highlighted in document (Women's Entrepreneurship..., 2015). The percentage of women in the total number of new and nascent entrepreneurs in the year 2016 reached 47%, while among the established business owners - 44%. A trend of increasing the percentage of women in the total number involved in entrepreneurship confirms the mapping of these indicators as described previously in the literature review on the last decade of the 20th century and the first decade of the 21st century. Analyzing the motivation of entrepreneurs in the early stages, we mentioned some lag of opportunity entrepreneurs among women (63.1%) compared to men (69.2%). However, the share of necessity entrepreneurship among women (31.7%) is close enough to the same indicator among men (29.6%).

Number of necessity women-entrepreneurs, as shown in our calculation, reached in 2016 0.9 million people. Comparing this value with the official data [Women and Men ..., 2016] about unemployment among women (1.9 million) we made important conclusion that almost half of the unemployed has shown interest in entrepreneurship, including through self-employment. The essential role played those programs, which were directed towards subsidizing employment in the regions of Russia.

4. Comparison of the level of entrepreneurial activity among women in Russia and other countries

There is an interest in a comparison of a new and nascent entrepreneurial activity in Russia and some of the largest economies in the world. The relevant data are presented in table 2.
<table>
<thead>
<tr>
<th>Countries</th>
<th>The level of early women's entrepreneurial activity,%</th>
<th>Early entrepreneurial activity level among women and men ratio</th>
<th>Opportunity entrepreneurs among women percentage,%</th>
<th>Necessity entrepreneurs among women percentage,%</th>
<th>Motivation index</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Russia</td>
<td>5.7</td>
<td>0.83</td>
<td>63.1</td>
<td>31.7</td>
<td>2.0</td>
</tr>
<tr>
<td>USA</td>
<td>10.5</td>
<td>0.71</td>
<td>86.9</td>
<td>12.0</td>
<td>7.2</td>
</tr>
<tr>
<td>Great Britain</td>
<td>5.6</td>
<td>0.47</td>
<td>80.6</td>
<td>14.1</td>
<td>5.7</td>
</tr>
<tr>
<td>Germany</td>
<td>3.1</td>
<td>0.52</td>
<td>77.6</td>
<td>21.9</td>
<td>3.5</td>
</tr>
<tr>
<td>France</td>
<td>3.4</td>
<td>0.47</td>
<td>88.3</td>
<td>11.7</td>
<td>7.5</td>
</tr>
<tr>
<td>Italy</td>
<td>3.3</td>
<td>0.59</td>
<td>91.3</td>
<td>5.9</td>
<td>15.5</td>
</tr>
<tr>
<td>China</td>
<td>8.6</td>
<td>0.73</td>
<td>68.4</td>
<td>30.3</td>
<td>2.3</td>
</tr>
<tr>
<td>India</td>
<td>7.6</td>
<td>0.56</td>
<td>61.6</td>
<td>33.1</td>
<td>1.9</td>
</tr>
<tr>
<td>Brasil</td>
<td>19.9</td>
<td>1.04</td>
<td>51.9</td>
<td>47.7</td>
<td>1.1</td>
</tr>
</tbody>
</table>

Comparing the data in table 2, shows that the level of the early entrepreneurial activity of women in 2016 in Russia significantly exceeded the indicators in such European countries as Germany, Italy, France. However, the value of this indicator was slightly lower than the level of entrepreneurial activity among women in the early stages in countries such as China, India. Very high rates of early entrepreneurial activity were reported in Brazil and the United States. Ratio levels early entrepreneurial activities of women and men in Russia in 2016 was significantly higher than in the majority of foreign countries, listed in table 2. In this case, this ratio in countries such as Italy, France, Germany, England and India in almost one and a half times less than in Russia. Only in Brazil the level of early entrepreneurship activity of women exceeds that of men. The percentage of women who belong to the early opportunity entrepreneurs in Russia, was higher compared with the similar indicators in countries such as India, Brazil and China. At the same time, the level of opportunity business in countries such as the United States, Italy, England, Germany, France is considerably higher compared to Russia (14 or more percentage points). Accordingly, significantly lower level of necessary entrepreneurship presented in these countries compared with Russia. As one of the indicators of entrepreneurship, motivation index is used (column 6 of Table 2). It represents the ratio of the values of the opportunity and necessary entrepreneurial activity for each of the countries. Great value (15.5) of this ratio is typical for Italy, due to factors such as the difficulty of career for women with higher education, as well as existence of a large number of vacant working positions. Therefore, early entrepreneurship is typical for women in Italy, aspiring to it on an opportunity basis, while those who need employment, have the ability to fill vacant jobs in the economy [Mari et al., 2014; Rinaldi, Tagliazucchi, 2017]. In economically developed countries this ratio evaluates from 3.5 to 7.5. In Russia, India and China, the ratio of opportunity and necessary entrepreneurship of women takes a value of
5. Conclusions

The analysis of the level of women's entrepreneurial activity allowed us to make the following conclusions:

- women's entrepreneurship in Russia, as entrepreneurship as a whole, has been developing in the country for a quarter of a century. The greatest development of women involvement in entrepreneurship was achieved in the last ten years;

- the level of entrepreneurial activity among women in the early stages in Russia in 2016 exceeded the corresponding figures in such economically developed European countries as Germany, Italy, France;

- the percentage of women in the total number of starting new businesses reached 47%;

- the total number of women involved in entrepreneurship, reached 5.2 million people in Russia;

- the ratio of male and female entrepreneurial activity in the early stages in Russia was much higher than for the United States and the largest economies of the European Union;

- the number of opportunity women-entrepreneurs in 2016 was nearly twice as much as necessity entrepreneurs.

The results achieved have a significant scientific novelty. The most important is the evidence that in recent years the gender gap in entrepreneurship in Russia has declined significantly. The majority of women-entrepreneurs create their businesses voluntarily considering it more helpful compared to employment. The social significance of this research connected with the reduction of prejudices and stereotypes against women-entrepreneurs in Russia and obtaining evidence of women's opportunities for self-fulfillment and by setting up their own businesses. Further development of women's entrepreneurship in Russia is defined by two strategic documents, approved by the Russian Government. The first one is Development strategy for small and medium enterprises in the Russian Federation for the period up to 2030 [Development strategy ... 2016], applies to all entrepreneurs, and the second one - National strategy for women in 2017-2022, which includes activities to promote women's entrepreneurship. The first strategy involves the significant increase in the number of entrepreneurs in the country. The practical significance of the research shows the reality of this task through the expansion of women's entrepreneurship, through the development of new products and services as well. It should be noted that the activities of the strategy include a significant improvement in the business climate in Russia by reducing administrative barriers, increase the availability of financing, provision of information, legal, technological and other forms of support, stimulate demand for the products of small and medium-sized enterprises (including those, on the basis of contracts for State and municipal needs).

The second strategy includes the following activities:

- creation of conditions for women to receive professional education in the most advanced areas of the economy;
- empowerment of small and medium-sized businesses, as well as ensuring the participation of women in the development of the infrastructure of social entrepreneurship;
- professional training and further education of women on maternity leave until the child reaches the age of 3, women in need of skills upgrading and retraining in relation to the need to develop actual competences and qualifications, as well as unemployed women;
- create and support self-employment, including through resource centers of socially oriented non-profit organizations and centers of innovation in the social sphere;
- establishment of specialized forms of grant support and conduct of professional contests in order to promote the participation of women in high-tech industries and Innovations;
- business competitions for business oriented and socially active women in the regions of the Russian Federation.
Implementation of these activities should combine the efforts of the Government, regional and municipal authorities, non-governmental organizations to create the conditions to give women opportunities to participate in business activities and increase revenue, independence, development, self-fulfillment and creative activity.

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