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Actualization of Female Potentials in Entrepreneurship, Science and Politics

Croatian Association of Businesswomen - KRUG

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SUMMARY

1. Introduction

The Republic of Croatia is a country where active care for gender equality exists and it is reflected through both the legislative framework and the actions undertaken by government bodies and institutions. However, notwithstanding all efforts, the gender gap in the Republic of Croatia still remains significant. For instance, women constitute half of the country's active population, but, in comparison to men, they are still hesitant to undertake entrepreneurial activities. Not many women occupy leading positions and women in the top management positions are more than an exception.

The goal of the Croatian Association of Business Women - KRUG is to improve the position of business women in the society through the promotion of female entrepreneurship, business culture and mutual cooperation. One of the objectives of the Association is to systematically collect data on female entrepreneurship, and so far the data for 2002, 2006 and 2007 have been collected. These Association's data are one of the rare sources of information on female entrepreneurship in the Republic of Croatia.

Continuing the existing tradition of collecting data on female entrepreneurship, a research was conducted for 2008. However, it is difficult to perceive the role of women in the society solely through entrepreneurship. Therefore, we believe that science and politics are equally important fields through which some progress can be made. This is why this year's survey of the Croatian Association of Business Women - KRUG has been expanded to the fields of science and politics, so its topic is *Actualization of Female Potentials in Entrepreneurship, Science and Politics*. "What is not measured is not managed" is one of the business truisms which can refer to a broader social context as well.

The Croatian Association of Business Women - KRUG believes that through measuring representation of women in entrepreneurship, science and politics it can contribute to the actualization of all potentials, not only for women, but also the Croatian society as a whole.

2. The most important indicators of the role of women in entrepreneurship, science and politics

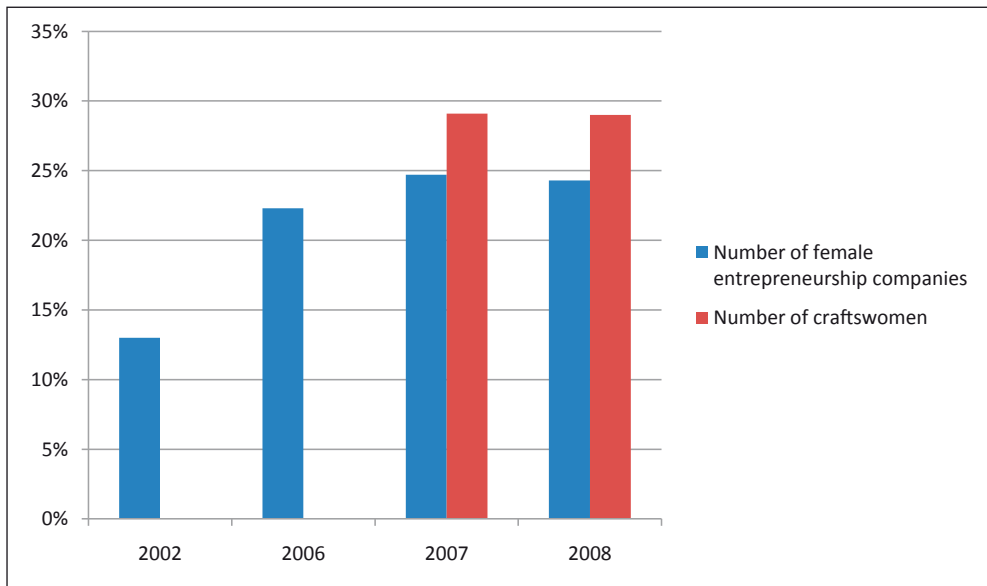
Entrepreneurship

Entrepreneurship can be defined as the readiness of individuals to invest a certain capital, take a risk and start a business venture with the aim of realizing profit. The entrepreneur decides what, how and for whom he will create a product and/or a service on the market. Quite often, entrepreneurs connect

what seems to be unconnectable and thus create a new value. Entrepreneurship is the force that is crucial to the economic growth, employment and competitiveness of a country¹. Women constitute half of the world's population, and the activation of female entrepreneurship² has a positive impact on many aspects of the quality of life, as well as on the economic growth³.

The share of women-owned companies in the total number of companies increased from 13% in the year 2002 to 24.7% in the year 2007, but in the year 2008 the progress in this area was not recorded (Figure 1). The data relating to craftswomen are available only for the period 2007-2008, but stagnation in the share of craftswomen in the total number of trades can also be observed.

Figure 1. Share of women-owned companies and the number of craftswomen in the total number of companies and trades



Source: *Survey of the Croatian Association of Business Women - KRUG, 2009, adapted by the Author.*

Although women-owned companies and trades represent one-fourth of the total number of companies and trades, the contribution of women's entrepreneurship to the number of employed individuals, total revenue and profit is much lower (Table 1). For example, women-owned companies employ 13% of workers, they make 11.1% of the total revenue and 9.3% of the total profit of all companies in the Republic of Croatia.

Based on the information on the number and the business activity of women-owned companies and trades, we can conclude that after the growth of female entrepreneurship in the period from 2002 to 2007, stagnation was recorded in 2008, which could most likely be attributed to the impact of the

1 Zoltan, J., Audretsch, D. B., Strom, R. (2009), *Entrepreneurship, Growth and Public Policy*. Cambridge University Press, Cambridge.

2 The subject of the analysis is the female entrepreneurship. For the purpose of this study the notion includes small and medium-sized companies where a woman is the owner or a majority owner, large companies where a woman is the President of the Board as well as trades owned or co-owned by a women.

3 Brush, C., Hisrich, R. D. (1999), *Women owned businesses: Why do they matter?* Editor: Zoltan, J. *Are small firms important? Their role and impact*. Kluwer Academic Publishers, Norwell.

crisis. If the economic crisis had not arisen, most likely the growth of female entrepreneurship could have continued, but we can not estimate with what intensity.

Table 1. Structure of the number of employees, total revenue and profit of companies (female entrepreneurship and other companies)

| Companies' business activity | Companies | 2002 | 2006 | 2007 | 2008 |
|------------------------------|-------------------------|-------|-------|-------|-------|
| Number of employees | Female entrepreneurship | 7.0% | 10.9% | 13.0% | 13.0% |
| | Other companies | 93.0% | 89.1% | 87.0% | 87.0% |
| Total revenue | Female entrepreneurship | 6.5% | 6.4% | 10.5% | 11.1% |
| | Other companies | 93.5% | 93.6% | 89.5% | 88.9% |
| Profit | Female entrepreneurship | 4.0% | 7,9% | 9.3% | 9.3% |
| | Other companies | 96.0% | 92,1% | 90.7% | 90.7% |

Source: *Survey of the Croatian Association of Business Women - KRUG, 2009, adapted by the Author*

Although the crisis has certainly had a significant impact on the stagnation of women's entrepreneurship, its occurrence certainly cannot be an excuse for the stagnation in the share of women in supervisory and management boards of public joint stock companies (PJSC), which are generally the largest companies within the Croatian economy (Table 2). In the analyzed period the share of PJSCs with a female president of the management and supervisory board fluctuates slightly around one tenth, while the average share of women in management and supervisory boards is ranging from one tenth to one fifth. The fact that only slightly more than a half of the PJSCs have at least one female member of the supervisory board and a third of PJSCs has at least one female member of the management board is alarming.

Table 2. Share of women in management and supervisory boards of public joint stock companies (PJSC)

| Women in management and supervisory boards of PJSC | 2002 | 2006 | 2007 | 2008 |
|--|--------|--------|--------|--------|
| Share of PJSCs with a female president of the management board | 10.8% | 10.5% | 9.9% | 11.2% |
| Share of PJSCs with a female president of the supervisory board | 12.60% | 10.50% | 10.20% | 11.60% |
| Average share of women in management boards of PJSCs | 14.2% | 15.1% | 15.4% | 17.3% |
| Average share of women in supervisory boards of PJSCs | 18.70% | 19.10% | 17.90% | 17.20% |
| Share of PJSCs with at least one female supervisory board member | 57,10% | 57,50% | 54,90% | 53,60% |
| Share of PJSCs with at least one female management board member | 23.2% | 29.8% | 29.2% | 33.2% |

Source: *Public informational library, www.hanfa.hr, adapted by the Author*

Science

The analysis relates to female scientists in the Republic of Croatia and various forms of their activities.

The share of women who obtained a doctoral degree, a master degree or a title of University Specialist is the indicator of the rates of women entering the world of science. What happens with women afterwards? We are interested mainly in the leading roles of women in science such as, for example, managing projects and programmes financed by the ministries, membership in the Croatian Academy of Science and Arts as well as the leading roles in scientific institutions of the Republic of Croatia.

The share of women who acquired a doctoral degree in 2008 is precisely a half of the total number of

Ph.D. students in 2008, while the proportion of women who acquired a master degree and a title of University Specialist in the same year amounts to 55% (Table 3).

The share of female employees at universities in the academic year 2008/2009 in Croatia is 44% and the share of female assistants amounts to one half. However, there are much less assistant professors (44%), and even less associate (37%) and full professors (24%).

Even less women hold leading positions. One third of the total number of projects financed by the Ministry of Science, Education and Sports in the period from 2007 to 2011 has a female project leader, compared to slightly more than a quarter of the programmes in the same period. In 2010, only one tenth of the faculties have a female dean while only one of six Croatian universities has a female rector.

Of the total number of winners of the National Science Award in the year 2009 there is only one third of women, while among regular members of the Croatian Academy of Science and Art only 8% are women.

Number of women acquiring doctoral degrees is equal to the number of men acquiring doctoral degrees, and women obtain even a higher number of master degrees and titles of University Specialist than their male colleagues. Of all assistants working at universities a half is female. However, climbing up the ladder of academic degrees, one encounters fewer and fewer women, so at the top we have just one quarter of female full professors. Only one third of research projects are managed by women, compared to one quarter or research programmes. What is most difficult to accomplish is to enter the Croatian Academy of Science and Art and be elected a dean or a rector.

Table 3. Selected indicators of the role of women in science

| Scientific degrees, leading positions and formal acknowledgments in science | Women | Men |
|---|-------|-----|
| Doctoral degrees (2008) | 50% | 50% |
| Master degrees and titles of University Specialist (2008) | 55% | 45% |
| Staff at the universities (academic year 2008/2009) | 44% | 56% |
| Assistants (academic year 2008/2009) | 50% | 50% |
| Assistant professors (academic year 2008/2009) | 44% | 56% |
| Associate professors (academic year 2008/2009) | 37% | 63% |
| Full professors (academic year 2008/2009) | 24% | 76% |
| Project leaders - MSES (2007-2011) | 36% | 64% |
| Programme leaders - MSES (2007 2011) | 27% | 73% |
| Full members of the Croatian Academy of Science and Arts (2009) | 8% | 92% |
| Winners of the National Science Award (2009) | 30% | 70% |
| Share of female deans (2010) | 13% | 87% |
| Share of female rectors (2010) | 17% | 83% |
| Share of female vice-rectors (2010) | 34% | 66% |

Source: Pejić Bach, M. (2010) *Actualizing the Potential of Women in Entrepreneurship, Science and Politics, the Croatian Association of Business Women - KRUG, Zagreb, Chapter 10*

Politics

The analysis relates to women in political bodies of the Republic of Croatia in leading positions. We will analyze female ministers, female state secretaries, female Members of Parliament, and women in the local government. We are also interested in the role of women in the Croatian elections, especially as the bearers of electoral lists.

As far as the role of women is concerned, positive developments can be observed in politics (Table 4). A share of high-ranking women in politics is increasing, so the 11th Government is for the first time lead by a woman - Prime Minister Jadranka Kosor. In the same Government, one tenth of ministers are female, as well as one fifth of vice-presidents and secretaries of state. However, the trend of including women in the highest political functions has occurred only in the last ten years. Only 5% of women lead counties, cities and municipalities. Although these indicators indicate a positive change, there is still plenty of room for a more important role of women in politics.

The share of women in the Croatian Parliament is about a quarter of all Members of Parliament, but there are much less women as members of local authorities, approximately one fifth in the county assemblies and city councils and one tenth in municipal councils. Female Members of Parliament have proven to be very active in discussions in the Croatian Parliament, and it can be expected that they will slowly manage to ensure opportunities for a larger number of their colleagues in the future.

The share of female candidates and bearers of electoral lists in the parliamentary and local elections shows a trend growth.

The Croatian high politics has opened its doors to one tenth female ministers and one fifth female vice-presidents and secretaries of state. It is for the first time that we have a female Prime Minister – Mrs. Jadranka Kosor. One quarter of the Croatian Members of Parliament are women and one fifth of the members of the county assemblies and city councils are also women. Moving from high politics towards the local level and from urban to rural areas, one encounters fewer women in politics. The share of women in municipal councils is one tenth, while the share of female county prefects, female mayors and female heads of municipal counties is only one twentieth. An increasing number of female candidates in local and parliamentary elections and female bearers of the electoral lists is certainly encouraging.

Table 4. Selected indicators of the role of women in politics

| | | Women | Men |
|-----------------------------------|-------------------------|-------|-----|
| 11 th Government | Ministers | 13% | 87% |
| | Vice-presidents | 20% | 80% |
| | State secretaries | 18% | 82% |
| Members of Parliament | 4th Parliament Assembly | 23% | 77% |
| | 5th Parliament Assembly | 22% | 78% |
| | 6th Parliament Assembly | 25% | 75% |
| Members of local authority bodies | County Assembly | 21% | 79% |
| | City councils | 21% | 79% |

| | | | |
|---------------------------|--|-----|-----|
| | Heads of municipal councils | 12% | 88% |
| Heads of local government | County prefects | 5% | 95% |
| | Mayors | 5% | 95% |
| | Presidents of Municipalities | 5% | 95% |
| Parliamentary elections | Candidates in 2003 | 25% | 75% |
| | Candidates in 2007 | 30% | 70% |
| | Bearers of the electoral lists in 2003 | 7% | 93% |
| | Bearers of the electoral lists in 2007 | 13% | 87% |
| Local elections | Candidates in 2009 | 24% | 76% |
| | Bearers of local electoral lists in 2009 | | |
| | County Assemblies | 7% | 93% |
| | City councils | 12% | 88% |
| | Municipal Councils | 8% | 92% |

3. Scenarios of the actualization of female potentials in entrepreneurship, science and politics

Ideally, every person, regardless of origin, age, financial status or gender, should have an equal chance to actualize his/her own potential. Information on the role of women in entrepreneurship, politics and science in the Republic of Croatia has shown that there is a significant room for improvement in these areas. The question about the future realization of the potential of women in entrepreneurship, science and politics necessarily arises. Based on data analysis, the legislative basis and the active policy of the Republic of Croatia, we can generate three scenarios, regarding future developments of the role of women in entrepreneurship, science and politics in the next five years.

There are three possible scenarios as far as the actualization of female potentials in entrepreneurship, science and policy are concerned: a scenario of setbacks due to the fact that the attitudes that discourage women in realizing their full potential (Step Backward) are promoted; a scenario of keeping the current situation due to a lack of potential for change (Status Quo) or a scenario which foresees a growth of the number of women in leading positions (Open Doors).

Scenario - Step back

This scenario is possible if, after the momentum in increasing the share of women in leading positions in entrepreneurship, science and politics, we return to promoting a strong traditional role of women in the society. Such phenomena are more frequent in crisis situations, and it is thus important to actively promote the potentials of women in entrepreneurship, science and politics, particularly in the future.

Scenario - Status Quo

If we consider the accomplished to be satisfactory, another scenario will take place. Should the legislative basis and the policy of the Republic of Croatia in the area of realizing the potentials of women in entrepreneurship, science and politics remain only at the declarative level, a significant progress will

not be achieved. In that case, the share of women in leading positions in entrepreneurship, science and politics will stagnate or only small steps forward will be achieved owing to an active role of prominent women.

Scenario - Open Doors

According to the this scenario, named Open Doors, in the next five years women will have greater opportunities to realize their potential in entrepreneurship, science and politics. The prerequisites for the realization of this scenario are the development of the legislative basis and more active policies of the Republic of Croatia in the field of gender equality.

The adoption of the Strategy of Development of Female Entrepreneurship in the Republic of Croatia for the period 2010-2013 and the Action Plan represents a major step forward in the development of entrepreneurship.

The truism “What is not measured is not managed” could be applied to female entrepreneurship as well. One of the activities planned by the Strategy involves the creation of a statistical basis for monitoring women’s entrepreneurship. In this field it will be necessary to harmonize practices and create a legal basis for numerous institutions that follow the data on business entities’ activities.

For several years, the Croatian Association of Business Women - KRUG has been investing considerable efforts in collecting these data. Therefore, based on the analysis of entrepreneurial activity of women, it is important to emphasise the following areas of improvement:

Particular attention should be paid not only to the increase in the number of companies, but also to the indicators of their business activity. The situation in which only a quarter of women-owned companies employs one-tenth of the total number of employees and gains the same share of the total revenue and profit indicates that female entrepreneurship is currently being developed in micro-sized and small-sized enterprises, mainly through self-employment.

There is still place for improvement as far as the share of women in companies’ management and supervisory boards is concerned. It would be necessary to establish mechanisms to monitor the share of women in positions of members and presidents of management and supervisory boards, and design the activities to encourage greater involvement of women in these positions. It would result in the greater contribution of the largest companies of female entrepreneurship in the total economy of the Republic of Croatia.

There are quite important differences as far as the counties are concerned, so in the implementation of the Action Plan for the execution of the Strategy of Development of Female Entrepreneurship in the period 2010-2013 it would be necessary to achieve more active participation of local authorities at county and city assemblies and municipal councils. Taking into account the features of individual counties and NUTS2 regions, it would be possible to develop entrepreneurship at the local level more efficiently, especially considering the fact that the largest companies of female entrepreneurship more significantly contribute to the local economy, especially in some counties.

So far, strategies for the development of women’s potential in the field of politics and science have

not been designed although the basis for full realization of the potential is created by the adoption of the Gender Equality Law. However, creating such strategies and action plans would mean stepping forward and opening doors widely for women in science and politics. The creation of such strategies should include government bodies such as the Gender Equality Committee, the Office for Gender Equality and the Gender Equality Ombudsperson. Certainly, a significant role would be also played by the leaders of political bodies, institutions and of the Ministry of Science, Education and Sports. An important contribution would be made by the women who have so far taken up leading positions and gained formal recognition for their contribution in science and politics. The mentioned activities would gain legitimacy and would ensure greater possibilities to women who want to realize their potentials in science and politics and thus contribute to the development of the society as a whole.

4. Conclusion

The aim of this publication was to collect and analyse the data on the role of women in entrepreneurship, science and politics. In each of these fields, the data on the role of women in leading positions and in achieving the highest accomplishments were analyzed. However, the publication opens an important question regarding the future requirements for ensuring the full realization of the women's potential in entrepreneurship, science and politics.

Based on the presented scenarios, it is clear that the future can be considered as already predetermined or we can actively influence the changes in the society. The decision is on us. However, when choosing whether to adopt a passive or an active approach, we should bear in mind that the activity of institutions and individuals are of equal importance for prosperity. Everyone is important! The synergy of our activities brings movement forward, because opening doors for everybody increases opportunities for the progress of the society as a whole.