

## **News / Information**

### **ERENET International Scientific Conference**

### **Entrepreneurship and Growth of Family Firms**

**4 - 5 June 2009**

**Krakow, Poland**

The research on family business is now a well established, but still expanding area of study. As the media, scholar community and public in Poland is increasingly curious of how the family companies perform on the market, the Department of European Studies and the Department of Entrepreneurship and innovation from the Cracow University of Economics, together with the Entrepreneurship Research and Education Network of Central European Universities (ERENET) organized on 4-5 June 2009 the international conference "Entrepreneurship and Growth of Family Firms". The conference was held in Cracow, at the campus of Cracow University of Economics. Almost 40 scholars from 20 countries took part in this interesting event. Dr. Krzysztof Wach from the Department of Entrepreneurship and Innovation, and Prof. Dr. Aleksander Surdej, head of the Department of European Studies played an extremely hard work in bringing experts and organizing this event. The conference participants were welcome by the co-organizer Dr. Antal Szabo. Financial support for the conference was provided by Polish Ministry of Science and Higher Education (MNiSW), Polish Agency for Enterprise Development (PARP), the Municipality of Cracow (UMK) and the Italian Culture Institute of Cracow (IIC). The conference was an event within the research project "Succession scenarios in the first generation of family firms in Poland" financed by Polish Ministry of Science and Higher Education realized by Prof. Aleksander Surdej and Dr. Krzysztof Wach at the Faculty of Economics and International Relations at Cracow University of Economics.

#### **Conference Topics:**

- The idea and determinants of entrepreneurship in modern economies
- The relations between entrepreneurship and family firms
- The advantages and disadvantages of family as a vehicle for entrepreneurship
- The impact of family entrepreneurs on local development: spatial dimension of entrepreneurship
- Challenges of family firms' succession

- Various research approaches to study family firms' development and growth
- Public policy instrument to promote the growth of entrepreneurship

### **Outcome of the Conference:**

The family business must face several challenges. The most visible difficulty in the family firm development is how to maintain the control on the company by the family, when the company expands, gains foothold in the new markets and diversify its activity. There are also problems of balancing the values of a family with the economic effectiveness of the enterprise, and of course the issue of succession, i.e. the heading over the control over the company to the new generation.

It was suggested that Cracow University of Economics should be a centre of excellence for family businesses and let organize jointly with ERENET regular biannual event on this subject.

It was agreed that in the addition to publishing academic papers by the CUE, the ERENET PROFILE will publish 12 papers in 2009 and 2010. The conference proceedings were divided into three volumes – two monographic books and proceedings published in ERENET PROFILE. The monographs include:

- *Managing Ownership and Succession in Family Firms*, eds. A. Surdej and K. Wach, Scholar Publishing House, Warsaw 2009 (forthcoming – December 2009)
- *Exploring the Dynamics of Entrepreneurship*, eds. A. Surdej and K. Wach, Adam Marszalek Publishing House, Torun 2010 (forthcoming- January 2010)



## **Workshop**

### **Women and Entrepreneurship**

**3 September - 2 October 2009**

**Chisinau, Moldova**

The Workshop on “Women and Entrepreneurship” was held in Chisinau, the Republic of Moldova, on 30 September-2 October 2009. It was jointly organized by the Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation (BSEC PERMIS) and the Representation of the Konrad-

Adenauer-Stiftung (Foundation) (KAS) for Turkey, in cooperation with the International Center for Advancement of Women into Business (ICAWB).

Welcoming statements were delivered by Ambassador A. Sumru NOYAN, First Deputy Secretary General of BSEC PERMIS; Mr. Jan SENKYR, Resident Representative of KAS for Turkey; Mr. Sergiu SAINCIUC, Deputy Minister of Economy of the Republic Moldova; Dr. Valeriu GHEORGHIU, Deputy Director of Department of European Integration, Ministry of Foreign Affairs and European Integration of the Republic of Moldova; and Ms. Tatiana BATUSHKINA, Chairperson the Board of the International Center for Advancement of Women in Business (ICAWB).

1. In her statement Ambassador NOYAN formulated the aim of the Workshop to review the current situation of women entrepreneurship in the BSEC countries. Promotion of women entrepreneurship is beneficial for the economy, as women led enterprises are the driving forces for job creation and economic growth. But still the topic of women entrepreneurship has been largely neglected both in society in general and in social sciences. The conditions discriminating against women's possibility to become entrepreneurs need to be addressed by policy makers. Governments should facilitate entrepreneurial endeavors by women in the economy. The ongoing global economic crisis necessitates addressing issues related to women's entrepreneurship even more. The SMEs stand most vulnerable to the crisis and the situation is especially difficult for women entrepreneurs. Therefore, Ambassador NOYAN quoted from Aesop: "Together we stand, divided we fall."

2. Mr. J. SENKYR welcomed the participants of the Workshop on behalf of KAS. He emphasized the importance of cooperation between KAS and BSEC and mentioned that KAS has been working with BSEC for 13 years now. This is the 39th joint meeting aiming at the support of SMEs in the region. The aim of BSEC-KAS collaboration is the strengthening of the political dialogues between the actors and decision makers for SME policies in the different BSEC countries, the exchange of experience and information between the SMEs themselves and the fostering of a better understanding between entrepreneurs and state institutions.

3. Mr. S. Sainciuc, Deputy Minister of Economy of the Republic Moldova, in his opening address stated that the new Government of Moldova recognizes and appreciates the importance of involvement of women in business activities for the benefit of the country. Particularly important is the participation of women in the SMEs entrepreneurship, which is the engine of national economy generating new jobs and growth in the period of the economic crisis. The SMEs sector in Moldova comprises 41,000 enterprises which represents 97.6% of the total number of enterprises. This sector employs 57% of the total number of employees. SMEs generate 35.5% income to the country's GDP. In April 2005, the project "Promotion of Women Entrepreneurship in Moldova" has been

launched with the financial assistance of the German Agency for International Development (GTZ). The beneficiaries of this project are women from Chisinau and neighboring districts which are offered assistance in development of entrepreneurship and for start-ups. Already 50 grants have been offered to the beneficiaries.

4. Dr. V. Gheorghiu highlighted that the issue of the Workshop is rather challenging on the one hand it is related to the activities of the SMEs in the period of the ongoing economic and financial crisis and, on the other hand, the position and role of women in running the small business. He mentioned that there is a need for government programs and private sector services to be more efficient in meeting the needs of the owners of SMEs in general and women-owned SMEs in particular in the Republic of Moldova and in the BSEC region in general. There is necessity to improve the environment of SMEs, because they generate growth and employment. Women bring fresh motivation and promising innovation. Women fit better into the new service society than in the old industrial society. Women that run SMEs represent the vivid example for a strategy to build a future without discrimination. Women's participation in any kind of economic activity is complementary to their social and family duties. This approach must be supported by the Governments.

5. Ms. T. Batushkina drew attention that new thinking is required for pushing women into business. Presently, women entrepreneurship is 1.5 times more dynamic as of men. The share of women in business today is already 25% and women entrepreneurs are getting younger (currently between 24-35 years old, while a few years ago mostly middle-aged women were running the business). However inclusion of women requires restructuring of thinking. Women are infected by psychological factors due to gender relations. For this reason they need support in the start-up period.

#### **Final discussions and conclusions:**

The following points were made in conclusions:

1. The aims and strategic objectives of the 4th UN Conference on Women held in 1995 in Beijing are still valid.
2. Fostering women's entrepreneurship is one of the strategic directions for action in the economic area adopted by the European countries at the UNECE regional Preparatory Meeting held in 2000 in Geneva. However the international organizations do not foster cooperation in this field.
3. The EU with the European Economic Area and the candidate countries has been launched a promising program to promote women's entrepreneurship via WES Network, network of Female Entrepreneurship Ambassadors and Women's Entrepreneurship Portal.
4. The full potential of women's entrepreneurship still remains untapped.

5. According to the Global Entrepreneurship Monitor (GEM) 2007 Report on Women and Entrepreneurship, a significant gender gap exists with respect to new enterprise/SME creation and ownership.

6. In the Black Sea Economic Cooperation region 350 million people live. They differ from each other in terms of their level of development, size, population, political priorities and aspirations. The Foreign Trade Capacity is 96 billion U.S. Dollars. Though finding common denominators is not always possible, they can always benefit greatly from the exchange of best practices. Unleashing the untapped potential of women in our region is of common interest for the sustainable economic development of all Black Sea countries. The situation of women in all the countries of our region needs to be ameliorated. There is still a big gender gap in all domains of life.

7. According to FOB - Factors of Business Success - Survey made in 2005, 28% of EU entrepreneurs were women and 72% were man. It is remarkable that 1/3 of the self employed entrepreneurs consists of women, both in Germany as well as in Moldova.

8. The objectives for women's motivation for employment include:

- economic independence based on steady income and prestige associated with paid job;
- lowering the negative economic consequences of divorce and male unemployment;
- assuring old age security.

9. Entrepreneurship:

- contributes to economic growth;
- leaps in human progress;
- offers potential of greater wealth and upward mobility;
- provides an alternative to wage employment; and
- creates jobs.

10. The major personal characteristics of entrepreneurship are:

- being able to take risky decisions;
- being able to predict and foresee;
- realizing the things that other could not have realized; and
- showing effective leadership and having positive courage.

11. Unfortunately, the topic of women's entrepreneurship has been largely neglected both in society in general and in social sciences.

12. Research shows that there are psychological barriers faced by women to change their involvement in the entrepreneurial process. Such obstacles are opportunity identification and utilization, type of education, lack of equal

opportunity, discrimination, access to finance, lack of role models, etc. These obstacles need to be addressed in policy making process.

13. The main problem in developing female entrepreneurship is lack of business information and access to financial resources.

14. Women do not have conventional and formal network opportunities in the majority of BSEC countries.

### **Recommendations:**

Although during the past decade a lot of actions were taking place in encouraging women to run their business, much more needs to be done to overcome specific factors which discourage women in particular from starting small firms. Following recommendations were made:

1. A forum could be established to bring together all women's entrepreneur organizations in our region. The Black Sea Economic Cooperation Organization may be the leading force in this process.
2. Prepare an Action Plan for Women Entrepreneurs in the region which could serve as a road map for future collaboration.
3. BSEC shall consider having the topic of women entrepreneurship as a permanent agenda item within the Working Group on SMEs.
4. Make use of the Black Sea Trade and Investment Promotion Program (BSTIP) to convene the matchmaking events within the countries, support countries women entrepreneurship policies, and utilize EBRD and other resources for credits to women-owned businesses.
  - development of women entrepreneur networks should be promoted. Policy makers in BSEC region must foster the networking of associations;
  - the real situation of female entrepreneurship should be analyzed on the basis of correct information by involving all stakeholders operating in the business process. The Entrepreneurship Research and Education Network among the universities in CEE (ERENET) is requested to elaborate a harmonized questionnaire on women's entrepreneurship. The findings of the joint research could be discussed at one of the next BSEC-KAS workshops.
5. Create a business friendly environment with special focus on small and medium-sized businesses owned by women entrepreneurs.
6. Increase the ability of women to participate in the labor market by ensuring the availability of child care and equal treatment in job place.
7. Gender dimension should be incorporated in formulation of national SME policies. It should be followed by developing and implementing promotion programs for women's entrepreneurship.

## **Call for Papers**

### **Employee Relations**

#### **Special Issue:**

### **Varieties of capitalism and employee relations in the transnational economies of Central and Eastern Europe**

**Deadline: January 2010**

#### **Aim:**

The special issue aims to focus on the nature of change in institutional mediation, corporate governance and employment relations practice, focusing specifically on the cases of the transitional economies of Central and Eastern Europe. Both neo-institutional theories within the finance literature (Djankov et al. 2003; Pagano/Volpin 2005; Roe 2003) and the varieties of capitalism literature assume an underlying degree of path dependence (Hall/Soskice 2000; Whitley 1999). In other words, it is assumed that specific forms of institutional mediation are likely to persist, and will indeed prove resilient in the face of crisis; this will result in the persistence of specific types of corporate governance and associated firm level employment relations practices. Other strands of theory have drawn attention to strong pressures towards convergence to the liberal market model with associated “light regulation” in employment relations practice (Streeck/Yamamura 2003). Yet, historical evidence would point to the inevitability of economic adjustments of some sort or another, and indeed, the uneven and experimental nature of systematic change, as well as the persistence of difference in employment relations at industrial, regional and national levels (even if the nature of difference may be subject to change). In practice, changes may be driven at both the institutional (through reforms in legislation and changes in overriding social conventions) and organizational level (through experiments and innovations in practice, that may or may not become embedded, whether successful or not).

In current debates about the trends in corporate governance regimes and employment relations, the cases of the economies of Central and Eastern Europe have been relatively neglected. These economies on the one hand need to compete for the mainly Anglo-American institutional capital, while fulfilling obligations towards the EU, and the relationships with their principal trading partners. In such an environment change of the system of corporate governance is either characterized by convergence towards the “superior” regime (Hansmann/Kraakman 2000), which, until recently, was argued by many to be the Anglo-American one or by partial convergence that results in a hybrid

arrangement, which is the mixture of the two (McCahery/Renneboog 2004). This convergence literature assumes that nations by adjusting their system engage in a race for fresh capital by enhancing efficiency. Opposite to this view efficiency maximization is limited due to political and institutional barriers causing divergence on the national level (Roe 2003; Gordon/Roe 2004).

The special issue seeks to shed on employment relations practice in the region in relation to broader institutional configurations and corporate governance regimes, variations on national lines, differences and similarities with more mature varieties of capitalism, and likely future trajectories.

The special issue seeks to bring together the most recent thinking on comparative capitalism, corporate governance and employment relations, with rigorous empirical studies that highlight the uneven consequences of experiments and innovations in the region, understanding the basis of a mixture of outcomes, and pressures to convergence and divergence. The special issue seeks to bring together papers that are theoretically rigorous with those that are empirically rich: broad brushstroke accounts will be discouraged.

**Deadline: January 2010**

Prospective authors should discuss papers with Geoffrey Wood (g.t.wood@sheffield.ac.uk) in the first instance.