

# Women's Entrepreneurship: Current State and Legal Regulation Prospects

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**Keywords:** women's entrepreneurship, women's business, COVID-19, legal regulation, sociology, doctrine, self-employment.

**Abstract:** The purpose of this study is to determine the role of women's entrepreneurship and the need for its legal regulation. Methods of analysis, comparative studies, and modeling were used as the main ones. Research Results. The significance of the female business segment has been demonstrated. A negative impact of COVID-19 on the development of female entrepreneurship has been shown. A trend for women to acquire the self-employed status has been identified. It has been established that there are no deep elaborations of the concept of women's entrepreneurship, its types, features of implementation in the domestic legal doctrine. Based on the analysis of Russian and foreign studies, problems are identified, strategies and theories for the development of women's entrepreneurship are presented, and the main mechanism of women's entry into business is identified. Conclusions. The greatest results in the study of the problems of women's entrepreneurship have been achieved by representatives of sociology. Legal research is practically non-existent. It is necessary to develop a Russian legal doctrine, as well as an integral legal mechanism for regulating women's entrepreneurship. When designing a legal mechanism for supporting women's business, it is advisable to take into account the foreign experience that has brought results, while preserving the national characteristics of Russian women's entrepreneurship.

## 1 INTRODUCTION

The study of the phenomenon of female entrepreneurship in recent decades has become more relevant. And there is a reason - women are increasingly entering a business, which is confirmed by the official statistics of the Federal Tax Service. Interesting data were published on the agency's website

([https://www.nalog.ru/rn77/news/activities\\_fts/10662978/](https://www.nalog.ru/rn77/news/activities_fts/10662978/)) on March 5, 2021: women entrepreneurs present 40.2% (1, 33 million) of the total number of small businesses (3.31 million).


Without worrying about the calculation methodology, we note that the share of women in small and medium-sized businesses shows a positive trend. Thus, the Index of Woman Entrepreneurs study, undertaken by Mastercard in 2017, showed that slightly less than 1/3 (32.6%) of businesses in Russia are owned by women. This result allowed the Russian Federation to take 4th place (out of 54 countries

covered in the study), yielding the first place only to Uganda (34.8%), Botswana (34.6%) and New Zealand (33.3%).

We can keep providing evidence that clearly demonstrates the significance of the segment of female entrepreneurship. However, as the Russian saying goes, "there is no rose without a thorn". There are real problems of women's business hidden behind those numbers.

COVID-19 has had a negative impact on the development of women's entrepreneurship. Suffice it to note that the Women Business Index, WBI (<https://womanopora.ru/projects/indeks-predprinimatelskoy-aktivnosti-zhenshchin/>) was 69.4 in 2019. While 43% of women noted an improvement in society's attitude to doing business; 88% of women found it difficult to open their own business due to the lack of financial opportunities (start-up capital). In 2021, the WBI has dropped to 60.1. The rest of the numbers got worse too: only 33% of women note an improvement in society's attitude to doing business;

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93% of women find it difficult to open their own business due to the lack of financial opportunities (start-up capital). At the same time, there is also a positive trend: 58% of the surveyed women entrepreneurs received additional education in the last 6 months (in 2019, the same parameter was at 50%).

In our opinion, a part of the unsolved problems in the considered area of public relations is due to the lack of proper scientific understanding by legal scholars of this direction of doing business and weak gender differentiation of legal regulation of entrepreneurship. These problems became especially acute in the context of economic resuscitation in the post-COVID-19 period.

## 2 STUDY METHODOLOGY

In the process of research, such methods of scientific knowledge as analysis, including temporal analysis, synthesis, deduction, interpretation, systematization, modeling, as well as comparative and statistical methods, were used.

## 3 RESULTS OF THE STUDY

The author of this article made a request for publications in the electronic scientific e-library on the topic "women's business, women's entrepreneurship". The search provided the following results: the sampling included 300 sources of various scientific genres (dissertation research, scientific articles, monographs, conference proceedings, etc.). Their analysis allows saying that the greatest interest in studying the problems of women's entrepreneurship is shown by representatives of sociology, less often - of psychology and economics. Legal research are presented extremely sparsely.

Suffice it to note that there are no deep developments of the very concept of women's entrepreneurship, its types, features of implementation in the domestic legal doctrine. In this regard, in this study, we describe the term "women's entrepreneurship" as a business, the owner and/or manager of which is a woman. Note that similar definitions can be found in foreign literature (Shastri, 2014).

Without setting ourselves the task of taking an inventory of all aspects of women's entrepreneurship, we will present the main directions of scientific research of this problem.

### 3.1 Issues of Women's Entrepreneurship Development

The study of foreign literature allows stating that a significant place in the works of foreign authors is devoted to identifying the specifics of women's entrepreneurship and barriers to its development - there are reviews of the literature and research results on this topic. As a vivid illustration, there is the article "Problems and Prospects of Woman Entrepreneurship - A Review of Literature" (Garg & Agarwal, 2017). It is curious that among the main problems and barriers to the development of women's entrepreneurship, the authors name and describe the following: lack of education; social barriers; financial difficulties; personal barriers (self-doubt and fear of failure, lack of entrepreneurial ability); market barriers; lack of skills; operational and other barriers caused by the abovementioned or a combination thereof (obsolescence of technology, legal formalities, lack of raw materials, lack of government support, burdensome government procedures, lack of motivational factors, direct and indirect tax issues, business location, high staff turnover, lack of public awareness of government programs, etc.). We believe that these problems do not have a nationality, but intercountry and cultural differences determine the arrangement of dominants.

To be fair, we note that such works, which combine the analysis of empirical data and bibliographic reviews, are also presented in Russian scientific literature. Thus, a great contribution to the development of this problem in the late 90s was made by sociologist A.E. Chirikova (Chirikova, 1998, 1997). A full review of the works with the identification of the main areas of research is given in the work "Objective and Subjective Factors of the Development of Women's Entrepreneurship in Russia" (Utkina, 2017). At the same time, the author rightly notes that the withdrawal of foreign Western foundations that financed the study of the "gender field" of domestic entrepreneurship from Russia has led to the decadence of works on this issue.

### 3.2 Strategies for the Development of Women's Entrepreneurship and Theories of Role Balance

The understanding of the strategies of its conduct has a great influence on the understanding of the specifics of women's entrepreneurship. Note that this aspect is international and is in the field of view of many researchers.

In our opinion, the following classification of strategies for ensuring the success of women's business, presented in the literature, which was the result of women's business study by its authors (Droz dov, Filatkina & Filatkina, 2017) of Russian and, mainly, foreign literature, deserves special attention: Group Production (Shastri, 2014); Business with Single Women (Ntanjana, Mangwane, 2020), (Jiao, Koo & Cui 2015); Man in Charge (Ntseane, 2004), (Salmenniemi, Karhunen P. & Kosonen R. 2011); Powerful Partner (Rey-Martí, Tur-Porcar A. & Mas-Tur A., 2015).

It is obvious that the productivity of women's entrepreneurial activity is largely due to the attitude of family members to their business. This is where the achievement of a balance of roles comes to the fore: a mother and a housekeeper, on the one hand, and an entrepreneur, a leader, on the other. The literature presents the following typification of emerging behavioral models: "The main earner in the family", "Equality in the family and business" and "Husband's helper" (Droz dov, Filatkina & Filatkina, 2017).

It seems that the given "telling" names do not need additional comments.

Let us name another concept of "work-and-life balance" - "Role balance", according to which "role conflicts lead to an imbalance between private and professional life, increased feelings of stress and psychological tension due to unfulfilled role expectations" (Dimitrova E.K., Tonkikh N.V., 2020). The imbalance is especially pronounced in women, which adversely affects the development of business.

In general, foreign (Obaco, Royuela, 2020), (Knodel, Vu, Jayakody & Huy, 2005) and Russian scientists pay great attention to the study of the work-and-life balance problem. Thus, the analysis of the results of sociological research carried out by the interviewing method (140 interviews) with a difference of 10 years, brought A.E. Chirikova to the conclusion that building a family according to the egalitarian principle allows a woman to harmonize family function and leadership positions in business (Chirikova, 2011). The work of E.K. Dimitrova and N.V. Tonkikh is also of interest, which shows the differentiation of attitudes towards "work-and-life balance" in different groups of the population with similar social conditions, and also identifies factors influencing the degree of satisfaction with "work-and-life balance" (Dimitrova, Tonkikh, 2020). We point out that the authors' conclusions were formulated on the basis of the results of a study of the quality of life conducted by Eurofound in 2016 and data from 2019 based on the results of a survey of

Russian women-mothers employed in online business (Tonkikh, Baranova, 2019).

It is clear to us that achieving a balance between life and work is the key to success for the development of women's entrepreneurship. Progress in this direction requires the mutual efforts of various actors: women, families, employers, the state.

### 3.3 Entry of Women into Business

Another important area of research, in our opinion, is the "entry" of women into business.

In particular, an analysis of the results of studies on the problem of gender characteristics of business inheritance by Western sociologists (Bika, 2014), (Kubíček, Machek, 2019) allows us to conclude that men inherit business more often than women. Based on the study of the results of 20 in-depth interviews with representatives of the first and second generation of business dynasties (10 men and 10 women), Yu.S. Panfilova formulated the conclusion that men are more characterized by their own motivation and ambitions when inheriting a business, while women's narratives also demonstrate forced models of succession (Panfilova, 2020).

Having set the goal of classifying the ways women enter the area of professional business activity, A.I. Voronkova undertook an analysis of data from the Forbes ranking for 2014-2017, reviewed the doctrines of female business elites, and studied materials posted in the media on this issue. Among the conclusions drawn by the author based on the results of the study, let us pay attention to the following: the "family" way of recruiting women into the business elite remains the most effective (Voronkova, 2019). Note that in the current works of foreign authors, attention is also focused on such a way for women to enter the business elite as an inheritance of a family enterprise (Campopiano, Massis, Rinaldi & Sciascia, 2017), (Erwee, Henry & Kong, 2013).

## 4 DISCUSSION OF RESULTS

The results of the study showed that the first steps in studying the "woman and business" problem were made by sociologists.

The strategies developed by the representatives of sociology and the formulated conclusions need additional study, legalization, and extrapolation to the Russian legal basis, with all its features.

In our work, we paid attention to only a small fraction of the problems of women's

entrepreneurship. It is clear that there are many more of them. These are the rank of a woman in the family business, and the trajectory of women receiving business education, and the role of women in the development of small business, etc.

A clearly defined trend for women to acquire the status of self-employed is also important. Suffice it to note that according to the Federal Tax Service of Russia

([https://www.nalog.ru/rn77/news/activities\\_fts/10662978/](https://www.nalog.ru/rn77/news/activities_fts/10662978/)), since the beginning of the application of the experimental tax legal regime for citizens, the number of self-employed amounted to 1.8 million, of which about 40% (747 thousand) - women. The income received by women from their business in the status of self-employed amounted to 32% of the total income of all citizens with this status. At the same time, in a number of constituent entities of the Russian Federation, the share of self-employed women prevails over the share of men (Republic of Buryatia - 58.66%, Kurgan Oblast - 55.62%, Zabaykalsky Krai - 55.13%, Altai Republic - 54.62%). It is obvious to us that the abovementioned results are largely due to the digitization of public services, which made doing business in a self-employment format more comfortable (Ershova, Trofimova, Davtyan-Davudova & Kochetkova, 2019).

In general, as rightly noted in the literature, "expanding access to higher education, the formation of a system of inheritance of family firms in favor of daughters, the emergence of women among major financial leaders and the growing influence of the private sector lead to an increase in interest in the field of female entrepreneurship" (Voronkova, 2019, p. 159).

Public organizations are called upon to play an important role in this case. As a positive example, we will cite the activities of the Committee for the Development of Women's Entrepreneurship OPORA RUSSIA, which implements programs to support women's entrepreneurial initiatives (<https://womanopora.ru/projects/>) and popularizes the success stories of women in business (<https://womanopora.ru/history/>).

## 5 CONCLUSIONS

The results of the study allowed drawing up some conclusions. While Russian sociologists have already made a very successful attempt to comprehend the problems under consideration, in legal science,

interest in gender scenarios in business is in its infancy, showing gaps for scientific research.

There is a need to develop a Russian legal doctrine, and on its basis - an integral legal mechanism for regulation and, in particular, support for women's entrepreneurship. This is especially significant during the recovery of the Russian economy after COVID-19.

It seems that the minimum necessary support measures should cover:

- special financing and credit - a similar system for small businesses can be used as a basis (Ershova, Tarasenko, 2018);

- preferential taxation - current models are presented in foreign legislation (Kolchin, Ha Thi, 2019);

- acceptable educational programs, including those aimed at mastering digital literacy (Ershova, Tarasenko, Enkova & Trofimova, 2020);

- special aspects of the labor law status for women entrepreneurs with minor children.

When building a system of legal regulation, it is important to take into account the foreign experience that has brought results (Kunitsina, Lipina, 2015), while preserving the national characteristics of Russian women's entrepreneurship.

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