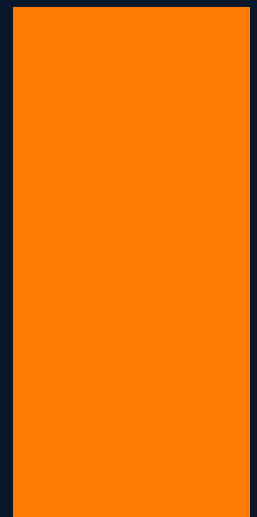
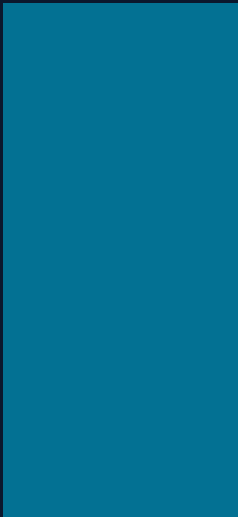

WOMEN ENTREPRENEURSHIP IN THE WESTERN BALKANS: STOCKTAKING ON CONSTRAINTS AND GOOD PRACTICES



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Title: **Women entrepreneurship in the Western Balkans:
Stocktaking on constraints and good practices**

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Western Balkans Women Entrepreneurs of the Year 2022 is Regional Cooperation Council's initiative in the framework of the Common Regional Market Action Plan 2021-2024 and Women Economic Empowerment Agenda, to recognise women who have started and developed their own business and contributed to new and sustainable jobs for other women and men in our region.

Design: **Samir Dedić**

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* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

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List of Abbreviations

ABW	Association of Businesswomen (North Macedonia)
AGE	Agency for Gender Equality (Kosovo*)
AIDA	Albanian Investment Development Agency
AWE	Academy for Women Entrepreneurs
BD	Brcko District
BEEPS	Business Environment and Enterprise Performance Survey (Bosnia and Herzegovina)
BMZ	German Federal Ministry for Economic Cooperation
BPFA	Beijing Platform for Action
CEDAW	UN Convention on the Elimination of All Forms of Discrimination Against Women
CSOs	Civil society organisations
DCM	Decision of Council of Ministers (Albania)
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EIGE	European Institute for Gender Equality
EMBRACE	Entrepreneurship Models Building Relations and Creative Economy
EU	European Union
EBRD	European Bank for Reconstruction and Development
FAO	Food and Agriculture Organisation
FIN	Farm identification number
GDP	Gross domestic product
GEM	Global Entrepreneurship Monitor
GIZ	German Society for International Cooperation
GREAT	Gender Rural Equality and Tourism
IDEA	Innovative Development for Entrepreneurs in Albania
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
ILO	International Labour Organisation
INSTAT	National Institute of Statistics (Albania)
IPA	Instrument for Pre-Accession Assistance
IPARD	Instrument for Pre-Accession Rural Development

JICA	Japan International Cooperation Agency
KCGF	Kosovo* Credit Guarantee Fund
KRK	Kosovo* Rural Crediting
LEP	Local Employment Partnerships
MARD	Ministry of Agriculture and Rural Development
MIRECK	Metal Industry and Renewable Energy
MONSTAT	Montenegro Institute of Statistics
MSME	Micro, small and medium-sized enterprises
MTBP	Medium-Term Budget Planning
NAP	National Action Plan
NAWE	Network of Albanian Women Entrepreneurs
NBC	National Business Centre (Albania)
NGO	Non-governmental organisation
NPWE	National Platform for Women Entrepreneurship
NUIS	Unique Identification Number
OECD	Organisation for Economic Co-Operation and Development
OSCE	Organisation for Security and Co-Operation in Europe
PPD	Public Private Dialogue
ProSEED	Programme for Sustainable Economic and Regional Development, Promoting Employment, Vocational Education and Training in Albania
PwC	PricewaterhouseCoopers
RCC	Regional Cooperation Council
READP	Rural Enterprises and Agricultural Development Project (Bosnia and Herzegovina)
SBA	Small Business Act
SBR	Statistical Business Register (Bosnia and Herzegovina)
SEE	South East Europe
SME	Small and medium-sized enterprises
UN	United Nations
UN Women	United Nations Entity for Gender Equality and Women's Empowerment
UNDP	United Nations Development Programme
UNSCR	United Nations Security Council Resolution
USAID	United States Agency for International Development
WAKD	Women Association of Kolubara District (Serbia)
WB	Western Balkans
WBT	Western Balkans and Turkey
WEF	World Economic Forum

List of Institutions

Albania:	
AIDA	Albanian Investment Development Agency
ASLSG	Agency for Support of Local Self-Government
MARD	Ministry of Agriculture and Rural Development
MES	Ministry of Education and Sports
MoFE	Ministry of Finance and Economy
NESA	National Employment and Skills Agency
Bosnia and Herzegovina:	
AS	Agency for Statistics
FMDEC	Ministry of Development, Entrepreneurship and Crafts
FMPVS	Ministry of Agriculture, Water Management and Forestry
MEE	Ministry of Economy and Entrepreneurship (RS)
Kosovo*:	
AGE	Agency for Gender Equality
EAG	Employment Agency of Kosovo*
KBRA	Kosovo* Business Registry Agency
KCGF	Kosovo* Credit Guarantee Fund
KIESA	Kosovo* Investment and Enterprise Support Agency
MAFRD	Ministry of Agriculture, Forestry and Rural Development
MFLT	Ministry of Finance, Labour and Transfers
MIET	Ministry of Industry, Entrepreneurship and Trade
Montenegro:	
CoC	Council for Competitiveness
IDF	Investment Development Fund
MHRMR	Ministry of Human and Minority Rights
MoA	Ministry of Agriculture
MoE	Ministry of Economy
NCC	National Chamber of Commerce
North Macedonia:	
FITD	Fund for Innovation and Technological Development
MES	Ministry of Education and Science
MoE	Ministry of Economy
MoF	Ministry of Finance
MoLSP	Ministry of Labour and Social Policy
Serbia:	
ABR	Agency for Business Registers
DAS	Development Agency of Serbia
MoA	Ministry of Agriculture
MoERD	Ministry of Economy and Regional Development

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1. Executive summary



Women entrepreneurship is on the rise in developing economies and around the world, as research carried out by organizations such as the World Bank and Regional Cooperation Council (RCC) has demonstrated. However, obstacles linger.¹ While there are differences in how challenges and opportunities manifest themselves in the Western Balkans economies when it comes to promoting and supporting women entrepreneurship, there are also marked similarities owing to cultural norms, institutional setups and other factors that unify women's experiences across different economies.

Women are still underrepresented as entrepreneurs across all Western Balkans (WB) economies, and it has often not followed the same increasing pattern as women's labour force participation. The region would have a higher GDP by 5.0 %, on average, should women participation as entrepreneurs be equal to that of men.² Even when women are present in entrepreneurial activities they are trapped in small and micro enterprises and mostly concentrated in a small fraction of economic activity, such as services. Most women in the WB economies engage in entrepreneurship out of necessity rather than opportunity, which could explain their concentration in small and micro enterprises and sectors where they are often the only one employed.

Women typically operate businesses of a smaller size compared to men. For instance, in Albania

during 2018-2020 slightly more than 95% of the companies with women owner/administrator had 1-9 employees and only around 1% had more than 50 employees. Women-owned/administered around 25.5% of Albanian firms with less than 50 employees in 2019-2020. In North Macedonia, the latest available figures correspond to 2017, with 29.3% of small and micro, 2.4% of medium, and 3.1% of large firms (with more than 250 employees) having at least one female owner with at least 50%. In Montenegro, in 2020 women-owned at least 50% of 22.9% of active small and medium firms in the economy, showing an increase by 2.3 percentage points since 2016. No data are available for other economies.

All WB economies have made significant leaps in developing an enabling legal and policy framework in support of entrepreneurship in general, as well as targeted towards encouraging the flourishing of women's entrepreneurship more specifically. In 2019, the Small and Medium-sized Enterprises (SME) Policy Index for the Western Balkans and Turkey gave a score of 2.94 out of 5 for the region.³ According to the scoring details this means that the region has a solid policy and strategic framework in place but falls short of effective implementation and monitoring and evaluation to ensure that the design and implementation of policy frameworks is based on evidence and data collection. In this regard, there is much room for improvement across all economies

1 World Economic Forum. July 2022. Global Gender Gap Report: Insight Report. Online: https://www3.weforum.org/docs/WEF_GGGR_2022.pdf

2 Regional Cooperation Council. 2022. Comparative Report on Women's Employment in Western Balkans. Online: <https://www.esap.online/docs/188/rcc-esap-2-regional-comparative-report-on-womens-employment-in-western-balkans>.

3 Small Business Act of Europe. 2019. SME Policy Index for the Western Balkans and Turkey. Online: <https://www.oecd.org/countries/republicofnorthmacedonia/sme-policy-index-western-balkans-and-turkey-2022-b47d15f0-en.htm>

to ensure that legal frameworks are accompanied with the appropriate human and financial resources to guarantee effective implementation.

Women face a variety of barriers in accessing entrepreneurial activities. These are of technical nature, related to administrative burdens in registering businesses, lack of access to financing opportunities and other obstacles related to business environment. A good example in overcoming these barriers is found in Albania, where digitalisation of many services, including business registration, has significantly cut costs and time for registering new business, from which women have also benefitted. This provides an opportunity for addressing challenges related to administrative burdens.

Traditional gender norms, prevalent across all the economies in the region, form one of the key obstacles for women's entry to entrepreneurial activities. Similar in all economies analysed, women carry much of the burden of unpaid work, due to perceptions of their roles within the family. In addition, "son preference" across the region is manifested in lack of property ownership. Despite legal frameworks in place that formally guarantee equality before the law in terms of property ownership and inheritance, the reality speaks of strongly patriarchal societies and women owning a small or insignificant percentage of property. This is even more emphasised in land ownership, whereas a considerable number of women are engaged in agriculture, albeit not as farm and landowners but rather unpaid family workers.

If there is to be a meaningful increase in women's entrepreneurship, it is important to address these structural barriers, alongside programmes that support women engagement in entrepreneurship.

A successful practice with significant results was undertaken in Kosovo* where the Agency for Gender Equality (AGE) adopted an administrative instruction to incentivise couples to register property as joint-ownership. This policy doubled women's ownership of property from less than 10% to 19%. Higher property ownership improves women's access to finance and in turn their opportunities for entrepreneurial activities or pursuit of growth potential for current business owners.

The region also illustrates some good practices in supporting women's entrepreneurship, and in particular those related to communication and awareness-raising actions. For instance, the annual Golden Bee event in Albania; good practice sharing, networking and communication support activities in Bosnia and Herzegovina through the Association of Women Entrepreneurs and Women's Entrepreneurship Council; Good Practice awards in Montenegro; and Success Flower sharing visibility, role models and networking promotion event in Serbia. These are further analysed in subsequent chapters.

The COVID-19 pandemic showed that women entrepreneurship is particularly exposed to risks of failures, as the savings of companies owned by women are smaller than those of men; and women still have less assets to obtain finances that will provide for liquidity of their operations during economic crises. This being said, women's entrepreneurship is "more fragile", and it needs to be provided with more consistent support, especially during crises. Therefore, while there are promising practices and steps, more is needed to truly achieve equality of opportunity in the area of entrepreneurship.

2. Introduction



Worldwide, women are playing a more prominent role in private sector development, particularly in the small and medium enterprise landscape. Globally, **one in three businesses are owned by women**. They also represent about **one in three growth-oriented entrepreneurs** active today⁴ and they are on the rise in developing economies. **Small and medium size enterprises with at least one woman owner are by now 8-10 million entities in developing economies.**⁵

According to the 2021 Global Entrepreneurship Monitor (GEM) report one of the key findings of entrepreneurial activity during the COVID-19 pandemic speaks to a high growth of women entrepreneurship. Among the economies in the GEM 2020 survey, an estimated 274 million women globally are involved in business startups in addition to 139 million women owners/managers of established businesses and 144 million women informal investors globally.⁶ The trends noted in this report point to the fact that women are not only closing the gap with men in startup activities but they are also involved increasingly in high-growth entrepreneurship, making a significant impact in their markets, communities and economies.

Entrepreneurship in the Western Balkans in general has been a driving force of development and a growing source of employment. Private sector

development, especially in forms of entrepreneurial activities has been an important source of innovation and linking with global markets and new industries. While there are positive trends in female entrepreneurship, challenges linger, globally and in the WB. These challenges range from deeply rooted social norms that prevent women from undertaking activities that are considered outside their traditional roles in the family, to high procedural and financial costs of doing business which affect women disproportionately. Western Balkans economies continue to face significant gender gaps in various domains, including employment and labour market participation. Closing these gaps can significantly increase the region's growth prospects as research around the world has shown the benefits of women-led enterprises, women participation in employment, and other economic activities.⁷

The following document provides a state of play of women entrepreneurship in the Western Balkans economies, aiming to provide key findings and recommendations through an actionable roadmap for each economy. While the analysis is conducted separately, there are striking similarities, both on key positive developments as well as challenges faced by women entrepreneurs. Therefore, the report takes both a comparative perspective and an economy specific one.



- 4 Global Entrepreneurship Research Association. 2021 Women's Entrepreneurship Report: Thriving through Crisis. London Business School.
- 5 World Bank. 2022. Female Entrepreneurship Resource Point.
- 6 Global Entrepreneurship Monitor. 2022. 2020-2021 Global Report. Online: <https://www.gemconsortium.org/report/gem-20202021-global-report>
- 7 World Bank Blogs. 2018. The key to unlocking the economic potential of the Western Balkans? Women. Online: <https://blogs.worldbank.org/europeandcentralasia/key-unlocking-economic-potential-western-balkans-women>

3. Methodology



3.1. Approach to the preparation of the study

The preparation of this report employed two key approaches⁸ which combined policy review, desk research and field qualitative data collection through semi-structured interviews. The methodology allows for an opportunity to deliver rapid findings, based on the following:

- Secondary data review and analysis, including a review of documents, progress within the legal framework, review of statistical data and administrative data, carrying thus a brief evaluation of gender mainstreamed legislation, integration and perspectives in policies relevant to women entrepreneurship and special

measure for women economic empowerment and advancement.

- Primary data source analysis carried on the information collected through semi-structured interviews, with the aim to provide an independent assessment from relevant stakeholders.

Finally, in order to validate data, findings and preliminary recommendations, a series of consultation meetings were organised (in mixed formats, online or hybrid) with all economies of the region⁹.

3.2. Limitations to the study

For all economies, there are few topic-related monitoring, evaluation and other reports implemented in a sustainable manner¹⁰ by business associations, public institutions, etc., thus analyses of women entrepreneurship are limited, especially at the local level.

Majority of institutions do not provide publicly available data to be assessed or this data is not

gender disaggregated. Surveys related to the activity of women entrepreneurs are also missing.

To respond to these limitations, the analysis displays statistical data available in official and publicly available sources and empirical evidence collected in secondary literature related to women's economic empowerment and promotion of entrepreneurship.

8 This evaluation is carried out in accordance with principles outlined in the UNEG Ethical Guidelines for Evaluation, dated March 2008 and revised lastly in 2020.

9 Regional Cooperation Council | Western Balkans Women Entrepreneurship talks (rcc.int)

10 Assessment of the environment for women entrepreneurship in Albania. ILO. Albanian Professional, Businesswomen and Crafts Association. October 2013

4. Comparative overview



Western Balkans economies fared better in the 2022 SME Policy Index compared to the 2019 assessment in the first dimension “Entrepreneurial learning and women’s entrepreneurship”, scoring overall 0.18 points higher than in 2019. Kosovo* and Montenegro experienced most improvement according to the overall scores, while Serbia and North Macedonia scored slightly worse in 2022 compared to 2019.

In general, the report notes that women’s entrepreneurship has received increased attention, more visibility and increased partnerships. However,

the assessment also notes that there are more informal partnerships rather than formalised ones led by institutions.¹¹ Additionally, similar to the findings of this analysis, the Organisation for Economic Co-Operation and Development (OECD) study calls for a reduced implementation gap between policy commitments and practical implementation of the legal framework. A major deficiency across different economies is also the lack of gender-disaggregated data, which significantly impacted the ability of this report to make evidence-based and data driven analysis and conclusions with policy implications.

Table 1. The gap in policy commitments and practical implementation of legal framework in WB economies

	Albania	Bosnia and Herzegovina	Kosovo*	North Macedonia	Montenegro	Serbia	WB Average
Planning & design	3.80	4.20	3.40	2.60	5.00	4.60	3.33
Implementation	4.02	3.49	3.49	2.96	4.11	3.76	2.95
Monitoring & Evaluation	3.00	4.25	3.00	1.00	3.50	3.00	2.33
Weighted average (2022)	3.75	3.85	3.36	2.46	4.26	3.86	3.73
2019 score	2.62	3.26	1.99	1.97	3.46	4.35	3.12

Source: OECD, 2022

Looking only at the sub-dimension “women’s entrepreneurship”, there are significant improvements especially for Kosovo*, whose score jumped from 1.99 to 3.36 overall, with a marked improvement in implementation of the legal framework. Albania also saw a marked improvement of its score in 2022 compared to 2019 (from 2.62

to 3.75), with the most significant improvement in implementation, which jumped from 2.71 to 4.02. Serbia is the only economy which saw its score decrease between 2019 and 2022 from 4.35 to 3.86, with most significant decrease in the area of monitoring and evaluation.

11 OECD. 2022. SME Policy Index for Western Balkans and Turkey. Online: https://www.oecd-ilibrary.org/sites/b47d15f0-en/1/3/3/index.html?itemId=/content/publication/b47d15f0-en&csp_=b5a16c86b95668086c3db0036af219ad&itemIGO=oecd&itemContentType=book#section-d1e14690

Profile of women entrepreneurs

While there is general agreement that the number of women entrepreneurs in the WB economies has increased in the last two decades, there are still challenges in measuring and comparing between economies. First, as this analysis will show and other reports have demonstrated, **sex-disaggregated data on business ownership are scarce**. While there are business registries in the economies of the region, indicators are often missing the gender components. Some economies have started producing these statistics only recently, such as Kosovo* and Montenegro. Second, it is hard to draw comparisons between economies due to differences around definitions and methodologies of counting entrepreneurs. As such, in Albania, Kosovo* and Serbia, disaggregation of business statistics by gender considers both the gender of owner and that of the administrator, while in other economies the statistics on women ownership refer to ownership of companies by at least one woman owning a share of at least 50%. Categories of sizes of businesses also differ. For instance, in Montenegro, a large business is considered one with over 250 employees while in Albania the same category is used for companies with over 50 employees, which is a significant difference. These differences not only make difficult the comparison between economies but also between series of the same economy in different years.

Despite these challenges, a few important similarities and differences emerge, which allow drawing conclusions and recommendations for moving forward to encourage women entrepreneurship in WB economies. **The most frequent profile of a woman entrepreneur in the region is that of a small business owner, registered as a physical person rather than LLC or joint stock company, who has started a company more out of necessity rather than opportunity.**

On average, in the Western Balkans economies 1 in 3 entrepreneurs are women, with small differences. The highest numbers according to available data are found in Serbia, with 33%, followed closely by Montenegro with 31.3% and Albania with 31%. Based on available data only in Republika Srpska/Bosnia and Herzegovina, women comprise 27.1% of business owners and in North Macedonia this figure is 29%. The number of women farmers¹² has markedly increased since 2018 in Albania, while in Kosovo* this number remains considerably low, at 5% of all farm holders, while women dominate with 58% of women serving as family labourers in the farms. In Montenegro, there are above 14% of women farm holders.

Most typical business led/owned by a woman in the economies of the WB would be a small-sized firm with 1-4 employees. Such phenomenon is common on a global scale, as there is tendency for women to operate small and non-capital-intensive sectors. In addition to being highly concentrated in micro, small and medium enterprises, majority of women own enterprises in the area of services and trade. This is the case in Bosnia and Herzegovina, Albania and Kosovo*. In Serbia, differently from other economies, agriculture ranks second in the number of women self-employed in these sectors, followed by manufacture. In Bosnia and Herzegovina, 11% of women own companies in the area of information and communication, ranking behind services, trade and scientific and technical activities which is not the case in the other economies of WB.

This high concentration in micro and small enterprises is closely linked to the typology of businesses in the economies of the region, which display similar features. According to the 2022 SME Policy Index published by the OECD, in 2020 small and medium enterprises made up 99.7% of all enterprises in the region, with micro-enterprises

.....
12 Throughout the document women farmers refer to owners of agribusiness.

accounting for the vast majority (90.1%).¹³ The trend has been upward in the number of SMEs per inhabitant, with an average increase of 13.1% in the region since 2017, associated with an improved business environment especially in starting a business as well as a maturing entrepreneurial culture. SMEs in Bosnia and Herzegovina contribute the least to overall business employment, at approximately 63.1% of total business employment. This attests to over-presence of large public-owned enterprises, which employ approximately 80,000 people and account for an estimated 11% of employment in Bosnia and Herzegovina. By contrast, Albania's SMEs account for 81.6% of the economy's total business employment. On average, an Albanian SME, excluding entrepreneurs, employs 5.5 persons, the highest in the WB region, which raises concerns about the SMEs' productivity. By contrast, Montenegro's SMEs contribute 77% of value added to GDP, up by 6.5 percentage points in the same period.¹⁴

Women not only tend to be less involved in entrepreneurship, they also typically operate different types of businesses to those of men, which may lead to women facing different challenges and needing different support. There are multitude of factors contributing to these characteristics and profiles of women entrepreneurs in the region. A

strong factor relates to traditional gender roles in the family and in the larger community, which adds challenges and barriers to women wanting to pursue entrepreneurship. Women carry significant burdens of care within the household and strict gender roles may have contributed to their entrapment in small enterprises mostly in the services industry which does not generate significant added value to the economy. Traditional social norms also restrict women to access, and exploit, human, financial and social capital. Access to finance was identified as a significant challenge, which is closely linked to property and land ownership.

Entrepreneurship is historically considered as a "masculine" phenomenon, sustained by cultural, social, and economic processes, and is embedded in social and cultural attitudes and norms.¹⁵ The small number of women owners of firms is also a detrimental factor, and this is not only true for entrepreneurship but also for women to engage in non-traditional fields of education, and occupations, such as scientists and engineers. Other reasons could involve weaknesses in the institutional framework and public policy initiatives that would promote women entrepreneurship, ownership of property that could be used as collateral, and lack of access to finance, public procurements, business networks and other business support mechanisms.

Legal framework

All economies of the Western Balkans have a conducive legal framework on women's entrepreneurship and gender equality more broadly. These principles are enshrined in dedicated laws and policies for the empowerment of women and achievement of gender equality. All economies have approved a law on gender equality and accompanying strategies on gender equality, which

enshrine the principles of non-discrimination in the area of employment and economic contributions.

While there are dedicated laws and strategies on gender equality across different economies this is not the case with promotion of women's entrepreneurship. Most economies in the region have taken a cross-sectoral approach to promoting

13 OECD. 2022. SME Policy Index for Western Balkans and Turkey. Online: https://www.oecd-ilibrary.org/sites/b47d15f0-en/1/3/3/index.html?itemId=/content/publication/b47d15f0-en&_csp_=b5a16c86b95668086c3db0036af219ad&itemIGO=oecd&itemContentType=book#section-d1e14690

14 Ibid.

15 Hamilton, E. (2013), *Entrepreneurship across generations: narrative, gender and learning in family business*, Cheltenham: Edward Elgar Publishing.

and empowering women as entrepreneurs. The exception is found in Bosnia and Herzegovina (Republika Srpska only), North Macedonia and Montenegro, which have an approved strategy or action plan on women's entrepreneurship currently in place. Albania had an action plan on women's entrepreneurship which ended in 2020 and was then integrated in different strategies rather than being a standalone document.

In Albania, specific objectives on women's entrepreneurship are included in the National Strategy on Gender Equality (2021-2030) as well as in the Investment Development Strategy (2021-2027). In Kosovo* the National Strategy for Innovation and Entrepreneurship (2019-2023), currently in place, also puts women's entrepreneurship as one of the pillars of innovation and entrepreneurship. However, this strategy groups women and youth in the same pillar, not prioritising each group individually. In Bosnia and Herzegovina (only in Republika Srpska) there is a dedicated Strategy on Women's Entrepreneurship Development (2019 – 2023). A similar strategy is also being implemented in Montenegro, the Strategy for Development of Women's Entrepreneurship 2021-2024,¹⁶ which is an umbrella document aimed at strengthening the position of women in business. In North Macedonia, the Strategy for Women Entrepreneurship Development 2019-2023 is the overarching plan guiding the government policy on this issue.¹⁷ The Strategy envisions that women's entrepreneurship is strengthened through enhanced and coordinated activities involving different factors, thus making female entrepreneurship a force that contributes to development of entrepreneurial climate and the economy. Lastly, principles of women's entrepreneurship are included in the Strategy for development of SMEs in Serbia, with the majority of the document being gender neutral.

As noted above, the business environment in the economies of the WB has improved markedly, especially in the area of starting and registering a business. This is notable in Albania where the integration of over 1,000 public services to an online platform has made Albania the only WB economy to have streamlined registration and licensing under its one-stop-shop and introduced digital distribution of licensing officials. This has significantly reduced the burden of registering a new business. Kosovo* ranks 12th in the world in starting a business category. This is not to say that there are no barriers to doing business, especially for women, who face a multitude of obstacles from access to financing to administrative burdens across different economies. In this regards, Bosnia and Herzegovina and Montenegro fare worse in the category of starting a business, ranking 184 and 101 respectively in the 2022 Doing Business Report out of 190 economies.¹⁸ Therefore, there is much to learn from other economies in the region in terms of improving conditions for starting and operating a business, which directly impacts the ability of women to enter the world of entrepreneurship.

Having strategies and action plans in place to promote women entrepreneurship is an important but not sufficient step to achieve the goal. It is important to have in place both institutional mechanisms as well as dedicated financial resources to achieve the overall goals set in those strategies and action plans. In Albania, a positive development in this regard has been an incremental budget allocated to gender responsive budgeting, which saw an exponential increase from a share of 1% of overall budgetary expenditure in the period 2015-2017 to a share of 9% in the period 2021-2023.

Institutionally, there is no single entity dedicated to implementing legislation and strategies on women's

16 Ministry of Economic Development Montenegro, 2021. *Strategy for the development of female entrepreneurship in Montenegro 2021-2024*. Available at: <https://www.gov.me/cyr/dokumenta/0a95b4be-c3f4-4f9b-8c36-964d9684c885>

17 Ministry of Economy. 2018. *Strategy for Women Entrepreneurship Development in the Republic of Macedonia 2019-2023*

18 World Bank Group. 2020. *Doing Business: Montenegro*. Online: <https://www.doingbusiness.org/content/dam/doingBusiness/country/m/montenegro/MNE.pdf>

participation in entrepreneurship. In Albania for instance, there is no specific institution in charge of implementing and monitoring promotion of women entrepreneurship. The latter is embedded within specific departments of the Ministry of Finance and Economy, which does not have sufficient human and financial resources to dedicate exclusively to entrepreneurship. In Montenegro, institutional support is also additionally provided through the Council for Competitiveness, which strongly fosters

an ecosystem for women's entrepreneurship. The Council's working group on Economic Empowerment of Women is explicitly supporting implementation of the Strategy for women's entrepreneurship. Therefore, a good practice to adopt in the WB economies relates to dedicated formal institutions and agencies in charge of implementing strategies to promote women's entrepreneurship. This way, there is increased accountability and a commitment to achieving results and impact.

Enabling factors

Promotion and expansion of entrepreneurial activities are ultimately correlated with good property rights protection, efficient contract execution, and the rule of law. Even though all economies of the region have in place laws that ensure equality between men and women in property ownership, in reality women own a very small fraction of property and land compared to men. In Albania, for instance, only 31% of women own a house and 14% own land, while the share of men is 52% and 28% respectively. Albania ranks 99th in the world in the International Property Rights Index, while Serbia and Montenegro fare better in the region, ranking 80th and 59th globally. Bosnia and Herzegovina ranks the worst at 102nd place. Implementation of legislation is often hindered by discriminatory cultural and social attitudes, practices at the institutional and community levels, and women's lack of knowledge of their rights. According to research, in Bosnia and Herzegovina, 74% of residential buildings are owned solely by men¹⁹ which has immense impact and hinders women's entrepreneurship.

One of the most common enabling factors in the Western Balkans economies is related to networking and information sharing. As such, associations in support of women entrepreneurship have flourished across different economies over the

years. In Bosnia and Herzegovina, for example, some prominent examples include the Association of Businesswomen in Bosnia and Herzegovina, BiHUB – Support for women's entrepreneurship, and the Entrepreneur – magazine for women entrepreneurs. Another example of enabling women's entrepreneurship, especially in agriculture, is the agricultural clusters which are present in Republika Srpska regions, such as the Gradiška-Laktaši-Srbac cluster. They are considered gender-neutral but have included women's agricultural businesses as well. In Kosovo* women are represented through business associations and chambers of commerce. Apart from membership in the main chambers of commerce, women entrepreneurs established G7, the women's chamber of commerce. In North Macedonia, business chambers have been an active stakeholder in policy dialogue with the government, but gender specific approach in their advocacy is lacking although women are represented quite high in their management. The Association of Business Women (ABW) in North Macedonia aims to connect businesswomen at the local, regional, economy and international level and facilitate generation of new business. It supports female entrepreneurship and lobbies for better conditions for women in the workplace.

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19 UN Women. 2021. Profil rodne ravnopravnosti u Bosni i Hercegovini. Sarajevo, Bosna i Hercegovina.

Good practices

There are several established good practices in the region and beyond that speak to the importance of women entrepreneurship and collaboration to achieve gender equality in this area. Some of these examples include:

- **Balkan Women Coalition** rose and was developed from organisations from the wider Balkan area. The aim is to create a stable and multinational network of institutions and organisations from the region in order to develop qualifications and help women in the business field.
- **WEgate** – an online platform that aims to help women entrepreneurs to start and build up their business with the help of its engaging community and knowledge sharing. WEgate wants to enable them to find the best networking opportunities, experienced mentorship and a space for growth.
- **Enterprise Europe Network** helps businesses innovate and grow on an international scale. It is the world's largest support network for small and medium-sized enterprises (SMEs) with international ambitions. The Network is active worldwide. It brings together experts from member organisations that are renowned for their excellence in business support.
- **AFAEMME** is the federation of Mediterranean businesswomen associations, launched in 2002 in Barcelona (Spain). AFAEMME is currently comprised of 61 businesswomen organisations from 24 Mediterranean economies. AFAEMME is a coordinator of Euro Mediterranean business, gender equality projects and ground-breaking research, and also serves as a networking platform for businesswomen and women entrepreneurs in the Euro Mediterranean region and a Lobby for strengthening gender equality and facilitating the access of women to decision-making positions in the economy.
- **FCEM** is the pioneer association uniting women business owners from around the world. Founded in France in 1945 at the end of World War II by Yvonne Foinant, and months before the United Nations, the Association quickly spread into other European countries and the 5 continents. FCEM brings together in solidarity and friendship like-minded women who share a common interest: that of entrepreneurship.

5. Women entrepreneurship in Western Balkans economies



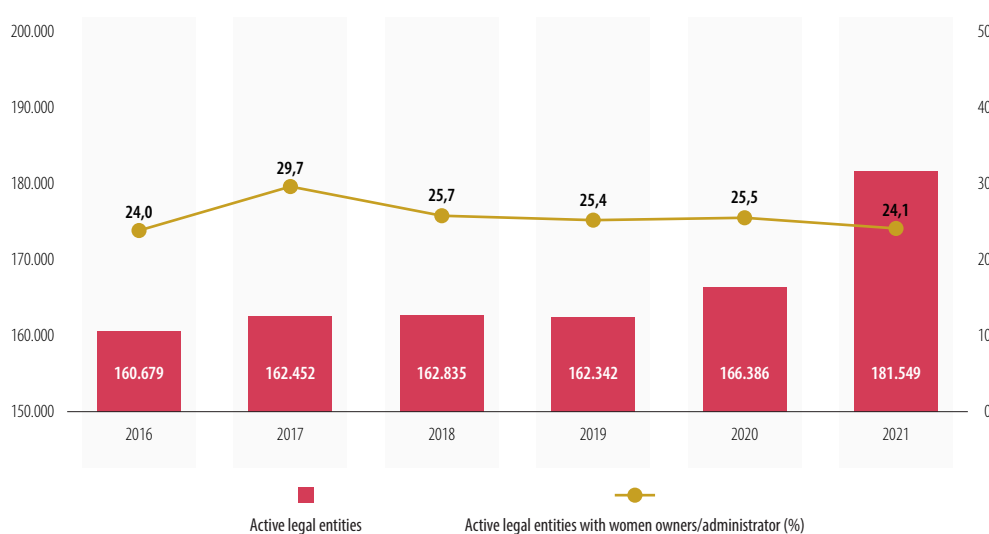
5.1. Women entrepreneurship in Albania

5.1.1. Profile of women entrepreneurs

Almost three decades ago, at the end of 1994, private enterprises run by women constituted 21% of active enterprises in the economy.²⁰ By 1998 this number decreased to 17.5%, only to improve by 10 percentage points by 2016. Out of all legal entities contributing to Albania's GDP, **24.1%** or **43,724 active legal entities had a woman owner or administrator** in 2021. The highest share of women

administrators/owner in legal entities is in the public ones and Non-Governmental Organisations (NGOs) or international organisations with 36.1% for each category. Out of 62,922 farmers in 2021, 6,807 or 10.8% were women and out of 29,152 new legal entities in 2021, **21% were led or owned by a woman**, a lower figure compared to previous years.

Figure 1. Active Legal Entities by Gender or Owner/Administrator, Albania



Source: INSTAT, Business Register 2021

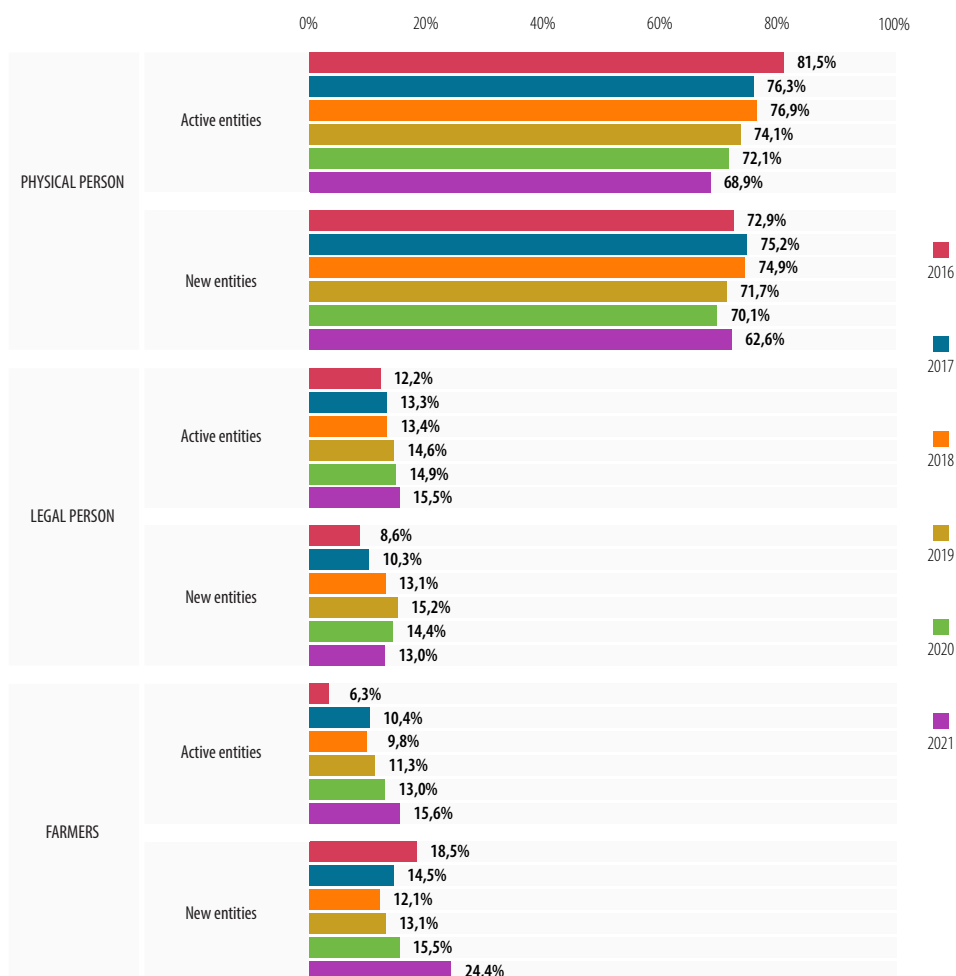
20 Women Entrepreneurs in Albania, Bezhani. M. Geneva, International

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Additionally, data demonstrate that the highest share of women in business in Albania is in entities known by the Albanian legislation as physical persons with 34.2% of the total being women, followed by limited

liability companies and joint stock companies with a respective share of 20.1% and 18.4% by the end of 2021.²¹

Figure 2. Active and new legal entities owned/administered by women (2016-2021), Albania



Out of all physical persons in Albania, 68.9% were women in 2021 and only 15.8% farmers. The trend of new entities/physical persons being represented by a woman increased progressively during 2016-2019, by an average of 2 percentage points. This progress stalled during the pandemic and saw a decrease in 2021.

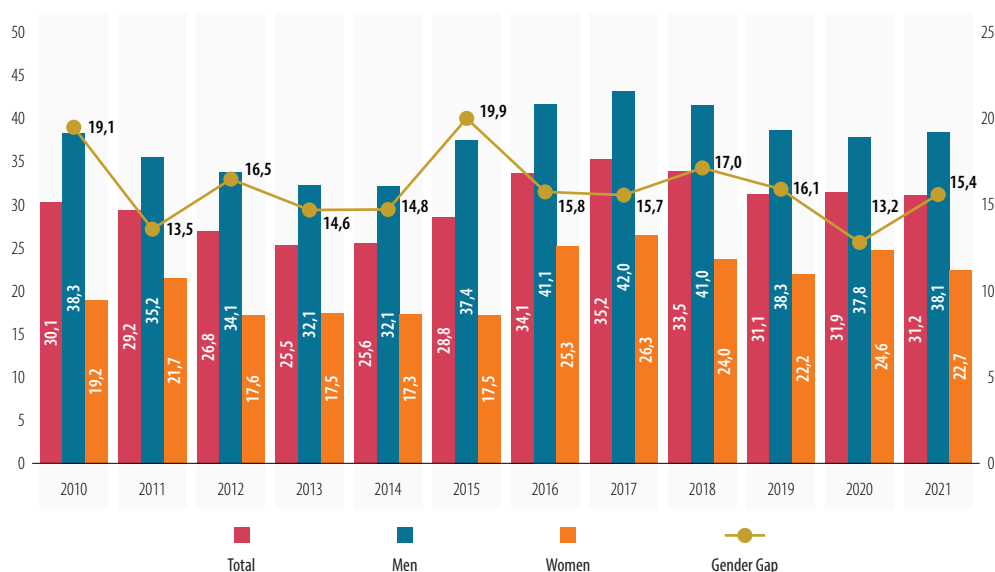
The trend is more positive in terms of women farmers being registered annually, as from 2018, **women farmers' registrations demonstrate an increasing trend, with a sharp increase in 2021.**

In terms of self-employment, women are also represented with a lower share as compared to men. Self-employment for women reached its peak in 2017, with a similar trend in the total value. **The gender gap shows a positive decline**, showcasing best ever results in 2020, due to an increase in self-employed women. Being self-employed was a "new" way of adapting to the conditions of working from home and is also possibly related to benefits arising from support packages delivered by the government.

21 INSTAT. 2021. Business Register.

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Figure 3. Self-employed to total employment figures 2010-2021, Albania



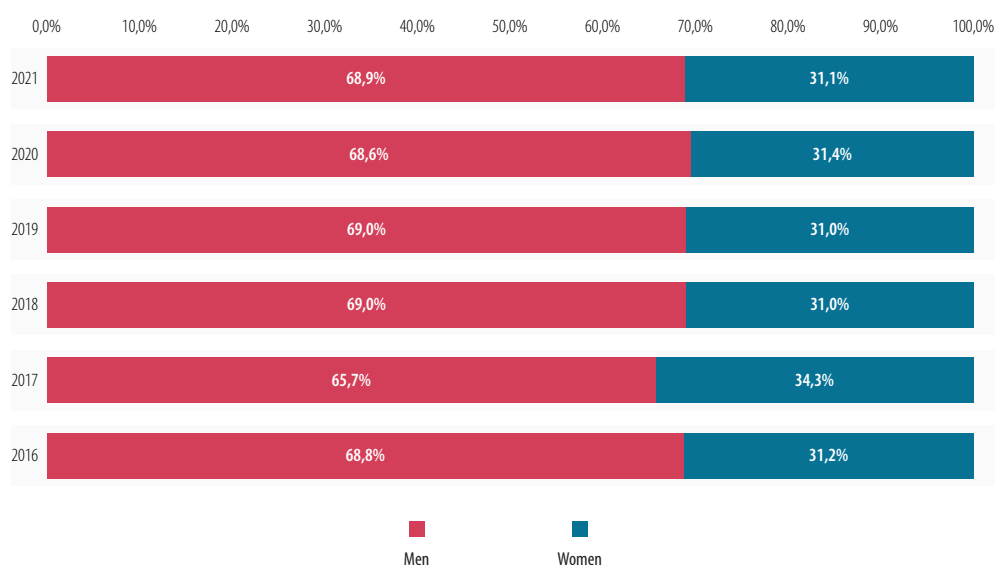
Source: Labour Market Statistics, INSTAT, 2022

According to data reported in the Business Register by the National Institute of Statistics (INSTAT), the best year for women entrepreneurship in active enterprises across the economy scored 34.3%. From that year, there was a decrease by almost 3 percentage points, reaching 31%, almost unchanged for 4 years. This change is particularly linked to a drop in new entities being registered by

women as physical persons in 2018, similarly to self-employment data reported earlier.

Women entrepreneurs run about 36,917 out of a total of 118,627 companies of all sizes across Albania by the end of 2021. Nonetheless, the share of women entrepreneurs in the Albanian economy, including farmers has seen a slight decrease from the previous year, reaching 24.1% compared to 25.5% in 2020.

Figure 4. Active Enterprises by gender of owner/administrator (%), Albania



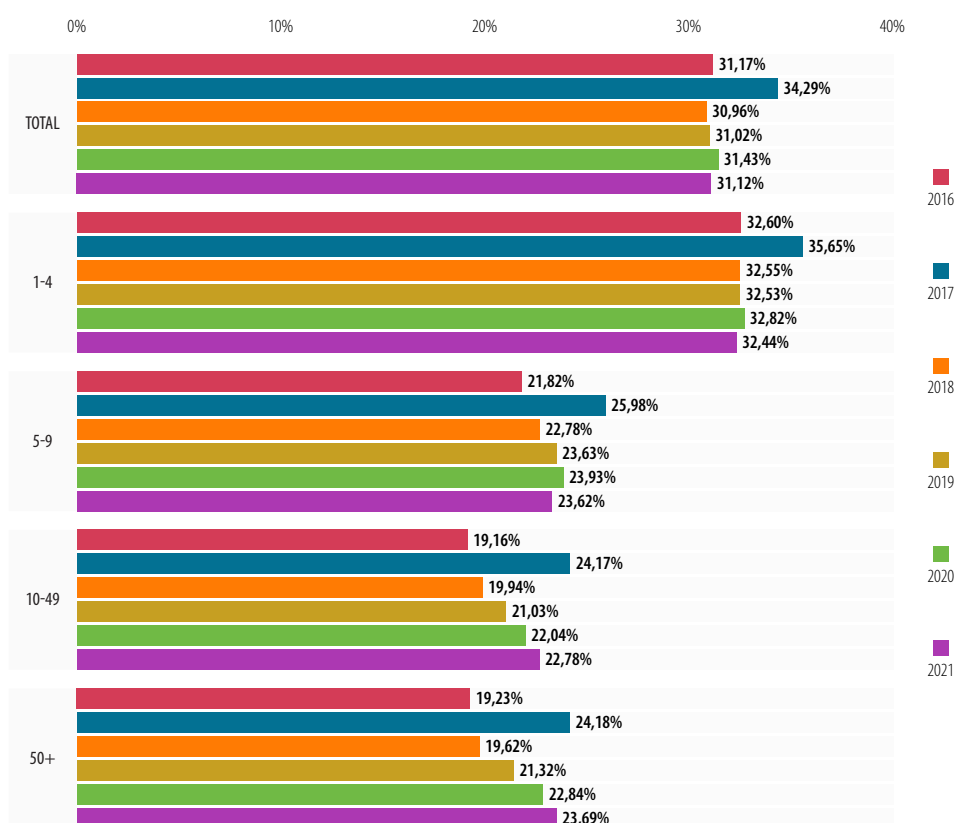
Source: INSTAT, Business Register 2021

With one out of three entrepreneurs being a woman in Albania, concerns about their access to entrepreneurial opportunities, access to finance and know-how remain very much present. Two decades ago, the main reasons for women's low participation in the business world were gender-related divisions of labour, lack of capital resources, higher exposure to violence, etc.²² Albeit the progress made, all the above remain persistent issues today as well.

These data demonstrate that **women entrepreneurship tends to change little over**

time, a phenomenon noted in earlier research studies for Albania. The average share of women entrepreneurship in the last five years is respectively 31.67% excluding farmers, and 26.2% including them, with the best performing year in both cases being 2017. These numbers in 2017 are vis-à-vis the share of entities with a women administrator/owner with 1-4 employees. In the last 6 years, the structure of women businesses has not seen much development.

Figure 5. Active entities with women owner/manager by firm size (%) (2016-2021), Albania



Source: INSTAT, Business Register 2021

There are however few positive dynamics within the data, as the share of entities with more than 10 employees has increased by 3.61 and 4.45 percentage points in 2021 for firms with a size of 10-49 employees and 50+ employees. There was also a relevant increase of these latter categories

of enterprises in 2017, being 24.17% and 24.18% respectively, at the highest level reported.

Nonetheless, most typical business led/owned by a woman in Albania would be a small-sized firm with 1-4 employees. Such phenomenon is common on

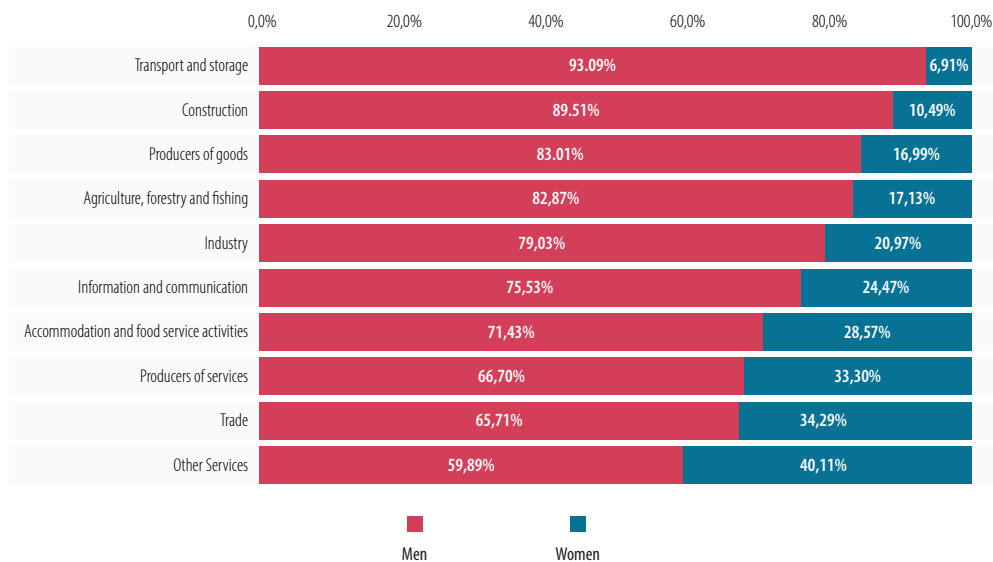
22 Ibid.

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a global scale, as there is tendency for women to operate small and non-capital-intensive sectors.²³ In 2021, 40.11% of active enterprises with women owner/administrator were focused on the economic activity “Other services”, followed by “Trade” with

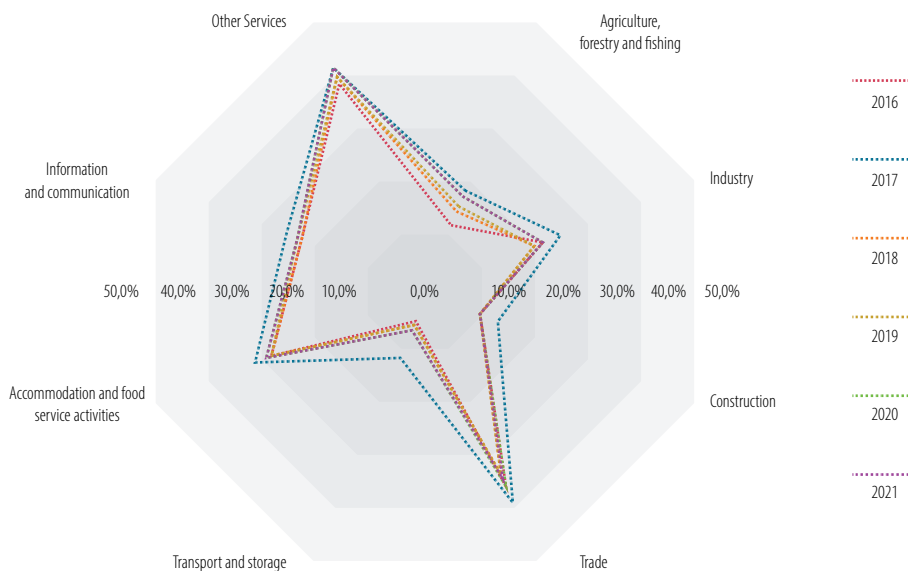
34.3% and “Accommodation and food services” with 28.57%. The sectors with the lowest representation of women are “Transport and storage” and “Construction”, considered as men dominated sectors.

Figure 6. Active entities by gender of owner/administrator and economic activity (%) 2021, Albania



Source: INSTAT, Business Register 2021

Figure 7. Active women-led/owned enterprises by economic activity 2018-2021, Albania



Source: INSTAT, Business Register 2021

Graph seven compared data on the economic activities where women do business. As noted in other studies, the structure of women's entrepreneurship tends to change little over the

23 Regional Cooperation Council. 2020. Women's Economic Empowerment: Areas for joint actions in the Western Balkans.

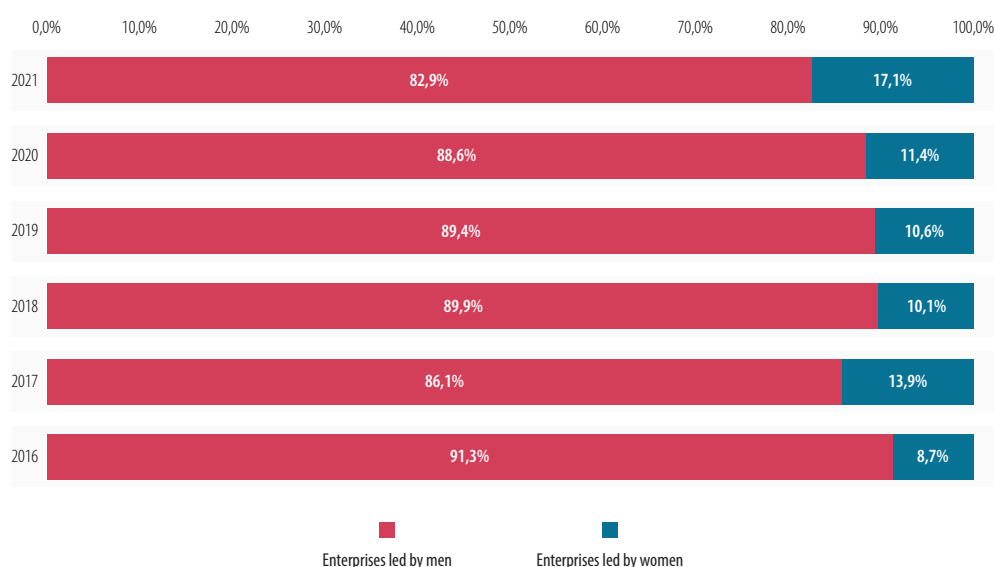
years.²⁴ The figure clearly supports this statement, where no relevant changes are seen in other services, trade and accommodation and food service. The higher involvement of women in services and trade, compared to other sectors is a structural phenomenon, deriving from recent post-communist developments within the economy and the overall economic structure.

There are more notable differences, only at a 20 years' window comparison, whereas in 2001 the key sectors for women entrepreneurship were trade, services, industry and agribusiness,²⁵ and by now

information and communication and other services have higher relevance.

When focusing on active enterprises in agriculture, fisheries and forestry, women have a very low participation in entrepreneurship in the sector. **Women lead on average only 12% of enterprises in the sector.** It is important to note that, excluding farmers, the number of remaining enterprises is low, thus making agro-processing an economic activity with much undiscovered potential. In 2021 only, out of 1354 enterprises in agro-processing 232 were led by women across Albania.

Figure 8. Active enterprises in agriculture, forestry & fishing by gender of owners/administrators, Albania



Source: INSTAT, Business Register 2021

There has been some very positive change in terms of data, as in 2021 the share of women-led enterprises in the sector almost doubled compared to 2016. Such developments can be arguably related to opportunities being provided to women in agro-

processing sector regarding financing options such as IPA Rural Development (IPARD) Programme. A positive figure is noted in 2017 in line with an overall improved landscape for women entrepreneurs in Albania.

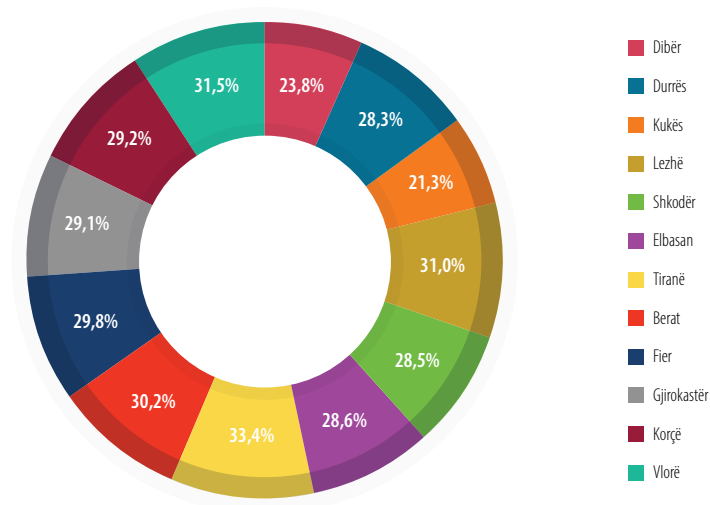
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24 Women Entrepreneurs in Albania, Bezhani. M. Geneva, International Labour Office, 2001

25 Ibid.

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Figure 9. Active by region (NUTS 3) and women owners/administrators (%) 2021, Albania



Source: INSTAT, Business Register 2021

The dominance of producers of services is a phenomenon across all the geographical distribution in the economy. In terms of regions within the economy, Tirana has the highest percentage of women entrepreneurs at 33.4% of active enterprises, followed by Vloora or Lezha depending on the year of assessment. When discussing solely women enterprises, as per the definition in the legal framework, no major differences are noted.

Figure 10. Active women-led/owned enterprises by region (NUTS 3) 2016-2021, Albania



Source: INSTAT, Business Register 2021

When considering all legal entities, including enterprises and farmers, some regions in Albania have seen a major geographic shift in all sectors, including agriculture. Whereas such component of the local economy has decreased in time in areas like Berat, Fier, and Korçe, numbers have improved in areas like Kukës, Dibër, and Lezhë. The map has reversed with Berat becoming the city with the

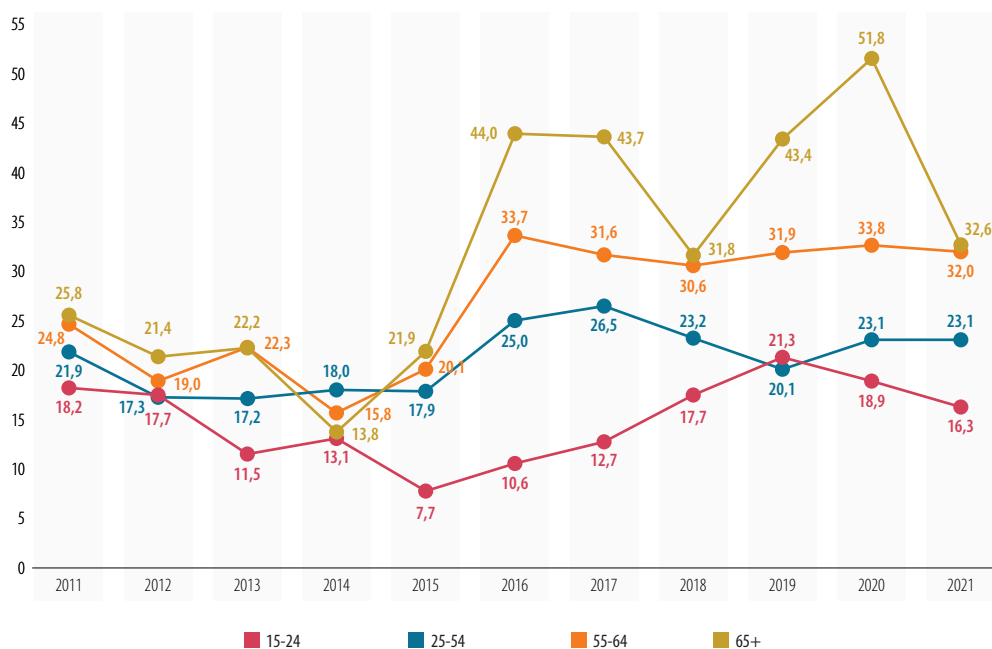
least number of women entrepreneurs and farmers altogether in 2020, from Kukës in 2013. However, out of the total number in 2020, Tirana, Fier, Durrës and Elbasan had in a descending order the highest share. The highest number of new women entrepreneurs or farmers for 2020 was in Tirana, Fier, Durrës and Vlorë.²⁶

Profiling women entrepreneurs in Albania

Resources to profile women entrepreneurs in Albania by 2022 are not high in number nor always relevant. Few studies carried out in the past decades give references to women entrepreneurs and their characteristics. One of the few data made publicly available is the number and share of women in self-employment, most typical legal form for women entrepreneurs. Data show a decline of women in self-employment in a 5-year window, starting from 2011. Positive developments are noted from 2015, with the working age population of women experiencing the strongest changes being women aged more than 55

years old. Women aged 15-24 years old experienced the most relevant decline in 2015, only to again reach 2 digits' number by 2019. The best year for women in self-employment aged 25-54 years old was 2017, likewise the data for women entrepreneurs overall in the economy. As explained in the following sections, studies show this category appears to be the main source of new women entrepreneurs. The pandemic has notably affected women in business and those self-employed, but its effects in the long run remain to be explored.

Figure 11. Women in self-employment by age (%) 2011-2021, Albania



Source: Labour Force Survey, INSTAT, 2022

26 INSTAT. 2022. Men and Women 2021 Report. Tirana. Albania.

Unfortunately, no survey has been developed to assess demographic and other qualitative characteristics of women entrepreneurs. Thus, the following section is an attempt to summarise key features related to women in the economy and women entrepreneurs when possible. However, in

light of several grouping or clustering attempts in the last years, policymakers and other stakeholders have a crucial opportunity to develop a baseline study, which can serve to provide evidence-based support to women in business.

Demographics

Women constitute 50.3% of the population in the economy as of 1 January 2022. The decreasing trend of population has been higher for men than for women, in line also with migration data, showing more women migrated than returned from migration.²⁷ Earlier studies demonstrate that most **women entrepreneurs were between 30 and 50 years old and had children, whereas one in ten women aged 20-29 years old were unmarried and had no children.** Thus, despite carrying the largest burden in terms of childcare and unpaid care work, and the need to scale up policies in this regard to empower women in the economy,²⁸

being married or having a child has not stopped women from entering the entrepreneurial world.²⁹ Few studies discuss additional difficulties family and childcare creates for women entrepreneurs, particularly early in the conception phase of the business. For women in rural areas, this is particularly relevant, as a recent study identifies that having one additional child decreases the probability of them being employed by 7%.³⁰ According to an early study, **women entrepreneurs were between 25 and 35 years old when they initially established their business**, with 32% being in the market for more than 10 years.³¹

Education

Earlier studies show that **Albanian women entrepreneurs are highly educated.**³² The landscape of **self-employed women** is rather different, where **women with higher level education are the least to hold such status.** Women with a low level of education are most likely to be self-employed, particularly among the age 55-64 years old.

annual report Men and Women in Albania 2021, the ratio of boys attending pre-university education is higher compared to girls, whereas the share of girls attending university is higher than boys, albeit a slight decrease in graduation for girls. Women still mostly prefer subjects such as business, administration, and law, health and wellbeing and arts, and humanities. The situation is reversed in socially constructed “male professions” such as information and communication technologies, engineering, manufacturing, and construction. However, this does not prevent them from entering the labour market or the entrepreneurial world in

Educational participation by gender in the education cycles indicates the existence of gender differences at various education levels. According to INSTAT education statistics in their

27 Ibid.

28 Advancing gender equality and the empowerment of all women and girls in Albania - A position paper by the United Nations in Albania. UN in Albania. Tirana. Albania. 2021

29 Women Entrepreneurs in Albania, Bezhani. M. Geneva, International Labour Office, 2001

30 How does fertility affect female employment? Evidence from Albania. Research Papers. AFD. 2022

31 The Woman Entrepreneur in Albania: An Exploratory Study on Motivation, Problems and Success Factors. Ramadani V. Journal of Balkan and Near Eastern Studies. January 2015

32 Women Entrepreneurs in Albania, Bezhani. M. Geneva, International Labour Office, 2001

other, more men dominated areas. For instance, women in the construction sector more often work as professionals like economists and accountants rather than engineers.³³

Entrepreneurial education is amongst the key factors affecting women entrepreneurship in Albania.³⁴ It is a key factor also in terms of choices women make, particularly those in rural areas, as analysis identify that decisions on fertility are a key factor in employment, self-employment and thus entrepreneurship for women with low education.³⁵ This puts forward the need to address women in rural areas not only on entrepreneurial components,

but initially on the relevance and benefits of being economically active and formal. Increasing training and education on entrepreneurial skills has been an early recommendation for policymakers. Due to several parallel small-scale initiatives, there are no representative statistics to describe the exposure of women to entrepreneurial training or education. However, in 2021 the National Agency for Employment and Skills developed a curriculum for entrepreneurship and business plan development to be implemented alongside the employment promotion programme on self-employment, and more than 3 years after its first piloting.³⁶

Social construct and motivation

Jobs and distribution of activities based on stereotypes remain present in the Albanian economy. Social norms and family remain important components of the social life of a potential/future women entrepreneur. Prejudices and archaic mindset remain³⁷ an important burden for women entrepreneurs, combined with the male dominance in the private sector and the verbal and sexual harassment.³⁸ However, women entrepreneurs are highly affected by their family level of education, as better-off families tend to agree less with traditional gender roles.³⁹

Maintaining a work-life (a.k.a business-family) balance remains more difficult for women as they have multiple roles as wives and mothers and are traditionally expected to perform a range of tasks in the family.⁴⁰ This can be a reason behind the fact that women start their businesses later in life,⁴¹ a phenomenon of interest for further analysis. Due to the high risks associated with initiating a business and lack of access to finance, establishing a private enterprise creates a burden for the family.⁴² Nonetheless, reportedly, particularly in the past, the **main reason** for women to **start a business** was to obtain **additional incomes** for themselves and

33 World Bank. March 2019. Enhancing women's labour force participation in road construction, rehabilitation, and maintenance in Albania.

34 Women entrepreneurship framework in Albania. Rica R. Journal of Economy and Business. University of Mostar. 2021

35 AFD. 2022. How does fertility affect female employment? Evidence from Albania. Research Papers.

36 Annual Progress Report 2021. National Employment and Skills Strategy 2019-2022. Ministry of Finance and Economy. September 2022

37 EU/national entrepreneurship programs and obstacles of women entrepreneurs in doing business in 9 cities of Albania, Albanian National, Professional, Businesswomen and Craft' Association. Tirana. Albania. April 2020

38 The overall business climate and the impact of autumn 2019 earthquakes and COVID-19 among women entrepreneurs. Together for Life. Tirana. Albania. September 2020

39 UNDP, UN Women in Albania and Embassy of Sweden. 2016. A Pilot Study: Public Perceptions and Attitudes toward Gender Equality in Albania. January. Tirana. Albania

40 The overall business climate and the impact of autumn 2019 earthquakes and COVID-19 among women entrepreneurs. Together for Life. Tirana. Albania. September 2020

41 Ibid

42 Entrepreneurial and Innovation Ecosystem in Albania. Hach K. & Trenkmann E. EU for Innovation. November 2019; Entrepreneurial Ecosystem in Albania with Focus on Tirana. Hach K. & Trenkmann E. EU for Innovation. April 2019

their families.⁴³ Another study lists, in descending order, **freedom, control in decision making and only then profit** as key reasons behind women entrepreneurship.⁴⁴

Women entrepreneurs, similarly to other categories of **women in rural areas** of Albania, **make their decisions on very diverse trajectories vis-à-vis urban women**, as reported by a latest analysis of the French Agency for Development alongside Enterprise France.⁴⁵ Among the main factors establishing an inhibiting contextual setting for women being economically active (in employment) in rural areas are the lack of childcare and inadequate coverage of childcare during working hours.⁴⁶ According to the Demographic and Health Survey 2017-2018 **women in rural areas are much more likely to work in the agricultural sector (+53 %), as self-employed (+11.2%) or for a family member (+29.2%),**

often without remuneration (+38%). This latter is just one example of the lack of entrepreneurial approach for women in rural areas in Albania. At the same time, they are more engaged in seasonal occupations (+32.8%). **Incentives to undertake an enterprise in the rural areas for women remain low.** Knowledge wise, communication channels are dominated by men, failing often in the transmission of information through official extension services and mobilisation of women farmers. Men are still identified as heads of households and properties”, with women being seen as “wives of farmers” and not as farmers with full rights.⁴⁷

The above requires further analysis, based on primary data sources, thus requiring more recent baseline studies. This would serve better policies in support of women entrepreneurship, based on evidence and behavioural insights.

5.1.2. Regulatory and legal framework

Gender equality is strongly present in the Albanian legal framework. Gender based discrimination is prohibited under the Albanian Constitution and the Law on Gender Equality provides the basis for a regulatory and legislative framework for gender equality. The latter regulates fundamental issues, provides equal protection and equitable access for women and men in public life and social and economic developments. This Law allows for additional provisional support measures in favour of women, until gender equality is reached within the Albanian society. These measures include quotas to achieve equal gender representation, ensure participation of the less represented gender in decision-making and in public life, economic empowerment, equal access to education, etc.

The Law enables gender-based budgeting and mandatory collection of gender-based statistics.

Such measures and actions are backed and followed up by a rationale and logical frame in the key strategic documents for gender equality, such as the most recent National Strategy on Gender Equality 2021-2030. One of the guiding principles of this strategic document is “gender equality and justice, conditions for a fair and socio-economically developed society”. The strategy aligns gender equality with key developmental objectives within the economy, as the first strategic objective of this document is the *fulfilment of economic and social rights of women, young women, girls, and men, young men and boys in the society and empowerment of women, young women, and girls in all their diversity, aiming*

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43 Women Entrepreneurs in Albania, Bezhani. M. Geneva, International Labour Office, 2001

44 The Woman Entrepreneur in Albania: An Exploratory Study on Motivation, Problems and Success Factors. Ramadani V. Journal of Balkan and Near Eastern Studies. January 2015

45 How does fertility affect female employment? Evidence from Albania. Research Papers. AFD. 2022

46 Ibid.

47 Gender equality, Agriculture and Rural Development in Albania - Assessment of gender equality in the country. Food and Agriculture Organisation. Budapest. 2016

at improvement and sustainability of environmental (green) economy and their equal participation in digitalisation process.

The main objective of National Employment and Skills Strategy (2014-2022) is identification and design of employment promotion policies including vocational training of the labour force aiming to create quality jobs and skills opportunities. The Strategy also aims to increase innovation and creativity, both in school curricula and in the training process.⁴⁸ The Strategy outlines several activities related to start-up promotion such as (not limited):

- Establishment of start-up programmes for young female and male potential entrepreneurs supporting their self-employment
- Promoting social entrepreneurship and women's economic empowerment
- Composition of comprehensive start-up strategies including one-stop-shop consultancy, professional business idea assessment
- Development of special programmes for supporting clusters of women-run business and start-ups, including in rural areas
- Provision of modularised gender-sensitive capacity development measures for clients in preparation of a start-up, and on-going consultancy for at least the first year of self-employment.

Albeit key institutions are involved in specific tasks, as per their general mandates, no structure is specifically responsible for the promotion of women enterprises, aside from the overall role of the Minister for Protection of Entrepreneurship. In the Ministry of Finance and Economy there is only one unit focused on competitiveness, promotion of entrepreneurship,

etc. It is quite difficult for such structure to carry out monitoring and evaluation tasks on a permanent basis.

Prior to the current documents, priorities related to women entrepreneurship were presented in the National Strategy for Gender Equality 2016-2020 (and the previous National Strategy for Gender Equality, Gender-based Violence and Domestic Violence 2011-2015), supported by the Business and Investment Development Strategy 2014-2020. At the time of implementation of these key strategic documents, the most important document for the promotion of women entrepreneurship was the Action Plan on Women Entrepreneurship 2014-2020. It aimed to promote an effective multi-governance approach to women entrepreneurship in the Albanian context and encourage development of government policies in support of women entrepreneurs based on 5 main pillars: policy support, education and training, access to finance and competitiveness, networking and women participation in rural economy.

Currently, the key enabling framework for women entrepreneurship is based on the Business and Investment Development Strategy 2021-2027, where a different approach was adopted. There is no specific action plan on women entrepreneurship, but rather specific objectives/key performance indicators within non-discriminatory actions for all entrepreneurs. Such approach is largely explored in economies with a higher level of integration of women and girls and where these latter maintain a stronger economic position. As such, in an economy where women entrepreneurship represents on average 26% of active enterprises, such measure can only be considered as gender neutral. Similar **gender-neutral approaches** can be identified in all areas of interest for women entrepreneurs, when considering private sector development and doing business in the Albanian economy.

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48 National Employment and Skills Strategy 2014-2022, http://financa.gov.al/wp-content/uploads/2019/06/NESS-annual-progress-report-2018_June_2019.docx

Equal rights between women and men and non-discrimination, as highlighted in the Constitution, create a strong foundation for a fully compliant legal framework. Gender equality and women empowerment must be mainstreamed into policies, laws and programmes to further advance towards the fulfilment of these objectives in a systematic and sustainable way.⁴⁹ Reports suggest that more efforts are required to ensure gender mainstreaming on sectorial strategies and gender responsive budgeting at the central and local level. A positive development in the last years has been the inclusion of gender sensitive measures in the Economic Reform Programmes and an incremental budget has been allocated to responsive gender budgeting in Albania. This latter has experienced an **exponential increase** from a share of **1% in the overall budgetary expenditures in the period 2015-2017 to a share of 9% in the period 2021-2023**.⁵⁰

The current legal framework provides **equal access** to governmental or public services for women and men. The approach of the government with the latest transition to only digital services has provided **1,225 services being offered** within the electronic governmental platform by August 2022.⁵¹ The National Strategy on Gender Equality has interlinked its objectives mainly with public services such as rule of law, justice, education, health and social care, introducing or strengthening principles of gender equality in these areas.

Business registration: Albania provides a re-dimensioned process to register a business or apply for a license at the National Business Centre (NBC). A business can be registered within 24 hours. The process of registering a business has also undergone a digitalisation reform, being carried out as of 1

January 2021 only online. These measures have made Albania the only Western Balkans economy that has streamlined company registration and licensing under its one-stop-shop (NBC) and introduced digital distribution of licensing officials.⁵² It has reduced the burden of registering a new business, and created a new single window for entrepreneurs in the process of obtaining licenses which speeds up the process, increases transparency and lowers administrative burdens and costs for SMEs.

Property ownership and inheritance rights:

The legal framework currently in place does not constitute a barrier to women's access to property and ownership. Existing legal provisions explicitly define the presumption of legal co-ownership for properties acquired during marriage and equal rights of inheritance between men and women. Further changes to the legal framework have strengthened women's access to property rights, ensuring not only ownership as defined by the law, but also implementation of this right in the registration process. The National Strategy on Gender Equality 2021-2030 foresees informing women, young women, and girls in all their diversity on the improved legislation regarding their property rights, with a focus on the right of ownership over agricultural land, as well as strengthening the capacities of professionals to enable the exercise of these rights.

Nonetheless, these gender-neutral policies do not consider factors affecting women such as access to digital services and digital literacy. Data on gender differences in digital skills among Albania's population is unavailable, as are comprehensive studies on STEM- and ICT-related gendered employment outcomes, including in digital entrepreneurship. However, in 2020, in Albania about 22.6% of women had never used the

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49 National Strategy on Gender Equality 2021-2030, Forward. Council of Ministers. Albania. June. 2021

50 Albania Economic Reform Programmes, 2015-2022, Ministry of Finance and Economy. Tirana. Albania. 2022

51 Statistics – August 2022. National Agency for Information Society. Tirana. Albania. 2022

52 SME Policy Index: Western Balkans and Turkey 2022 - Assessing the Implementation of the Small Business Act for Europe. OECD. 2022

internet during that year, compared to 19.8 % of men.⁵³ 21% of Albanians have limited or no digital skills,⁵⁴ as reported by the latest 2021 Eurostat statistics on digital skills.⁵⁵ Additional data on differences in digital literacy could support the above, but there is unfortunately very limited research or surveys on such gender gaps.

Labour laws and women employment: The Labour Code, as of 2015, provides measures to support gender equality in the labour market through awareness raising and support for economic empowerment of women. To support employment in the economy, a new law has entered in force (Law No. 15/2019 on Employment Promotion) with the aim to increase employment and participation in the labour market. The law provides employment services and public employment programmes for future employees, self-employment and professional training, expanding beneficiaries to add natural persons as well as specific categories (marginalised groups). The law provides specific support for victims of trafficking or potential victims of trafficking, victims of gender-based violence and victims of domestic violence and mothers under the age of 18, as a clear indication of a fully-fledged engagement of the Government to gender equality. Amendments to the Law on Social Assistance and Services have provided additional legal improvements with the right to seek and withdraw economic assistance from adult women and each of the spouses in cases where they are going through a divorce allowing for improved administration of economic assistance to women in need.

Representation of women entrepreneurs in regulatory bodies or boards, etc.: There are no legal requirements in Albania that specifically target the participation of women on boards of companies or public boards. Women’s representation among

board members of the Central Bank of Albania is 48.1 percent, as presented in a report of UN Women in Albania,⁵⁶ almost double of the EU level. In November 2022, European Parliament has formally adopted the new EU law on gender balance on corporate boards. By 2026, companies will need to have 40% of the underrepresented sex among non-executive directors or 33% among all directors.

This phenomenon is not monitored in Albania, despite a low level of difficulty to be carried out. The advisory group mandated to coordinate and monitor the implementation of the Action Plan on Women Entrepreneurship (2014-2020) has convened only four times and has not met since the lead ministry, the Ministry of Economic Development, Tourism, Trade and Entrepreneurship, was dissolved in September 2017. The restart of this group, as advised also by the SME policy Index Report for Albania in 2019,⁵⁷ would provide a momentum to promote policies in support of women on private/public boards or regulatory bodies.

Policies in support of women entrepreneurship: The National Strategy on Gender Equality 2021-2030 addresses the need to support women in the business world, innovative ideas on environmental economy and digitalisation, etc. There is much to be carried out under these topics, as by the second year of Strategy implementation no direct support for women entrepreneurs has been provided nor fiscal incentives. At a local level, the Municipality of Tirana has targeted women entrepreneurs, with support being provided at a local level, as of some years now. The Action Plan for Women Entrepreneurs 2014-2020 has served as a starting point for development of policy measures, including financing and advisory services. The Fund for Women Entrepreneurs is an initiative of the Municipal Council Women Alliance,

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53 Men and Women 2021 Report, INSTAT. 2021. Tirana. Albania
 54 Enlargement countries - information and communication technology statistics, Eurostat. March 2022
 55 However, the same dataset demonstrates that Albania is at the EU – 27 average level, at 6%, in terms of people who have written code in the last three months from the survey
 56 Albania Gender Equality Brief 2020, UN Women in Albania. 2021. Tirana. Albania
 57 SME Policy Index: Western Balkans and Turkey 2019: Assessing the Implementation of the Small Business Act for Europe, SME Policy Index, OECD Publishing, Paris, <https://doi.org/10.1787/g2g9fa9a-en>.

targeting women entrepreneurs from 18 to 60 years old, with a special focus on women in rural areas, heads of families, and women with disabilities, from Roma and Egyptian communities and other vulnerable groups. The latest fund approved by the National Committee of State Aid, in the Ministry of Finance and Economy, includes an annual budget of at least 10 million ALL, at the disposal of existing and new businesses in amounts of 500 000 ALL. According to the National Strategy on Gender Equality 2021-2030, the Ministry of Finance and Economy should stimulate and support entrepreneurship of women, young women, and girls *in all their diversity* including for innovative ideas on environmental economy and digitalisation, foreseen to happen throughout 2021-2025, through measures such as:

- Adoption of measures/policies that improve the situation of women and young women entrepreneurs, and guide them towards sectors to focus their businesses on;
- Subsidies for the enterprises of women, young women, and girls in all their diversity implementing innovative ideas focusing on environmental economy and digitalisation;
- Exemption from local tariffs for the first two years of activity for women's, young women's, and girls' enterprises in rural areas.

An entrepreneurship promotion programme has been included in the employment promotion programmes by the National Agency for Employment and Skills, and it follows currently a gender neutral approach, providing no particular focus on women.

Access to finance: The Albanian SMEs access to finance has not progressed much in the last

years, remaining a serious challenge for Albanian businesses.⁵⁸ Government support needs to address difficulties that women and young entrepreneurs face, as they run activities in the low end of profitability while having a large impact on the local economy, as a study carried during COVID-19 pandemic showed.⁵⁹ According to the latest OECD SME policy index 2022, Albania belongs to the lower half of Western Balkans economies, scoring relatively low in terms of financial literacy and having highest score on the legal and regulatory framework. Not much effort has been made to increase awareness of alternative financial instruments to increase the uptake of non-bank financing.⁶⁰ This assessment has been affected by the discontinuation of financial support schemes, implemented by the Albanian Investment Development Agency (AIDA), starting from 2020, when no funds were distributed, as the funds were re-oriented towards COVID-response measures for businesses. The most positive development in terms of access to finance is a new platform launched by AIDA to enable interested businesses to access information on available financing opportunities.⁶¹ To support access to finance, the National Strategy on Gender Equality lays down additional actions which provide measures such as:

- Capacity building for groups of rural women, young women, and girls to develop business skills, access to financing, and specific joint actions (such as purchasing, quality control, trade, brand, food processing, and storage)
- Allocation of funds, support, and mentoring (online and face-to-face) for women, young women, and girls, including those from marginalised groups and suburban and rural areas, with the aim of making technology developments available to these women, young women, and girls.

58 Albania 2021 Report. European Commission. Brussels. Belgium. 2021

59 The impact of COVID-19 on women's and men's lives and livelihoods in ALBANIA - Results of a Rapid Gender Assessment. UN Women in Albania. Tirana. Albania. 2020

60 SME Policy Index: Western Balkans and Turkey 2022 - Assessing the Implementation of the Small Business Act for Europe. OECD. 2022

61 Albania 2021 Report. European Commission. Brussels. Belgium. 2021

- Training of staff responsible for planning and finances and Gender Equality Officers at the local level about gender-responsive budgeting of rural tourism and agri-business services and their inclusion in the mid-term budget programme.

All the actions listed above are of outmost importance as women in agriculture remain subject to the same social construct and norms as years ago and women entrepreneurs in agro-industry do not have any specific incentive to enter the market or expand their business.

Social enterprises development: Efforts have been made throughout the years to regulate the activity of social enterprises in support of social inclusion. The law No. 65/2016, on Social Enterprises in Albania has included provisions in support of women's participation in the labour market. The Law and bylaws have created the framework for social enterprises to contribute to social protection and inclusion through employment opportunities and access to the labour market. Categories included in these legal provisions are, among others, beneficiaries of economic assistance, women living in rural areas, victims/potential victims of trafficking, domestic violence, etc. In 2014, through bylaws, the government facilitated creation of a fund in support of women entrepreneurs, with a total value of 26,500,000 ALL to be used over a period of four years

to subsidise interest rate on loans to micro, small and medium enterprises run by women as owners or administrators. As of 2015, AIDA has been in charge of managing this fund, negotiating and engaging microcredit institutions in order to ensure relevant disbursement rates for women entrepreneurs. Up to 500,000 (five hundred thousand) ALL may be granted by the Start-up Fund for each project, although only 70% of the associated expenditures are covered. By enhancing these businesses' working environments, it hopes to lay the groundwork for long-term economic growth and creation of new jobs. The National Strategy on Gender Equality 2021-2030 foresees for the Ministry of Health and Social Protection to provide in the period 2021-2025:

- Assistance for organisations seeking to apply for the Social Enterprise status.
- Financial support for NGOs that have been granted the social enterprise status to open new jobs for women, young women, and girls, mainly in rural areas.

Lastly, the current Strategy aims to create an enabling and encouraging environment for the inclusion of women, young women, and girls in all their diversity in decent work in non-traditional sectors, in accordance with the actions provided in the National Strategy for Employment and Skills 2019–2022.

5.1.3. Assessing business environment and enabling factors

The latest OECD SME Policy Index ranks the Albanian economy as receptive to the needs of small and medium-sized enterprises (SMEs) and with an environment conducive to business.⁶² Entrepreneurial culture, however, remains low and uncompetitive ad per the World Economic Forum

(WEF) Global Economic Competitiveness Index and the need for entrepreneurial know-how is high in both the formal and non-formal education systems.⁶³ Albania was ranked 82nd out of 190 economies worldwide in the World Bank's Doing Business 2020 report, dropping considerably from earlier rankings,⁶⁴

62 SME Policy Index: Western Balkans and Turkey 2022 - Assessing the Implementation of the Small Business Act for Europe. OECD. 2022

63 Ibid.

64 Doing Business Report 2020 - Albania, World Bank Group, 2020

albeit its operational environment for SMEs remains the most advanced in the region.⁶⁵

As a group with untapped potential for the Albanian economy, initiatives in support of women economic empowerment have been numerous in the last decades, but not many of them resulted in concrete, long-lasting policy actions in support of women entrepreneurship. Women entrepreneurs encounter numerous difficulties as a result of the influence of gender norms; patriarchal practices affect women's positions in business development and limit their access to opportunities, resources,

and power. Women do not have the same access to market information, legal support, and benefits from enterprise development as men.⁶⁶ Due to their unequal access to productive resources, they are kept economically underutilised and concealed in value chains, which reduces their influence.⁶⁷ Apart from few local or donor based initiatives, in 2022 there was no horizontal measure in place to support or promote women entrepreneurship. Particularly in terms of taxation, no measures have specifically targeted female entrepreneurs.⁶⁸

Business environment components

Business registration: The National Business Centre operates as a Single Window where entrepreneurs can complete company registration, tax registration, social and health insurance and labour inspectorate registration using a single application procedure.⁶⁹ The procedure is quick and efficient, and registration should be finalised within 24 hours (1-2 working days).⁷⁰ As of January 2021, this procedure can be carried only online, and no priority or differentiation is made based on the gender of the owner or administrator. This gender neutrality is present in every following step of this process. A good practice has been established by the Municipality of Tirana, where dedicated staff in the Municipality Bureau of Internal Revenue provides support to new and existing women entrepreneurs.⁷¹

Ownership of property: Promotion and expansion of entrepreneurial activities are ultimately correlated with good property rights protection, efficient

contract execution, and the rule of law. Three out of ten (31%) women aged 15-59 own a house, and one out of seven (14%) own land, based on the latest Demographic and Health Survey (2017-2018). Over half (52%) of men aged 15-59 own a house, and just over a quarter (28%) own land. However, the implementation of legislation has been too often hindered by discriminatory cultural and social attitudes, practices at the institutional and community levels, and women's lack of knowledge of their rights. Based on the International Property Rights Index 2022, Albania ranks at 99th place, as progress of reforms in this sector continues to be lagging in the economy.⁷²

Access to finance: According to a study carried out in 2020, almost 2 in 3 women entrepreneurs rank financing or funding opportunities as a top priority for supporting them to be able to further develop or expand their enterprises, as well as for

65 SME Policy Index: Western Balkans and Turkey 2022 - Assessing the Implementation of the Small Business Act for Europe. OECD. 2022

66 Factsheet on women entrepreneurs in Albania. UN Women. April 2022

67 Albania Women Entrepreneurs. UN Women. Tirana. Albania. 2021

68 Women entrepreneurship framework in Albania. Rica R. Journal of Economy and Business. University of Mostar. 2021

69 Doing Business Report 2020 - Albania, World Bank Group, 2020

70 Guidance for Foreign Businesses. Invest in Albania Organisation. 2021

71 Interviews with experts.

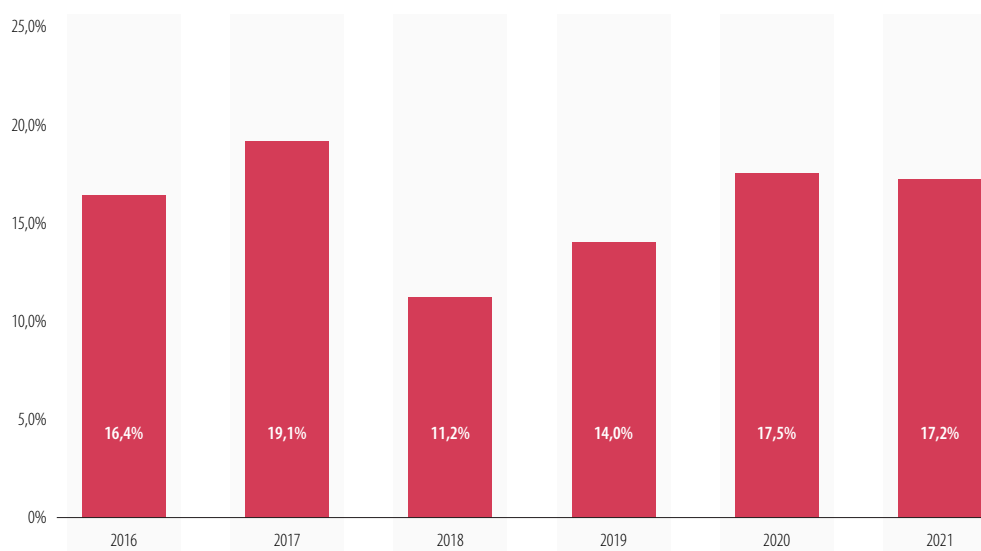
72 International Property Rights Index, Albania. Property Alliance. 2022.

other women willing to get involved and establish new initiatives and start-ups.⁷³ The Action Plan for Women Entrepreneurs 2014-2020 has served as a starting point for development of policy measures, including financing and advisory service, but albeit its importance, moderate progress has been made to improve access to finance and competitiveness for women entrepreneurship. Unfortunately, no research is available on the existing funding for women entrepreneurship, a study which is a must for further action. Some of the government funded schemes throughout the years include: Competitiveness Fund; Creative Economy Fund;

Start-up Fund; Innovation Fund; Fund supporting women entrepreneurs in the Municipality of Tirana; and Fund supporting innovative start-ups by the Minister for Protection of Entrepreneurship.

Financing women entrepreneurs appears to be more difficult when considering a sector such as agriculture, where financing is limited to around 1.7% of the funding that banks provide to private business. The Albanian Rural Development Agency has provided financing to the sector, injecting annually the most relevant financial support for agriculture.

Figure 12. Share of women beneficiaries in the total National Scheme, Albania



Source: Ministry of Agriculture and Rural Development, 2022

Women beneficiaries can be reported only from 2016. **On average 16% of beneficiaries in the period 2016-2021 are women.** The highest number of women beneficiaries of National Schemes was in 2017. As reported earlier, the same year has been one of the best years for women entrepreneurship. After a sharp decline in 2018, arguably related to a lower number of women farmers with an active Unik

Number of Identification (Numri Unik i Identifikimit të Subjektit, NUIS),⁷⁴ numbers have recovered in favour of women, with more than 17% of the total number of beneficiaries being women, for around 18% of the budget.

There are other good practices implemented in the economy. EU funds have supported women enterprises in Albania, including those in rural areas.

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73 The overall business climate and the impact of autumn 2019 earthquakes and COVID-19 among women entrepreneurs. Together for Life. Tirana. Albania. September 2020

74 Taxable person's liabilities. The taxable person shall be identified. He shall be provided with a unique identification number (NUIS) at the National Business Center. The number is printed on the certificate issued for this purpose.

Box 1. Good Practices in Albania: IPARD Programme supporting women entrepreneurs in agro-processing

Women in agriculture and agro-processing have one additional window of opportunity compared to other entrepreneurs. They can benefit from funds through the IPARD programme. Lately, in order to stimulate women entrepreneurship, in its ranking criteria the programme awards 15 points more to women applicant or companies that employ at least 30% of women.⁷⁵ Despite a suggested risk, reported by experts, that these enterprises are sometimes only officially led by women, they undergo screening throughout the project implementation timeline. During the IPARD II programming period, women entrepreneurs contracted as beneficiaries have reached 120 women in business as of June 2022. Further analysis is needed to understand whether this funding is supporting transformation and automation of agriculture or more agro-processing.

The impact of this approach has been relevant, as according to data from the Ministry of Finance and Economy, funds for women entrepreneurs benefiting from IPARD have multiplied by 5 times compared to 2019. IPARD III allocations have been adopted under the new Multiannual Financial Framework (2021-2027), with a fund of 146 million Euro allocated for Albania,⁷⁶ and much potential for women entrepreneurs in agro-processing

Source: Ministry of Finance and Economy, Ministry of Agriculture and Rural Development, 2022

An issue related to funding through IPARD programme refers to the funding needing to top up the business plan and financial needs for an investment, in particular in agro-industry as such investments require high mobilisation of funds. One of the few regional initiatives aiming to improve access to finance is the Women in Business initiative, supported by European Bank for Reconstruction and Development (EBRD) and donors. This initiative interlinks several stakeholders and provides

financing to companies led or owned by women, encouraging women's entrepreneurship through access to capital and know-how.

To ensure similar initiatives are carried out, an extensive cooperation between central and local government institutions, women associations and Chambers of Commerce should be mobilised to successfully approach current and future challenges to access to information and finance for women entrepreneurs.

Box 2. Good Practices in Albania: Women in Business Programme by EBRD⁷⁷

EBRD provides support to women-led businesses in the Western Balkans through the Women in Business Programme. The Programme is focused on women-led small and medium-sized enterprises (SMEs) and promoting women's participation in business and it provides access to finance through credit lines to local banks dedicated to women-led SMEs, alongside business advice to help businesses become more competitive. It provides training, mentoring and other support to enable women entrepreneurs to share experiences and peer-learning. The Programme to date has provided finance and know-how to over 5,000 women entrepreneurs in the region. In Albania particularly, the Programme is funded

75 Guideline for Applicants for IPARD Grant Schemes – Measure 7. Agency for Agriculture and Rural Development. Press Releases. 2022

76 Multiannual Financial Framework 2021-2027. European Commission. Brussels Belgium. 2021
IPARD III presentation in Albania. Agency for Agriculture and Rural Development. Press Releases. 2022

77 EBRD and donors support 5,000 women-led businesses in Western Balkans. Article by the EBRD. 2022
EBRD Women in Business Programme. 2022. Official website: <https://www.ebrdwomeninbusiness.com>

by Italy, Luxembourg, Sweden and the EBRD Shareholder Special Fund. At a regional level, women-owned micro, small, and medium-sized businesses have received approximately 65 million EUR, with 60% of beneficiaries being women who lived outside the major urban centres in rural and less developed areas. Intesa Sanpaolo Bank Albania is the only partner of this programme in Albania. As of 2016 this bank developed a new banking product for women entrepreneurs, under the Women in Business programme. Upon launch of this product, the Bank provided several training sessions and seminars focused on the financial capacities and management and decision making, the role of ICT in business processes and its effectiveness, mitigation measures taken by the bank in support of earthquake-affected businesses, etc. Intesa Sanpaolo Bank implemented 2 phases of the Women in Business programme, with the second expanded programme phase in 2019 with a larger investment of €5 million. The first phase of the programme supported 68 women-led businesses from 2016 to 2019, and in 2019 it included 25 final women beneficiaries for an amount of more than 1.7 million EUR. The Bank aims to disburse the overall fund until 2023.

Discussing women entrepreneurship enablers

Coordination and promotion of gender equality are handled by a number of structures, including the National Council for Gender Equality, Ministry in charge of Labour, Social Affairs and/or Equal Opportunities, parliamentary Sub-committee on Gender Equality and Child Protection, under the permanent Committee on Labour, Social Affairs and Health, and the network of Gender Focal Points (central and local level).

A significant milestone in the Government of Albania's commitment to issues of gender equality and women's empowerment was the establishment of the Minister for Protection of Entrepreneurship, a ministerial post of the Albanian Government responsible for communicating with entrepreneurs in the business community, with a dedicated priority to empower women entrepreneurs.⁷⁸

The National Strategy on Gender Equality 2021-2030⁷⁹ and the National Employment and Skills Strategy (2014-2022) examine how women can access vocational education, labour market,

creative economy, and women's entrepreneurship; yet, neither has a clear focus on how to assist women's entrepreneurship, limiting the active role of the government as an enabler of women entrepreneurship. The Albanian government has however taken measures to help its citizens upgrade or reskill, offering high-quality vocational education and training, thus supporting fostering entrepreneurial learning. A new law on start-ups was adopted by Albanian government in 2022 which, resolving the legal vacuum in Albania's start-up ecosystem, creates favourable regulatory and institutional framework for creation and development of start-ups and support of their ecosystem.⁸⁰ Moreover, this law provided the opportunity to support start-ups and start-up facilitators through grants and support measures, having among its priorities the empowerment of girls and women entrepreneurs.

The most relevant enabler of women entrepreneurship has been networking and organisation. There are several efforts to establish

78 Ministry for Protection of Entrepreneurship. Tirana. Albania. 2022. Link: <https://sipermarrja.gov.al/>

79 National Strategy on Gender Equality 2021-2030. Council of Ministers. Albania. June 2021

80 Law No. 25/2022 on the Support and Development of Start-ups

associations or organisations representing women entrepreneurs at local and wider level. Some of the most relevant or recent efforts, representing impactful voices and potential support instruments include the following:

- Association of Business and Artisan Women;
- Women's Economic Chamber;
- Albanian Livestock and Agriculture Foundation;
- Women Founders Network Albania;
- Network of Albanian Women Entrepreneurs;
- Women's Entrepreneur Committee of the National Chamber of Crafts.

There are no known structured or legal organisations of women in agro-industry, a sector with potential to flourish through value chain organisations or clusters. However, issues faced by women farmers can be transferred to those with potential in agro-processing. Some of these obstacles include lack

of financial or management skills, lack of access to credit, transport and agricultural inputs, and, especially, lack of mobility and time to engage in activities outside the home.⁸¹ These dependencies have been recognised also by the European Commission (EC) in its 2019 report on Albania. One of currently existing approaches, as reported by experts, is the organisation of women small-scale entrepreneurs in agro-processing under CSOs active in agriculture sector.

The Action Plan for Women Entrepreneurship 2014-2020 included several activities to support women organisation, particularly in rural areas. Efforts are still needed in terms of support to networking and advocacy for women in rural areas and in the promotion or mobilisation of opportunities for value chain development being led by women, as an untapped opportunity for them. These statements, however, are based on data pertaining to years before 2020, and need revising and updating. A large-scale diagnostic on the role of women and men in rural economy could pave the way to policy recommendations from experts.

5.1.4. Initiatives supporting women entrepreneurship

Local support initiatives in Albania

As mentioned above, women in business are not only in need of financial resources and enabling infrastructure, but also entrepreneurial culture and

skills. To this end, there are currently several initiatives in place in support of either entrepreneur with no gender difference or women only.

Academy for Women Entrepreneurs

An educational opportunity for women entrepreneurs which helps women enrich their experience, fostering creation of a network, and help them to structure their idea into a business through a facilitated online course DreamBuilder.⁸²

81 Gender equality, Agriculture and Rural Development in Albania - Assessment of gender equality in the country. Food and Agriculture Organisation. Budapest. 2016

82 The Academy for Women Entrepreneurs (AWE). Bureau of Educational and Cultural Affairs. United States Department of State. 2022

EMBRACE	Entrepreneurship Models Building Relations and Creative Economy has been implemented by Partners Albania as of 2018. ⁸³ One of the key objectives of the programme is promoting employment and self-employment of women, carried out mainly in areas such as handicraft through mentoring and coaching sessions, grant opportunities, etc.
OFIÇINA	Ofiçina is a strategic initiative focused on supporting Albania's transition to a knowledge-based economy. Ofiçina runs yearly incubation and acceleration programmes in partnership with various international support organisations and private sector companies. ⁸⁴ It does not provide one specific programme for women entrepreneurs, but its work on establishing digital culture and start-up incubation is gender inclusive.
Women Founders Accelerator	A hybrid virtual and in-person accelerator programme for women-led start-ups in Albania, supported by EU for Innovation. It includes high-intensity bootcamps and expert-led online sessions and mentorship. ⁸⁵
IDEA Programme	GIZ, Ministry of Finance and Economy and Albanian Investment Development Agency are all supporting development of IDEA (Innovative Development for Entrepreneurs in Albania) project within the framework of German-Albanian cooperation. All young individuals between the ages of 19 and 34 are eligible for IDEA programme. ⁸⁶ IDEA Challenge offers 1,000 or so unique business ventures the chance to initially build their entrepreneurial competences and business abilities , as well as the traits needed to come up with concepts and, eventually, a compelling business plan. The total budget for 2018-2020 was 440,000 EUR and provided up to 110 grants to aspiring entrepreneurs and existing businesses, of which 40% was accorded to women and at least 20% to returned immigrants. In 2021, the share of women benefiting from the programme reached 53%

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83 Entrepreneurship Models Building Relations and Creative Economy. Project brochure. Partner Albania for Development. May 2020

84 Ofocina. Tirana. Albania. 2022 Website: <https://www.oficina.al>

85 Women Founders Albania. Tirana. Albania. Website: womenfoundersalbania.com

86 IDEA - Sustainable Economic and Regional Development, Employment Promotion, Vocational Education and Training in Albania. 2022 Website: <https://idea.cefe.net/>

CoSolve 19	An initiative supported by GIZ through two of its main programmes, ProSEED and Sustainable Rural Development, which aims to provide advisory services, individual intervention plan for each business/farmer, specific training on the agility of business owners and farmers to adapt to new circumstances, and follow-up through counselling and/or coaching. The project does not have a component dedicated to women, but includes gender-based indicators being monitored. ⁸⁷
Social entrepreneurship capacity building for women	Under the mandate of UN Women Albania, GlobalCAD and Yunus Social Business Balkans are carrying out a project to promote social entrepreneurship led by women, with a focus on green and sustainable economy. The main objective of this initiative is to support women's economic empowerment and social (re)integration of the most excluded through creation of a favourable environment for development of social enterprises in the Albanian region of Gjirokastra. ⁸⁸
Economic development of Albania through financial services	FED Invest is currently providing financial products in support of rural economies in Albania, under a cooperation agreement with the Embassy of the Netherlands and other stakeholders. This partnership, to be continued for at least 3 more years, aims to expand financial inclusion and strengthen agricultural value chains enabling new digital opportunities. It organises meetings and delivers training to expand know-how of women entrepreneurs, particularly in rural areas.

On the other hand, mechanisms in support of increased access to finance are reported to be one of the most relevant interventions.

“Sharing positive and successful experiences, and examination and analysis of concrete cases to understand obstacles and policies that hinder greater participation of women in entrepreneurship are key elements to clearly define the tasks for policy-

making and implementing structures.” Expert, Albanian Investment Development Agency

Experts identify some positive practices which have served as enablers of women entrepreneurship in Albanian economy. Some of them have ceased to exist though, reducing direct budget allocated in support of women entrepreneurship, limiting access to finance and discouraging women in entrepreneurship.

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87 Interviews with experts.

88 Global CAD, <https://globalcad.org/en/2021/04/30/womens-social-entrepreneurship-creating-new-opportunities-for-inclusion-in-albania/>

Box 3. Good Practices in Albania: Implementation of Creative Economy Fund

The Creative Economy Fund was one of the key funds provided by AIDA, supporting micro, small and medium enterprises; each company could benefit up to 500,000 ALL per year for a project.

The Fund aimed at development of handicraft sector in Albania, creating a favourable environment for more sustainable economic activities and new jobs.

The Creative Economy Fund was financed by the public budget and has been established since 2012 under the relevant DCM for three-year periods. It now operates according to DCM No.15, dated 11.01.2017 on the Creation of Creative Economy (Craft) Fund. The Fund provided opportunities to finance 50% of all costs of the proposed project. The applicant was expected to be a micro or small business, with headquarters or main place of production located in Albania. The business was expected to operate in the sector of crafts.

Lessons learned: Funds of this nature support formalisation of a sector which is by nature informal as mainly carried out by women and with their house as the place of work. Projects selected by the crafts sector cover the following areas: development of new products; purchase of equipment to promote production; product marketing; and qualification and management capacity building of the applicant company. The creative sector offers around 3500 jobs, or from 0.5% up to 1% of the labour force. 56% of all employees in this sector are women, mostly concentrated in the clothing field (>90%) and handicrafts (78%).

Source: Albanian Investment Development Agency, 2022

The Creative Fund and other available funds supporting mainly women, albeit having a gender-neutral approach, are considered by experts in many cases to be a catalyst for women, in making the decision or the jump to expand their business, invest in machinery, open a new line of production, diversify their products or increase marketing for their business.

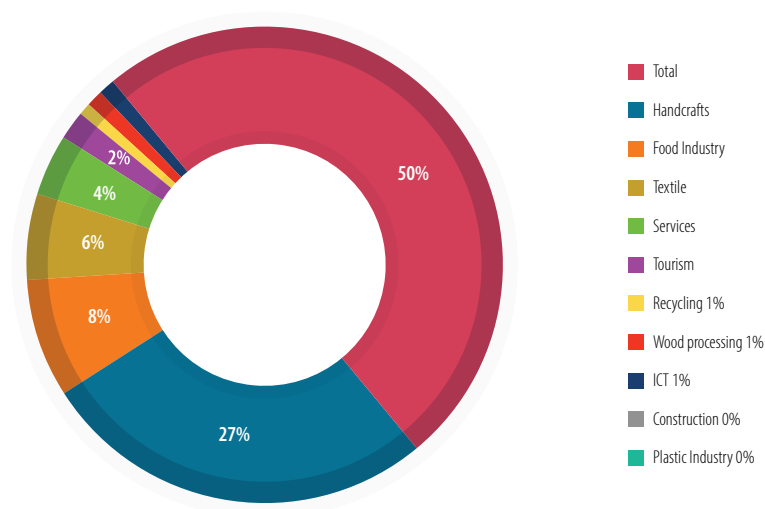
Box 4. Good Practices in Albania: Central government sponsored support mechanism – AIDA Grant Schemes

In the recent past, the government of Albania has allocated and implemented support for entrepreneurship, albeit not directly targeting women, with them being key beneficiaries. Throughout the period 2014-2019, about 140 women entrepreneurs have benefited from the competitiveness, creative economy, and start-up and innovation fund. During the same period 70% of the beneficiaries of Creative Economy Fund were women. The highest share of women businesses benefiting from the grant schemes was in handicrafts, food industry, textile and services. Most beneficiaries are supported by grants for purchase of machinery or work equipment, creation of prototypes of their products, followed by support for the marketing of the company, product certifications, fair attendance, product packaging and labelling, technology auditing and innovation, and software creation or maintenance.

The highest share of women businesses benefiting from the grant schemes were in Tirana with 40%, Shkodra with 16%, Durrës and Fier with 6%. Such measures should be revived and redesigned to increase financial inclusion without crowding out private-sector providers.

Source: Albanian Investment Development Agency, 2022

Figure 13. Women Beneficiaries of AIDA Grant Schemes, Albania



Source: Ministry of Finance and Economy, AIDA, 2021

Successful initiatives are being implemented at the local level, where the Municipality of Tirana has paved the way for mobilisation of financial support to women from local government budgets.

Box 5. Good Practices in Albania: Enabling women entrepreneurship at the local level Municipality of Tirana

Support for women entrepreneurs is being provided at a local level in Tirana as of some years now. The Action Plan for Women Entrepreneurs has served as a starting point for development of policy measures, including financing and advisory services. The Fund for Women Entrepreneurs is an initiative of the Municipal Council Women Alliance, targeting women entrepreneurs from 18 to 60 years old, with a special focus on women in rural areas, heads of families, and women with disabilities, from Roma and Egyptian communities and other vulnerable groups. The latest fund approved by the National Committee of State Aid, at the Ministry of Finance and Economy, includes an annual budget of at least 10 million ALL at the disposal of existing and new businesses in amounts of 500 000 ALL.

Source: Municipality of Tirana, 2022

Other financial support measures include the newly implemented support scheme of the Ministry for Protection of Entrepreneurship, for which the first call ever was published in May-June 2022.⁸⁹ This measure aims to support development of a favourable business climate for innovative business ideas by involving and retaining talent and human resources. Other initiatives being implemented currently include the engagement of the French Agency for Development in Albania on gender issues, focusing on the economic status of women in less favoured areas/rural areas of the economy. Its work has started with an assessment of fertility as a factor affecting women employability and role in the economy. Lastly, a recent project focused on strengthening women in rural areas, particularly women in agro-industry, is being developed by UN Women and Food and Agriculture Organisation (FAO). The project named GREAT will mobilise support to strengthen technical and entrepreneurial

89 Ministry for Protection of Entrepreneurship. Tirana. Albania. 2022. Link: <https://sipermarrrja.gov.al/>

capacities of farmers, enabling them to add value to primary production and to implement a diversified

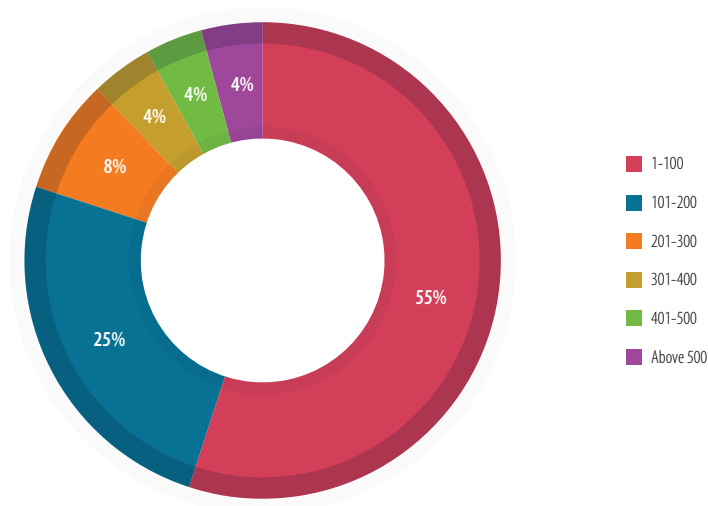
household income strategy, adopting proven practices for rural income diversification.

Clustering and market access

Clustering is an explored model at the European level. In 2018, the European Commission with and through the European Observatory for Clusters and Industrial Change (EOCIC) initiated a pilot action on ‘regions in industrial transition’ in 10 regions in Europe. The analysis carried out by EOCIC confirms clusters as a key driver for smart specialisation. It furthermore indicates how modern cluster policy can help shape regional industrial transition.⁹⁰ Another study focused on wood-processing industry and furniture concludes that cluster members also have a higher probability of becoming high growth firms and they offer higher wages to their employees.⁹¹

One of the priority areas for European clustering is agro-food⁹² where several successful clustering initiatives have developed all across Europe. An interesting approach is the one of **Agri Sud-Ouest Innovation**, a French innovation hub whose members are committed to the growth of ecology-smart agro-food chains through innovation. Upon the outbreak of the pandemic they developed *DIVA – to boost agro-digital innovation*, an initiative to support members in fostering new cross-sectoral and cross-border collaborations, by establishing stakeholder collaboration around common business models, helping them build Europe-wide critical mass offerings to strengthen their position in the European markets.⁹³

Figure 14. Clusters in Agro-Food by size in EU-27, Albania



Source: European Cluster Collaboration Platform, 2021

90 Summary Report on Cluster Collaborations in Europe. EOCIC. 2019 Link: <https://clustercollaboration.eu/news/summary-report-cluster-policy-regions>

91 Do firms in clusters perform better? Lessons from wood-processing industries in new EU member states. Stojčić . N. et al. Elsevier. 2019

92 Priority Sector Report – Agrofood. European Clusters Observatory. February 2017 Link: <https://ec.europa.eu/docsroom/documents/24681/attachments/1/translations/>

93 Agri Sud-Ouest Innovation. Website: <https://agrisudouest.com/nos-initiatives/diva-2/>

Several other successful clustering initiatives are listed in the European Cluster Collaboration Platform, on different domains.⁹⁴ Clusters in digital, agro-food and health are the largest clusters in EU-27.⁹⁵

Agro-food accounts for 51 clusters in the EU, with the largest share having 1-100 members. Clusters with more than 300 members accounted for 16% of the total number of clusters in agro-food. It ranks behind the digital cluster also in the number of clusters with 1-100 members. Alongside the health and renewable energy clusters, it has the fastest growing clusters among sectors, demonstrating the relevance of the approach for the sector.

In 2021, the industrial ecosystem of clusters in agro-food in the EU was composed of 76% of SMEs, 10% of large firms, and 14% of research organisations and other entities respectively. Clustering is not new to Albanian economy, as in the past there were certain efforts to capitalise on clustering, particularly in support of women. Initiatives have been introduced by US Agency for International Development (USAID) and later by GIZ and other donors, aimed at promoting self-organised initiatives through clustering. However, according to data on the membership of rural women and men in associations (data reported from UN Women in 2016), only 3 percent of surveyed men and 0.7 percent of surveyed women were noted to be part of a network. The same study presented that

there were 37 registered cooperatives (of which 8.7 percent of members were women) in 2015.

Nonetheless, creating and sustaining clusters in Albania has shown to be quite difficult.⁹⁶ Reportedly four cluster management organisations were created in the sectors of tourism, meat processing, aromatic and medicinal herbs, and leather goods production industry during 2004-2009.⁹⁷ Other clusters enabled with the support of GIZ were the Albanian Software Cluster, tourism and textile cluster⁹⁸, and wood industry cluster.^{99 100}

UN Women funded project Empowering Women through Economic Clusters Development has previously targeted women in agriculture and agro-business sector. During 2015-2016 a component of Community-Based Agro-Tourism Cluster was implemented in the Municipality of Belsh, where among others, the project supported the establishment of one pilot community-based agro-tourism women cluster.¹⁰¹ Tepelena and Kolonja regions have developed additional successful clusters, with an active involvement of municipalities.¹⁰² Research shows that clustering in the production of medicinal and aromatic plants has been successful in different regions of Albanian economy. A cluster of farmers (around 20) is reported in Diber region (cultivating cornflower and cowslip), another in Kukes (cultivating sage), a group of farmers in Gramsh area (cultivating different varieties of flowers and lavender), a group of farmers in Erseka

94 European Cluster Collaboration Platform. Website: <https://clustercollaboration.eu/>

95 European Cluster Panorama Report. Leveraging clusters for resilient, green and digital regional economies. European Cluster Collaboration Organisation. December 2022

96 Good Practices Guide on Clusters and Technology Transfers– Albania. Centre for Competitiveness Promotion. Tirana. Albania. 2019

97 Ibid.

98 Ibid.

99 Business and Investment Development Strategy 2021-2027. Government of Albania. Tirana. Albania. 2021

100 Wood Cluster Albania. Webpage: www.woodcluster.al 2022

101 Annual Report 2015-2016, Institute for Democracy and Mediation. Tirana. Albania. 2016

102 Medicinal & Aromatic Plants and the COVID-19 Pandemic: The Economic Link. Blogpost. Malaj A., Ligaci B., Osmani G., Uruguchi Z. B., Helvetas. May 2020

(cultivating cowslip, lavender, and marshmallow) etc.¹⁰³

All these clusters serve the overall development of the sector rather than women in specifics, as they often operate large and labour intensive activities.¹⁰⁴ Thus, **gender-based clustering could be an initiative to support their empowerment, particularly in rural areas** as it can increase their

exposure to training, negotiations, and decision making (as key differences)¹⁰⁵ reducing the gender gap in this way. However, ahead of any pilot projects for clustering women businesses, **an ex-ante analysis should be carried out¹⁰⁶ on an industry basis to provide the opportunity for evidence-based policy measures.**

Box 6. Good Practices in Albania: the LEADER approach for women in agriculture and agro-processing

The LEADER approach is an instrument which involves local partners in development of rural areas through local rural communities of specific regions. These communities are to be organised in local action groups composed of representatives of local socio-economic, public and private interests. This approach is carried out through integrated and multi-sectoral, area-based local development strategies, tailored to take into account local needs and potentials and incorporating innovative features in context, networking and, where appropriate, local collaboration.¹⁰⁷

One of the objectives of Gender Rural Equality and Tourism (GREAT) is to promote improvement of economic situation of girls and women in rural areas in the municipalities of Elbasan and Kolonja, where UN Women and FAO are supporting the establishment of two business incubators for women in agriculture. These dedicated incubators will support the strengthening of women in food systems by promoting entrepreneurship, helping women jump from informal or unstructured activities in agriculture to agribusiness ideas or expand their existing agro-processing business. They will serve as a collection infrastructure and resource for logistics. The programme will provide capacity building of identified rural women's groups (as per selected value chains and tourism corridors) on business skills development and access to financing. Women will be supported for specific joint actions such as purchasing, quality control, marketing, branding, food processing and storage.

Source: UN Women, FAO, Italian Agency for Development Cooperation, Ministry of Agriculture and Development. 2022

Additional **clustering through value chains could be explored in Albanian economy. Challenges to clustering are considerably industry related.**

They support or hinder progress in terms of market access. Value chains in nominal agriculture activities can be beneficial in surpassing challenges

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103 Medicinal and Aromatic Plants Sector Study - Carrying out selected sectoral analysis as a solid ground for the preparation of IPARD III programme and of Strategy for Agriculture, Rural Development and Fishery 2021-2027. AGT & DSA. Tirana. Albania May 2021

104 Good Practices Guide on Clusters and Technology Transfers– Albania. Centre for Competitiveness Promotion. Tirana. Albania. 2019

105 Ibid.

106 Cluster Development Guide. Centre for Competitiveness Promotion. Tirana. Albania. 2019

107 LEADER Approach. Ministry of Agriculture and Rural Development. Tirana. Albania. 2022

Link: <https://bujqesia.gov.al/info-e-pergjithshme/>

such as investment needs, product quality and compliance with export standards.¹⁰⁸ In the new era of digitalisation, clusters in ICT are of utmost importance for economic development. One of the key sources of positive impact in this regard is the implementation of EU for Innovation Programme, funded by the European Union, supporting innovation clusters in Albania.

The National Employment and Skills Strategy planned, among other activities, to develop special programmes for supporting clusters of women-

run business and start-ups¹⁰⁹, including in rural areas, but no particular actions are reported in the Strategy annual reports. On the other hand, actions are foreseen in support of strengthening innovation structures (including accelerators or incubators within the Business and Investment Development Strategy 2021-2027). Furthermore, access to new markets should be elaborated within the new Export Strategy to be developed by the Ministry of Finance and Economy in Albania.

5.1.5. Conclusions

- Albania has not recovered from the declining trend of women entrepreneurs, not managing to get back to the numbers of 2017.
- One out of three entrepreneurs in Albania is a woman, but only one out of five new enterprises were women-led or women-owned.
- Women entrepreneurship tends to change little over time, thus women-led or women-owned enterprises are mainly micro.
- In a 20 years' window, women entrepreneurship remains dominant in areas of services and trade and their enterprises are mainly located in Tirana. Women entrepreneurs prefer being registered as a physical person and they prefer limited liability companies to joint stock companies.
- Policymakers have made relevant changes to enable women entrepreneurship in the context of the legal and regulatory framework. This is, however, not enough, as the challenges women face are compounded compared to those faced by men entrepreneurs.
- Women on average lead only 12% of enterprises in agriculture sector and incentives to undertake an enterprise in the rural areas for women remain low.
- Support to entrepreneurial skills for women in rural areas should be preceded by increased know-how on the relevance and benefits of being economically active and formal.
- In the period 2016-2021 on average 16% of beneficiaries of the National Scheme in support of agriculture were women.
- There are no known structured or legal organisations of women in agro-industry, a sector with potential to flourish through value chain organisations or clusters.
- Recent pilot actions are channelling efforts to support women in agro-food through knowledge, logistics and infrastructure in dedicated business incubators.
- Key strategic action plans on women entrepreneurship have expired and

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108 Good Practices Guide on Clusters and Technology Transfers – Albania. Centre for Competitiveness Promotion. Tirana. Albania. 2019

109 Entrepreneurial and Innovation Ecosystem in Albania. Hach K. & Trenkmann E. EU for Innovation. November 2019; Entrepreneurial Ecosystem in Albania with Focus on Tirana. Hach K. & Trenkmann E. EU for Innovation. April 2019

policyholders have chosen to implement a horizontal approach to the economic empowerment of women, throughout the

National Strategy on Gender Equality 2021-2030 and the Business and Investment Development Strategy 2021–2027.

5.2. Women entrepreneurship in Bosnia and Herzegovina

5.2.1. Profile of women entrepreneurs

In a population of approximately 3.5 million as per the last census (2013)¹¹⁰ women comprise more than half of the total population. Despite this fact, they have experienced marginalisation, especially regarding entrepreneurship and business ownership. Businesses in Bosnia and Herzegovina often face challenges such as the lack of unified economic space and complicated political and governmental structure.¹¹¹ According to the World Bank, Bosnia and Herzegovina falls under the category of least competitive economies in South East Europe (SEE), ranking 90th out of 190 economies.¹¹²

Regarding the statistics on active enterprises, according to the latest data on business statistics, 68.7% fall under the following categories as per the Classification of Economic Activities:

- wholesale and retail trade, repair of vehicles and motorcycles (25.9%)
- manufacturing (13.1%)
- professional, scientific, and technical activities (9.4%)
- other service activities (8.8%)
- construction (5.9%)
- transportation and storage (5.6%)¹¹³.

There are limited sex-disaggregated data on ownership and women's entrepreneurship in Bosnia and Herzegovina.

Table 2. Employment and Labour Force Participation in Bosnia and Herzegovina, Self-Employment

INDICATOR	MEN	WOMEN
Percentage of employed, by sex	50.9%	29.9%
Percentage of unpaid family workers by sex	1.4%	6.7%
Labour force participation rates for 15-24, by sex	7.7%	7.1%
Labour force participation rates, 20-64, by sex	65%	40%
Percentage of self-employed population, by sex	16.4%	12.7%

The Agency for Statistics of Bosnia and Herzegovina publishes the Statistical Business Register (SBR), a record whose data is composed of inputs by the Federal Office of Statistics of the Federation of Bosnia and Herzegovina, Republika Srpska Institute of Statistics, and the Agency's Branch Office in Brčko

District (BD). However, the data in SBR is not sex-disaggregated, thus there is no official statistical information on the number of women entrepreneurs as compared to men. Bosnia and Herzegovina in Numbers, a publication of the Agency for Statistics, covers the percentage of self-employed individuals

110 ibid.

111 US Department of Commerce. U.S. Country Commercial Guide, 2020.

<https://ba.usembassy.gov/wp-content/uploads/sites/270/BiH-2020-Country-Commercial-Guides.pdf>.

112 Doing Business 2020. Economy profile: Bosnia and Herzegovina.

Online: <https://archive.doingbusiness.org/content/dam/doingBusiness/country/b/bosnia-and-herzegovina/BIH.pdf>

113 First Release - Business Statistics, Units of the Statistical Business Register, Data as of 31 December 2021. Agency for Statistics of Bosnia and Herzegovina, 20 September 2022.

https://bhas.gov.ba/data/Publikacije/Saopštenja/2022/SBR_01_2021_Y1_1_BS.pdf.

in Bosnia and Herzegovina and the latest data shows that self-employed individuals make up 15% of all employed citizens.¹¹⁴ On the other hand, the publication on Men and Women in Bosnia and Herzegovina, published by the Agency for Statistics of Bosnia and Herzegovina, shows that in general 12.7% of employed women are self-employed while 16.4% of men are self-employed. The own-account employed persons statistics disaggregated by sex are available solely for Republika Srpska entity and men take the lead in this context as well, with 17.7% of employed men being own-account workers, while in the same category 9.4% of employed

women are own-account workers. The labour force participation statistics indicate that men comprise the majority of labour force participation. Women, on the other hand, represent the majority of unpaid family workers.

While there are no published statistics on the share of women entrepreneurs in Bosnia and Herzegovina, studies for Republika Srpska indicate that in 2021, 25,69% SMEs were owned by women and 2% of SMEs were of mixed ownership¹¹⁵. A similar percentage are business owners in the Federation of Bosnia and Herzegovina.¹¹⁶

Education

Table 3. Literacy rates in Bosnia and Herzegovina¹¹⁷

INDICATOR	MEN	WOMEN
Literacy rate of persons aged 10-19, by sex, %	99.7	99.7
Literacy rate of persons aged 20-34, by sex, %	99.6	99.6
Literacy rate of persons aged 35-64, by sex, %	99.5	98.3
Literacy rate of persons aged 65 and over, by sex, %	97.1	78.3

The statistical data on literacy shows that the majority of women in Bosnia and Herzegovina are literate, while the gender gap is very deep in the 65+ age group. However, the main limitation to this data is that literacy in this sense considers reading and writing as the only indicators, while on the other hand there is no available data on financial and legal literacy. As per the available data, the internet usage, i.e. computer literacy or digital skills present a challenge as Bosnia and Herzegovina scores

very low compared to European standards. From a gender perspective, 10% more young women (16 to 24 years of age) than men have basic and higher-level digital skills, while the statistics deteriorate in favour of men in older age groups.¹¹⁸

Women make up 60% of graduates with a bachelor's degree,¹¹⁹ the statistics work in favour of women also on the master level education, where they constitute 64%¹²⁰ of graduates, while men take the lead in doctoral degree graduates (59%¹²¹).

114 Agency of Statistics of Bosnia and Hercegovina. Bosnia and Hercegovina in figures, 2021
Online: https://bhas.gov.ba/data/Publikacije/Bilteni/2021/NUM_00_2021_TB_1_EN.pdf

115 Annual Report on the Status of SMEs in Republika Srpska, 2021.

116 UN Women. 2021. Bosnia and Herzegovina Fact Sheet. Online: https://eca.unwomen.org/sites/default/files/Field%20Office%20ECA/Attachments/Publications/2021/8/Expo%20Report/Bosnia%20and%20Herzegovina_Factsheet-min.pdf

117 Agency for Statistics, 2022, Census 2013

118 Women and Men in Bosnia and Herzegovina. Agency for Statistics of Bosnia and Herzegovina, 2022.
https://bhas.gov.ba/data/Publikacije/Bilteni/2022/FAM_00_2021_TB_1_BS.pdf.

119 *ibid.*

120 *ibid.*

121 *ibid.*

Figure 15. Bachelor's degree graduates, 2021, Bosnia and Herzegovina

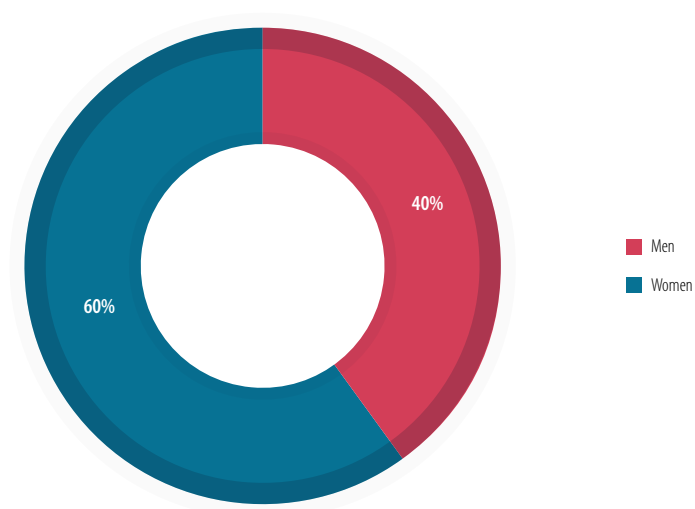


Figure 16. Masters' degree graduates, 2021, Bosnia and Herzegovina

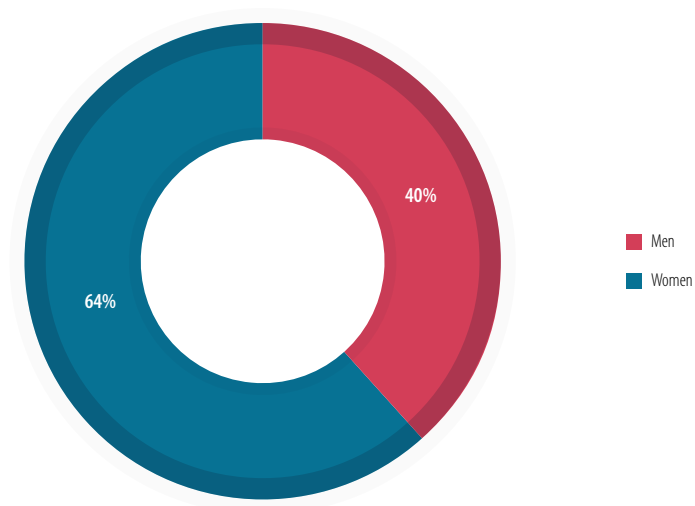
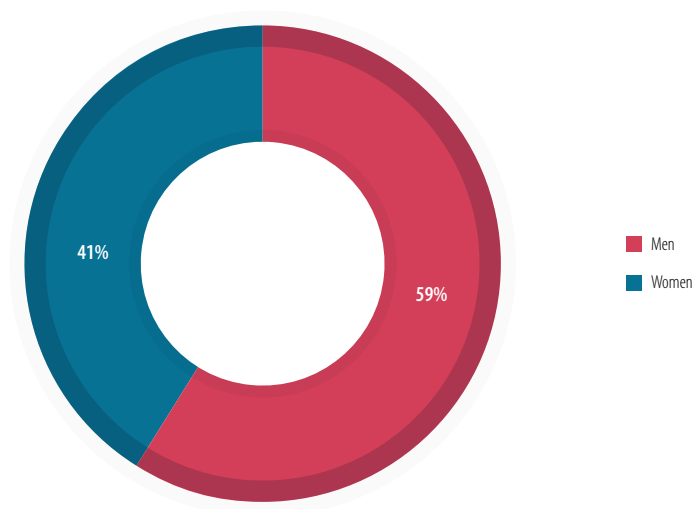


Figure 17. Doctoral degree graduates, 2021, Bosnia and Herzegovina



Women in Bosnia and Herzegovina tend to choose studies in fields which are traditionally directed at women occupations, according to the societal gender roles. However, there is an exception when it comes to math and statistics (in which women make up 76% of total graduates), as well as in agriculture, forestry, fishery, and veterinary medicine (making up 59% of total graduates).¹²² Financial literacy, on

the other hand, is especially related to the skills and abilities for entrepreneurship. Women in Bosnia and Herzegovina are scoring less in financial literacy as per the research conducted in 2019¹²³. Women are less educated and informed, thus their access to finance is impacted highly and in turn affects their engagement in SMEs¹²⁴.

Social construct and motivation

Traditional gender roles remain one of the main challenges to gender equality in Bosnia and Herzegovina. This is visible especially when it comes to education and employment which experience high levels of occupational segregation by gender¹²⁵,

with women overrepresented in service sectors, education, and social work. This has an adverse impact on the entrepreneurship field as well, making it harder for women to embark on careers in this field due to present stereotypes.

Table 4. Challenges faced by women entrepreneurs, Bosnia and Herzegovina¹²⁶

Code	Count	% of Codes
Strict gender roles	25	13.02%
Macho cultures	18	9.38%
Gender stereotypes	13	6.77%
Need for change	13	6.77%
Internal locus of control	13	6.77%
Small percentage of women indecision making positions	11	5.73%
Lack of societal support	9	4.69%

2021 research with women entrepreneurs showed that the most significant challenge faced by women entrepreneurs relates to strict gender roles closely

followed by the macho culture, which pose obstacles to women's success in entrepreneurial activities.¹²⁷

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122 Women and Men in Bosnia and Herzegovina. Agency for Statistics of Bosnia and Herzegovina, 2022.

https://bhas.gov.ba/data/Publikacije/Bilteni/2022/FAM_00_2021_TB_1_BS.pdf.

123 Financial Literacy Assessment in Bosnia and Herzegovina, Halilović, Zaimović, Arnaut Berilo, and Zaimović, 2019., <https://reader.elsevier.com/reader/sd/pii/S1877050919312918?token=C4B8EACC814C10356B8E6BE668C9E93BA6A7F4814DFF05169E9005FE4B29EC3EC934B0E41DE5FEF3412393C32A672571&originRegion=eu-west-1&originCreation=20221127183715>

124 UN Women (2022). Feasibility Study on Women-Owned Businesses Access to Finance in Bosnia and Herzegovina. Sarajevo, Bosnia and Herzegovina

125 UN Women (2021). Country Gender Equality Profile of Bosnia and Herzegovina. Sarajevo, Bosnia and Herzegovina.

126 Selimović, Jasmina, Jasna Kovačević, Ljiljan Veselinović, Munira Šestić, Emir Kurtić, Fatima Mahmutćehajić, and Izmirlija Midhat. Women Representation and Engagement in State-Owned Enterprises in the Federation of Bosnia and Herzegovina: The Gender Analysis Report, 2021. http://www.efsa.unsa.ba/ef/sites/default/files/publikacija_izvjestaj_o_rodnoj_analizi_eng_final_0.pdf.

127 Women Representation and Engagement in State-owned Enterprises in the Federation of Bosnia and Herzegovina. 2021.

5.2.2. Regulatory and legal framework

Bosnia and Herzegovina has a strong legal framework for promoting and achieving gender equality. The primary documents concerning this are the Law on Gender Equality of Bosnia and Herzegovina and the Law on Prohibition of Discrimination.

There are a number of laws supporting development of entrepreneurial activity, such as the Law on Crafts and Similar Activities of Federation of Bosnia and Herzegovina (Official Gazette of Federation of Bosnia and Herzegovina, No. 75/21), Law on Enabling Development of Small Enterprises of Federation of Bosnia and Herzegovina (Official Gazette of Federation of Bosnia and Herzegovina, No. 19/06 and 25/09), Draft Law on Entrepreneurial Infrastructure of Federation of Bosnia and Herzegovina, Law on Social Entrepreneurship of Brcko District, Law on Development of Small and Medium Enterprises (Official Gazette of Republika Srpska, No. 50/2013, 56/2013 and 84/2019), and the Law on Craft-Entrepreneurial Activities of Republika Srpska (Official Gazette of Republika Srpska, No. 117/2011, 121/2012, 67/2013, 44/2016 and 84/2019).

In general, there has been a positive shift through the increased presence of entrepreneurial workshops, seminars, courses, and university level education contributing to a more positive atmosphere for entrepreneurship. There has been a significant step forward in this field as Bosnia and Herzegovina established a framework for development of entrepreneurial learning at the level of the economy through the Strategy on Priorities for Integration of Entrepreneurial Learning and Entrepreneurship Key Competence into Education Systems in Bosnia and Herzegovina (2021-2030). What remains problematic is the lack of implementation of this Strategy at the entity level and lack of budgetary allocation for its measures¹²⁸. Republika Srpska had implemented a

reform of registration in 2013 (cutting of procedures, time and costs of registration); also, it has made significant steps towards the second phase of the reform with regards to online registration¹²⁹.

Business registration: Business registration in Bosnia and Herzegovina, as well as the legal and administrative procedures are rather lengthy and costly. The businesses vary from LLC to crafts business, which is highly popular among women. There is no official sex-disaggregated data regarding this type of business either, but what is known from the field is that women face two-fold obstacles in running and registering their craft businesses. One is that crafts are often perceived solely as hobbies, which means women do not register businesses in this area. This phenomenon contributes to women being stuck in the grey economy. The other problem is the under-capacitation of organisations gathering women owners of craft businesses which do not provide sufficient support, making them even more reluctant to engage in owning a small business. Federation of Bosnia and Herzegovina has adopted a new Law on Crafts and Similar Activities in 2021 which promotes entrepreneurship. It was adopted as part of the Economic Stabilisation and Recovery Programme of the Federation of Bosnia and Herzegovina 2020–2021. The benefits of this Law are numerous, but specifically its division of businesses into related and special craft businesses was abolished, which for the first time made it possible to perform certain types of trades without a professional qualification. This requirement largely prevented persons, especially youth and women, from registering the desired trade. Now there are fewer unnecessary administrative obstacles and it is possible to obtain documents ex officio, and craftsperson is enabled to perform other activities, which serve to perform the basic activities or are

128 SME Policy Index: Western Balkans and Turkey 2022: Assessing the Implementation of the Small Business Act for Europe | En
| OECD. Accessed 25 November 2022. <https://www.oecd.org/countries/bosniaandherzegovina/sme-policy-index-western-balkans-and-turkey-2022-b47d15f0-en.htm>.

129 Interview with Milka Latinčić, February 2023.

usually performed in addition to the activities included in the decision, which enable women's entrepreneurship.¹³⁰ These changes make small businesses more accessible to women, which in turn results in registration of businesses and economic independence.

Property ownership and inheritance rights: The Inheritance Laws in Bosnia and Herzegovina are not discriminatory. The Laws in Federation of Bosnia and Herzegovina and Republika Srpska do not discriminate based on gender as the emphasis is on equal inheritance rights.

Labour laws and women employment: Bosnia and Herzegovina has a clearly set legal framework dealing with discrimination in general (Law on Prohibition of Discrimination in Bosnia and Herzegovina) and specifically gender discrimination (Law on Gender Equality of Bosnia and Herzegovina), as well as clearly set entity- and district-level laws on labour which ensure protection from discrimination and harassment in the workplace (Labour Law of Federation of Bosnia and Herzegovina, Labour Law of Republika Srpska, and Labour Law of Brčko District). Although the legal framework is present on all administrative levels in Bosnia and Herzegovina, it is rarely implemented properly.

Women experience vertical and horizontal segregation in the workplace, which limits opportunities for progress in a specific sector. Moreover, women are often not aware of their rights and the legal framework regarding discrimination in the workplace. Finally, traditional gender roles which are deeply embedded in society, especially in rural areas, result either in vast unemployment of women or their silence vis-à-vis workplace discrimination and harassment.

A research on the Perception of Gender Discrimination in the Labour Market in Bosnia and Herzegovina from 2017¹³¹, which included a sample of highly educated and employed women, mostly from urban areas, found the following:

- 43% of women do not have information on existing rules and regulations regarding discrimination in their respective workplaces;
- 49% of women included in the research were asked about their marital status and their plans of having children in the preselection job interviews;
- 51% of women have come across job advertisements in which one of the preconditions was to be of specific gender;
- 84% of women in the research stated that women and men are treated differently in the Bosnian-Herzegovinian society in general, which consequently results in their different treatment in the workplace;
- 75% of women included in the research state that they and their male counterparts do not have equal progress opportunities in their workplace;
- 43% of women are paid less than their male counterparts working in the same positions¹³².

A further issue in this sense is the lack of an encompassing employment policy or strategy which limits the further insight into this field.

Representation of women entrepreneurs in regulatory bodies or boards: The analysis of Rights for All from 2021 confirmed earlier findings that speak of a small representation of women in these

130 Marić, Ivana. Analiza Zakonskih i Podzakonskih Okvira Vežanih Za Obrtništvo i u FBiH. Centar za promociju civilnog društva, 2022. (unpublished).

131 Čarapina, I. (2017). Perception of Gender Discrimination in the Labour Market in Bosnia and Herzegovina, *Socijalne teme*, 1(4), str. 119-119. <https://hrcak.srce.hr/193389>, Accessed 1 October 2022

132 *ibid.*

positions – there are no women in the post of director in public companies at the level of Bosnia and Herzegovina; in Brcko District of Bosnia and Herzegovina, in four public companies, only one director is a woman; in Republika Srpska, in only one company the director post is occupied by a woman, while in the Federation of Bosnia and Herzegovina

women are in the director position in 16.6% of public companies¹³³. This speaks volumes about the leadership culture and gender roles in society. The latest information from WBA's Business Environment and Enterprise Performance Survey (BEEPS) dates to 2019, and shows the following, while taking into consideration only manufacturing companies:

Table 5. BEEPS data on manufacturing firms and managerial/employee statistics, Bosnia and Herzegovina¹³⁴

INDICATOR	Percentage
Percent of firms with female participation in ownership	24.9
Percent of firms with majority female ownership	13
Percent of firms with a female top manager	16.6
Proportion of permanent full-time workers that are female (%)	39.4
Proportion of permanent full-time production workers that are female (%)*	41.2
Proportion of permanent full-time non-production workers that are female (%)*	62.2

This data indicates that, when compared to the global average regarding management and executive roles, Bosnia and Herzegovina lags behind in all aspects¹³⁵. On the other hand, the workforce (non-managerial positions) is mostly female, suggesting that the

gender roles which are previously mentioned are still not shifting towards the direction of perceiving women as potential managers and leaders of enterprises.

Table 6. Women in Management and Supervisory Boards of SoEs, Bosnia and Herzegovina¹³⁶

Management Boards	
Companies with no women in management boards	40.5%
Woman as managing directors	12%
Total time spent in office by men (in management boards)	796 years
Total time spent in office by women (in management boards)	125 years
Supervisory Boards	
Companies with no women in supervisory boards	35.7%
Women as chairpersons	9%
Total time spent in office by men (in supervisory boards)	1099 years
Total time spent in office by women (in supervisory boards)	195 years

133 Lizde, Sabina, Vildana Džekman, Mersiha Jaskić, Vedrana Frašto, Amina Dizdar, and Borka Rudić. 2021 Alternative Report on Bosnia and Herzegovina's Progress on the Road to the European Union Membership: Political Criteria - Gender Equality, April 2022. https://eu-monitoring.ba/site/wp-content/uploads/2022/05/ENG_FINAL_WEB.pdf.

134 *ibid.*

135 *ibid.*

136 Selimović, Jasmina, Jasna Kovačević, Ljiljan Veselinović, Munira Šestić, Emir Kurtić, Fatima Mahmutćehajić, and Izmirlija Midhat. Women Representation and Engagement in State-Owned Enterprises in the Federation of Bosnia and Herzegovina: The Gender Analysis Report, 2021. http://www.efsa.unsa.ba/ef/sites/default/files/publikacija_izvjestaj_o_rodnoj_analizi_eng_final_0.pdf.

The share of women in managerial or higher positions in management and supervisory boards is an example of high gender gap in this field. The situation is, however, more positive in audit boards. Nevertheless, chair positions are still mostly taken by men.

Policies in support of women's entrepreneurship:

The Gender Action Plan of Bosnia and Herzegovina 2018–2022 includes several measures to encourage development of women entrepreneurship. This includes support for programmes and training to increase women's participation in the workforce, reduce unemployment and development of women's entrepreneurship, their representation in the agricultural sector, and to lead to women's economic and social empowerment.¹³⁷

Key enabling frameworks for women's entrepreneurship in Bosnia and Herzegovina include entity-level development strategies and plans, namely the Development Strategy of Federation of Bosnia and Herzegovina (2021–2027) as well as a dedicated Strategy on Women's Entrepreneurship Development in Republika Srpska (2019–2023). Specifically, the Federation of Bosnia and Herzegovina Strategy emphasises the importance of creating an enabling environment for employment of vulnerable groups, with a special attention to women and youth entrepreneurship and creation of dedicated programmes for their education in this field, as they are underrepresented¹³⁸. Other than this, the Strategy is rather gender-neutral.

The Federal Ministry of Development, Entrepreneurship and Crafts (Federation of Bosnia and Herzegovina) has recognised the importance of women's entrepreneurship as a target group whose potential could be improved in the overall policy of support for development of entrepreneurship. Hence, part of its regular planning activities to

support small and medium-sized enterprises also include support to private companies owned by women. This support takes place through all aid projects for small and medium-sized enterprises. The entity of Republika Srpska has strategically approached supporting women entrepreneurship and women in business. The Chamber of Commerce of Republika Srpska has constituted a Council for Women's Entrepreneurship with the goal to advocate for the interests of women entrepreneurs, as well as to help them network. The Chamber of Commerce of Federation of Bosnia and Herzegovina has expressed interest in engaging women entrepreneurs in development of the sector, and has worked for a long time to make sure women get proper representation in the managerial positions within the Chamber.

Republika Srpska Strategy on Women's Entrepreneurship Development is based on three strategic goals, which include (i) strengthening competitiveness of women-led businesses; (ii) improving accessibility and attractiveness of business and entrepreneurship for women; and (iii) providing additional support for specific fields of women's entrepreneurship (specifically old crafts and craft businesses, rural entrepreneurship)¹³⁹. The Ministry of Economy and Entrepreneurship of Republika Srpska, as the line ministry for entrepreneurship as a whole and women's entrepreneurship in particular, in cooperation with other institutions of Republika Srpska, partner organisations and donors, provides support to women entrepreneurs in all important segments such as: financial incentives, education, promotion, support for association, and a number of other activities (considering that almost one third of business entities are owned by women in Republika Srpska).

The Strategy for Development of Small and Medium-sized Enterprises and Entrepreneurship

137 Gender Action Plan of Bosnia and Herzegovina, 2018–2022, Agency for Gender Equality of Bosnia and Herzegovina, 2018.

138 Strategy of Federation of Bosnia and Herzegovina Development, 2021–2027, Government of Federation of Bosnia and Herzegovina

139 Strategy on Women's Entrepreneurship Development in Republika Srpska, 2019 – 2023, Government of RS

of Republika Srpska for the period 2021-2023 also foresees support for women entrepreneurs. Support is provided for by the Law on Development of Small and Medium Enterprises (Law on Development of SMEs).

The Ministry of Economy and Entrepreneurship of Republika Srpska actively cooperates with all partners, including civil society organisations, in the preparation of strategies, laws and by-laws, as well as other implementing strategic documents. Consultations are conducted through the website of the Ministry, presentations and consultations in the field as well as through public debates in accordance with the decisions of the Republika Srpska Assembly¹⁴⁰. Brčko District has in place Development Strategy of Brčko District of Bosnia and Herzegovina 2021-2027 and the Action Plan for Women's Entrepreneurship 2018-2021. In two-fold support, both financial and non-financial aid is offered to women entrepreneurs. Financial aid includes better access to funds in support of entrepreneurial activities, while the latter encompasses advisory services for the purpose of preparing and applying for assistance that can improve businesses; mentoring for women entrepreneurs starting their own business; training in the field of entrepreneurship (focusing on management and professional training for acquiring

practical skills in priority areas) and support to the networking of women entrepreneurs¹⁴¹.

Access to finance: With Bosnia and Herzegovina still lacking an SME strategic framework for the whole of Bosnia and Herzegovina¹⁴², access to finance is very limited and available only through dedicated programmes. Women are much less likely to have an active bank account opened in an official financial institution (48% vs. 67% of men¹⁴³).

Social enterprises development: Laws on social entrepreneurship were adopted in Brčko District and Republika Srpska in 2021 and 2022 respectively. The Law on Social Entrepreneurship of Republika Srpska regulates the concept, goals and principles of social entrepreneurship with the aim of using the potential of social entrepreneurship for sustainable economic development and social growth. By the end of January 2023, there were 3 social enterprise statuses granted and the fourth was being processed.

Federation of Bosnia and Herzegovina still awaits the adoption of the mentioned legal framework. Both adopted Laws are seemingly gender-neutral, although there is a mention of them contributing to the inclusion of vulnerable groups (without any reference as to what the vulnerable groups present).

5.2.3. Assessing business environment and enabling factors

Dimension 1 of the OECD SME Policy Index – Entrepreneurial learning and women's entrepreneurship, has not changed for Bosnia and Herzegovina since 2019. The overall score for this dimension is 3.23¹⁴⁴. The report problematises the lack of data on women entrepreneurs although there is some developments towards sex-disaggregation

of this particular data in Republika Srpska. However, attempts at providing proper support to women entrepreneurs have faced a relapse during the Covid-19 pandemic period when the entity-level budgets were reallocated in such a manner that the Ministry of Development, Entrepreneurship and Crafts (MDEC) had its budget cut by 79% and the

140 Latinčić, Milka. Status of Women's Entrepreneurship in Republika Srpska, 2022. - Interview

141 Official Gazette of Brčko District, as per Kovačević in Women's Employment Study.

142 Bosnia and Herzegovina 2022 Report. European Commission, 2022.

143 UN Women (2021). Profil rodne ravnopravnosti u Bosni i Hercegovini. Sarajevo, Bosna i Hercegovina.

144 SME Policy Index: Western Balkans and Turkey 2022: Assessing the Implementation of the Small Business Act for Europe | En | OECD. Accessed 25 November 2022. <https://www.oecd.org/countries/bosniaandherzegovina/sme-policy-index-western-balkans-and-turkey-2022-b47d15f0-en.htm>.

Ministry of Economy and Entrepreneurship (MEE) faced a 20% budget decrease,¹⁴⁵ however the latter has been directed at mitigating consequences of the pandemic on businesses, some of which were directly aimed at women-owned businesses. Thus, the already complicated situation that women entrepreneurs found themselves in was additionally complicated by various developments during the pandemic. Other than that, their increased engagement in unpaid care work managed to deepen gender roles.

However, there has been a slight progress with regard to Dimension 1 of the SME Policy Index, namely in the recommendation to update the entrepreneurial learning strategy. A strategy at the level of Bosnia and Herzegovina was adopted and concerns the integration of entrepreneurial learning and key competence into education and training systems. Its implementation varies in entity-level education systems but still presents a strong step forward. Nevertheless, there was no progress regarding the recommendation on embedding women's entrepreneurship in the economic reform plans with no emphasis in this regard.¹⁴⁶

Business environment components

Business registration: Business registration is not regulated in all parts of the economy in a unified manner. Federation of Bosnia and Herzegovina has new laws which support development of SMEs. The 2022 report of the European Commission emphasised the need for simplification and harmonisation of business registration at all levels, as well as introduction of online registration¹⁴⁷.

Property ownership and inheritance rights: Despite the seeming gender neutrality of these policies, societal norms are highly patriarchal and thus there is a strong presence of women "giving up" on their ownership of land after inheriting it for the benefit of their brothers or other male family members. This is deeply embedded in the culture and almost normalised, thus women rarely inherit equal property as their male siblings or often give up their inheritance for the benefit of their sons. Women

are generally less likely to own real estate as well which leads to their inability to access financial loans. According to research, 74% of residential buildings are owned solely by men¹⁴⁸ which has immense impact and hinders women's entrepreneurship.

Access to finance: Access to finance remains challenging, despite an increase in credit growth¹⁴⁹. Despite the governmental loans which have had a positive impact on the sector's access to finance, small enterprises' financial literacy experiences limitations and their access to funds offered by the governments is often limited.¹⁵⁰

Some entity-level programmes directed at supporting women's entrepreneurship include:

- Subsidies for Preservation of Traditional and Old Crafts (Federation of Bosnia and Herzegovina and Republika Srpska),

.....
145 Budget for Gender Equality in a Time of Pandemic, UN Women, 2021

146 SME Policy Index: Western Balkans and Turkey 2022: Assessing the Implementation of the Small Business Act for Europe | En | OECD. Accessed 25 November 2022. <https://www.oecd.org/countries/bosniaandherzegovina/sme-policy-index-western-balkans-and-turkey-2022-b47d15f0-en.htm>.

147 Bosnia and Herzegovina 2022 Report. European Commission, 2022.

148 UN Women (2021). Profil rodne ravnopravnosti u Bosni i Hercegovini. Sarajevo, Bosna i Hercegovina.

149 Bosnia and Herzegovina 2022 Report. European Commission, 2022.

150 ibid.

- Subsidies for Newly Established Small Business Entities and Strengthening Competitiveness of SMEs (Federation of Bosnia and Herzegovina)
- Strengthening Competitiveness of Business Entities Led by Women Entrepreneurs (Republika Srpska)

Discussing women entrepreneurship enablers

The gender equality mechanism is in charge of coordination and promotion of women entrepreneurship, specifically the Agency for Gender Equality, along with entity-level Gender Centres. Furthermore, every lower level of government also has its dedicated bodies for gender equality in the form of parliamentary commissions on gender equality, as well as municipal committees on gender equality.

Other forms of enabling women's entrepreneurship include networking and information sharing in which the most prominent examples include the Association of Businesswomen in Bosnia

and Herzegovina, BiHUB – Support for women's entrepreneurship, and the Entrepreneur – magazine for women entrepreneurs. Another example of enabling women's entrepreneurship, especially in agriculture, is the agricultural clusters which are present in Republika Srpska regions, such as the Gradiška-Laktaši-Srbac cluster. They are considered gender-neutral but have included women's agricultural businesses as well. Finally, Republika Srpska has established a very prominent Council on Women's Entrepreneurship in the scope of the Economy Chamber of Republika Srpska which provides support to women entrepreneurs.

5.2.4. Initiatives supporting women entrepreneurship

Local support initiatives in Bosnia and Herzegovina

Other than the previously mentioned bodies, the following organisations provide support to women entrepreneurs:

BiHUB	The support for women's entrepreneurship and social entrepreneurship through education, business and start-up development support, and financial support for starting a business in Travnik, Jajce, and Livno. The project is funded by the Ministry of Foreign Affairs of Slovenia. ¹⁵¹
Poduzetna.ba	Web portal of the Association of Businesswomen of Bosnia and Herzegovina which operates with the goal of providing timely information, promoting women's entrepreneurship, and serves as a counselling and educational platform for women entrepreneurs. ¹⁵²

.....
151 See more: <https://bihhub.org/o-nama/>

152 See more: <https://poduzetna.ba/>

**Municipal Clubs for
Supporting Women's
Entrepreneurship**

In the scope of work of the Association of Businesswomen of Bosnia and Herzegovina, there were numerous municipality-level women's entrepreneurship support clubs across Bosnia and Herzegovina, for example – Kreševo, Vareš, Zavidovići, Novi Travnik, and Kiseljak. Their main goal is directing the local-level policies and budgets towards promotion of women's entrepreneurship and support of women entrepreneurs in local communities. This initiative is implemented through the cooperation with local governments and in the scope of FIGAP II programme, financed by the gender mechanism in Federation of Bosnia and Herzegovina.¹⁵³

CEI Nahla

Centre for Education and Research Nahla is an organisation which implements projects towards empowerment of women. Nahla provides business counselling, mentoring, and networking through Nahla's business community. Furthermore, Nahla organises various courses focused on enabling women to take up a career path in entrepreneurship.¹⁵⁴

CRAFTY

CRAFTY is a project implemented by the Centre for Civil Society Promotion, dedicated to enabling women to join the legal crafts business owners through education, providing funds for various fairs and training which enable entrepreneurs to place their products on the market, and providing counselling in coordination with Sarajevo Canton and Herzegovina-Neretva Canton Crafts Chambers. The project is funded by the Department of State of the United States of America through the Women's Empowerment Small Grants Programme.¹⁵⁵

Osnažena

Osnažena is an academy directed at empowering women entrepreneurs through building their capacities in leadership, communication, and strategic planning and management. It is implemented by the Chamber of Commerce of Republika Srpska and LiderLab organisation.¹⁵⁶

153 See more: <https://poduzetna.ba/2022/03/07/nastavlja-se-saradnja-klubova-za-podrsku-razvoju-poduzetnistva-zena-i-lokalnih-samouprava/>

154 See more: <https://nahla.ba/>

155 See more: <https://civilnodrustvo.ba/crafty-2/>,
<https://ba.usembassy.gov/education-culture/grant-opportunities/womens-empowerment-small-grants-program/>

156 See more: <https://komorars.ba/poziv-na-poslovnju-akademiju-za-preduzetnice-osnazena/>

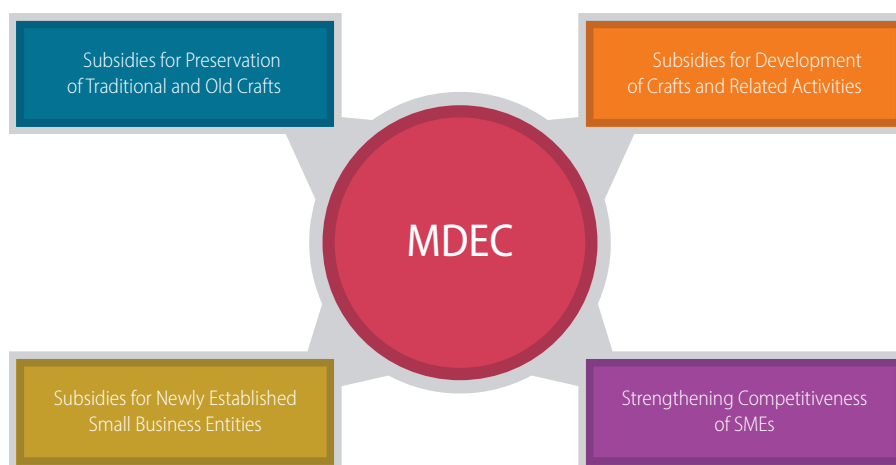
PPŽ RS – Project of supporting women entrepreneurship in Republika Srpska

Implemented by the Chamber of Commerce of Republika Srpska through EDA (Enterprise Development Agency) grant in the scope of the Advanced Implementation of the Act on Small Business in BiH2EU project financed by Sida. The general goal of the project is to support development of women’s entrepreneurship in Republika Srpska through the implementation of support measures defined in the SME Development Strategy of Republika Srpska and the Strategy for Development of Women’s Entrepreneurship in Republika Srpska¹⁵⁷.

READP

Implemented across Bosnia and Herzegovina, financed by IFAD (International Fund for Agricultural Development), local governments, government of Bosnia and Herzegovina, beneficiaries, and the private sector in Bosnia and Herzegovina. The total value of the project is more than 30 million EUR. READP aims to promote the inclusion of very poor and poor non-commercial farmers, women and youth in selected regions by developing ten clusters across Bosnia and Herzegovina. Direct beneficiaries include about 8,650 households¹⁵⁸.

MDEC projects in support of women’s entrepreneurship development



Projects which relate most to women’s entrepreneurship and business development include Subsidies for Preservation of Traditional and Old Crafts, Subsidies for Development of Crafts and Related Activities, Subsidies for Newly Established

Small Business Entities and Strengthening Competitiveness of SMEs. These projects offering financial support to SME development have a grants scheme, including a programme for allocation of credit funds. For many years, MDEC has been

157 See more: <https://komorars.ba/medunarodna-saradnja/projekti-1/ppz-rs/>

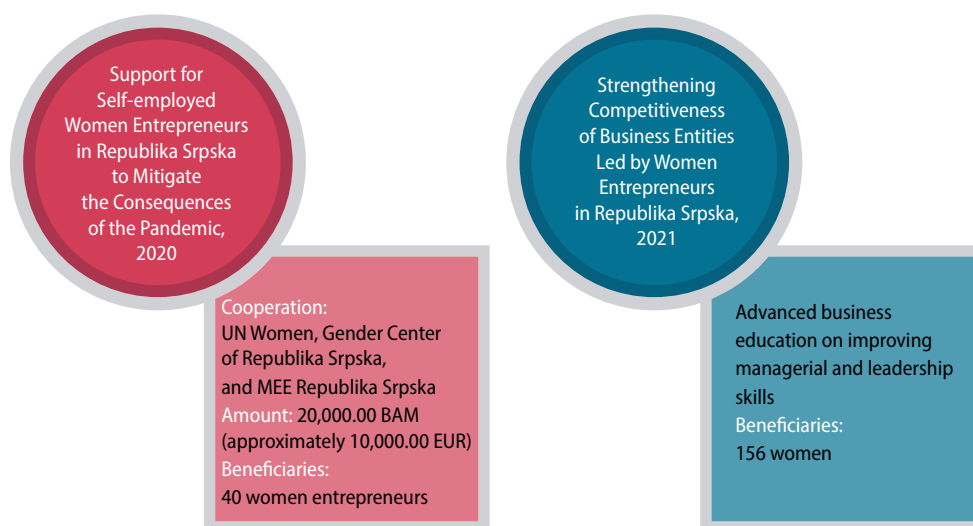
158 <https://www.agroklub.ba/financiranje/objavljen-javni-poziv-za-projekt-ulaganja-u-ruralna-poduzeca-i-poljoprivredu/72416/>

WOMEN ENTREPRENEURSHIP IN THE WESTERN BALKANS: STOCKTAKING ON CONSTRAINTS AND GOOD PRACTICES

introducing preferential treatment for women entrepreneurs. Some recommendations from MDEC include development of women's entrepreneurship, training, strategic networking and financial support, which should be integrated into the broader

economic reform plans of several governmental institutions, in which this Ministry invests significant efforts, primarily through the coordination of implementation of the EU Act on Small Business at the level of Federation of Bosnia and Herzegovina.¹⁵⁹

Figure 18. Activities of the Ministry of Economy and Entrepreneurship of Republika Srpska directly working on women entrepreneurship support, Bosnia and Herzegovina



In 2020, on the basis of the signed Agreement between MEE and Gender Centre of Republika Srpska, a programme of measures was implemented to achieve gender equality: Support for Self-employed Women Entrepreneurs in Republika Srpska to Mitigate the Consequences of the Pandemic, where funds were provided from UN Women in the amount of 20,000 BAM (approximately 10 000 EUR). 467 entrepreneurs responded to the public call, and 40 self-employed entrepreneurs were awarded one-time financial support in the amount of 500 BAM (approximately 250 EUR) each.

Based on the Agreement concluded with the Gender Centre of Republika Srpska, the Ministry implemented Strengthening Competitiveness of Business Entities Led by Women Entrepreneurs in Republika Srpska programme in 2021. The programme was developed by the Ministry with the expert support of the Gender Centre, which was financed from FIGAP II programme. Female

entrepreneurs were provided general and advanced education related to business (six online training sessions on general business topics and advanced online training in three modules on improving managerial and leadership skills, in which a total of 156 women participated) through this programme in 2021. Within the same project, the fourth conference and the second women's entrepreneurship fair were organised in Bijeljina in 2021 in which over 100 women entrepreneurs participated.

With the support of the European Framework for Development of Strategies and Policies for SMEs in Bosnia and Herzegovina – SBA in Bosnia and Herzegovina project, implemented by EDA – Enterprise Development Agency from Banja Luka with the support of the Kingdom of Sweden, and in cooperation with the Chamber of Commerce of Republika Srpska and the Regional Chambers of Commerce of Trebinje and Istočno Sarajevo, in 2021 the Ministry organised two one-day training

159 Džih, Sead. Status of Women's Entrepreneurship in Federation of Bosnia and Herzegovina, 2022. - Interview

sessions for current and future businesswomen from East Herzegovina and East Sarajevo on the topic of Brand Development and Export Management. 40 persons participated, of which 38 were women.

Advanced Implementation of the Small Business Act project financed by the Kingdom of Sweden and implemented by the Enterprise Development Agency - EDA from Banja Luka, as part of joint activities with the Ministry of Economy and Entrepreneurship, approved funds for the project of the Chamber of Commerce of Republika Srpska, within the framework of which the Fifth Women's Entrepreneurship Conference was organised in Modriča in September 2022, which was attended by over 50 women entrepreneurs. The Ministry provided financial support from the Budget of Republika Srpska for mitigation of the consequences of the pandemic, including incentives for direct investment projects, salary increases, digital transformation, investments in equipment, and support for trade fairs and crafts. All these incentives are used to a significant extent by female entrepreneurs.

A positive practice of Republika Srpska in this sense is the existence of a unique strategic document. The

Ministry plans to develop a new dedicated strategic document in 2023. Furthermore, since 2018 the Ministry has been providing support for promotion and networking of female entrepreneurs, which was used to organise international conferences on women's entrepreneurship in which over 700 women from Republika Srpska and the surrounding areas participated so far. The conferences provide a lot of information, training and B2B meetings and networking. The conference was not held only in 2020 due to the pandemic. Two fairs for women entrepreneurs have also been organised and held every other year. Conferences and fairs have become regular and female entrepreneurs consider it a good practice and a positive mode of support. A positive practice that MEE outlined includes continuous financial support to all businesspersons, including women. The Development Agency of Republika Srpska is an important implementing body working closely with the Ministry on enabling women's entrepreneurship. As of 2022, the Ministry is collecting data on incentives provided to SMEs (referring to the number of SMEs owned or co-owned by women applying for and receiving incentives).

Good practices of promoting women entrepreneurship

Box 7. Good practices in Bosnia and Herzegovina: Fondacija 787

Founded in 2014 in Sarajevo, Fondacija 787 is focused on empowering women and youth and tackling their high unemployment rates through training and incentivising these groups to take up (social) entrepreneurship. This practice is an example of partnership towards empowerment, tackling the issues of unemployment and economic dependence, which could be well applied in local communities. The tools needed to implement this practice include a strong network of potential beneficiaries and strong entrepreneurial knowledge and expertise to be able to transfer it to interested parties. Given that one of its goals is assisting women entrepreneurs in starting and running their businesses more effectively, Fondacija 787 provides them with needed business development services. These services are primarily aimed at skill transfer and business/legal advice provisions. Service segments include modules such as: market research, business model and plan development, legal requirements of MSMEs, management, etc. The issue faced by such organisations is the lack of regularly published and up-to-date data on women entrepreneurs which infringes the creation of a network of women entrepreneurs.

Women's Association Priroda¹⁶⁰

Women's Association Priroda managed to introduce a separate budget line into the Municipality of Bratunac's budget in 2019 which concerns the support for women victims of war and women victims of domestic violence. This association provided support to 25 women victims of war through their economic-therapeutical scheme which also included individual business training programmes for each one of the persons. In terms of economic empowerment, support for this group is provided through grants for self-employment and development of home-based business or

agribusiness provided by the Ministry of Agriculture of Republika Srpska and the municipality. This initiative resulted in three registered businesses, two home-based businesses, and 20 agricultural businesses through which entire families are supported. An important role here is taken by the Ministry of Agriculture which continuously supports women in rural areas through awarding them 20 additional points when grading their subsidy applications, as well as allowing for a 30% of return of the investment, thus recognising the need to provide additional funds for rural women's economic independence.¹⁶¹

Box 8. Good practices in Bosnia and Herzegovina: Women's Zadruga – agricultural cooperative bodies

According to the latest census in Bosnia and Herzegovina, more than 2.5 million citizens live in rural areas. 14% of employed women work in the field of agricultural activities, not taking into account those who are retired and work in the unpaid sector (as there is no exact data). However, despite these numbers, systematic support is missing.

Zadruga *Žena* was founded in 2013. It presents an agricultural cooperative body (first women's only in Bosnia and Herzegovina) whose goal is economic empowerment of women through agribusiness. It is an example of supporting women's entrepreneurship in rural areas where women mostly work in agriculture but are rarely the owners of agribusinesses. The skills transferred are aimed at economic independence of women and assisting them in registering their own agribusinesses and taking up a more active rather than a passive role. A challenge faced by these women is a general stereotype of men in rural areas owning the land and businesses, while women are meant to only work in the fields, etc. However, through Zadruga *Žena* women are motivated to become the owners of commercial agribusinesses which means that they become a self-employed person who has health and pension insurance, while their entire family has the right to health care. This is a great prospect for employment of women farmers, whose resources can be directed at: a) starting a business; b) employing other women as the business grows; and c) having the right to full healthcare and other benefits.

There are additional examples of different cooperatives in other cities, such as *Ženska Zadruga* from Bijeljina, *Danica* from Laktaši, *Bolja Budućnost* from Tuzla, and others. It is important to mention that the work of women's agricultural cooperatives was recognised as important by line ministries and the government of Republika Srpska entity which in turn organised the Regional Gathering of Women's Agricultural Cooperatives and Unions in November 2022, along with the Union of Agricultural Cooperatives of Republika Srpska.

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160 See more: <https://www.uzpriroda.com/>

161 Gender Responsive Budgeting for a Sustainable COVID-19 Recovery, Hrelja-Hasečić, 2021, CPCD

CEI Nahla¹⁶²

Centre for Education and Research Nahla has offices in three cities in Bosnia and Herzegovina, with their activities open for women from all parts of the economy. It is an organisation providing support, mentoring services, and education in various fields for women in Bosnia and Herzegovina, making them ready to join the market. There is

a separate department for business support at Nahla directed at helping women in their first entrepreneurial steps. Another dimension of Nahla's work is encouraging attitude towards networking of women entrepreneurs, with an emphasis on experience and knowledge sharing regarding business development.

Box 9. Good practices in Bosnia and Herzegovina: Women's entrepreneurship in the Municipality of Prijedor

Due to the need to promote women-led businesses, Municipality of Prijedor decided to develop a gender-specific measure for promotion of entrepreneurship and designed it in 2009. It was the financial support for women-led businesses which started with the implementation in 2011 with increasing funds dedicated to women entrepreneurs each year. The support of BAM 6000 (approximately 3000 EUR) in 2009 increased to 250 000 BAM (approximately 125 000 EUR) in 2022. This support is available to all women aged 18 and over and more than 60 SMEs were supported through this programme. This example is useful for reduction of marginalisation of women in business and promotion of women's entrepreneurship, as well as for increasing women's financial independence which consequently challenges established gender relations and transforms the local community.

Clustering and market access

Clustering as such is not regulated by a specific legal regulation in Bosnia and Herzegovina, but rather clusters fall under the jurisdiction of the Law on Associations and Foundations of Bosnia and Herzegovina¹⁶³. Clusters are not very popular in Bosnia and Herzegovina and where there are clusters they are mostly in male dominated industries (wood industry, automobile industry, etc.) However, the situation differs in the agricultural sector in which women make a large portion of the labour force. There is a strong rise in clustering of agricultural businesses in Bosnia and Herzegovina, mostly through International Fund for Agricultural Development (IFAD) projects. There are examples of clustering in most regions in Republika Srpska, such as the Gradiška–Laktaši–Srbac cluster. Although the

clusters include both men-owned and women-owned businesses, they are mostly gender-neutral. This project focuses on clustering through special value chains.

IFAD has, however, emphasised the importance of empowerment of women and youth in agricultural businesses through their Rural Enterprises and Agricultural Development Project (READP) from the beginning of the procedures for giving out grants for agricultural businesses, and it continuously tracks the progress related to the empowerment levels reached through the project implementation. This mostly concerns the small family-owned businesses, while one of the conclusions arising from project

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162 See more: <https://nahla.ba/poslovna-podrska/>

163 Drljaca, Dalibor & Dimitrijević, Zoran. (2015). KLASTERI U PRAKSI. 10.13140/RG.2.2.19777.97126.

implementation is that government incentives for clustering are highly needed¹⁶⁴.

Clustering is supported through the Federation of Bosnia and Herzegovina's Development Strategy 2021–2027, but in a gender-neutral manner with clearly defined steps towards supporting clustering of SMEs working with clean energy and renewable energy sources¹⁶⁵. There is no mention or support for women entrepreneurs' clustering. On the other hand, Republika Srpska, with its dedicated Strategy for Development of Women's Entrepreneurship gives special attention to women entrepreneurs'

clustering, through a two-fold approach. One is the provision of professional support for preparation of projects with the aim of improving networking and association of entrepreneurs towards clustering, while the other is explicitly encouraging clustering of women entrepreneurs¹⁶⁶.

Finally, there is a general notion among business-owners that clustering might lead to misbalanced power in the clusters (which makes business owners hesitant to join clusters and rather in favor of cooperatives, associations and networks as a better solution¹⁶⁷.

5.2.5. Conclusions

- A significant attention has been redirected towards mitigating the negative impact of the COVID-19 pandemic on entrepreneurship, attempting to revive SMEs which have experienced a downfall during the pandemic.
 - There is no single platform, such as the EU example which has established Wegate, as a unique place for accessing training and support to women's entrepreneurship. Most efforts are fragmented and systematically distributed geographically and over time.
 - Women entrepreneurs in Bosnia and Herzegovina rarely seek other modes of financing other than the governmental or their personal investment, while an EU model of seeking finance looks towards the so-called angel investors through the European Women Business Angels Community.
 - Lack of sex-disaggregated data poses a significant setback in understanding the sector and building evidence-based programmes.
- Even though the legislation foresees and demands collection of data, most data are not collected or not publicly available.
 - Gender stereotypes are pervasive, which impedes the motivation of women to engage and consider entrepreneurship as a career path.
 - The current strategic framework for women's entrepreneurship in Republika Srpska poses a good example of promoting women's entrepreneurship through policies and strategies.
 - There are good practices available in Bosnia and Herzegovina regarding women in agribusinesses and their networking, provided through various agribusiness cooperatives. More efforts are needed to develop these cooperatives and clusters.

164 IFAD. In Bosnia and Herzegovina, Rural Agribusinesses Cluster Together to Flourish. Accessed 28 November 2022.

<https://www.ifad.org/en/web/latest/-/in-bosnia-and-herzegovina-rural-agribusinesses-cluster-together-to-flourish>.

165 Development Strategy of Federation of Bosnia and Herzegovina, 2021 - 2027

166 Women's Entrepreneurship Development Strategy of Republika Srpska, 2018 - 2022

167 Inputs provided by Zadruga Žena and UŽ Priroda, both of which work in the field of agricultural cooperation among women-led businesses, February 2023

5.3. Women entrepreneurship in Kosovo*

5.3.1. Profile of women entrepreneurs

Overall, around 80% of businesses operating in Kosovo* are registered as individual businesses and more than 98% of businesses currently active are micro and small enterprises, with up to 49 employees, although the vast majority fall within the first category, with less than 10 employees registered. Very few enterprises are classified as medium enterprises and there are less than 100 small enterprises registered in Kosovo*. Micro (0-9 workers) enterprises dominate women's businesses, with a significant share of women's businesses operating as individual one-woman business. In total, around 20% of registered individual enterprises at the Kosovo* Business Registry Agency have women owners, compared to

79% of individual enterprises with men owners. Of the remainder of individual businesses and physical persons registered with the Registry, the gender is unknown. For other legal entities, Kosovo* Business Registry Agency does not publish data on gender of the owners. Individual businesses are still the most prevalent type of business, however, there has been a significant increase in businesses classified as limited liability companies, for both men and women owners. However, in 2017, Riinvest Institute found that only around 2% of women's businesses are registered as an LLC; around 5% are registered as general partnerships, and the vast majority are registered as individual businesses (94%).¹⁶⁸

Table 7. Active enterprises by gender of owner, 2021, Kosovo*

	Number of businesses with women owners	Women as %	Number of businesses with men owners	Men as %	Unknown gender	Total
Individual businesses	11,754	19%	47,979	79%	824	60,557
Physical Person	10,134	21%	38,052	77%	1,209	49,395
Legal entity	-	0%	-	0%	46,283	46,283
Total	21,888	20%	86,031	78%	2,033	109,952

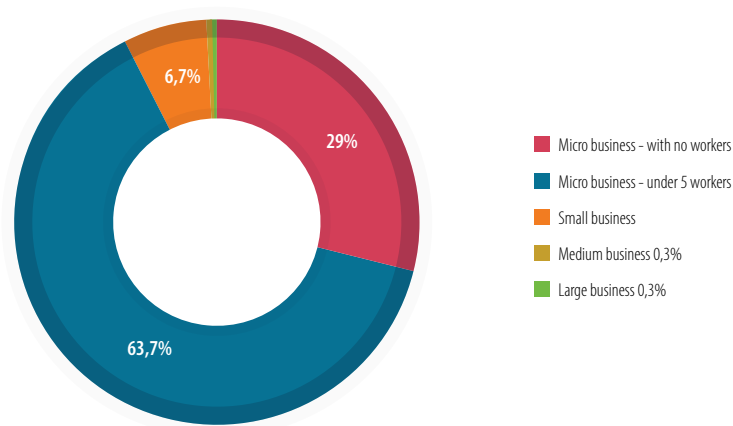
Source: Kosovo* Business Registry Agency, author's work, 2022

In terms of the size of businesses, the dominance of micro enterprises in Kosovo*'s market is evident and worrying. Micro enterprises, with less than 10 workers, often operating as individual businesses with owner-worker model, often never escape this model and expand further. As a result, this has been identified as a problematic aspect of entrepreneurship in Kosovo*. A 2017 study conducted by Riinvest Institute with women entrepreneurs found that around 29% of women operated businesses are micro businesses with no workers and around 64% have less than 5 workers.

This worrying statistics shows the fragility of women's entrepreneurial activities in Kosovo*. Hampered by societal expectations and often lacking support from their families, but even more so lacking capital to start and operate larger businesses, women in Kosovo* remain trapped in micro enterprises, often individual businesses with no workers, as a form of income generation out of necessity.

168 Mehmeti, I., Dobranja, D., Hashani, A., Beqiri, G. (2017). Women's Entrepreneurship: An analysis on doing business in Kosovo*, available at: www.riinvestinstitute.org/uploads/files/2017/November/10/Womens_Entrepreneurship1510307815.pdf

Figure 19. Women's enterprises by size, 2017, Kosovo*



Source: Riinvest Institute, *Women's Entrepreneurship, 2017*, author's work, 2022

Women who have completed their high school at 48% and those with a bachelor's degree at 29% are most likely to own a business, followed by those with a master's degree or those who have completed primary education, with 10% each.¹⁶⁹ Moreover, based on the survey with 313 women-owned businesses, Riinvest Institute found that most women entrepreneurs are married, and the average age of women business owners is 40. The study further finds that more than 88% of women established their business themselves, compared to only 8% who inherited the business from their family and 3% who have acquired a business that has already been established. Moreover, more than half of women used own capital/personal equity as a source of their start-up capital, 24% used advances/loans from family and friends, and 7% used remittances. Only 10% used loans from banks or financial institutions and 5% used grants from donor organisations.¹⁷⁰

In terms of sectors, as with the majority of enterprises in Kosovo*, women's businesses are concentrated in the retail and wholesale trade sector. A third of women-owned businesses operate in this sector,

compared to 37% of men. Specifically, retail sale of clothing and footwear in specialised stores are the most common businesses owned by women in retail. The second most common sector for women's businesses is other service activities, specifically hairdressing and other beauty treatment services. Women's businesses in the manufacturing sector make up the third highest sector. Most women's businesses in the manufacturing sector operate in the textile industry, specifically in manufacture of wearing apparel.¹⁷¹ A more recent study on the manufacturing potentials in Kosovo* shows that women own around 25% of businesses in the food processing industry, around 12% of businesses in the wood processing industry, only 6% of businesses in the plastic industry, and no businesses in the metal processing industry.¹⁷² Of these industries, metal processing has the highest annual average turnover, followed by the food processing industry. In table 8, a selected number of economic activities by gender has been presented. Although men are in total owners of more enterprises operating in the agriculture sector, 7% or 800 of all enterprises in women's ownership operate in this sector.

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169 Ibid.

170 Ibid

171 Ibid

172 Riinvest Institute. Digital Capacities in Manufacturing Sector in Kosovo*, 2022. https://oegjk.org/wp-content/uploads/Digital-capacities-on-munufacturing-sector-in-Kosovo_Riinvest-Institute_English.pdf

Table 8. Active enterprises by selected economic activity and gender of the owner as share of gender, 2021, Kosovo*

Activity	Women	Men
Wholesale and retail trade	32%	37%
Other service activities	20%	6%
Manufacturing industry	11%	11%
Accommodation and food service	8%	11%
Agriculture, Forestry and Fishing	7%	3%
Professional, scientific and technical activities	6%	6%

Source: Kosovo* Business Registry Agency (KBRA), author's work, 2022

As a share of total, women's enterprises in wholesale and retail trade, the main sector of operations, make up only around 4% of all enterprises in Kosovo*.

More than half of women consider financial gains as the primary motivation for starting a business. A quarter of women are not willing to work for others, and as a result have decided to start their own business, whereas around 23% have started their business out of necessity due to unemployment.¹⁷³ This detailed study of women's entrepreneurial activities in Kosovo* also shows that in line with their size the performance of women-owned businesses remains relatively low. More than two thirds of women-owned businesses (71%) generated less than €10,000 in sales in the previous year, a further 22% generated up to €50,000 in sales, only 5% of women's businesses sales went up to €100,000. Only 1.4% of women-owned enterprises recorded sales of more than €100,000 in the previous year, compared to 21% of men owned enterprises. This shows a clear discrepancy in business size, which in turn impacts investment in the enterprise and potential for growth. However, less than 40% of women state to have made investments in the past year with average annual investments totalling to around €5,000, which is around 10% of the average investment that enterprises with men owners have made. The main destinations of investment are equipment (33%) and business facilities (31%).¹⁷⁴

This lack of investment in general and low levels of investment in particular cases illustrates stagnation of women-owned enterprises in a cycle of small-scale operation, which does support growth which can in turn generate opportunities for investment.

Financing remains one of the main barriers to doing business for women and men alike. Only 15% of women business owners stated to have taken loans from banks or financial institutions in the previous year (2017). While the support through specific programmes aimed at women entrepreneurs has had a positive impact on women's access to finance, inheritance and property rights remain hindrances to women's opportunities to get approved loans to support investment in their firms. High interest rates, lack of confidence that they would be able to receive the loan, and lack of necessary collateral are among the most common reasons why women entrepreneurs in need of financial support decide not to apply for loans.

Pristina, as the capital city and the economic region with the highest turnover, is home to almost half of all active enterprises operating in Kosovo* today. According to the Kosovo* Business Registry Agency, 43% of enterprises currently active operate in the capital. Of those enterprises for which the gender of the owner/administrator is known, 42% of all women-owned businesses and 37% of all men

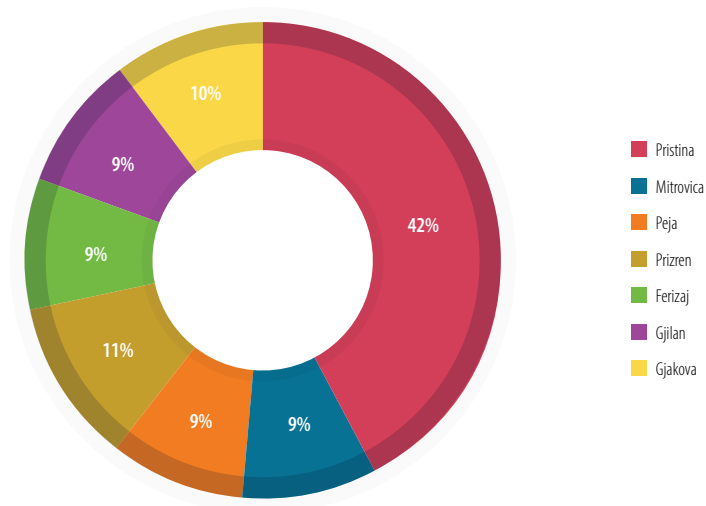
173 Mehmeti, I., Dobranja, D., Hashani, A., Beqiri, G. (2017). Women's Entrepreneurship: An analysis on doing business in Kosovo*, available at: www.riinvestinstitute.org/uploads/files/2017/November/10/Womens_Entrepreneurship1510307815.pdf

174 Ibid.

owned businesses are registered in Pristina. Prizren, as the second region in terms of population and economic activity, is also the second one in terms of enterprises registered, with 12% of all enterprises

operating in Prizren, and 11% of all women's businesses as well. The remaining regions have a similar share of women's businesses operating in the municipalities within the region, around 9% each.

Figure 20. Women's businesses by region, Kosovo*



Source: Kosovo* Business Registry Agency, author's work, 2022

Similar to the existing structure of businesses, new businesses registered are mostly in men's ownership. Regarding individual businesses established in the past five years, however, around 30% are owned by women. As for larger businesses, such as partnerships, only around 18% of all registered businesses had at least one woman partner in the past five years. KBRA does not publish the gender breakdown of newly registered firms by municipality.

Around 3% of all enterprises registered and operating in Kosovo* are in the agriculture sector, as one of the main sectors of interest. For women's enterprises this number is higher, at 7% of all women's enterprises. However, agricultural activities are often conducted in agricultural holdings, which do not need to be registered necessarily as enterprises but can operate

through the farm identification number (NIF). Based on the data from the Agriculture Census in 2014, only 5% of all farm holders in Kosovo* are women, while women dominate with 58% as family labour in the farms.¹⁷⁵

However, one positive development in the sector has been the increased women's ownership of enterprises engaged in food processing, which is closely linked to agricultural activities in the value chain. The annual Agricultural Holdings Survey does not publish the data disaggregated by gender. However, efforts from international organisations to provide technical assistance to the Agency to collect and publish gender disaggregated data in agriculture, especially in land ownership, are under way.

5.3.2. Regulatory and legal framework

Kosovo*'s legal framework ensures equality before the law and prohibits discrimination. The Law on

Gender Equality is applicable to economic activities as well. Adopted in 2015, the Law is set to guarantee

175 Kosovo* Agency of Statistics, Agriculture Census, 2014,

available at: <https://ask.rks-gov.net/sq/agjencia-e-statistikave-te-kosoves/add-news/rezultatet-e-regjistrimit-te-bujqesise-2014>

and promote equality between men and women. This Law prohibits direct and indirect discrimination on the basis of sex and requires special measures to accelerate equality in the areas where inequalities are evident.¹⁷⁶ Special measures in the Law include economic empowerment and specific steps to be taken in improving women's position in labour markets, education, health, culture, as well as allocation of resources.¹⁷⁷ Kosovo's Agency for Gender Equality has also developed Kosovo's Programme for Gender Equality 2020-2024 which has been approved by the Government and is being implemented. The programme's first objective "Creating equal opportunities to contribute to and benefit from economic development, increased inclusion and improvement of social welfare" includes measures to increase women's labour market participation, and employment and increased business ownership of women and higher levels of entrepreneurship are set as outcome indicators. Finally, the comprehensive National Development Strategy 2030, currently in the process of approval by Kosovo's institutions, includes women's participation in all pillars of development. Specifically, in targeting private sector development, increasing women's participation in business is a specific target indicator. Women's labour force participation and economic activities are also targeted by the Strategy. Moreover, strategic and specific objectives are tied to indicators which are measured through gender disaggregated data.¹⁷⁸

Business registration: Business activities that can be registered in Kosovo* are regulated by the Law No. 06/L-016 on Business Organisation which sets the legal framework for business registration in Kosovo*. The Law has been amended in 2018 to better comply with the EU regulations and ensure that there are no

legal provisions that hinder Kosovo's EU accession process.

During the doing business reform in Kosovo*, legislation and policy requirements have been revised to improve the ease of doing business, in line with the World Bank Doing Business reporting requirements. In 2020, the last Doing Business Report published, showed that Kosovo* ranks in the top 15 economies (#12) in the world in starting a business category, with a score of 95.9/100. The estimated time to start a business in Kosovo* is 4.5 business days, with 3 procedures in place to be completed for the registration.¹⁷⁹ However, experts conclude that there is still a high level of administrative barriers to doing business, related to licences and permits for different types of business activity.

Representation of women entrepreneurs in regulatory bodies or boards: The Law on Business Organisations stipulates that the "number of members of Board of Directors of a Joint Stock Company must also include the quota of forty percent (40%) of women's participation in the Board," as means to improve the existing lack of women in leadership positions in companies in Kosovo*.¹⁸⁰ Women are underrepresented in public boards and regulatory bodies. However, the current government has taken significant steps in ensuring a more gender equal representation in boards, in line with the Law on Gender Equality. The Law on Gender Equality stipulates that "Equal gender representation in all legislative, executive and judiciary bodies and other public institutions is achieved when ensured a minimum representation of fifty percent (50%) for each gender, including their governing and decision-making bodies".¹⁸¹ As such, the lack of equal gender representation in decision-making bodies and regulatory boards is not only discriminatory, but against the law.

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176 Assembly of Kosovo*, 2015

177 Assembly of Kosovo*, 2015

178 Government of Kosovo*, 2022

179 World Bank, Business Environment Enabling Survey, 2019, available at: <https://www.enterprisesurveys.org/en/enterprisesurveys>

180 Assembly of Kosovo*, 2018

181 Assembly of Kosovo*, 2015

Labour laws and women employment: One law which has been highly debated as negatively impacting women's participation in the economy is the Labour Law, specifically the maternity leave provisions in the legislation. As per the Law, employed women are guaranteed up to 12 months of maternity leave following the birth of a child. The Law stipulates that during the first six months of the leave, employers pay 70% of the employee's salary. The next three months are paid by the government at 50% of the average Kosovo* salary whereas the last three months of maternity leave are unpaid. The Law guarantees 3 days of paid leave and up to two weeks of unpaid leave to fathers.¹⁸²

Businesses and other private sector representatives have continuously stated that the financial burden stemming from the Law, both in compensating current employees during their maternity leave and hiring and compensating their replacements during this period is too high.¹⁸³ This has resulted in a taste for discrimination in hiring women, which Kosovo* Women's Network (KWN) found in a 2016 study that half of employers preferred hiring men, 20% preferred hiring women, and only 30% were indifferent in their hiring.¹⁸⁴ The cost of maternity leave has not only impacted women as employees, but as employers as well. However, according to the Riinvest Institute study on Women's Entrepreneurship, majority of women (around 60%) do not consider any changes in the Law necessary and only 3% state the shortening of the maternity leave and changing maternity leave provisions as an option.¹⁸⁵

Property ownership and inheritance rights:

Property ownership and transfers are regulated through the Law on Property and Other Real Rights, as the main legislative document providing the framework for regulating these matters. The Law postulates conditions under which acquisition of immovable property could be executed where (1) the transfer of immovable property ownership requires a valid contract between the two parties and (2) the contract for the transfer of ownership must be concluded in written presence of both parties either before a competent court or a notary.¹⁸⁶ Moreover, Family Law, Inheritance Law, as well as the Law on Gender Equality provide the basis for ensuring gender equality within property ownership and transfers.

The Family Law in Kosovo* has clear ownership specifics for both married and unmarried couples. Generally, for both married and out-of-marriage couples joint property cannot be alienated or administered without the consent of both spouses.¹⁸⁷ For families, all members of the family community that have participated in acquisition of the property are to be registered in the public registers as owners. No transfer of ownership is done without a contract with all members of the family unit.¹⁸⁸ Moreover, the Law on Inheritance further guarantees joint ownership of family members. The Law guarantees equal rights to inheritance of all physical persons under the same conditions.¹⁸⁹ The Law further recognises the heirs to inheritance, with the children of the deceased as the first line of inheritance, regardless of gender.

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182 Assembly of Kosovo*, 2010

183 Bajnska I., Rrahmani, G., Farnsworth, N., (2016), Striking a Balance, available at: <https://womensnetwork.org/wp-content/uploads/2018/10/20160504154201373.pdf>

184 Ibid.

185 Mehmeti, I., Dobranja, D., Hashani, A., Beqiri, G. (2017). Women's Entrepreneurship: An analysis on doing business in Kosovo*, available at: www.riinvestinstitute.org/uploads/files/2017/November/10/Womens_Entrepreneurship1510307815.pdf

186 Assembly of Kosovo*, 2009

187 Assembly of Kosovo*, 2006

188 Ibid.

189 Assembly of Kosovo*, 2004

Finally, the Government of Kosovo*, on an annual basis, since 2016 has renewed the Administrative Instruction on Special Measures for Registration of Joint Immovable Property on Behalf of Both Spouses, as a temporary measure aiming to stimulate registration of immovable property as joint property of spouses.¹⁹⁰ This instruction, which includes tax breaks and exemptions from notary expenses and registration fees, has significantly impacted the registration levels of joint ownership for couples, increasing from 7% of all properties in 2016, to around 19% in 2021.¹⁹¹

However, although the legislation on property ownership is well developed to ensure equal rights, there are still gaps in enforcement of legislation which has negatively impacted women throughout the years. Cultural norms and societal expectations have also impacted women's property ownership making renunciation of inheritance prevalent in most cases. Kosovo* does not have official statistics on renunciation levels; however, it is considered that women not always give up on their inheritance voluntarily. An analysis of property rights conducted by Joireman in 2015 suggests that anecdotal evidence shows that women are often coerced into giving up their inheritance by male members of the family, this being especially true in rural areas.¹⁹²

Policies in support of women entrepreneurship:

Apart from programmes that have supported women's entrepreneurship in the past, mainly through direct grants, the Economic Recovery Programme that was drafted to counter negative economic impact of the COVID-19 pandemic also included a direct measure to support initiatives aiming to improve women's position in society. Specifically, during the second phase of Programme implementation, Kosovo*'s Agency for Gender Equality implemented the measure to allocate

€1 million to specific target groups, including women owners of small manufacturing and service businesses; women in business organisations such as cooperatives and business-to-business; individuals who are self-employed; as well as women and girls belonging to certain disadvantaged groups. However, an assessment of the measures of the Economic Recovery Programme shows that certain groups of women have been left out, even though direct measures to support women were developed. Women who were employed informally, informal women farmers, and single parents, namely single mothers, have not been explicitly included in the measure to support women's position in the society and especially informal women works and farmers have been left out due to application criteria.¹⁹³ The Gender Equality programme has set specific targets for increasing women's overall business ownership to 18% in 2023.¹⁹⁴

The National Strategy for Innovation and Entrepreneurship (2019-2023), currently in place, also puts women's entrepreneurship as one of the pillars of innovation and entrepreneurship. However, this Strategy groups women and youth in the same pillar, not prioritising each group individually. The specific objective for women in this Strategy is related to integration of women in business through a better business environment and specific programmes targeting women in businesses. However, it does not set specific targets that can be monitored and tracked.

The newly approved Strategy for Agriculture and Rural Development (2022-2028) includes in the third strategic objective of development of business and social infrastructure in rural areas the specific objective aimed at promoting gender equality, including women's participation in agriculture and social inclusion of communities and vulnerable

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190 Government of Kosovo*, 2016-2022

191 Kosovo* Cadastral Agency, 2022

192 Joireman, 2015

193 Gashi et al., 2021

194 Kosovo* Agency for Gender Equality, 2020

groups.¹⁹⁵ The action plan for the implementation of this Strategy is currently being developed and will include specific indicators and targets to

monitor especially the support to women's business development in agriculture.

5.3.3. Assessing business environment and enabling factors

Although Kosovo* institutions have prioritised improving the doing business environment through policies and legislation, there is still progress to be made in ensuring better support to private sector development. While true for all businesses, all shortcomings of doing business environment are more prevalent for women and youth, who are already underrepresented as entrepreneurs.

The main barriers to doing business in Kosovo* are similar between men's and women's businesses, with issues pertaining to tax obligations, administrative burden, and small local market dominating as challenges which businesses in Kosovo* face. However, women face additional barriers which are specific to women entrepreneurs. The lack of time for specific training as well as obligations and care for the family are ranked highest as barriers that women face compared to men. However, according to the Riinvest Institute study with women entrepreneurs, in general, women, compared to male business owners, list barriers with lower points of intensity.¹⁹⁶ Specifically, according to the study women business owners consider tax evasion and informality - including unfair competition as a relatively problematic obstacle, ranked with 44.8 intensity points, compared to a high intensity of 57.0 by men (2017). Given that men's businesses dominate in areas which are more likely to face external competition and to aim for expansion beyond the local market, this difference can be attributed to different experiences in the market stemming from inherent difference in the business model between women and men. On the other hand, corruption, as

an obstacle for women business owners, is classified at the lowest level of barriers, with only 36.6 points, whereas for men, this barrier is the second highest overall, with 58.9 intensity points.¹⁹⁷ While one explanation is that women entrepreneurs have faced numerous obstacles and thus have become more resilient, a more likely explanation is directly linked to the size of women's businesses which impacts the likelihood of participation in public procurement and other bidding activities, where corruption may be more prevalent.

A study on factors that influence women's economic empowerment, carried out by Riinvest Institute in 2018, identifies the main interventions needed to improve women's economic outcomes. The study conducted with employed and unemployed women asked women to classify interventions within different aspects of empowerment that they considered as crucial to improving their experience in the labour market (for those who were economically active) and what would improve their likelihood of participating in the labour market (for those who were not currently active). Access to suitable opportunities for work (by three out of four women) and opportunities for training and skills improvement (by more than half of women) were identified as main enabling factors for both economically active and inactive women.¹⁹⁸ Moreover, flexibility and access to part-time employment, which can be possible through business ownership, is considered as one of the main enablers of women's activity in the economy.

195 Ministry of Agriculture and Rural Development, 2022

196 Mehmeti, I., Dobranja, D., Hashani, A., Beqiri, G. (2017). Women's Entrepreneurship: An analysis on doing business in Kosovo*, available at: www.riinvestinstitute.org/uploads/files/2017/November/10/Womens_Entrepreneurship1510307815.pdf

197 Ibid.

198 Dobranja, D., Mehmeti, I., Hashani, A., Beqiri, G., (2018). Facilitating Empowerment, available at:

https://www.riinvestinstitute.org/uploads/files/2019/February/20/Womens_economic_empowerment_ENG1550674295.pdf

Given unequal care burden women bear, policy interventions pertaining to childcare facilities are also considered as an important step in improving women's economic outcomes. More than half of women consider that more, better, and affordable childcare options would improve their chances of engaging in economic activities.¹⁹⁹ In line with this, more equal sharing of care and household responsibilities as well as the support of family members for pursuing economic activities for women are also considered important for almost a quarter of women.

These insights provide the basis for policy interventions to facilitate women's economic empowerment and increase their participation in the labour market and entrepreneurship. However, given the low representation of women in policy dialogue, the likelihood of these issues being raised by advocacy groups and being considered by policy-makers remains low. As workers, women lack representation in trade unions. As main stakeholders in policy dialogue pertaining to worker's rights, trade unions, by law, are required to have gender equality and address this through leadership and membership positions. However, as Rrahmani finds, women rarely, if ever, hold leadership positions in trade unions.²⁰⁰

On the other hand, as entrepreneurs, women are represented through business associations and chambers of commerce. Apart from membership in the main chambers of commerce, women entrepreneurs established G7, the women's chamber of commerce. In terms of issues impacting women more than men, advocacy on changing the Labour Law, especially to change maternity leave provisions to not burden employers, has been a main advocacy topic for chambers of commerce such as Kosovo* Chamber of Commerce and the American Chamber of Commerce, but G7 as well. Moreover, considering women's lower access to finance, these organisations

also highlight the importance of improving access to finance for all businesses, but with special need for better access for women, youth, and start-up owners.

As the main public-private dialogue platform, the National Council for Economy and Investments has a membership of business representative organisations and government institutions. Members of the platform include G7, the women's chamber of commerce, and Women's Economic Forum. The latter is a consortium of civil society organisations working on women's economic empowerment and advocating for policy changes to improve women's economic outcomes.

In 2018-2019 Women's Economic Forum drafted an advocacy document, the Agenda for Women's Economic Empowerment, still relevant to date. Institutional response to these advocacy areas has improved. The Labour Law is currently in the process of being amended, there is higher investment in public childcare facilities, and there are specific training and skills building programmes being developed to target women, especially in ICT. While grants and institutional support to women has improved, especially as a response to the COVID-19 pandemic, overall access to finance, however, remains largely donor-driven.

Women's Economic Forum has drafted an advocacy document, the Agenda for Women's Economic Empowerment, which identifies four main intervention areas to improve women's role in Kosovo*'s economy based on research and policy analysis. These areas are amending the Labour Law, increasing access to quality and affordable childcare, increasing access to training and skills development for women, and improving access to finance, specifically for women entrepreneurs (Women's Economic Forum, 2019).

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199 Ibid.

200 Rrahmani, G., 2018, Trade Unions and Gender Equality in Kosovo*, available at:
https://www.kgscenter.net/site/assets/files/1658/sindikatat_dhe_barazia_gjinore_ne_kosove.pdf

Lack of inheritance remains a major obstacle to women's collateral holdings and in turn to their access to finance. This resulted in less than 15% of women's businesses applying and receiving loans in 2016 to invest in their businesses. Moreover, given the importance of own equity to start businesses and considering that more than 50% of women start their businesses using their own savings, enforcing equal inheritance and property rights is crucial to improving women's access to finance and giving them a fair chance to grow their business.

These barriers to accessing finance for women entrepreneurs have been evident and as such prompted the design and implementation of supporting programmes from international financial institutions such as the EBRD and International Finance Corporation (IFC) enacted through local financial institutions and banks. One such initiative has been implemented by EBRD, offering financial and non-financial support to women entrepreneurs. This programme provides women with facilitated access to finance while also giving them opportunities for training and mentorship. Through Kosovo* Financing Agency, EBRD has allocated €2 million for women-led businesses and another €2 million for micro, small, and medium enterprises throughout Kosovo*.²⁰¹ A similar programme has been implemented throughout the Western Balkans, reaching almost 5,000 women entrepreneurs.

Another effort to improve access to finance, not only for women-led businesses but also other groups with less access to finance, such as youth and start-up owners, is the establishment of Kosovo* Credit Guarantee Fund (KCGF). KCGF issues credit guarantees for financial institutions, covering up

to 50% of the risk for micro, small and medium-sized enterprises (MSMEs). Businesses that qualify for credit guarantees are those that are stable but lack the necessary collateral; businesses that need long-term financing; businesses with the potential to increase local production; businesses owned by women and non-majority communities; as well as those businesses that create jobs.²⁰² According to KCGF, the Economic Recovery Package enacted by Kosovo* Government through KCGF to support women entrepreneurs has increased the support from around 12% to 14% of all loan guarantees in 2021.²⁰³

Lack of access to finance impacts investments in business significantly.²⁰⁴ Using data from 313 entrepreneurs surveyed by Riinvest Institute, an analysis of what impacts the level of investment in the business, apart from access to finance, shows that women who operate businesses in higher value and added value sectors invest more in their business; and women, especially working in the manufacturing sector invest more, as do women who have a higher number of employees. Women who operate businesses directly involved in trade or sales have a lower investment value in their business.

While for all businesses operating in Kosovo* public procurement is an important source of business activity, this is significantly less true for women-led businesses. Public procurement as a share of GDP in Kosovo* has fluctuated between 7% and 20% in certain years.²⁰⁵ However, women business owners state that less than 1% of their sales come from government institutions.²⁰⁶ One of the main obstacles for women entrepreneurs remains the inability to meet public procurement requirements,

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201 EBRD 2022

202 Kosovo* Credit Guarantee Fund (KCGF) 2022

203 Ibid.

204 Mehmeti, I., Dobranja, D., Hashani, A., Beqiri, G. (2017). Women's Entrepreneurship: An analysis on doing business in Kosovo*, available at: www.riinvestinstitute.org/uploads/files/2017/November/10/Womens_Entrepreneurship1510307815.pdf

205 Riinvest Institute. Digital Capacities in Manufacturing Sector in Kosovo*, 2022. https://www.riinvestinstitute.org/uploads/files/2022/October/19/Digital_capacities_in_munufacturing_sector_in_Kosovo*_Riinvest1666185819.pdf

206 Mehmeti, I., Dobranja, D., Hashani, A., Beqiri, G. (2017). Women's Entrepreneurship: An analysis on doing business in Kosovo*, available at: www.riinvestinstitute.org/uploads/files/2017/November/10/Womens_Entrepreneurship1510307815.pdf

especially eligibility to bid for procurement notices pertaining to the size of the company and turnover. Moreover, lack of access to information and lack of

knowledge about public procurement procedures also represents barriers for women entrepreneurs.

Discussing women entrepreneurship enablers

Facilitating women's entrepreneurship in Kosovo* has been pursued by central and local level government institutions, international donors, financial institutions, as well as local stakeholders, such as business associations and civil society organisations.

The Prime Minister's Office, specifically the Agency for Gender Equality, is responsible for implementation of policies and legislation pertaining to gender equality and ensuring equal representation of women and men in all areas. Moreover, the Agency has adopted Kosovo* Programme for Gender Equality 2020-2024, which has specific indicator targets for increasing women's entrepreneurial activity and ownership during its implementation.

As an independent agency within the Ministry of Industry, Entrepreneurship and Trade (MIET), Kosovo* Investment and Enterprise Support Agency (KIESA) is mandated to provide support for investments and entrepreneurship in Kosovo*. To support small and medium enterprises in Kosovo*, throughout the years KIESA has implemented several projects and activities mainly in promotion and facilitating creation of business networks through local and international trade fairs. In direct support to women's businesses, KIESA organises Women in Business fair, which aims to support promotion of products for women in business and facilitate their access to new markets and opportunities. The success of the activity, however, is difficult to measure, given that a follow-up monitoring with participating businesses aimed at addressing the gains from the activity is not conducted systematically.

Ministry of Agriculture, Forestry and Rural Development (MAFRD) plays an important role in fostering women's role in agriculture. Through

direct subsidies and grants to farmers and other agricultural production, the Ministry has developed positive actions to improve women's chances for support from the Ministry. The award point system currently in place for grants and subsidies for farmers by the Ministry grants additional points to women applicants. Moreover, the draft action plan for agriculture and rural development has also included specific gender requirements for support through the EU-funded LEADER programme for local action groups. For local support groups to receive support for their development strategies they need to have at least 10% membership of women.

Apart from supporting local institutions to implement policies and activities, international organisations and donors or financing institutions have had a role in shaping policies as well. Through support for institutions, international community has managed to improve women's access to finance by establishing Kosovo* Credit Guarantee Fund. Through mainly EU-funded projects, support and activities carried out by local institutions have played a positive role in improved gender equality and more equal opportunities for women and men.

Local organisations, especially those working with women businesses are also key enabling factors to women's entrepreneurship. Organisations such as Kosovo* Women for Women, which continuously work with women businesses, especially in agriculture, providing both financial and technical support, have been crucial in the success of women entrepreneurs in the municipalities in which they have operated. However, the organisation is dependent on donor support and financing to be able to provide the support to women entrepreneurs. Local organisations that work in grassroots approach and directly benefit women

entrepreneurs have been the most successful type of support to women's entrepreneurship. This is due to the fact that these organisations have developed

institutional memory through continuous work with women entrepreneurs and have specific lessons learned in supporting women entrepreneurs.

5.3.4. Initiatives supporting women entrepreneurship

Local support initiatives in Kosovo*

As previously noted, legislation and policies in Kosovo*, in line with the EU acquis and regulations, as well as bound by the Law on Gender Equality, are developed to support and ensure equal opportunities for women and men. As such, all initiatives which aim at providing support to businesses or individuals through government programmes adhere to the equality principle. However, given the fact that women are already in a disadvantaged position in the economy, programmes have been designed to support women directly and specifically.

Apart from programmes supporting entrepreneurship in general, the Ministry of Industry, Entrepreneurship and Trade has implemented specific windows of support, usually financial, to women entrepreneurs. However, these programmes are not continuous and are often only implemented as part of government agreements with international financial institutions, such as the World Bank.

Another practice used to benefit women in business is through positive action point awarding system, which is implemented by the Ministry of Agriculture, Forestry and Rural Development. Through continuous support to farmers, MAFRD ensures that women owners of farms are given additional points, thus enhancing their chances of receiving subsidies from the Ministry. However, according to the monitoring and evaluation unit within the Ministry, this positive measure has led to a significant number of farms being registered in women's names, without in fact giving women control over the farm. Families may often make the decision to register the farm in a woman's name, however the control and

management of the farm remains with men. As a result, the Ministry is reluctant to release the data on beneficiaries by gender, considering that although there might be a higher number of women farmers benefiting from their schemes, they lack control over the farm for which they received the scheme.

Apart from institutions, international bodies provide significant support to women's entrepreneurship either through said institutions or directly. Projects, currently largely in support of the aftermath of COVID-19, often offer support to women entrepreneurs to invest in their businesses, especially in updating or improving tools and machinery. Donor-driven support is designed to address specific shortcomings for women in business.

Support for skills building and specific training for women entrepreneurs is provided by several international organisations, including EU, USAID, GIZ, EBRD, and Organisation for Security and Co-Operation in Europe (OSCE). Training, mentoring, and other technical support is often combined with financial support, or vice versa. One project, implemented by Kosovo* Women for Women, supported by the Austrian Development Agency included a skill building programme which culminated in financial support for women entrepreneurs to invest in their business.²⁰⁷ With the support from the Swedish government, EBRD has funded Kosovo* Rural Crediting (KRK) with €3 million, of which €1 million to support women entrepreneurs and the rest for small businesses. These grants and financing opportunities are

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207 Iliriana Gashi, Kosovo* Women for Women, Interview, 2022

supplemented by technical assistance through the Women in Business programme of EBRD.²⁰⁸

USAID-funded projects have helped develop the soft fruits and berries sector in Kosovo* through direct financial and technical support to the agriculture sector. The sector of soft fruits and berries has been developed and has shown export potential as well as potential for value added interventions. Moreover, a significant number of beneficiaries of these projects have been women, thus making women the cornerstone of this specific agricultural sector in Kosovo*.

Clustering and market access practices

While there have been initiatives in establishing clusters within different industries, Kosovo*'s economy still largely relies on natural born clusters, bound together by opportunities for cooperation and business sense. However, certain sectors provide better opportunities for clustering and especially for developing clusters with regional potential.

Kosovo* is currently developing the Industry Strategy which will identify sectors and potential clusters. However, it is important to note the clusters in which women entrepreneurs are more likely to benefit and engage.

In agriculture, soft fruits and berries present an opportunity for clustering and creating an improved value added chain within the local economy and beyond. Cultivation of these fruits is the first chain in a value added chain potential. This sector, in which women farmers are common, has the potential to grow into a manufacturing and exporting sector through improved cooperation and clustering initiatives. Moreover, considering that women are relatively well represented in the food processing sector, a cluster of cultivating and food processing of soft fruits has the potential for the result to be more

Other initiatives supporting women entrepreneurs to upscale or improve the efficiency of their business include the Millennium Foundation Kosovo* programme supporting women in energy. This programme has had a two-fold aim. First, increasing the number of women working in the male-dominated energy sector through a scholarship programme. Second, supporting existing women business-owners in know-how and investment in energy efficiency.²⁰⁹

than the sum of its parts. The cluster is identified to have a consistent market demand, a pricing advantage, and high yields per hectare.²¹⁰

The ICT sector in Kosovo* has a well-established cluster. Increased number of women entrepreneurs in this sector, combined with the fact that the sector allows for more flexible working arrangements, making it more suitable for women who seek more flexibility, are conditions for supporting the ICT sector cluster even further with a special momentum for women in the sector.

Apart from food processing, textile manufacturing has been highly popular with women entrepreneurs. As a sector with high added value and export potential, clustering in this sector would be largely beneficial.

An existing cluster of Metal Industry and Renewable Energy (MIRECK), although dominated by men, has shown increased interest from women, especially for renewable energy. This cluster is also in close cooperation with vocational education schools to provide skills for women and men alike to work and operate in the sector.

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208 EBRD, 2022

209 Millenium Foundation Kosovo*, 2022

210 Ong, 2014

Good Practices/Success stories and/or case studies

Box 10. Good practices in Kosovo: Administrative Instruction (QRK) no. 03/2016 on Special Measures for Registration of Joint Immovable Property on Behalf of Both Spouses*

In 2016, the Government of Kosovo* adopted the Administrative Instruction on Special Measures for Registration of Joint Immovable Property on Behalf of Both Spouses, as a temporary legal measure to stimulate registration of immovable property as joint-property of both spouses in the immovable property rights registry. The Administrative Instruction specifies benefits from registering joint-property for couples, including exemption from the registration fee, exemption from property tax for a one-year period, as well as exemption from notary expenses for the procedure (Government of Kosovo*, 2016). In a 5-year period of the Administrative Instruction implementation, the number of properties registered under both spouses has increased from 694 in the first year, to more than 2,000 in 2020. By 2020, there were more than 7,000 properties registered in both spouses' names.

This legal measure as was proposed as secondary legislation by Kosovo*'s Agency for Gender Equality in 2016 and drafted and approved by the Office of the Prime Minister. As a temporary measure, the Administrative Instruction was first enacted for a period of one calendar year. The expected results from this measure included the increased number of women as joint owners of immovable property, improved position of women within the family and society, and indirectly improving women's economic standing, especially in terms of their opportunities for entrepreneurship. The success of the measure has led Kosovo* Government to extend the measure on a yearly basis since 2016. The bodies responsible for implementation of the Administrative Instruction are: Municipal Cadastral Offices, Civil Registry Offices, Municipal Property Tax Directorate, notaries, and other institutions dealing with registration of property rights.

The Administrative Instruction has not only provided the legal basis and incentives for women and men to jointly register their properties but has also been complemented with an extensive promotional campaign, encouraging couples to register property jointly. According to a European Institute for Gender Equality (EIGE) overview, this has increased the awareness among women and girls about their rights to property ownership.²¹¹ Moreover, this measure has increased public awareness and the awareness of stakeholders about joint property ownership. EIGE further states that this legislative change has made notaries more vigilant in ensuring that when property of married couples is sold consent of both is needed. The Law on Property and Other Real

Rights requires the consent of both parties, in cases where joint property is sold. This law, accompanied by an awareness campaign, has made the parties involved in the sale and purchase of property, much more aware of their rights.

Administrative Instruction (MEE) no. 09/2020 on Fees for Services for Registration of Immovable Property Rights foresees some incentives for registering the property as joint property for couples, such as the removal for one year of the municipal tax on the property or the removal of the property registration tax, which can go up to €500. This measure has no direct impact on the economy's budget, but it affects tax revenues at the municipal level.

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211 European Institute for Gender Equality, 18 October 2022. <https://eige.europa.eu/>

However, overall, the benefits of the increase in joint ownership of property for men and women outweigh any forgone income for the municipalities. According to the Kosovo* Cadastre, while joint ownership was around 7% of all properties when the measure was enacted, it increased to around 19% in 2021.²¹²

The measure could be applied as a special positive action at municipal or central level legislation. Given that one of the main barriers in accessing finance for women is lack of collateral, increasing women's property ownership is key to improving their chances of getting access to loans to open or expand their businesses.

While legislative framework predating the Administrative Instruction on joint-property ownership registration guarantees equality between men and women, the implementation of legislation remains behind. Kosovo* Constitution states gender equality as a fundamental societal value in line with the UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), which is adopted through the Constitution. The Law on Gender Equality also provides the opportunity to enact special measures to support the underrepresented gender in improving their economic outcomes.

Moreover, the legislation regulating property ownership stipulates that all property that is created during marriage or under certain circumstances in out-of-marriage relationships should be registered as joint property of both spouses; however, this has rarely been the case. This is because there are no direct penalties applied if couples fail to do so, unless they are undergoing divorce or are in a legal contest. Moreover, the law guarantees but does not incentivise couples to register the property as jointly owned. As such, the traditional socio-economic

norms have prevailed, and women's property ownership remained low even though the legislative framework guaranteed gender equality.

Evaluating the existing legislation and its impact on different aspects of property ownership, USAID Property Rights Programme has concluded that the administrative instruction is universally considered by key stakeholders that were interviewed during the assessment as a relevant and successful measure.²¹³

Moreover, EIGE considers the measure as a sustainable intervention which, through its expansion and continuous success throughout the years, has proven to have the potential to continue being successful.²¹⁴

The main resource needed to enact this practice is the willingness of institutions to adopt a special measure aimed at increasing women's property ownership. Legislative analysis of the existing laws and regulations in place is necessary to ensure that such a measure is not against the existing legislation or goes against the spirit of the constitution. Moreover, even though the budget implications are low, it is important to conduct a financial analysis of the implications of such a measure to ensure that its implementation does not stagnate due to budget implications.

The main step is ensuring that such a measure does not contradict the existing legislation. Moreover, it is important, if possible, to find support in existing legislation or strategic documents to enact such a measure, such as developing evidence-based arguments for advocacy with central level institutions to highlight the potential gains from enacting a similar measure.

The increase in women's property ownership which directly improves women's access to credit/finance,

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212 Kosovo* Cadastral Agency, 2022

213 USAID Kosovo*, Property Rights Program. (2015). National Baseline Survey for Property Rights in Kosovo*, p. 22, available at: <https://www.womensnetwork.org/documents/20160614114824999.pdf>

214 European Institute for Gender Equality, 18 October 2022. <https://eige.europa.eu/>

giving women better chances for opening and growing businesses, in turn increasing the number of businesses and creating more jobs, thus lowering the unemployment rate, will not only benefit women, but the whole economic system as well. Moreover, higher diversity in business activities has proven to be beneficial, especially for innovation.

The main difficulty has been the advocacy for supporting the proposal of the Agency for Gender

Equality to adopt an Administrative Instruction permitting spouses to register immovable property as joint ownership. Increasing awareness for the measure after it was adopted was another important step. An awareness campaign preparing the public for the measure before it comes into force can increase the likelihood of success even in the first months of implementation.²¹⁵

Establishment of Kosovo* Credit Guarantee Fund

In 2016, the Assembly of Kosovo* approved the law on the establishment of Kosovo* Credit Guarantee Fund (KCGF). The Fund was established as an institution which would facilitate access to finance for MSMEs in the economy. Through the support from the Fund, MSMEs would receive credit guarantee to make it easier to obtain loans from commercial financial institutions.

Profile:

The KCGF is established as an independent legal entity that “provides credit guarantees for MSMEs, by sharing the credit risk with financial institutions”.²¹⁶ The Fund works with banks and other financial institutions, government institutions, as well as international donors, aiming to increase lending to MSMEs and in turn support entrepreneurship, business growth and job creation. To date, the fund has supported 8,698 MSMEs through 11,751 loans, of which 14% have been women. Given that one of the main barriers to doing business for women in the economy has been access to finance, mainly hindered by lack of collateral, the opportunity to receive credit guarantee is crucial for women business owners to get better access to credit.

Moreover, since women are owners of less than 14% of total MSMEs in Kosovo*, support through the KCGF has been substantial to women entrepreneurs.

Typology of good practice

Kosovo* Credit Guarantee Fund has benefited MSMEs through direct support to their access to finance. However, the support process relies on financial institutions referring loan applications to the KCGF for support rather than MSMEs applying to the KCGF directly.

MSMEs apply for loans in partner financial institutions, which review the application and determine whether the application is eligible for support from KCGF. After reviewing the criteria and application, KCGF undergoes a decision-making process on supporting the application and notify the financial institution on the decision.

Given that a significant number of women entrepreneurs claim they are reluctant to apply for loans, the existing setup of KCGF does not address this issue women entrepreneurs face. Nonetheless, in the six years of operation, it has proven successful

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215 Links to resources.

Law on Gender Equality: <https://gzk.rks-gov.net/ActDetail.aspx?ActID=10923>

Administrative Instruction (GRK) No. 03/2016 on Special Measures for Registration of Joint Immovable Property on Behalf of Both Spouses <https://gzk.rks-gov.net/ActDetail.aspx?ActID=12418>

Kosovo* Programme for Gender Equality 2020-2024: <https://abgj.rks-gov.net/assets/cms/uploads/files/AGE%20Kosovo%20Program%20for%20Gender%20Equality%202020-2024.pdf>

216 KCGF, 2022

in supporting MSMEs, including women-owned businesses in their access to finance.

Context: Where can this be applied? What problem does it solve?

The establishment of a credit guarantee fund can and should be applied in all developing economies to improve access to finance for local businesses and support local entrepreneurship and job creation. It is especially important for women entrepreneurs, who worldwide are less likely to have access to collateral and in turn access to finance for starting or upgrading their business. The gap in access to finance is addressed through a credit guarantee fund. Moreover, it ensures access to finance especially for the underrepresented groups who are unable to have loans approved through financial institutions alone.

Resources: What resources and skills (capacities) are needed to carry out the good practice? Tools and techniques needed.

To establish a credit guarantee fund, several legislative measures, including the law on establishing the credit guarantee fund are necessary. Moreover, legislation pertaining to financial institutions and the central bank need to be aligned to ensure the usage of the credit guarantee fund.

Financial resources, both from the local government and from international donors, are key to the establishment and functioning of the fund.

Finally, given that the fund is established as an independent entity, staffing with skilled individuals is crucial to its work.

Procedures: What type of procedures needs to be followed to implement this good practice?

To ensure that this practice is implemented, first there needs to be the willingness of the local

institutions and the support of international donors for establishment of a credit guarantee fund. Following this, the support and oversight of the central bank is crucial. The readiness of financial institutions operating in the economy to collaborate with the credit guarantee fund is also key.

Furthermore, a well-developed legislative framework that maintains the independence of credit guarantee fund, while also ensuring oversight from relevant institutions, is the most important step in establishing a functioning credit guarantee fund.

Lessons learnt: What proved difficult, what would be done differently in other economy contexts?

The design of the credit guarantee fund is key to its functioning and usage. In Kosovo* financial institutions are the link between MSMEs applying for loans and KCGF. The design of KCGF is such that MSMEs first apply for loans in financial institutions and then financial institutions recommend specific applications to receive support from the fund. This leaves the usage of the fund in the discretion of financial institutions more than in KCGF or MSMEs themselves.

Moreover, a significant number of MSMEs, especially those owned by women, are excluded by design, since due to lack of own collateral they do not even go through the application process for loans in financial institutions.

An alternative to this would be a direct link between MSMEs and the credit guarantee fund, in which MSMEs would apply for support from the fund directly, and when approved, use this support to apply for loans in financial institutions. While this would require more resources within the credit guarantee fund to review and approve applications, it would also give an opportunity for businesses

to self-select out of applying for loans directly to financial institutions.²¹⁷

Specific support to women in Economic Recovery Programmes

Following the economic downturn from the COVID-19 pandemic, Kosovo* designed and implemented several measures to overcome the negative impact of the pandemic. The design of economic recovery measures was targeted towards the most vulnerable groups, including women, as entrepreneurs and as employees.

Profile:

To counter the negative impact of COVID-19 in the economy, the government developed several measures targeted at women. Although general economic recovery measures indirectly targeted women and youth, there were direct measures aimed at supporting women as business owners and as employees in their recovery from COVID-19 downturn. These temporary measures were designed in three separate programmes, Emergency Fiscal Package, immediately following the start of the pandemic; Law on Economic Recovery, after the change in government in 2020; and Economic Revival Package, designed in 2021, which is still being implemented.

Typology of good practice

Emergency Fiscal Package was designed as immediate response to economic impact of COVID-19 and thus was targeted more towards survival rather than recovery. While women entrepreneurs were not directly targeted by the package, a special support window for self-employed and micro-enterprises was designed. Through Kosovo* Credit Guarantee Fund (KCGF), support was given to enterprises applying for loans

of up to €10,000. This aimed at facilitating access to finance for micro enterprises during the economic downturn of COVID-19. Given that the majority of women's businesses fall in the self-employed and micro-enterprises, this window indirectly impacted women's businesses.

The Law on Economic Recovery (adopted in 2020) offered a guarantee of up to 80% of credit to micro, small, and medium enterprises through KCGF. This law designed a special window for women entrepreneurs to support women's businesses. Moreover, the measures stipulated financial support for projects and initiatives aimed at improving the position of women in society and economy in the amount of €2 million. According to KCGF data, 269 women businesses were supported by this measure, with a loan amount totalling to almost €12 million.²¹⁸

The Economic Revival Package, still being implemented, includes measures aimed at supporting women as employees and employers, while at the same time supporting businesses that contribute to higher employment of women. More specifically, the package supports women-owned businesses in access to finance through a principal subsidy of up to 20% regardless of the sectors in which they operate.²¹⁹ While overall support in access to finance is aimed at businesses in production, there are no sector restrictions for women-owned businesses.

Context: Where can this be applied? What problem does it solve?

Emergency measures are designed as shock therapy to a crisis and as such can only be replicated in similar instances. Even though measures that specifically benefit certain groups are difficult to implement during regular economic activity, in economies where certain groups are disadvantaged, such

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217 Links to resources

The law on establishing the Kosovo* Credit Guarantee Fund: <https://gzk.rks-gov.net/ActDetail.aspx?ActID=11339>
Kosovo* Credit Guarantee Fund: <https://fondikgk.org/en/home-2/>

218 KCGF, 2022

219 Economic Revival Package, 2021

measures can be implemented as special measures outside of crisis. In Kosovo*, activities and measures aimed to improve women's role in the economy are still necessary, given women's disproportionate representation in the economy.

Resources: What resources and skills (capacities) are needed to carry out the good practice? Tools and techniques needed.

These measures require financial and legal resources to be implemented. Direct support to women's businesses can only be done through special budget lines, which need to be stipulated in the Law on Budget. Moreover, support to women's businesses specifically needs to be addressed through legislation to allow for preferential treatment in the face of unequal representation in the economy.

Procedures: What type of procedures needs to be followed to implement this good practice?

To implement these measures three major procedures need to be implemented: (1) design of measures in line with existing resources; (2) legislative changes to allow for preferential treatment; (3) legislative changes to ensure KCGF can implement the foreseen measures.

Lessons learnt: What proved difficult, what should be done differently in other economy contexts?

While these measures target women entrepreneurs, either directly or indirectly, better targeted and more specific criteria are necessary to ensure that women's businesses receive support for the areas they needed. Moreover, support in bigger financial amounts is needed to have a long term and continuous impact on women's businesses.

Finally, preferential measures supporting any disadvantaged group, but especially women in businesses, can be developed as longer term initiatives rather than just as responses to crises.²²⁰

5.3.5. Conclusions

- While women entrepreneurs in Kosovo* have established successful business, there is still numerous barriers they face, thus being underrepresented as entrepreneurs.
- While all businesses face barriers, both men and women business owners state that tax levels and fiscal barriers remain a problem to doing business.
- Policies, especially those pertaining to legislation on childcare and maternity leave, remain a barrier to women's entrepreneurship.
- Developing natural clusters in sectors where women are more concentrated as business owners is an opportunity to enhance the existing conditions of women as entrepreneurs and create opportunities for growth and engagement in higher value added activities.
- Women in Kosovo* remain trapped in micro enterprises, often individual businesses with no workers, as a form of income generation out of necessity.
- High interest rates, lack of confidence that they would be able to receive the loan, and lack

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220 Links to resources

Emergency Fiscal Package: <https://mf.rks-gov.net/desk/inc/media/29F8FA6F-8E46-483E-A8C1-76E47F3B2D9E.pdf>

Law on Economic Recovery: <https://gzk.rks-gov.net/ActDetail.aspx?ActID=35478>

Economic Revival Package: <https://mf.rks-gov.net/desk/inc/media/1250EF76-BBC2-4A35-83DE-E45110E4D664.pdf>

Kosovo* Credit Guarantee Fund Data:

<https://fondikg.org/wp-content/uploads/2022/04/ECONOMIC-RECOVERY-PACKAGE-UP-TO-31-12-21.pdf>

of necessary collateral are among the most common reasons women entrepreneurs in need of financial support decide not to apply for loans.

- There is a significant lack of data publicly available on women entrepreneurship especially in the agriculture sector.

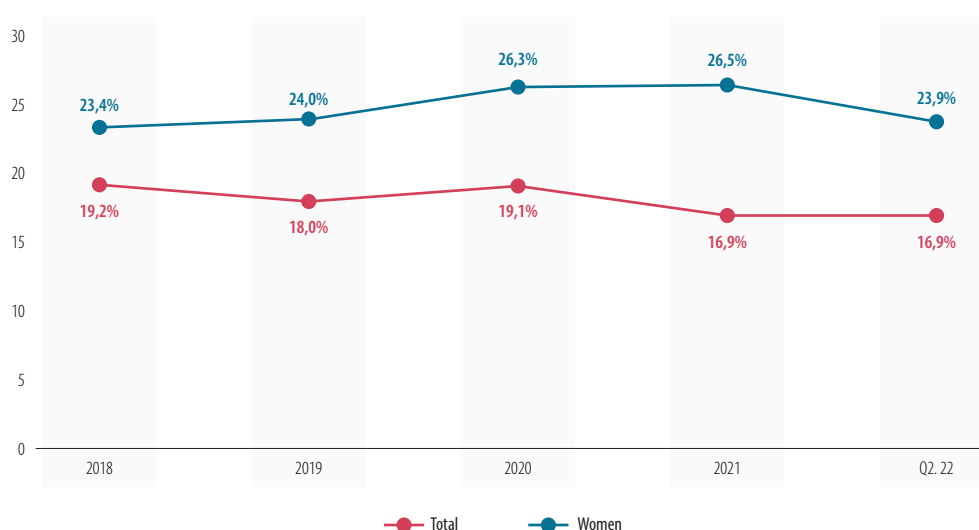
5.4. Women entrepreneurship in Montenegro

5.4.1. Profile of women entrepreneurs

Over the last five years approximately one quarter of employed persons in Montenegro are self-employed, while less than 20% of them are women. After a slight increase in 2020, total number of self-employed decreased in the first half of 2022, while the number of self-employed women remained at the same level. Participation of women in the labour market in Montenegro is around 8 percentage points lower than the EU average. Similarly, the gender gap

in employment rose from 11 to 14 percentage points between 2012 and 2019. Limited childcare options and negative social norms in relation to women's employment contribute to these gaps. The decline in economic activity during the COVID-19 pandemic has led to a reduction in the employment rate to 50 per cent from 56 per cent in 2019 and to a further decline in the female employment rate to less than 45 per cent in 2020 from 50 per cent in 2019.²²¹

Figure 21. Self-employment, %, Montenegro



Source: Monstat, Labour Force Survey

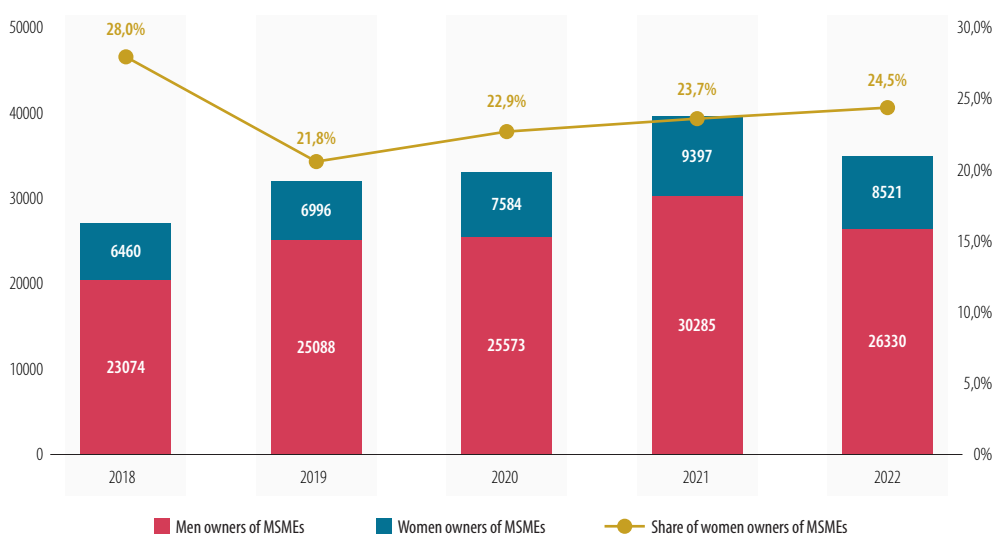
In recent years, there has been an evident increase in the number of women in entrepreneurship. In 2021, about 23% of MSMEs were owned by women while in 2022 it slightly increased to 24.5%. Although the

number of MSMEs in total and for women owners recorded significant increase in 2021, the decrease of 12.18% for total and 9.32% for women was recorded in mid-2022.

.....
221 EBRD, 2022

WOMEN ENTREPRENEURSHIP IN THE WESTERN BALKANS: STOCKTAKING ON CONSTRAINTS AND GOOD PRACTICES

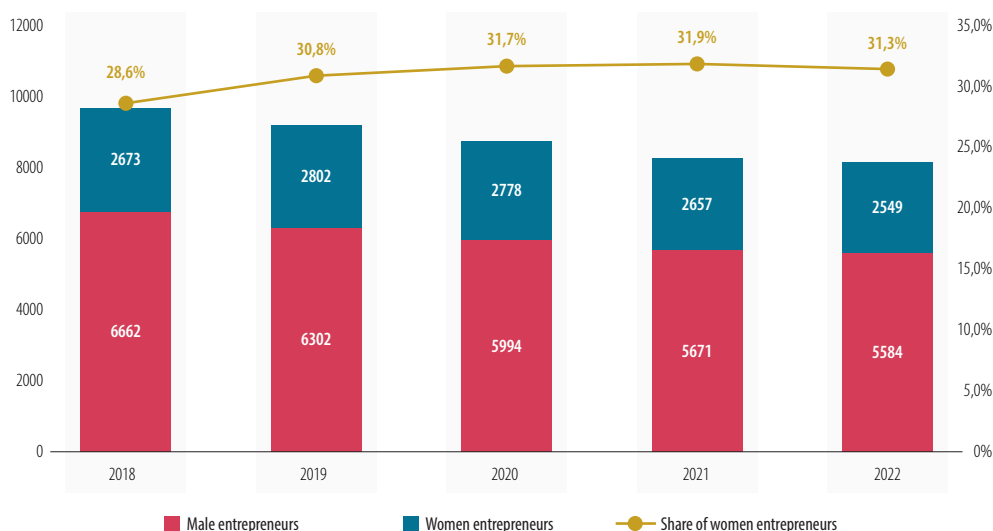
Figure 22. Number and share of women business owners 2018-2022, Montenegro



Source: Tax Administration of Montenegro

Considering entrepreneurs – physical persons than 10,000 (9,335 in total) individuals registered in registered in economic activity,²²² there were less Montenegro, with about one third of women's share.

Figure 23. Number and share of women entrepreneurs, Montenegro



Source: Tax Administration of Montenegro

Data on the structure of businesses owned and led by women are not publicly available. Statistics shows an increase in the wholesale and retail trade and repair of motor vehicles and motorcycles industrial sector

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222 An entrepreneur is a natural person who is engaged in economic activity, and does not perform this activity for the account of another, Commercial Law (Official Gazette No. 65/2020). An entrepreneur is obliged to pay flat rate tax. The Law on Personal Income Tax (Official Gazette No. 67/2019 – last change) as well as the Rulebook on Flat-rate Taxation of Self-Employed Income (Official Gazette No. 008/22 – last change) define the methods and forms of registration and operation of flat-rate taxpayers. A lump sum taxpayer is an independent entrepreneur who pays income tax in equal monthly amounts, depending on the activity he/she performs. A flat-rate taxpayer can be any entrepreneur whose total turnover in the previous year did not exceed 18 000 euro or, if is starting business for the first time, whose planned turnover in the current year will not exceed 18 000 euro.

in 2022. Generally, services make up the majority of all companies in Montenegro and **women typically start businesses in the service sector**: trade, crafts, intellectual services, etc.

Data on companies' size by gender are also not available, but statistic²²³ shows that in 2021 in Montenegro 99.1 % of companies were small companies with less than 50 employees, which is only 0.2 percentage points less than in 2020. Number of medium sized (50 to 250 employees) and large companies (over 250 employees) is very low and those companies are large trade chains, banks, public utility companies and similar, but there are no women owners. Therefore, it could be concluded that **women establish and run small and micro businesses**.

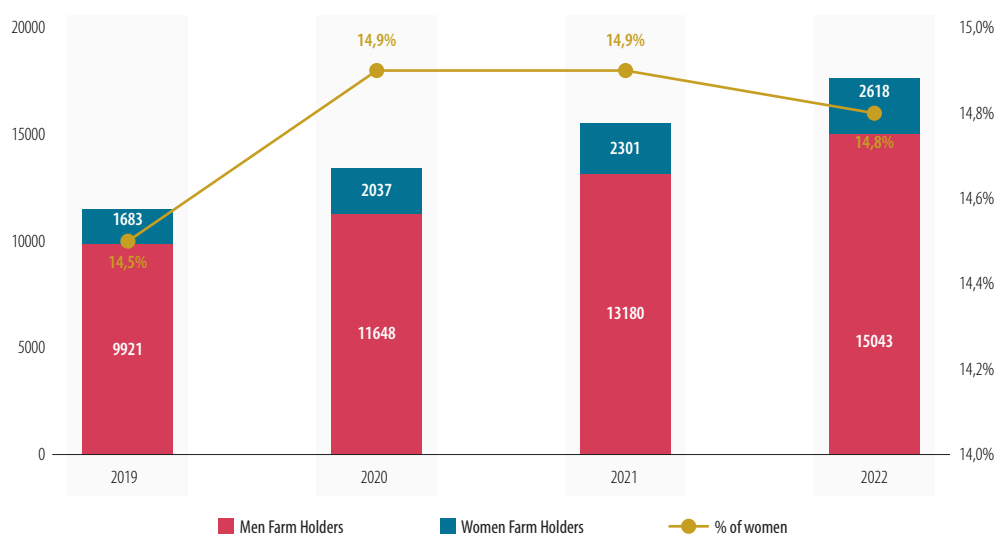
Another obstacle for women in business relates to widespread traditional and patriarchal norms in society, reflected through the fact that **women own only 4% of all real estate, 8% of land** and

14% of holiday homes²²⁴ and their access to external financing sources is limited as most of these sources require possessing collateral.

Montenegrin women are far more likely to be owners of small companies than of medium-sized and large ones. Less than two per cent of large firms and less than five per cent of medium-sized ones are owned by women (compared to 9 and 12 per cent in the broader region, respectively).²²⁵

Besides that, ownership over land shows capacities of women to utilise it for agriculture production. There are somewhat above **14% of women farm holders** in the Register of agricultural farms in Montenegro. Farm holder is not necessarily owner, as the farm (land) owners could authorise somebody to be registered as the farm holder. Despite incentive programmes targeting agriculture producers include additional advantage for women farm holders, number of women owners remains at the same level.

Figure 24. Number and share of women farm holders, Montenegro



Source: Ministry of Agriculture

223 Number and structure of business entities in Montenegro 2021, Report No. 38/2022. Available at: https://monstat.org/uploads/files/publikacije/registri/SaopstenjeBrojPoslovnihSubjekata2022new_300322%20revizija.pdf

224 United Nations Development Programme (UNDP) in Montenegro, Ministry for Human and Minority Rights Montenegro, Austrian Development Agency, 2020. Gender Map. Available at: <https://www.rodnamapa.me/>.

225 EBRD. 2022. Montenegro country diagnostic: Private investment challenges and opportunities.

On the other hand, over the last two and a half years since the pandemic started many farmers increased their production and sale at the green markets and via internet. Interest in local domestic products also increased among urban population all over Montenegro. Some farms even started selling their products to local markets and chains and replaced import, especially domestic dairy products (cheese and cream). The internet sale of domestic farm products flourished in this period.

Regardless of a lack of structured data on women in business and entrepreneurship, strong institutional

support for women interested to start a business resulted in highest scores in this field by the OECD SME Policy Index: Western Balkans and Turkey (WBT) 2022²²⁶ that reported progress in implementing the Small Business Act (SBA) in Montenegro in the period 2019-2022 with **highest average scores** in the following areas: entrepreneurial learning and **women entrepreneurship**; institutional and regulatory framework for SME policy making; support services for SMEs; public procurement; and SMEs in a green economy, where it also outperforms the WBT average.

5.4.2. Regulatory and legal framework

Looking at the regulatory framework related to the economy and business, the conditions for starting a business or becoming an entrepreneur in Montenegro are equal to everybody without any discriminatory issues. This is in line with other umbrella laws and the Constitution of Montenegro. However, legislation implementation and factual conditions are not always in line. There are also the Law on Gender Equality,²²⁷ adopted in 2007, amended in 2010 and 2015, and Labour Law²²⁸ that prescribe anti-discriminatory principles, which somehow and sometimes are avoided by employers. Enforcement of set legislation is weak. The major reasons that keep those problems in place are related to deficient institutional set-up for gender mainstreaming; lack of detailed gender-disaggregated statistics to serve as the basis for regulatory/policy adoption and monitoring; and poor and weak practice of prosecuting and investigating cases of gender-based discrimination cases.

Considering business and entrepreneurship, there are issues and constraints more related to patriarchal and traditional behaviour and interpersonal relations. Women officially have the same conditions to start business, get loan, hire employees, move business or change the business sector. However, women traditionally do not inherit property from their parents, but they give way in favour of brothers or sons. This prevents them to possess collateral for financing their business ideas. Therefore, many programmes aiming to support entrepreneurship and business include elements that give certain advantage to women. Most usual are related to lower contribution by female applicants for grant programmes or lower interest rates for loans. These practice is still not providing a significant advantage when they still must provide collateral or additional contribution.

226 Available at: <https://www.oecd.org/countries/republicofnorthmacedonia/sme-policy-index-western-balkans-and-turkey-2022-b47d15f0-en.htm#:~:text=Small%20and%20medium%2D-sized%20enterprises,account%20for%2075%25%20of%20employment>

227 Official Gazette of Montenegro, No. 046/07, 07/31/2007; Official Gazette of Montenegro, No. 073/10, 12/10/2010, 040/11, 08/08/2011, 035/15, 07/07/2015.

228 Official Gazette of Montenegro No. 74/2019, 8/2021. Labour Law.
Available at: <https://www.paragraf.me/propisi-crnegore/zakon-o-radu.html>

Policies in support of women entrepreneurship:

The Strategy for Development of Women's Entrepreneurship of Montenegro 2021–2024²²⁹ is an umbrella document aimed at strengthening the position of women in business. Its goal is to respond to the identified challenges and provide support for economic empowerment of women by strengthening their entrepreneurial potential and creating a business environment favourable for starting and developing women's businesses. In the interest of fulfilling the above, the Strategy, along with key measures and activities, also established the following strategic priorities:

- Creation of a favourable business environment for development of female entrepreneurship;
- Better access to finance;
- Provision of necessary knowledge and skills; and
- Promotion, networking and advocacy of the interests of women entrepreneurs.

The Report on implementation of the 2021 Action Plan within the Strategy for Development of Women's Entrepreneurship of Montenegro 2021–2024²³⁰ also showed significant improvement in this field as 88% of planned activities for 2021 were implemented. The policy and existing regulations relevant for female entrepreneurship have been significantly improved in accordance with the needs of development of businesses owned by female entrepreneurs, while improvement of business infrastructure that encourages development of women's entrepreneurship and its adaptation to the needs of women entrepreneurs remained at the same level as in 2019 since the same number of female entrepreneurs use business infrastructure (business incubators, hubs, counselling and mentoring services, etc.). Specific financial instruments and credit lines for women entrepreneurs were established within the existing financial institutions in the public sector at the economy and local level. The level of availability of programme support that contributes to development of businesses owned by women entrepreneurs has been raised.

Box 11. Montenegro achievements in policy implementation regarding female entrepreneurship

According to the 2022 OECD Report SME Policy Index: Western Balkans and Turkey 2022, Montenegro took the first position in Sub-dimension 1.1: Entrepreneurial learning within the first dimension *Entrepreneurial learning and women's entrepreneurship* of the Report.

On other side, in Sub-dimension 1.2: Women's entrepreneurship, Montenegro took the second position. This is the result of successful implementation of activities defined by the Action Plan for 2021 within the Strategy for Development of Women's Entrepreneurship in Montenegro 2021-2024. Thematic block: Planning and design in this Sub-dimension should be noted as the one in which Montenegro achieved the best result – even compared to all other economies, by achieving a score of 5.00 at the end of 2021, which is significantly more than score planned for the end of 2022 (4.50). This indicates that the improvement of policies and cooperation between the public and private sectors in the field of female entrepreneurship has yielded significant results, i.e. that all key stakeholders involved in the policy of developing female entrepreneurship in Montenegro are fully contributing to the implementation of measures and activities foreseen in the Strategy for Development of Female Entrepreneurship (2021-2024).

229 Ministry of Economic Development Montenegro, 2021. Strategy for development of female entrepreneurship in Montenegro 2021-2024. Available at: <https://www.gov.me/cyr/dokumenta/0a95b4be-c3f4-4f9b-8c36-964d9684c885>

230 Ministry of Economic Development Montenegro, 2022. Report on Implementation of the Action Plan for 2021 within the Strategy for development of female entrepreneurship in Montenegro 2021-2024. Available at: <https://www.gov.me/dokumenta/3ed79a66-db2f-469f-a7ca-5d58637f4cb9>

Although the strategy targeting support for women in business and economy is successfully being implemented, other strategic documents related to some or other sectors do not treat gender at all: e.g. the Programme for development and promotion of crafts 2022²³¹ and Programme for manufacturing industry development 2022²³². Unfortunately, there is no detailed analysis or gender perspective of economic programmes and strategies implemented in Montenegro.

Institutional support is also additionally provided through the Council for Competitiveness, which strongly fosters an ecosystem for women's entrepreneurship. The Council's working group on Economic Empowerment of Women is explicitly

supporting implementation of the Strategy. However, monitoring and evaluation of women's entrepreneurship support initiatives is very limited due to the overall lack of gender-disaggregated statistical data at the system level.

Although institutional support for women to participate in public life and economy exists, there are only few of them leading public companies or institutions or at the top management positions. Encouraging is that the executive positions of important institutions have been assigned to women during the last 2 years – National Chamber of Commerce and Investment Development Fund (IDF).

5.4.3. Assessing business environment and enabling factors

Business environment

Montenegro economy is in the recovery process after the pandemic and that is mostly reflected through increased number of registered companies, reduction of a significant number of local taxes and fees, and through approximately 40 supportive programmes in addition to the post-pandemic support measures available for entrepreneurs. Although Montenegro has made good progress in economic activities, it is moderately prepared in developing a functioning market economy, according to the EU Commission Report 2022.²³³ Moderate preparation in implementation of adopted programmes and plans in all segments (judiciary, economy, civil society and human rights) and corruption remain a hurdle for businesses. Montenegro's score of 46 (out of a possible 100) in Transparency International's Corruption Perception

Index has not changed, it is now the highest in the region: as of 2021, it remains in 64th place out of total of 180 ranked economies.²³⁴ Additionally, the pandemic negatively impacted the business environment.

Despite these very struggling circumstances, the focus is on female entrepreneurship. An Expert Group on Economic Empowerment of Women was established in April 2021 as one of the eight working groups under the National Council for Competitiveness. Besides its monitoring and controlling role over the implementation of the Strategy for Development of Women's Entrepreneurship of Montenegro, this Expert Group adopted IWA34²³⁵ – a set of global definitions for women's entrepreneurship developed by the International Organisation for Standardisation

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231 Available at: <https://www.gov.me/dokumenta/8fae1868-9454-4328-a640-e6ef33e8a557>
232 Available at: <https://www.gov.me/dokumenta/54e4c46f-0a6a-41a7-a862-14b0ac4d49c2>
233 European Commission, 2022, *Montenegro Report 2022: 2022 Communication on EU Enlargement policy*. Available at: https://neighbourhood-enlargement.ec.europa.eu/montenegro-report-2022_en
234 Transparency International, 2022, *Corruption Perceptions Index*. Available at: <https://www.transparency.org/en/cpi/2021/index/mne>
235 International Organisation for Standardisation. Available at: <https://www.iso.org/standard/79585.html>

and prepared National Guidelines²³⁶ on how these common definitions can guide and support work at the economy and local levels.

In order to increase access of women entrepreneurs to digital services and strengthen their businesses by

applying new technology and communication, the Government increased intervention rate for financial support for women-owned businesses from 50% to 80% for ideas related to introduction of international standards and support for digitalisation in 2021.

Discussing women entrepreneurship enablers

Ministry of Economy is the key institution in Montenegro that enables support and provides incentives for entrepreneurs and businesses. The Ministry provides support through its Department for Improving Competitiveness and for women entrepreneurs through its Sector on Female Entrepreneurship. The Ministry annually announces the Programme for improving competitiveness of the economy with various sub-programmes to support entrepreneurs: innovation programme, investments, etc. These calls also include special clause that encourages women, which is reflected in higher grant rate for women applicants (e.g. programmes refunds 50% of investment, 70% for women).

The Ministry of Economy is in charge of implementation of the Strategy for Development of Women Entrepreneurs and of cooperation with all other stakeholders that enable and support business sector in Montenegro.

Based on conducted sectoral analysis all ministries in the Government of Montenegro annually publish a call for NGOs to apply with project proposals. The Ministry of Economy has not announced such calls as it provides incentives and support for business sector, but the Ministry of Human and Minority Rights announces calls relevant for gender equality, including economic empowerment of women. Therefore, many businesses and employment

related projects receive grants for implementation. Unfortunately, there is no review of supported projects in the past systematised by field or topics covered.

Ministry of Agriculture also announces calls for registered agriculture producers for financial and non-financial support. For the first time last year, additional incentive (lower applicant's contribution) was provided for women farmers. However, the number of women farm holders and applicants for support remained at the same level.

One of the most successful and useful contributions towards women economic empowerments is the National Digital Platform. The Ministry of Economy, supported by UNDP Montenegro established the National Digital Platform for economic empowerment of women in Montenegro to support women in business and everyone who wants to implement a business idea (<https://zenskibiznis.me/>). All information about the current support for female entrepreneurship in Montenegro, education in key areas for business development, free advisory services, and possibility of business promotion are available on the platform. The platform enables networking of women in business, as well as communication with all institutions and organisations that provide support to women in business.

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236 Council for Competitiveness, 2021, *INSTRUCTIONS FOR APPLICATION MEST IWA 34 Women's entrepreneurship Key definitions and general criteria*. Available at: <https://www.poslodavci.org/aktuelnosti/vijesti/mest-iwa-34-zensko-preduzetnistvo-kljucne-definicije-i-opsti-kriterijumi/>

5.4.4. Initiatives supporting women entrepreneurship

There are several initiatives supporting business and women entrepreneurs in Montenegro.

**Programme
for improving
competitiveness in
2022²³⁷**

Ministry of Economy annually implements a mechanism of comprehensive financial and non-financial support to MSME sector with the aim of further encouraging investments, digital transformation of business, transition from linear to circular economy model, introduction of international business standards, strengthening of internationalisation, as well as support for beginners in business. In 2021, special attention was devoted to encouraging development of entrepreneurship among young people and women, as vulnerable target groups, both through a special programme line and through the Programme as a whole. The Programme for improving competitiveness of the economy for 2022 includes eight programme lines. The programme was additionally enriched with two new programme lines of financial support, which relate to internationalisation of micro, small and medium-sized enterprises as well as the purchase of high-value equipment in order to further stimulate economic activity and its development component. The support is primarily aimed at development of less developed municipalities. One of the specific goals of the Programme is to encourage development of entrepreneurship among women and young people through co-financing of investments in low-value equipment. Programmes for Cluster and Manufacturing Development were excluded from this Programme because new thematic strategies and programmes were developed for these two sectors.

**Enhancing
entrepreneurship
through advanced
advisory support
and information
services²³⁸**

Ministry of Economy, in cooperation with EBRD, started implementation of the project as part of the Annual Action Programme of IPA Pre-accession Support Instrument for 2016. The aim of the project is to improve business, innovation and competitiveness of small and medium-sized enterprises in Montenegro through the EBRD Advice for Small Businesses Programme. EBRD is an important partner in economic development of Montenegro, and this is reflected in strong support it provides in the implementation of some of the key projects that will influence acceleration of economic activity and improvement of living standards of citizens. This programme enables access to finance through credit lines of local banks dedicated to working with women in business. In addition, busi-

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237 <https://www.gov.me/dokumenta/fa2b4f1b-5331-4df8-bee2-ecf6c2ca7a55>

238 <https://www.gov.me/clanak/olaksan-pristup-programima-podrske-portalom-biznisgovme>

**Enhancing
entrepreneurship
through advanced
advisory support
and information
services**

ness advice is provided to help women make their companies more competitive, and training, mentoring, and other forms of support are organised that allow female entrepreneurs to share their experiences while learning from the experiences of their colleagues.

**Women in Business
Support Programme**

NLB Bank A.D. Podgorica is the first commercial bank to join **EBRD's** Support Programme Women in Business, which aims to promote and support the potential of female entrepreneurs by providing access to finance and knowledge needed for business growth. By participating in this programme, women entrepreneurs apply for loans at attractive and fixed interest rates that provide security in uncertain times. This programme also includes constraints in a form of required collateral or another adequate security form for repayment.

**Loans to women in
business**

Several programmes for financial support of female entrepreneurship are currently active in Montenegro. Loans for women in business are available in the **Investment and Development Fund of Montenegro**, within special lines:

- Program for the improvement of female entrepreneurship²³⁹
- Micro loans to support women in business²⁴⁰

These credit lines are related to minimised or releasing of interest rates for women in business. However, constraints and obstacles for applicants are sometimes much higher in terms of time and money that some applicants gave up or regretted using this kind of support. Namely, administrative procedures for loan approval in IDF are very long, sometimes over 6 months, which is unacceptably long, especially for seasonal industries, such as tourism and agriculture. Another obstacle is related to required collateral from all applicants, while it is well known that very low percentage of women could afford it.

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239 <https://www.irfcg.me/me/2015-01-13-12-14-58/program-unaprijedenja-zenskog-preduzetnistva.html>

240 <https://www.irfcg.me/me/2015-01-13-12-14-58/mikrokrediti-za-podrsku-zenama-u-biznisu.html>

**Municipalities
provide grants to
women in business**

In 2021, a grant programme was provided for women entrepreneurs by **12 municipalities** that allocated funds in the total amount of 291,000.00 euro. 131 business ideas were supported in the amount of 270,832.00 euro. This support has been provided at the initiative of the Women Political Network and UNDP Montenegro since 2018 and number of municipalities is increasing every year.

**Grants for self-
employment**

Employment Agency of Montenegro awarded 159 grants for self-employment from IPA funds, of which 107 were to women (67.3 %) in the amount of 792,845.00 euro in three rounds over 18 months: January 2020 – September 2021.

Box 12. Good Practices in Montenegro: Norway for you – Montenegro

Through **Norway for you – Montenegro** 2022 project, the Kingdom of Norway allocated 237,000 USD for projects aiming to increase competitiveness of small businesses through their transformation and with the support of the ecosystem of the involved parties, thus contributing to development and growth of small businesses in Montenegro. Most of the applicants were business support entities, which operate exclusively in partnership with one or more local governments, thus contributing to the networking of support for small businesses. Norway for you – Montenegro conducted a similar programme in 2021, where focus was more on targeting business support entities dedicated to promotion and strengthening of businesses owned and managed by women and in less developed (rural) areas.

With the support of International Labour Organisation (ILO), **Local Employment Partnerships (LEPs)**²⁴¹ piloted an innovative approach to support women in entrepreneurship in selected municipalities through the implementation of Gender and Entrepreneurship

Programme. This approach strengthens the capacity of women in all phases of developing a business idea - from its inception to the writing of business plans.

Box 13. Good practices in Montenegro: Regional Women Entrepreneurs Hub

The Regional Women Entrepreneurs Hub enables dialogue between 168 entrepreneurs on sustainable solutions for gender equality and women economic empowerment. It is the result of a partnership between UNDP and Regional Cooperation Council. The platform brings together women leaders and entrepreneurs to address a number of important issues: boost collaboration between the public and private sectors, IFIs and academia; incentivise innovation and creativity; work towards shared goals and tackle challenges together; and share experiences and good practices in shifting towards a digital and green economy whilst showing a high level of awareness regarding the repercussions of the pandemic.

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241 <https://evropskakuca.me/project/further-development-of-the-local-employment-initiatives-in-montenegro/>

Clusters / associations / unions and market access practices

Judging by the increased connection and association of women entrepreneurs through membership in business networks and number of activities that business women's associations carried out in 2021, which were very specific and challenging, it could be concluded that the importance of networking was recognised.

There is a significant number of associations, unions and clusters targeting networking and support for women in business – business support organisations/associations, incubators:

- **Business Women Association of Montenegro** - to help improve business, strengthen women in business and management, connect business women, exchange ideas and implement joint projects.
- **Montenegrin Employers Federation** - an umbrella and representative organisation of employers whose membership consists of entrepreneurs, small and medium-sized enterprises, large economic systems, employers' associations at the local and branch level, and non-governmental organisations.
- **Chamber of Economy of Montenegro** - aimed at successfully representing the interests of Montenegrin companies and creating favourable conditions for improving their competitiveness in the global economic environment.
- **Montenegro Business Alliance (MBA)** - a business association that gathers entrepreneurs, domestic and foreign investors.
- **Union of Young Entrepreneurs of Montenegro** - provides support to young entrepreneurs from Montenegro to improve their businesses through various training, programmes, activities and networking. UMPCG strives to promote

and encourage entrepreneurial spirit and cooperation among young people, at the local, economy and international level.

- **American Chamber of Commerce in Montenegro (AmCham Montenegro)** - an independent non-profit business association that represents a strong network of members that together strive for a more competitive and prosperous Montenegro.
- **Business centre BSC Bar** - its mission is to help create a favourable environment for economic development by encouraging development of entrepreneurship and small and medium-sized enterprises.
- **Regional Business Centre (RBC)** - provides technical and administrative support to small and medium-sized enterprises from the region, organises training, networking and promotion, and thus creates a more favourable business climate for small and medium-sized enterprises. As part of RBC, there is also a business incubator that aims to support development of start-up businesses.
- **Regional Development Agency for Bjelasica, Komovi and Prokletije** - its mission is accelerated development of the region and municipalities within the region through close cooperation of all interest groups in the public and private sector, increased absorption of EU funds and creation of opportunities for new jobs and increased income through development of tourism sector and of agriculture, in accordance with economy and local strategic development plans.

Professional associations and clusters:

- **Chamber of Crafts and Entrepreneurship of Montenegro** - its mission is to represent the

economic, political and development interests of entrepreneurial middle class as the backbone of the economy. This particularly refers to professional education and training in 130 craft occupations, creating a business environment, providing industry services, increasing productivity of member companies, supporting entrepreneurs, opening new jobs and entering the European market.

- **Ljekobilje Cluster**-an association of legal and natural persons dedicated to development of collectors, growers and processors of medicinal and aromatic plants in Montenegro.
- **Vrijedne Ruke Association** **Bihor from Petnjica** - founded in order to preserve tradition and gather members for the purpose of reviving forgotten trades and crafts. The main activity of the association is collection of wool from local households in an organised manner, its processing and production of finished wool products, as well as souvenirs.
- **Niti Association** **from Bijelo Polje**-makes clothing and items for the home in the form of a social enterprise.
- **Šarenica Association** **from Pljevlja**-weaving workshop, unique weaving of scarves, sweaters, ponchos, social enterprise.

Box 14. National digital platform for economic empowerment of women in Montenegro <https://zenskibiznis.me/>

- The platform was created for the Ministry of Economy, within the Acceleration of Digital Governance project implemented and financed by the United Nations Development Programme (UNDP) in Montenegro.
- **Profile:** The good practice is type of measure for achieving the set goal of improving access to non-financial services for women in business and those planning to start own business and to share best practice in the network of experienced peers.
- **Context:** Similar platforms that provide all information relevant for business, including mentoring support, success stories, direct communication with relevant mentors, and possibility of networking at the local, regional and international markets could be applied at any place. Advantage is that communication and running a business is mostly switched to online mode and this kind of information provision and support is well accepted by beneficiaries.
- **Resources:** Financial resources required for setting up the platform and updating it are not very significant; however its development and uploading with materials require time and money. It is very important to provide quality material for the platform's content: mentors who are ready to provide support on a regular basis, experienced entrepreneurs to share their experience, recording materials (podcasts), consultants who will consolidate laws, procedures and all necessary information, administrators who will maintain and update the contents, as well as organise events (online training or workshops) on certain topics. It is very important for Montenegro that the initiative was initiated by the Ministry of Economy and financially supported by UNDP Montenegro for the sustainability of the idea itself.
- **Procedures:** The online platform for business support does not require determined procedures, but the fact that the Ministry of Economy and one of the most significant developing organisation in Montenegro, such as UNDP Montenegro are behind the

platform, makes it more respectable and could guarantee its sustainability. Having in mind that organisations and institutions involved in this platform preparation frequently receive many questions and requests from beneficiaries, they can now direct those beneficiaries to this useful tool for getting information and knowledge.

• **Lessons learnt:** Although internet access is available to everyone today and majority of population is using smartphones or computers, some people are still not used to use it in business and for getting some new useful information and knowledge but rather for fun. Therefore, such tools should be more promoted via mainstream media in order to reach the entire potential target group.

Links to resources: <https://zenskibiznis.me/>

5.4.5. Conclusions

- **Policy support and dialogue, programmes and budgets:** The legislation, policy and strategic framework to enable equal position for all in private sector in Montenegro is in place. Implementation of set programmes and strategies is at the satisfactory level. However, gender perspective and gender analysis of complete business/economy relevant legislation, strategic documents and policies, as well as gender-based budgeting was not conducted systematically and gender elements were not included in government budget, budgets of local governments or most public institutions. Only programmes and measures targeting financial and non-financial support include gender positive discrimination in favour of women. Additionally, lack of gender-based structure of the official business statistics disable adequate policy creation, implementation and monitoring, which would further lead to policy improvements.
- **Access to finance:** Women are in unfavourable position, as tradition often prevents them from owning real estate and thus providing the collateral needed to obtain funding necessary for starting their own business. The lack of initiatives to establish a guarantee fund creates concern that women have less and less motivation to engage in business.
- **Networking:** There are many associations and professional clusters in which many businesses participate, especially women. However, their activities are mostly one-time and depend on donor projects. No association or cluster is able to finance its regular work and carry out some regular activities exclusively from membership fees.
- **Competitiveness:** Considering that in recent years women in rural areas started to commercialise their households and farming work by producing more and selling surplus, they face large market chains that sell imported, often cheaper goods. Therefore, Government and relevant ministries should protect domestic production and households with farming as the only family income. Women farmers and in general all farmers that recently commercialised their products also suffer from a lack of managerial and marketing knowledge and skills, making them less competitive.

5.5. Women entrepreneurship in North Macedonia

5.5.1. Profile of women entrepreneurs

North Macedonia has equal legal regime between women and men but is ranked 73rd out of 156 economies in 2021²⁴² on the Global Gender Gap Index of WEF due to persistent inequalities pertinent to dominant norms and values as well as prevailing gender stereotypes. The economy is ranked higher in political empowerment of women (53),²⁴³ as a result of the continuous improvement of election regulations.²⁴⁴ Women's participation in executive government is still rather low. As of 2022, only 4 out of 21 members of the executive government are women, and only 2 out of 80 local government officials (mayors) are women.

Women in North Macedonia face issues that are deeply culturally rooted, reflecting traditional and patriarchal values, which indeed shape the gender roles within the family and society. The traditional gender role is rather dominant and present among half of the women, especially among the non-majority communities.²⁴⁵ Compared to men, women are often disproportionately impacted in a way that they spend three times more on household responsibilities, and have less leisure time.²⁴⁶ As a result, women take on multiple roles, including unpaid care, domestic work, and paid jobs at the same time. These circumstances tremendously

affect women's economic independency, resulting in disproportionate balance between household and work responsibilities. Moreover, women are in less favourable position on the labour market than men due to structural deficiencies, and although women have equal rights as man, they have much less ownership of land and assets.

Furthermore, violence against women is considered a fairly widespread phenomenon in the economy. A recent comprehensive OSCE survey reported alarming results related to violence against women in North Macedonia.²⁴⁷ Nearly half of the women reported that they had experienced physical or sexual violence. Yet, there is still a significant lack of services for prevention and protection from gender-based violence, and actions in place for reintegration of victims in the society. Only few CSOs offer psycho-social support services such as SOS line, crises centres, shelters, and services for economic empowerment of women victims, etc.

Participation of women in business leadership according to most recent data is at par with the EU member states as it is around 30% of total. Hence the other indicators relevant to the economic participation and opportunity (97), and educational

242 Global Gender Gap Report 2021, World Economic Forum,

Available online https://www3.weforum.org/docs/WEF_GGGR_2021.pdf

243 Political empowerment is high in rank than the score card shows (0.267)

244 Gender quota first introduced in 2001 (30% of candidates on electoral lists to be from less represented gender); amended in 2006 with a provision stipulating that every third person on the list must be of less represented sex; and in 2015 raising the bar to 40%

245 Risteska M., Mickovska Raleva, A. Lazarevski G. (2012) Perspectives of women in rural areas. Baseline study of the status and livelihoods of women in rural areas and recommendations for gender responsive policy responses, CRPM

246 Time-use survey 2009, Statistical Office; Time-use survey 2014/15, Statistical Office

247 Fourteen percent of women reported they had experienced physical or sexual violence since the age of 15 by a partner or non-partner (7% of Albanian-speaking women, versus 16% of Macedonian-speaking women). Psychological violence perpetrated by an intimate partner is significantly more common, with 44% of women confirming that they have experienced the same. Three out of ten (30%) women reported they had been sexually harassed since the age of 15, and one in ten (10%) said they had been sexually abused in the 12 months prior to the survey (9% and 4%, respectively, of Albanian-speaking women). Seven percent of women reported they had been secretly stalked (4% of Albanian-speaking women).

attainment (99)²⁴⁸ and health and survival (85) result with the economy being ranked lower on the Global Gender Gap Index of WEF.²⁴⁹

Table 9. North Macedonia Leadership in business, sex disaggregated

Leadership	Women	Men
Representation in private companies' board ²⁵⁰	33%	67%
Representation in public companies' board ²⁵¹	29%	71%

The economy showed a low growth in the period 2018-2021 at an average quarter-on-quarter GDP change rate of 1.22%. The low growth was mainly influenced by the COVID-19 crisis, which impacted the economy with a 16.4% contraction in the second quarter of 2020, followed by a slow recovery. The previous anticipations for more robust recovery in the post-pandemic period were slashed by the shockwave of the Ukraine crisis which threw new headwinds towards the economies in the region. North Macedonia faces range of economic challenges in the period ahead including an upcoming fight to control rising inflation through raising interest rates which reached 16% in July 2022 compared to the same period last year, leading to a revised GDP growth rate of 2.7% for 2022.²⁵² Steering in this crisis' time will impose the need for reprioritisation of spending and strengthening tax collection in order to release pressure on the government's debt in circumstances of increasing financing costs.

In North Macedonia, SMEs play an important role in non-financial business economy. In 2017, they generated roughly three out of every four jobs (74.2

%) and nearly two-thirds (63.4%) of total value added. In comparison, the average shares for EU SMEs were noticeably lower, at only 66.5% of total employment and 56.3% of total value added. Most SMEs in North Macedonia (40.7%) operate in the wholesale and retail trade sector, accounting for 30.3% of total SME employment and almost one-third (31.6%) of total SME value added. In the EU, wholesale and retail trade is also the most important SME sector, accounting for an average of 22.1% of total SME value added and 24.6% of total SME employment.²⁵³

Culkin and Simmons argue that most entrepreneurs see themselves as self-employed rather than as entrepreneurs and they are most concerned about putting bread on the table.²⁵⁴ Most entrepreneurs start their business out of necessity rather than opportunity or idea. Other people faced with lack of entrepreneurship culture and motivation, low self-esteem and confidence, fear of risk and uncertainty, and fear of lack of entrepreneurial thinking and knowledge never start a business.²⁵⁵

Women entrepreneurship is little researched as the number of women entrepreneurs is unknown

248 Although North Macedonia has dropped in ranks, educational attainment is high (0.977) according to the economy score card.
 249 Global Gender Gap Report 2021, World Economic Forum, Available online https://www3.weforum.org/docs/WEF_GGGR_2021.pdf
 250 Latkovic, Marija & Topuzovska Latkovikj, Marija. (2019). The position and power of women as members of management boards in the Macedonian business environment.
 251 Popovic M, Pankovski M [WEB_A5_MKD_KOJ_TOA_TAMY_YIPABYBA-1.pdf](https://www.idscs.org.mk/WEB_A5_MKD_KOJ_TOA_TAMY_YIPABYBA-1.pdf) (idscs.org.mk)
 252 The World Bank. Western Balkans Regular Economic Report no. 21. Spring 2022
 253 Small Business Act North Macedonia, available at: [sba-fs-2019_north-macedonia.pdf](https://europa.eu/sba-fs-2019_north-macedonia.pdf) (europa.eu)
 254 Culkin N and Simmons R (2018). Study of the Challenges that Hinder MSME development in the Western Balkans Report for the British Council and Swedish Institute
 255 CSF Policy Brief (2018). Economic Stability Issues in the Western Balkans Civil Society Forum of the Western Balkans Summit Series

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since the Central Registrar of North Macedonia does not publish data on ownership of companies disaggregated by gender. Several analyses show that the rate of companies run by women is among the lowest in the region ranging between 23% and 29%.²⁵⁶ Last available official data are from 2017, and according to this source the number of companies owned by at least one woman with founding

investment over 50% is 29.4% of the total number of active companies. The number of employees that these companies hire is even less at 12.9% of the total number. On average, women-run enterprises employ 2 persons, and most of the companies are established in the wholesale and retail trade sector, processing industry, and professional, scientific and technical activities.

Table 10. Total Entrepreneurial Activity – TEA indicator on women/men entrepreneurship, North Macedonia²⁵⁷

Year	2012	2013	2014	2015	2016	2017
TEA indicator	2.36	2.93	2.06	2.45	2.46	2.51

Source: Strategy for Women Entrepreneurship (2019), Ministry of Economy

Since the beginning of 2022, North Macedonia has a new government. In the Work Programme of the Government 2022-2024, there is no reference to women's entrepreneurship which was not case with the previous one capturing the period 2020-2024 where specific reference was given to *Increasing youth and women employment*.

The number of active enterprises by gender of owner for the period 2019-2021 follows an increasing trend, with the exception of a small decrease by 0.4% of active enterprises owned by women in 2020 when compared with 2019. Throughout the three studied years men significantly outnumber women when it comes to business ownership as the ratio is 71% as opposed to 29% of women owners of companies.

Table 11. Active enterprises by gender of owner (2019-2021), North Macedonia

		2019	2020	2021
Total		56568	57053	58096
Men	N	39969	40536	41287
Women	N	16599	16517	16809

Source: EBRD North Macedonia Gender Responsive Investment Climate

Similarly, an increasing trend can be observed regarding the number of active enterprises by gender of manager for the period 2019-2021, with the exception of a small decrease by 0.5% of active enterprises managed by women in 2020 when

compared with 2019. Although again in this group of companies men significantly outnumber women at the manager level, the ratio between women and men is smaller than in ownership at 68% as opposed to 32% of women managers of companies.

256 National Council for Women Entrepreneurship. Policy Brief: Women Entrepreneurship in Macedonia. 2018.

257 Strategy on Women Entrepreneurship, <https://rb.gy/zsld5f>

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Table 12. Active enterprises by gender of manager (2019– 2021), North Macedonia

		2019	2020	2021
Total		62352	62801	63849
Men	N	42908	43494	44275
Women	N	19444	19307	19574

Source: EBRD North Macedonia Gender Responsive Investment Climate

According to the data presented in the table below, regarding the structure of active enterprises by gender of owner and number of persons employed, the highest share belongs to business enterprises with 1-4 persons employed, followed by enterprises with 5-9 persons employed. The enterprises with 10-49, especially the enterprises with 50+ persons employed hold significantly lower shares.

On average, 86.7% of women-owned enterprises for the period 2019-2021 have 1-4 employees; 8.5%

have 5-9 employees; 4.2% have 10-49 employees and only 0.4% have 50+ persons employed.

On average, 79.2% of men-owned enterprises for the same period have 1-4 employees; 11.7% have 5-9 employees; 8% have 10-49 employees and 0.9% have 50+ persons employed.

The majority of women own micro enterprises (1-4 employees), whilst men are twice as prevalent in owning small (10-49 employees) and medium sized enterprises (50+ employees).

Table 13. Active enterprises by firm size and gender (2019– 2021), North Macedonia

Year	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
Total	35888	15005	35878	14723	36147	14881
1-4	28429	13038	28404	12774	28655	12895
5-9	4203	1258	4232	1273	4272	1272
10-49	2901	643	2887	619	2899	651
50+	355	66	355	57	348	63

Source: EBRD North Macedonia Gender Responsive Investment Climate

According to the data presented in the table below, regarding the structure of active enterprises by gender of manager and number of persons employed, the highest share belongs to business enterprises with 1-4 persons employed, followed by enterprises with 5-9 persons employed. The enterprises with 10-49, especially the enterprises with 50+ persons employed hold significantly lower shares.

On average, 84% of the enterprises managed by women for the period 2019-2021 have 1-4 employees; 9.5% have 5-9 employees; 5.5% have

10-49 employees and only 0.8% have 50+ persons employed.

On average, 76.4% of the enterprises managed by men for the same period have 1-4 employees; 12.3% have 5-9 employees; 9.4% have 10-49 employees and 1.7% have 50+ persons employed.

The majority of women manage micro enterprises (1-4 employees), whilst men are twice as prevalent in managing small (10-49 employees) and medium sized enterprises (50+ employees).

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Table 14. Active enterprises by firm size and gender (2019 – 2021), North Macedonia

Year	2019		2020		2021	
Gender	Men	Women	Men	Women	Men	Women
Total	38199	17510	38164	17138	38499	17217
1-4	29211	14729	29185	14400	29471	14462
5-9	4704	1660	4723	1649	4758	1636
10-49	3619	974	3596	950	3619	977
50+	665	147	660	139	651	142

Source: EBRD North Macedonia Gender Responsive Investment Climate

In terms of sector of operation, male entrepreneurial activity is twice as prevalent compared to female rates in construction, transportation and storage sectors. Additionally, female entrepreneurial activity is slightly less common in agriculture, forestry and fishing, manufacturing, accommodation and food

services, as well as ICT sector, when compared to male entrepreneurial activity. Women-owned businesses are more concentrated in the *wholesale and retail trade, repair of motor vehicles and motorcycles sector and other service activities*.

Table 15. Active enterprises by field of entrepreneurial activities and gender of the owner (2019 – 2021), North Macedonia

Year	2019		2020		2021	
Gender	Men	Women	Men	Women	Men	Women
Total	33657	12011	34106	11879	34614	12096
A/A Agriculture, forestry and fishing	1269	357	1243	367	1217	370
C/B Manufacturing	4656	1464	4710	1465	4766	1507
F/f Construction	4032	542	4218	543	4462	588
G/E Wholesale and retail trade, repair of motor vehicles and motorcycles	13696	6670	13752	6484	13762	6488
H/K Transportation and storage	4595	681	4533	675	4509	708
I/3 Accommodation and food service activities	3198	1035	3287	1051	3420	1098
J/S Information and communication	1311	323	1450	341	1573	356
S/O Other service activities	900	939	913	953	905	981

Source: EBRD North Macedonia Gender Responsive Investment Climate

Similarly, the number of men in management positions are twice as prevalent compared to women in management positions in construction, transportation and storage sectors. Additionally, female managers are slightly less common in agriculture, forestry and fishing, manufacturing, accommodation and food services, as well as ICT

sector, when compared to the number of male managers. Women in management positions are more active in the *wholesale and retail trade, repair of motor vehicles and motorcycles and other service activities*.

Table 16. Active enterprises by field of entrepreneurial activities and gender of the manager (2019 – 2021), North Macedonia

Year	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
Total	35677	13944	36121	13737	36615	13924
A/A Agriculture, forestry and fishing	1428	493	1398	509	1388	496
C/B Manufacturing	5113	1767	5176	1763	5218	1801
F/f Construction	4298	629	4459	632	4724	671
G/E Wholesale and retail trade, repair of motor vehicles and motorcycles	14240	7616	14328	7370	14301	7358
H/X Transportation and storage	4858	806	4792	792	4758	819
I/3 Accommodation and food service activities	3315	1161	3389	1177	3518	1236
J/S Information and communication	1521	474	1671	486	1813	511
S/O Other service activities	904	997	908	1008	895	1032

Source: EBRD North Macedonia Gender Responsive Investment Climate

According to tables 9 and 10 *Active enterprises according to regions and owners/managers*, the biggest gender gap in ownership/leadership is visible in the Polog region, followed by South West

and Skopje regions. The smaller gender gap is observed in Pelagonija and Northeast region of the economy.

5.5.2. Regulatory and legal framework

As signatory of CEDAW,²⁵⁸ UN Beijing Platform for Action (BPfA),²⁵⁹ Istanbul Convention and as an EU candidate, North Macedonia has committed to achieving *de jure and de facto* gender equality, and ensuring full development and advancement of women. Although significant efforts have been made to further gender equality agenda, gender inequalities in the economy remain pronounced in all spheres of socio-economic and political life.

In its sixth periodic report²⁶⁰ CEDAW Committee highlights the progress achieved since the 2013

consideration of North Macedonia's combined fourth and fifth periodic reports in undertaking legislative reforms. *"The Committee welcomes the efforts to improve its institutional and policy framework aimed at accelerating the elimination of discrimination against women and promoting gender equality..."*²⁶¹ In the Progress Report for North Macedonia for 2022, EC noted that some progress was made on gender equality by developing a normative framework for alignment with the Istanbul Convention and a policy framework to integrate gender perspectives and align domestic law with the EU gender equality

258 The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), adopted in 1979 by the UN General Assembly, is often described as an international bill of rights for women. Consisting of a preamble and 30 articles, it defines what constitutes discrimination against women and sets an agenda for national action to end such discrimination.

259 The Beijing Declaration and Platform for Action (BPfA) is an international declaration of women's rights set up at the UN's landmark Fourth World Conference on Women, held in Beijing in 1995. The BPfA covers 12 key critical matters of concern and areas for action including women and poverty, violence against women and access to power and decision-making.

260 North Macedonia, 2017, Sixth periodic report on implementation of the Convention on Elimination of All Forms of Discrimination against Women, Adopted by the Committee at its seventy-first session (22 October–9 November 2018), available online: http://mtsp.gov.mk/content/word/dokumenti/dokumenti%202017/CEDAW_2017en.doc

261 Ibid.

acquis²⁶². The EC assessed that with the adoption of the National Strategy for Gender Equality 2021-2026, in July 2022, good progress was made towards establishing an effective system for gender mainstreaming, but it will remain incomplete if a new law on gender equality is not adopted.²⁶³

The economy adopted the second National Action Plan (NAP) 2020-2025 for the implementation of UNSC Resolution 1325 in June 2020.²⁶⁴ However, at local level there is a lack of capacity and information on the implementation of UNSC Resolution 1325. The Ministry of Defence has developed an operational plan for implementation of the Second National Action Plan of North Macedonia for implementation of the Resolution of the United Nations 1325 on Women, Peace and Security (2020 - 2025).²⁶⁵ Strategic Objective 5: Communication, education and training envisions capacity building for implementation of the Resolution 1325 including the local self-government units and Association of the units of local self-government of North Macedonia.²⁶⁶

In the area of Women Entrepreneurship, the Strategy for Women Entrepreneurship Development 2019-2023 is the overarching plan guiding the government policy on this issue.²⁶⁷ The Strategy envisions that women's entrepreneurship is strengthened through enhanced and coordinated activities involving different factors, thus making female entrepreneurship a force that contributes to development of entrepreneurial climate and the economy. The general objective of the Strategy is to develop women's entrepreneurship in the economy

to economically strengthen women by creating a favourable business climate and providing support for development of their entrepreneurial potential, thereby contributing to development of existing and opening up new companies, job creation, thus strengthening the overall economy. The document recognises the need for creating better supporting environment as top priority and envisages measures for reaching this goal. Specifically, the Strategy aims to improve climate to doing business, opportunities and conditions for development of women entrepreneurship, as well as active involvement of all relevant stakeholders in the implementation of Women Entrepreneurship Strategy. However, the Strategy does not have monitoring indicators nor budgetary resources planned for its implementation.

The Economic Reform Programme is the second most relevant policy document which focuses on development of economy, increase of productivity, and raising the living standard of citizens²⁶⁸ in the period 2022-2024; while at the same time working on SMART specialisation with an aim to build a modern economic development approach, based on knowledge, innovation, and establishing strong linkages between business and academia. Unfortunately, the document is not significantly gender mainstreamed. As regards women entrepreneurship, it envisages EUR 5.9 million for three years of match-funding to up to 150 Roma established businesses and promises gender perspective in the distribution of funds.²⁶⁹ Gender considerations are observed also in measures supporting renewable energy development where it provisions that introduction of biofuels can increase

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262 EC 2022 Progress Report, North Macedonia, available online [North Macedonia Report 2022.pdf](#)

263 Ibid

264 Second National Action Plan (NAP) 2020-2025 for the implementation of UNSC Resolution 1325 in June 2020
https://mod.gov.mk/inc/uploads/2021/06/Second-NAP-North-Macedonia_MKD-1.pdf

265 Operational plan of the Ministry of Defence for implementation of the Second National Action Plan of the Republic of North Macedonia for implementation of the United Nations Resolution 1325 on Women, Peace and Security (2020-2025), available online <https://mod.gov.mk/storage/2021/01/OP-na-MO-za-implementacija-na-2-nacionalen-akciski-plan-2020-2025.pdf>

266 Ibid.

267 Ministry of Economy (2018) Strategy for Women Entrepreneurship Development in the Republic of Macedonia 2019-2023

268 Program of the Government – 2022-2024

269 Risteska Marija (research expert on economy in North Macedonia). Women Employment Study in North Macedonia's economy. 2022.

the cost to consumers and therefore is necessary to introduce certain subsidies for traders and producers in order to avoid rise in fuel prices and to encourage support and investment in medium and small businesses owned by women, led by women and/or dominated by women in the energy sector.

5.5.3. Assessing business environment and enabling factors

Business environment

Women entrepreneurship is in focus of the Ministry of Economy, Department for SMEs and Competitiveness. Although women entrepreneurs have been specifically supported through the programme for women entrepreneurship in the past ten years, the economy adopted the Strategy for Women Entrepreneurship²⁷⁰ for the first time in 2019. While this makes North Macedonia one of the two economies in the region with a policy document on women entrepreneurship, most activities to stimulate women to engage in business are still coming from business associations and CSOs. The Department for SMEs and Competitiveness does not have an employee that specifically works on the implementation of the Strategy for Women Entrepreneurship. The Department lacks capacity to follow development trends in the field as neither the Central Registry nor the Statistical Office gathers and publishes data on women entrepreneurship. Although the Institute of Standardisation has transferred ISO IWA 34: Definitions on women entrepreneurship²⁷¹ the business entities are not yet required to be categorised as women-led, women-owned or men led, men owned enterprises.

The Innovation and Technological Development Fund is a leading government institution for supporting start-ups and innovative companies in North Macedonia. Currently, through its financial instruments, the Fund co-finances 686 projects with joint investments of 86m euros. The Fund's portfolio of 51% or 326 supported start-up companies is mostly founded by young people. The Fund does not have a gender strategy nor institutionalised

gender mainstreaming in its operations, although some of the programmes it implements are gender responsive.

There are three business chambers and dozen sectoral business associations that act as business service providers. Their capacity has been continuously upgraded to have developed wide range of membership services but lack offering specific services to women entrepreneurs and such that would facilitate modernisation and growth of women-led/owned enterprises in the private sector. Therefore, it needs capacity building, setting databases, developing modernisation hubs, building infrastructure for training and mentoring of women entrepreneurs and specific efforts for diagnosis of their needs, networking and development of digital and other technological solutions for supporting their supply chains, accessing markets, clustering, etc.

Business chambers have been an active stakeholder in policy dialogue with the government, but lack gender specific approach in their advocacy although women are represented quite high in their management. Interviews with representatives of business chambers also showed that they do not see the significance of special targeting of women entrepreneurs with policy measures.²⁷² Hence, they have a need for increased gender awareness, gender analysis skills as well needs for swift analyses on the potential impact of laws and regulations directly targeting or indirectly impacting businesses, including business led/owned by women, but do

270 Risteska, M. (2022) Women's Employment Study North Macedonia, RCC (unpublished text).

271 MK IWA 34:2022 (isrsm.gov.mk)

272 Interview with Gabriela Kulebanova, Vice President, North Macedonia's Chambers of Commerce, October 2022

not always possess adequate human resources for performing such assessments. In addition, enabling business environment supportive of women business development needs to be coupled with Public Private Dialogue - PPD mechanisms that are already established such as the Economic and Social Council and the instrument recently established by USAID Business regulatory impact assessment project – Platform for private-public dialogue.

As regards the current market situation, the World Bank analysis shows that majority of start-up companies seek external funding from the following sources: 44% personal, family and friends, 21% Fund for innovation and technology development, 13% other public funding and grants, 12% angel investors and venture capital, 6% accelerators and

3% banks and loans.²⁷³ In such structure of financing sources, it is noticeable that there is low presence of equity financing (less than 18% is received from accelerators, business angels and value chains). On the other side, banking system is usually reluctant to support start-ups having in mind their limitations regarding the risk policy (banks are reluctant to support high performing SMEs without hard collateral and credit history).²⁷⁴ This is in particular problematic for women in business, considering that women-owned companies are micro or small, have very little savings and no assets. Having in mind the small number of women actually having ownership over land and assets, accessing traditional commercial financial products is very difficult for them.

Mapping of key women entrepreneurship enablers

Association of Business Women²⁷⁵

Connects businesswomen at the local, regional, economy and international level and facilitates generation of new business. It supports female entrepreneurship, and lobbies for better conditions for women in the workplace, And contributes to social and economic development, with a special emphasis on women entrepreneurship as a factor of economic growth. The Association plays a leading role in organising dialogue and cooperation between businesswomen in order to support and promote women entrepreneurs in North Macedonia and the region. The Macedonian Association of Business Women is the only member of the Balkan Women Coalition from North Macedonia that aims at creating stable and multinational network to help women gain new qualifications and help them in the business filed. Based in Thessaloniki, Greece, the network currently has seven members from Greece, Albania, Turkey, Bosnia and Herzegovina, Bulgaria and Montenegro.

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273 Economic Reform Programme of Republic of North Macedonia 2022-2024, available online [ERP 2022-2024_MKD \(finance.gov.mk\)](https://finance.gov.mk)

274 Ibid

275 www.abw.mk

Yes Foundation²⁷⁶

Aims to stimulate entrepreneurship development and increasing youth employment through strengthening skills and competences for (self)employability, youth engagement, collaborative partnership programmes and leadership platforms for spreading change and advocacy. The Director of the Board of Directors of YES Foundation who is at the same time the Executive Director of MIR foundation is passionate about youth and women entrepreneurship development with extensive experience in provisioning business support services.

**The Foundation for
Management and
Industrial Research
(MIR)**²⁷⁷

was established in 2002 with the mission to foster and support economic development for the well-being of all. The organisation has strong women entrepreneurship focus and is the only one with a Gender Equality Plan 2022-2026. The Plan identifies 6 goals: (i) institutionalisation and capacity building for gender equality; (ii) gender equality in recruitment and career progression; (iii) work life balance and gender-sensitive organisational culture; (iv) inclusion of gender perspective in research and programming activities; (v) gender balance in leadership and decision-making; and (vi) mechanisms for preventing sexual harassment and promoting gender-neutral communication. MIR Foundation is part of WE Gate and its Executive Director is Vice-president for Women's Entrepreneurship of the network.

**Gender Equality
Alliance (GEA)**

is an initiative of the e-Commerce Association in North Macedonia and stands for inclusive culture, equality and unlocking of the powerful synergy between digitalisation, e-commerce and women. It works on equal representation at all levels, equal pay for the same work and equal opportunities for progress. GEA is part of the Commitment Makers of the Generation Equality Forum Action Coalitions: Technology and Innovation for Gender Equality and Feminist Movements & Leadership.

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276 www.yes-alliance.org

277 www.mir.org.mk

Startup Macedonia

It's a major driver behind development of startup community in North Macedonia. It is a platform that provides support, networking and expert advice to start-ups. Today, nearly 50% of the companies it works with are either founded or co-founded by women. This is around 20% higher compared to most of its regional partners from the Western Balkans. In 2017, it launched the Womenpreneurs, aiming to celebrate inspiring women in business and leadership positions, which two years later grew into a five-day bootcamp in North Macedonia. In 2020, it expanded into a regional event, uniting the Balkans in its mission to support first-time female founders.²⁷⁸

In the agriculture sector there are two powerful organisations active in the field of women in rural business development: the National Federation of Farmers and the Rural Coalition. The mission of National Federation of Farmers (NFF) (www.nff.org.mk) is to work towards an organised farmer leader in agricultural and rural development and strives towards a profitable agriculture and stable village. Since 2018 NFF has declared itself as organisation that works on enhancement of environment for rural women and promotion of women agricultural producers. Its President is a woman embodying the values of the organisation. Rural Coalition (<http://www.rural.mk>) strives towards a competitive, organised family farms that will become engines of agricultural policy development, improved socio-economic conditions and better quality of life and sustainable rural development. The Coalition has again a woman as the executive director and

considerable part of its activities are directed towards advancements of life of women in rural areas including women entrepreneurs and women agricultural producers. To this end, the Rural Coalition works on improving rural conditions for establishing sustainable family farms through direct support, capacity building, contributing to even regional development and participation in the creation of local and economy agricultural policy.

Macedonian Association of Agricultural Cooperatives – MAAC (www.mazz.mk) consolidates the work of agricultural cooperatives and their members to exercise their individual and mutual rights and interests in a modern and democratic way and contributes to development of sustainable agriculture and quality of life. The goal of the organisation is to protect economic, social and cultural interests of farmers and work to improve the conditions of production market.

5.5.4 Initiatives supporting women entrepreneurship

Despite efforts there are still major impediments for women to engage in entrepreneurship. Most important is the lack of access to capital due to low ownership rates over resources. Women own only 27.3% of registered property according to data from the Agency for Real Estate Cadastre (2019). Even

worse, in rural households less than 6% of women own a house or land.²⁷⁹ Recent data from 2021 show that many rural women continue to work entirely unregistered and they are in great need of training for acquiring skills for doing own business. However, there are also subtle factors contributing to low

278 [Entrepreneurs, Innovators, Leaders: Women from North Macedonia Pave Way to Future \(trendingtopics.eu\)](https://trendingtopics.eu)

279 Ministry of Labour and Social Policy. Annual Report on the activities undertaken and the progress achieved in establishment of equal opportunities for women and men in the Republic of North Macedonia for 2017 and 2018.

participation of women in business running such as cultural and societal stands on women's role in business, limited time for personal growth and new skill acquirement due to caring for family, access to networks and information.²⁸⁰

The following is an analysis of the policy framework as per RCC-UNDP Areas for joint action.²⁸¹

Priority 1: Increase women's access to finance, especially in rural areas

The first priority of the RCC Areas for joint action - Accelerate women's entrepreneurship is made of several objectives the first being to increase women's access to finance, especially in rural areas, through grant schemes and training programmes. The Strategy for Women Entrepreneurship recognises the access to finance as one of the main barriers to development of women entrepreneurship. In particular the lack of financial assistance intended for development of women's entrepreneurship is identified, coupled with the insufficient access to finance (grants, loan, investment funds, investors, guarantee funds, business angels and the like). Ministry of Economy responded to this need budgeting 2.500.000 MKD for this measure in the annual sector programme scheme(s) for 2020. The Ministry published a call in 2022 in which Measure #1 *Development and support of micro and small sized enterprises and craftwork*, sub-measure 1.2 is devoted to providing *financial support for female entrepreneurship in the total amount of 4,000,000.00 MKD*. The main focus of this intervention is subsidising enterprises owned by women (above 50%) and managed by women through co-financing of 80%

of the proven costs but no more than 150,000.00 MKD (app. 2500 euro) to be used for procurement of equipment and tools; adaptation/improvement of business space; introduction of software solutions (50% of proven costs, but not more than 60,000.00 MKD, app 1000 euro).²⁸² The Audit of the gender responsive budget shows that not all planned budgetary resources were utilised. Namely, the Ministry spent 2.307.370 MKD for projects of 21 female applicants.²⁸³ The Ministry of Economy should examine why women-led businesses are less likely to apply for financial support. The reason may be a lack of ambition or confidence, but it may also be that the criteria or application procedures for financial support are not in line with the capacities of women-led enterprises, or the information channels are not appropriate which leads to the same companies applying for the funding scheme.²⁸⁴ The latter is the main reason why the financial scheme for support of women entrepreneurship has been discontinued from programming in year 2022 and decision is made that gender specific measures are included in the competitiveness programme.²⁸⁵ However, according to the Government, since the introduction of this programme in 2012, 152 companies led by women were supported with 14.1 mln MKD.²⁸⁶

The *Programme for development of entrepreneurship and competitiveness of small and medium-sized enterprises for 2022* is structured in three main pillars /measures:

- Measure 1: Financial support for micro, small and medium sized enterprises in the total amount of 50,000,000 MKD

280 National Council for Women Entrepreneurship. Policy Brief: Women Entrepreneurship in Macedonia. 2018.

281 Regional Cooperation Council | RCC, UNDP to launch Women's Economic Empowerment: Areas for joint actions in the Western Balkans initiative

282 Programme for competitiveness and support to entrepreneurship 2021, available online: [ОДЛУКА ЗА ОПРЕДЕЛУВАЊЕ НАЈВИСОКИ ЦЕНИ НА ОДДЕЛНИ НАФТЕНИ ДЕРИВАТИ УТВРДЕНИ СОГЛАСНО МЕТОДОЛОГИЈАТА \(economy.gov.mk\)](#)

283 Report on implementation of gender budget of Ministry of Economy 2021, available online: [\(economy.gov.mk\)](#)

284 Interview with Elizabeta Todorova, Sector for Competitiveness and SMEs, Ministry of Economy, October 2022

285 Interview with Jumni Ademi – State advisor for entrepreneurship and competitiveness of SMEs, October 2022

286 Statement of the Minister Bekteshi on the occasion of promotion of the National Platform for Women Entrepreneurship, available online: <https://economy.gov.mk/mk-MK/news/vesti-522.nspk>

- Measure 2: Subsidising the costs of craftsmen in the total amount of 6,000,000 MKD
- Measure 3: Co-financing of projects for development and promotion of entrepreneurship and crafts in North Macedonia in a total amount of 6,000,000 MKD

None of the measures or sub-measures nor criteria applied are targeting women-owned businesses or women in general as special target group.²⁸⁷

For women in rural areas the Ministry of Economy does not have specific measures but the Ministry of Agriculture, Water Management and Forestry. Measure 115 from the National Programme for Rural Development encompasses investments in equipment for processing primary agricultural products in the amount of 3000 euros, not including equipment for processing milk and dairy products. In 2021 the measure was used by 403 of 38000 women in agriculture.

Both the measures in the Competitiveness Programme and in the National Programme for Rural Development are of very low value and not significant investments to achieve development of women-led enterprises and agricultural households. There is a need to simplify and adapt them to the real needs of women entrepreneurs²⁸⁸ and women farmers. The Measure 115 is even discriminatory to women who work in cattle breeding and production of dairy products.²⁸⁹ Therefore, CSOs are actively advocating for allocating more budget and increasing direct financial support amounts for women.²⁹⁰ The main recommendations focus on the design of measures and calls which tend not to specifically define necessary application documents, offer rather small funds for a more serious investment and have no measures that boost confidence among

women in the economy to develop their ambitions and support development of ideas and plans for further growth and development of women-led enterprises. This means that these are one-off measures not inter-connected and do not foster growth. Mentoring support for direct investment programmes and production modernisation can also be a successful strategy, especially in areas which are underdeveloped such as digitalisation, green and circular economy.

To this end, the funding available from development banks is also crucial. The EBRD is the only bank that in accordance with its new Strategy for Promotion of Gender Equality (2021-2025) recognises that gender equality is central to economies' transition towards becoming well-functioning, sustainable market economies and is scaling-up and strengthening gender-responsive investment culture in commercial banks operating in North Macedonia through the lens of several challenges and trends, from the green and digital economy to the need for care and addressing GBVH. This comes with an ambitious target: at least 40% of EBRD investments need to integrate gender equality measures by the end of 2025. Since launching the Women in Business Programme in the Western Balkans in 2014 - the first such programme in the region - EBRD has provided over EUR 60 million to its partner financial institutions in the region for on-lending to women-led SMEs.²⁹¹ This, together with the wide range of advisory, training, mentoring and network-building activities EBRD provides, has helped over 7500 women entrepreneurs to develop and grow their businesses. However, women in business programme was implemented through Sparkasse and NLB commercial banks and was discontinued with "no commendable results in North Macedonia, as other support programmes, such as the one on

.....
287 Programme for competitiveness and support to entrepreneurship 2022, available online [Link](#)

288 Interview with Gabriela Kostovska Bogoeska, Executive Director of MIR Foundation, October 2022

289 Interview with Liljana Jonoski, Executive Director of Rural Coalition, October 2022

290 Gender responsive budgeting in agricultural sector, available online: [CRPM-publikacija-3-zemjodelstvo.pdf \(gbwn.net\)](#)

291 Statement of Matteo Colangelli, Regional Director, EBRD, at the G100 Support to Women Entrepreneurship in the Balkans and Beyond event held in Belgrade 26 September 2022

competitiveness were more attractive to women entrepreneurs²⁹²

Priority 2: Create gender-sensitive business training and entrepreneurship upskilling programmes

The Agency for entrepreneurship runs mentorship programme for small and medium enterprises that is supported by the Japan International Cooperation Agency (JICA) that helps owners or managers recognise the key point of potential growth of their company. Among the main programme pillars such as diagnosis, understanding the current situation of the enterprise, assistance in preparing development activities, action plans and projects, assistance in preparing credit applications to commercial banks and other available programmes, trainings, and referral to appropriate specialist consultants, there is no component which is exclusively devoted to women's leadership. During the last year, 54 enterprises have been mentored. But the measure is gender neutral and as a result only 13 of those mentored are women owners of enterprises, while the remaining 41 trained are male owners.²⁹³

The educational services provided by the Chamber of Commerce and the North Macedonia Association of Chambers, do not offer any exclusive program/service for women entrepreneurs. So far, the initiatives in this regard are dominantly taken by the civil sector and private initiatives. Training in women's

leadership and entrepreneurship in rural areas organised by the National Federation of Framers,²⁹⁴ leadership skills development training by the National Platform for Women's Entrepreneurship,²⁹⁵ and strengthening human resources management focusing on women and youth implemented by the Increase Market Employability Programme of SDC ²⁹⁶ are just some of the steps taken by CSOs/ donor community in this direction last year. Private coaching and mentorship agencies also offer similar service, but for commercial purposes.²⁹⁷

The Operational Plan on Employment 2022 foresees both business training and entrepreneurship upskilling programmes / measures. However, this is not the single document that projects such activities.

The Active Labour Market Programmes and Measures are a key component of each Operational Plan. In 2022, more than 99% of funds provided for the implementation of the Plan are dedicated to ALMPs aiming to cover 13 075 registered unemployed persons, while with the labour market services the Plan is to cover about 1 610 unemployed persons.²⁹⁸ The figure presented below lists the current employment programmes, each comprised of several operative measures of the Operational Plan for 2022 adopted in February 2022. A novelty compared to the Operational Plan of 2021 is the introduced support for job creation through green investments (number 8.).

292 Interview with Maja Stolevska Kostadinova, EBRD Advise for Small Business Programme, October 2022

293 <http://apprm.gov.mk/content/Documents/Izvestaj%20ednakvi%20moznosti%202021%20APPRSM.pdf>

294 NFF Training for women leadership in agricultural sector, available online: [Обуки женско лидерство и претприемништво во руралните средини – Национална Федерација на Фармери \(nff.org.mk\)](https://nff.org.mk)

295 <https://weplatform.mk/blog/2021/07/16/razvoj-na-liderski-veshtini-da-se-bide-mudar-vnimatelen-praveden-vozdrazan/>

296 <https://24hr.mk/learn2ghrow-rast-na-biznisot-preku-razvoj-na-vrabotenite/>

297 <https://coaching.inspirit.mk/programa-za-zhensko-liderstvo/>

298 Operational Plan for active employment programmes and measures and services in the labour market for 2022.

Figure 25. ALMPs of the Operational Plan for 2022, North Macedonia

1. Self-employment (entrepreneurship) support
2. Job creation support
3. Training
4. Digital skills development training
5. Internship
6. Work engagement programme
7. Care economy
8. Support for job creation through green investments
9. Payment of youth allowance

The Self-employment (entrepreneurship) Programme is designed to support the registered unemployed persons start their own business. In 2022 this programme is expected to cover 2 000 persons^{299 300} that will be employed in newly established legal entities.

Several categories of unemployed persons are targeted as potential beneficiaries, including women from vulnerable groups (victims of gender-based and domestic violence). Additionally, it is worth noting that there is slight difference in defining the main target groups compared to previous Plans. For example, instead of using the general term *unemployed persons* in the Operational Plan for 2022, unemployed women and men are both listed as specific sub-groups of unemployed persons. In addition to men, women from the following categories are also mentioned as potential beneficiaries of this Programme: unemployed Roma women, unemployed women due to COVID-19 crisis, unemployed returnees (with focus on Roma community), and men and women who would like to formalise their business.³⁰¹ This description of the potential target groups will probably not change anything in the expected outcome since there are no particular benefits specifically tailored for women.

However, it is worth mentioning that advisory and mentoring support for a period of 12 months after the company is established will be provided to: persons with disabilities, Roma, and women beneficiaries of social assistance, victims of domestic violence and human trafficking, single mothers, and socially excluded women. This support is very important in the period of 12 months after the company is established, but it should be noted that women and other vulnerable categories need help in the initial phases – when preparing their applications and business plans.

With financial support through this Programme, in 2021, 805 women started their own business, or 42.9% of the total beneficiaries.³⁰² Although there was an increase of supported women in 2021 compared to 2019 and 2020, dramatic changes in 2022 should not be expected since the preconditions - that make it difficult for (vulnerable) women to start their own business - are not eliminated.

The Programme itself is not gender mainstreamed in its design and as a result it may not effectively contribute to achieving the desired gendered policy outcome. Vulnerable women that are mentioned as potential beneficiaries of this policy to engage

299 An additional 10 people will be employed by the employers from the newly established businesses owned by people with disabilities.

300 Compared to 1 877 unemployed persons covered in 2021.

301 The programme offers support to unemployed men up to 60 years, and unemployed women up to 58 years.

302 ESARNM. Annual Report for 2021.

in entrepreneurship need to have social capital and family support to succeed, which the targeted groups of women may not have. Gender analysis is also missing and the specific needs of targeted women have not been identified. Additionally, the available data shows that the aim to support vulnerable women has not been achieved in 2021 as the Employment Service Agency did not record any beneficiaries in the target group of vulnerable women.

The training programme aims to improve the skills and qualifications of unemployed persons to improve their chances to integrate into the labour market. The first measure of this Programme is **On-the-job training for a known employer** and it is planned to equip unemployed persons with skills required for performing their work tasks in line with the employer's needs. It is expected to cover 70 unemployed persons.^{303 304} The target group are unemployed persons (beneficiaries of the right to social protection), women, Roma, disabled persons and long-term unemployed persons. From the perspective of increasing the chances of women in the labour market, this measure can be considered as successful in 2021 given that 55.9% of all beneficiaries were women.³⁰⁵ Therefore, a positive outcome can be expected in 2022 as well. The second measure is **Vocational training in line with the employer's requirements (a)** and its purpose is to provide training delivered by verified trainers in close cooperation with employers and training providers. It is expected to cover 150 registered unemployed persons in 2022.³⁰⁶ Women are not listed as a specific target, but if we take into account last year's statistics for this measure it can be noticed that 64.2% of users are women.³⁰⁷ Therefore, positive outcome should

be expected also in 2022. **Vocational training (b)** has the same goal and is implemented in close cooperation with the private sector. OP for 2022 is planned to cover 200 registered unemployed persons,³⁰⁸ including persons from vulnerable groups. In 2021, 57.6% of total beneficiaries were women,³⁰⁹ although it cannot be measured whether this measure achieved its objective to support vulnerable groups of women. **Online skills training in accordance with employer's requirements (c)** is aimed at providing online skills in close cooperation with the trainers and private sectors covering 100 unemployed persons in 2022.³¹⁰ The focus of this measure is on young unemployed persons, Roma community, and other persons at social risk. There is no data regarding the success of this measure in 2021, and also no data on how many women were beneficiaries. **Skills development through training to increase employability of returnees from abroad** is a new measure that was not part of the Operational Plan 2021. This measure aims to provide opportunities for on-the-job learning, internships in local companies, and validation of other skills acquired through informal training to increase employability of unemployed persons. This measure targets Roma community, returnees, and other persons at social risk in several municipalities. Women are not identified as a specific target group, but the outcome of this measure will be valuable subject for analysis to check the level of interest of Roma women to use these types of measures designed to increase their employability. The third measure of the Training Programme is **Occupation-in-demand training** with a purpose to meet the needs for occupations in demand, including those in social services, qualifications leading to green jobs and e-commerce through training. This measure is

303 Including the support through the IPA II direct grant.

304 Compared to 152 unemployed persons covered in 2021.

305 ESARNM. Annual Report for 2021.

306 Compared to 100 unemployed persons covered in 2021

307 ESARNM. Annual Report for 2021.

308 Compared to 80 unemployed persons covered in 2021.

309 ESARNM. Annual Report for 2021.

310 The number of covered beneficiaries is same as in 2021.

expected to cover 500 unemployed persons³¹¹ in 2022 including women, Roma, young persons, disabled persons and long-term unemployed persons. From gender perspective, this measure was very successful considering that in 2021 70% of the trained unemployed persons were women. In order to increase the chances for employment of the registered unemployed persons in transport sector, ESA provides financial support for **Driving lessons for C and D category licences**. This measure was also implemented in 2021, covering 50 persons,³¹² while in 2022, it is expected to support 100 unemployed persons.

The Training Programme includes no quota for women, but last year's experience showed that more than half of the beneficiaries or 58.8% were women.³¹³ It is slightly less compared to 2020 when over 62% of the beneficiaries were women.³¹⁴ There

is interest among women for on-the-job training and training in occupations in demand, while the jobs in the transport sector are considered as male oriented and in 2020, as well as in 2021, only 2 women in total completed the training for C and D category licenses.³¹⁵

The Strategy on Women Entrepreneurship and the respective Action Plan are crucial documents that need to serve as a roadmap in terms of enhancing entrepreneurial and economic position and activity of women in North Macedonia, but the pandemic obviously caused serious disturbances in the implementation pace. Even though the deadline for its overall implementation is still valid (2023), there are two key priorities in the Action Plan that still need to be made fully available and institutionalised for which public data / information need to be available in order to assess potential progress made.

Table 17. Activities in Action Plan for implementation of Women Entrepreneurship Strategy, North Macedonia

Activity ³¹⁶	Indicator	Time frame	Budget
To develop web seminars and web advisory services by creating an online platform.	- Created online web platform seminars and advisory services	2019	1.500.000 (from donors)
To provide mentorship from experienced business women for startups and entrepreneurs who want to grow, as well as for women entrepreneurs in Technology intensive business ventures as well as in export oriented sectors	-An increased number of Mentors; -An increased number of users of mentoring services;	2019-2023	1.200.000 (donors)

In collaboration with the Innovation and Technological Development Fund PricewaterhouseCoopers (PwC) implements The Catalyst mentoring programme. The main goal of the programme is to strengthen capacities of startups on topics and areas that are important for

everyday work, gaining new knowledge and skills, as well as facilitating access to potential investors. The programme is intended for startups at an early stage of development that already have a product or service as well as a developed offer for placing their

311 Compared to 400 unemployed persons covered in 2021.

312 ESARNM. Annual Report for 2021.

313 See previous footnote.

314 ESARNM. Annual report for 2020.

315 ESARNM. Annual reports for 2020 and 2021.

316 Action Plan for implementation of the Strategy for development of women entrepreneurship 2019-2023, available online:

[Акциски план за имплементација на стратегија за развој на женско претприемништво во Република Македонија 2019-2023.pdf \(economy.gov.mk\)](#)

products / services on the market, i.e. are in the so-called MVP (minimum viable product) phase.

Priority3: Boost networking opportunities for businesswomen across the Western Balkans and with the European Union

The National Platform for Women Entrepreneurship (hereinafter: NPWE) was established in May 2021. The main goal of this Platform supported by EU is to strengthen the capacity of civil society organisations to create public policy proposals and advocacy in the field of women entrepreneurship by merging existing networks into a single platform that will be of interest to women entrepreneurs at all levels and emphasises the need for dialogue, structural cooperation and trust between central / local government and the business community for the economic empowerment of women, including young and rural women. Such initiatives are present even at local level with the establishment of the City of Skopje Council on Women's Entrepreneurship aiming to support women entrepreneurs through creating gender budgeting policies, promoting gender equality and financial support programmes for women embarking on their entrepreneurial path. NPWE has 10 members and operates in 3 working and 6 thematic groups. One of the thematic groups is dedicated to access to finance, another to digitalisation, a third one to women entrepreneurship in rural areas, etc.

Elite is an association of women entrepreneurs made of 15 founders – successful businesswomen, managers and leaders in their business. The main goal and mission of Elite Managers Association of Skopje is to encourage and promote women's leadership in all areas of society, thereby increasing women's capacities in decision-making and governance in society. As a partner of G100 initiative Elite is yearly ranking best women entrepreneurs and promoting one woman as a woman entrepreneur of the year.

Priority 4: Encourage innovation investments and support women-owned businesses

Since 2014, the Fund for Innovations and Technology Development (FITD) has been providing direct financing to boost innovation activity in SMEs. During the Covid-19 crises FITD provided support to startup companies with a maximum of 6 years of existence. The grant covered 60% of project cost, with 15.44 million euros being awarded. Out of the total number of 237 projects awarded, 74 projects were owned by women, while 163 were owned by men. These results are accounted to the integration of gender in the design of the measure targeting specifically women.

Since recently FITD has introduced measures tailored to enhance academia-business cooperation. In 2020, FITD piloted the innovation vouchers, in 2021 conducted the first call for establishment of Fab Labs located in HEIs embedding the quadruple helix model and with the support of EC International Service Facility is designing a new support measure – collaborative grants. These measures do not have gender perspective embedded, but considering that university research's main source of funding is Horizon 2020 programme which is fully gender mainstreamed and requires that Universities need to have a gender action plan adopted it may be expected that their operation is gender mainstreamed as well.³¹⁷

The Economic Reform Programme 2022-2024 also foresees that a hybrid fund for green and digital start-ups and innovative SMEs is established by the Fund for Innovation and Technology Development (FITD) with the support of the World Bank. The model envisages setting up a hybrid investment fund (30% public / 70% private) with total capital of EUR 27 million. Through FITD, the government provides EUR 10 million as public funding where the remaining part should come from private investors and international finance institutions. The Fund will

.....
317 Interview with Katarina Kreceva, Head of Development of Programmes, Fund for Innovation and Technological Development, October 2022

be managed by an international Fund Manager company selected by FITD through a competitive procedure at international level. The main obligation of the Fund Manager will be to establish and manage the Fund, attract investors (international and domestic), secure Fund closings, sourcing and structuring transactions, submit transactions to the Investment Committee which will be solely responsible for all individual investments and exit decisions by the Fund, without influence from the government. This is a new measure and it will

contribute to the implementation of financial access pillar of the SME Strategy for Sustainable and Digital Europe in the economy, as well as the government's innovation strategy, and Law on Innovative Activity, and is part of the recently announced Government plan for accelerated economic growth. However, there is no gender criteria embedded in the design of the fund and is therefore not expected for the time being to have a positive outcome on enabling environment for women entrepreneurship.

Good Practices and Case Studies

Box 15. Good practices in North Macedonia: Technological development for enhanced economic growth instrument of the Fund for Innovation and Technological Development

Profile: One of the three instruments used by the Fund for Innovation and Technological Development, in particular the Technological Development for Enhanced Economic Growth instrument embeds gender perspective in the design of the criteria for application and award of applications.

Context: Developing this measure, FITD was driven by the strive to support women entrepreneurship. It was developed during the Covid-19 as a result of civil society advocacy regarding the adverse impact of the crises on business, especially women in business.

Procedures: For the purpose of implementation, the evaluation form for this instrument includes gender as one of the evaluation criteria. In particular the criteria required for assessment of the project impact on gender equality where the companies that are owned or managed by a woman are scored with more points than the ones that are not.

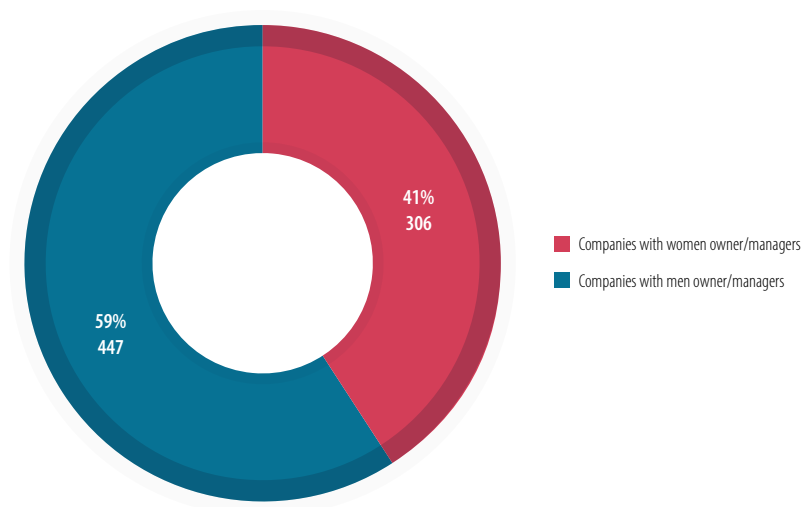
Lessons learned: What we can see from this case is that when women-led/owned companies are specifically targeted with a measure the number of applications from women-led/owned companies are almost at par with those of men, and their number in accepted applications and funded project is bigger than that of men contributing to better gender outcomes of the overall portfolio of FITD (see Figure 26 below).

Table 18. Technological development for enhanced economic growth instrument of FITD, North Macedonia

		women-led/ owned	Women as %/ total	men led/owned	Men as %/total	Total
2021	Applications	317	45%	389	55%	706
	Approved	70	68%	33	32%	103
2022	Applications	142	41%	201	59%	343
	Approved	N/A		N/A		N/A

Source: FITD, 2022

Figure 26. Women-led/owned companies in FITD portfolio, North Macedonia



Source: FITD, 2022

Link: www.fitr.mk

5.5.5 Conclusions

- North Macedonia, together with Montenegro, is the only economy in the region which has adopted a specific policy document on women entrepreneurship development. Although enumerating important measures to be taken, the Strategy for Women Entrepreneurship misses to define indicators and budget that will provide for its implementation and measuring of results.
- The financial instruments available to support women entrepreneurship, such as the Programme for Competitiveness and SMEs of the Ministry of Economy, or the programmes offered by the Fund for Innovation and Technological Development, are disconnected from the Strategy and do not contribute to achievement of its objectives. The very fact that the Ministry of Economy has discontinued the Programme supporting women's entrepreneurship in 2022, and is considering to mainstream gender criteria in other programmes financial supporting tourism, crafts and competitiveness from 2023, also shows lack of ownership over the policy development for women entrepreneurship that has happened with the development and adoption of the Strategy for Women Entrepreneurship.
- Gender criteria is observed in programmes supporting Roma inclusion and renewable energy development as well as the programmes supporting innovations although these are not in sync with the Strategy for Women Entrepreneurship. To this end, consolidation of the direction on policy, funding and measuring results for women entrepreneurship is needed.
- The Ministry of Economy is the main policy maker but systematic approach and overall coordination with other stakeholders' interventions in the field of women entrepreneurship is missing. The Ministry does not have one person who specifically follows the area of women entrepreneurship and has little capacity for gender analysis of trends in entrepreneurship.
- Business service providers lack specific services targeting women entrepreneurs

and responding to their specific needs for modernisation, growth, digitalisation as well as accessing finance, supply chains and markets. Currently, civil society organisations provide the biggest opportunities for networking and facilitate policy dialogue for improved business environment for women entrepreneurship.

- Despite efforts there are still major impediments for women to engage in entrepreneurship. One prominent barrier to doing business for women is insufficient access to finance (grants, loan, investment funds, investors, guarantee funds, business angels and the like).
- Civil society organisations are already very active in the field and have contributed immensely to: (i) facilitating policy dialogue on the main challenges for women in business such as access to finance, markets, supply chains and digitalisation; and (ii) policy development. Hence, their dominance in the sector field leaves the main policy makers without ownership over policy documents which in turn leads to limited implementation and effect of the measures on development of women entrepreneurship.
- Civil society did not so far provide for research and data sets on needs of women-led businesses and their advocacy is not directed towards policy response to those needs. This predicament needs to be changed and coupled with constructive proposals on scope and value of financial support for women-led businesses. What is more, civil society can louder voice the need for gender mainstreaming of all programmes supporting SMEs, competitiveness and green and digital economy.

5.6. Women entrepreneurship in Serbia

5.6.1. Profile of women entrepreneurs

Female entrepreneurship is well recognised and present topic in the civil sector and in institutions, and there are associations of female entrepreneurs and initiatives to support women in business. Entrepreneurship is seen as a path for economic empowerment of women, and the lower representation of women among entrepreneurs is an indicator of the gender gap in the sphere of business and economy.

Women entrepreneurs in Serbia are often entrepreneurs out of necessity and not out of business or economic opportunity. First of all, this means that they decide to register a job (often the one they have been work previously) in order to be formally employed and to have a pension and health insurance. Women's entrepreneurship is seen as a solution of unemployment or inactivity in the labour market: subsidies are granted for unemployed persons registered with the Employment Office, and a subsidy is approximately sufficient for annual taxes and contributions. This includes positive measures for vulnerable categories, and these are rather social than economic measures. The entire narrative related to female entrepreneurship is connected with solving the problems of unemployment and poverty.

The profile of women entrepreneurs in Serbia can be categorised in the following groups.³¹⁸

- Unemployed women who have some skill and craft which they want to use for self-employment

- Women who have a craft and do not want to work for someone else (usually hairdressers, tailoring salons, catering, etc.)
- Women who have a specific business idea but no funds to invest
- Women who have specific business idea and funds to invest

The last category is less represented since women rarely own property or household savings.

One of the biggest challenges related to female entrepreneurship in Serbia is precisely the lack of data. Data are not publicly available in Agency for Business Registers and data about self-employment and entrepreneurship are partially available on the website of the Statistical Office. Data available on Eurostat are provided within the report.

From 1 June 2022, data on business owners, directors and entrepreneurs will be sex disaggregated and entered in the Register of Business Entities as a subject of registration,³¹⁹ which will enable a precise insight into the number of companies whose owners are women, better statistics and more efficient formulation of government support programmes aimed at businesswomen. This amendment to the Law on Companies is a result of successful initiative by the Serbian Chamber of Commerce towards the Ministry of Economy.³²⁰

According to the data of the Agency for Business Registers from 2020, there are currently 32,733 companies whose founders are women, and 96,949

318 Categorisation made by author, based on information published in various, listed studies and research.

319 <https://www.blic.rs/biznis/strategija/novi-propisi-za-zene-preduzetnice-od-1-juna-apr-ce-voditi-racuna-i-o-polu/k4k3p5d>

320 Gender Budget Watchdog Network, 2022, Running up that hill: economic strengthening of women in Western Balkans, online: https://gbwn.net/wp-content/uploads/2022/11/Running-up-that-hill%C2%AC_economic-strengthening-of-women-in-Western-Balkans.pdf

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female entrepreneurs are operating in Serbia. At the same time there are 279,035 active entrepreneurs and 121,366 companies are registered in the Register of Business Entities.

According to the available data from December 2021 women are still the most represented among entrepreneurs – self-employed persons.

Table 19. Businesses and entrepreneurs by sex, December 2021 (%), Serbia

Legal entities		Women	Men
Entrepreneurs	100	33%	65,4%
Single-member companies with 100% share	100	16,3%	48,2%
Multi-member companies owners	100	25,2%	65,3%

Based on the data, women are more represented as entrepreneurs – self-employed persons than as legal representatives or owners of companies (LLC).

There were 97,600 self-employed women in 2022, around 3,000 less than in 2021.

Table 20. Self-employment, 2020-2022, Serbia

Self-employment quarterly from Q1 2020 to Q2 2022 (female, male, total), 15 to 64 years old, unit of measure thousand										
	2020				2021				2022	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Female	157,9	171,3	167,4	160,8	99,6	101,6	98,8	100,7	100,3	97,6
Male	348,3	349,8	365,0	367,4	303,1	325,5	325,9	316,1	304,9	325,3
Total	506,2	521,1	532,4	528,2	402,7	427,1	424,7	416,8	405,2	422,9

On the other hand, self-employment is almost twice as high among men than among women, i.e. 25%

of men and 14% of women between the ages of 15 and 64 are self-employed – entrepreneurs.

Table 21. Self-employed with employees, 2020-2022, Serbia

Self-employed with employees, quarterly, in thousands										
	2020				2021				2022	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Female	25,9	27,1	28,8	22,1	22,2	26,9	23,0	39,0	24,7	23,9
Male	57,5	61,9	63,1	55,3	71,6	66,2	69,9	64,2	67,8	78,6
Total	83,4	89,0	91,9	77,4	93,8	93,1	92,9	103,2	92,5	102,5

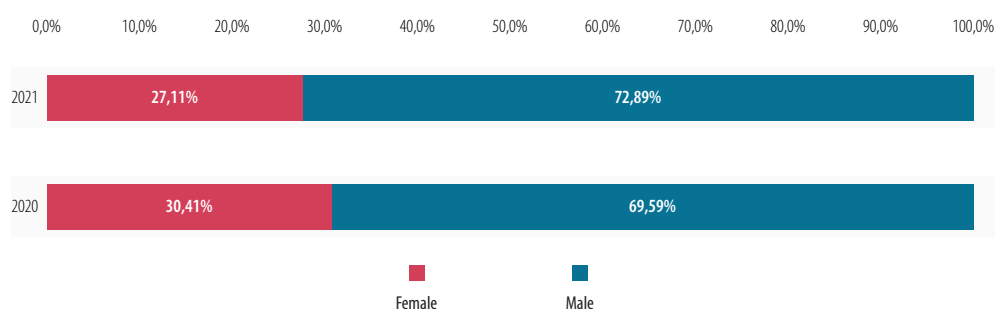
There are more women who are the only person employed in the enterprise, as it visible from the data below.

WOMEN ENTREPRENEURSHIP IN THE WESTERN BALKANS: STOCKTAKING ON CONSTRAINTS AND GOOD PRACTICES

Table 22. Self-employed without employees, 2020-2022, Serbia

Self-employed without employees (own - account workers), quarterly, in thousands										
	2020				2021				2022	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Female	132	144,2	138,7	138,6	77,4	74,7	75,8	71,7	75,5	73,6
Male	290,8	287,9	301,8	312,1	231,6	259,2	255,9	252	237,1	246,6
Total	422,8	432,1	440,5	450,7	309	333,9	331,7	323,7	312,6	320,2

Figure 27. Self-employed with employees, Serbia



Women are self-employed in the sectors of support service activities (8,700), and other service activities (10,200). For other sectors data are not available at the Eurostat or Statistical Office.

wholesale and retail trade (16,500), agriculture (20 200), manufacture (9200), professional, scientific, and technical activities (13,000), administrative and

Table 23. Number of self-employed by sex, age and economic activity, Serbia

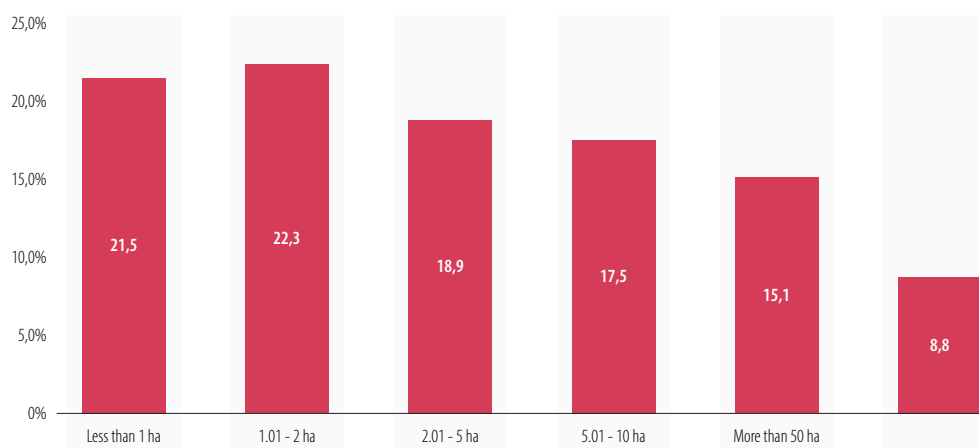
Sector	Women	Men
Agriculture	20200	121200
Wholesale and retail trade	16 500	38200
Manufacture	9200	
Professional, scientific and technical activities	13000	16000
Administrative and support service activities	8700	4700
Other services	10200	12500

WOMEN ENTREPRENEURSHIP IN THE WESTERN BALKANS: STOCKTAKING ON CONSTRAINTS AND GOOD PRACTICES

Table 24. Women holders of agricultural households, 2018, Serbia

	Women(%)		Average holding size			
	UAA (ha)	Number of LSU	UAA(ha)		LSU	
			Men	Women	Men	Women
Serbia	10.8	9.9	5.7	2.9	3.3	1.5
Belgrade region	10.1	10	4.2	2.6	2.6	1.5
Vojvodina region	9.1	9.9	10.5	4.3	4.4	1.9
Šumadija and Western Serbia region	10.7	8.8	4.4	2.4	3.5	1.5
South-East Serbia region	14.3	12.5	4.3	2.5	2.3	1.1

Figure 28. Percentage of women owners of the households by size of plots, 2018, Serbia



In the same quarter last year there were 132,500 men self-employed in agriculture, showing a decrease in the number.

17.3% of holders of agricultural production (households) and only 15.9% of farm managers are

women, according to the last Agricultural Census from 2012. In 2019, **1.5% of all working women** were formally employed in the agricultural sector, making up 25% of all persons employed in the agricultural sector, while men stood at 75%.³²¹

Table 25. Members and regularly employed labour force at holding, by sex and legal status of holding and region, 2012, Serbia

Area / region	Holdings - legal entities/enterprises			
	total	women	men	% women
Serbia	26 279	6 685	19 594	25,42%
Belgrade region	3 280	1 127	2 153	34,35%
AP Vojvodina	17 431	4 016	13 415	23,03%
Western Serbia and Sumadija	3 318	1 035	2 283	31,19%
South and Eastern Serbia	2 250	507	1 743	22,53%

321 Women and men in Serbia, Statistical Office of Serbia, 2020. <https://publikacije.stat.gov.rs/G2021/Pdf/G20216001.pdf>

Table 26. Members and regularly employed labour force at holding, by sex and legal status of holding and region, 2012, Serbia

Family households				
Area / region	Total	women	men	% women
Serbia	1 416 349	608 697	807 652	42,97%
Belgrade region	73 558	30 745	42 813	41,80%
AP Vojvodina	278 680	109 432	169 248	39,26%
Western Serbia and Sumadija	625 267	276 440	348 827	44,21%
South and Eastern Serbia	438 844	192 080	246 764	22,53%

Table 27. Holder of holding, by sex and region, 2012, Serbia

Area / region	Total	women	men	% women
Serbia	617 365	106 946	510 419	17,80%
Belgrade region	32 670	4 719	27 951	14,44%
AP Vojvodina	143 453	26 794	116 659	18,67%
Western Serbia and Sumadija	257 846	41 317	216 529	16,02%
South and Eastern Serbia	183 396	34 116	149 280	18,60%

The census, together with studies on the position of rural women,³²² shows that the position of women in agriculture is unfavourable - that they have less property to their name, that they have a range of incomes, and are often invisible. The problem with the position of women in agriculture is partly related to production itself, and partly to the fact that rural development in general is not gender sensitive.

Access to market, improvement of production in terms of product quality, and lack of money for investments have been identified as the main obstacles for women in agriculture. Subsidies are mainly aimed at branches of production in which women are invisible or hired as helpers, while in those branches and for the workers in which they are leaders, support is absent.

Women farmers usually produce organic food and products from fruits, vegetables, crops or milk. There are numerous initiatives, associations, and organisations that have grown up into women's cooperatives or clusters. They are supported usually by international donors (UN Women, GIZ, Austrian Development Agency, USAID, etc.) and their projects are aimed at empowerment of rural women in general, including economic empowerment.

Based on the published studies³²³ women's companies belong to the category of micro-enterprises, or small ones, with a maximum of 10 employees. Women are most often engaged in family business and in low-profit sectors such as crafts, retail trade, healthcare, education, tourism, social and other services. Women are more often

322 One of the most significant is Rural women as assistant members of households, <https://secons.net/publikacija/zene-na-selu-kao-pomazuci-clanovi-poljoprivrednog-domacinstva-polozaj-uloge-i-socijalna-prava/>

323 "Initial studies on women's entrepreneurship in Serbia", which was carried out by SeConS Development Initiative Group in 2011, as well as several smaller researches, analyses and papers such as The Position of Women in the Business Sector in Serbia (Babović 2014), "Women's entrepreneurship in Serbia: evolution from a social to an economic category" (Popović Pantić, 2020), and the most current - research "The impact of the COVID-19 pandemic and measures to prevent it on female entrepreneurs in Serbia" UN Women, as well as the analysis "Support to female entrepreneurs during the COVID-19 pandemic" Srdić, 2021 conducted with the support of the OSCE Mission to Serbia.

active in the service sector than in the production sector. Likewise, as the main characteristic of female entrepreneurship, it is most often stated that they are entrepreneurs out of necessity and not out of opportunity or because they possess an *entrepreneurial spirit*. By necessity means they could not get a job in another way, and this is supported by measures for self-employing of registered unemployment persons.

A considerable challenge is a lack of time for training, preparation of tenders and applications, lack of experience and needed support for growth in this technical dimension.

According to available data, 25% of real estate was exclusively owned by women in 2019, 65%

5.6.2. Regulatory and legal framework

The key law is the Law on Companies.³²⁵ According to this Law (Article 83), an entrepreneur is a business-capable natural person who performs activities with the aim of generating income and who is registered as such in accordance with the legal provisions on registration. A natural person registered in a special register who performs the activity of a liberal profession, regulated by a special regulation, is considered an entrepreneur in the sense of the law if that regulation determines it. The entrepreneur is responsible for all obligations arising in connection with the performance of their activity with their entire property, and this property includes the property they acquire in connection with the performance of his activity (article 85).

The Law defines the following legal forms of companies: 1) partnership, 2) limited partnership, 3) limited liability company, and 4) joint stock company.

Article 139, which defines the concept and responsibility of a limited liability company, states: "A limited liability company is a company in which one

exclusively owned by men, and 10% jointly owned. The government has recently taken steps to improve the position of women by mandating the issuance of deeds on immovable properties purchased while married in the names of both spouses (except if one of the spouses notarises a statement explicitly waiving that right).

Data published by the Women's Association of Kolubara District (WAKD) shows that as many as 84% of rural women do not have any property, and 44% of women have given up their property to their brothers or other family members. In 2020 WAKD launched "How much is my peace?" campaign that includes raising awareness and legal aid.³²⁴

or more members of the company have shares in the share capital of the company, with the fact that the members of the company are not liable for the company's obligations, except in the cases provided for in Article 18 and Article 548 of this Law."

The basic differences between an entrepreneur and a company is that an entrepreneur is a natural person and company is a legal entity.

Structural discrimination against female entrepreneurs is visible in the legal framework, and until recently it was the case for female farmers, too. Namely, according to the Law on Health Insurance, female entrepreneurs must temporarily close the business during pregnancy leave, because if they do not do that, their compensation is reduced by 50%.

For female farmers the right to compensation during the maternity leave is recognised as of 1 July 2018, in the Law on Financial Support for Families with Children (Official Gazette of Serbia, No. 113/2017 and 50/2018). Female farmers

324 <https://www.danas.rs/tag/koliki-je-moj-deo/>

325 https://www.paragraf.rs/propisi/zakon_o_privrednim_drustvima.html

are entitled to those rights, but only those who regularly paid contributions for pension and disability insurance, which implies that they are the owners of farms, 24 months before the child birth.

According to the regulations, the basis for determining the monthly compensation for farmers will be the amount of other income compensation, as well as paid contributions for mandatory social insurance over 18 months before the birth of the child, which are recorded in the Central Register of Social Insurance.

The Law on Social Insurance does not provide that self-employed women are paid pension insurance during the period when they are on maternity leave, and they lose one year's worth compared to self-employed men or employed women.

The law on financial support for families with children foresees two years of maternity leave for the third and every subsequent child, except for pre-pregnant women, where in this case the leave lasts for one year. Under the same law, employed women are guaranteed a minimum wage during maternity leave, while this is not the case with female entrepreneurs, who are calculated differently.

The Strategy for supporting development of small and medium-sized enterprises, entrepreneurship, and competitiveness for the period from 2015 to 2020 has included support to women's entrepreneurship as one of the thematic pillars. The Strategic Objective 6. Development and Promotion of Entrepreneurship included two specific

objectives: 6.1 Improvement of statistical monitoring and research of entrepreneurship of women, youth and social entrepreneurship, and 6.2 Policy and instruments to support female entrepreneurship, youth entrepreneurship and social entrepreneurship spirit and encouraging entrepreneurship of women, young people and social entrepreneurship. It included actions related to legal and policy framework, increase of participation of women in the support programmes and measures, support to networking and learning, and development of specific programmes targeting women, youth and social entrepreneurship. The planning of the new Strategy for the period from 2022 to 2027 has started in February 2022 and according to the news published by the Ministry of Economy "the Strategy will include improvement of business environment and access to sources of financing and new markets, continuous development of human resources, strengthening competitiveness of the sector, development of entrepreneurial spirit and encouragement of entrepreneurship of women, youth and social entrepreneurship, as well as digitisation and greening of SMEs".

The Strategy on Gender Equality 2021-2030 includes measures for support to women entrepreneurship: 1.4. Establishing system support for start-up, development and growth of businesses owned by women and increasing their profitability and entrepreneurial activities, and measure 1.5 Establishing systemic support for encouraging women's participation in social and technological innovations and increasing benefits from innovation activities.

5.6.3. Assessing business environment and enabling factors

Business environment

According to the research results presented in the publication "Entrepreneurship in Serbia - a necessity or a necessity",³²⁶ interest in entrepreneurship in

Serbia is significantly lower than the European average. When asked what type of employment they want, 30% of citizens answered that their choice

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326 Popović-Pantić, S. (2020) Women's entrepreneurship in Serbia: evolution from a social to an economic category

would be to start their own business (opening a company, agency or self-employed). On the other hand, a significant majority, 65% of citizens, would work for a salary in the public sector. At least 5% of respondents want to work for a salary in the private sector. When it comes to age groups, younger respondents (from 18 to 29 years old) are the most inclined to entrepreneurship, and those over 60 are the least inclined. In addition, men are more inclined to entrepreneurship than women, as well as the medium-educated than the less-educated and the highly educated. The attitude of citizens towards entrepreneurship is largely caused by treatment of entrepreneurship, i.e. a large number of obstacles that the government puts before all those who embark on an entrepreneurial venture: excessive administration, high tax burdens, inflexibility and unpredictability of regulations.

The employment rate of women is 41.9%, which is 14.7 percentage points (p.p.) less than the employment rate of men (56.6%). The largest gender gap in terms of inactivity in the labour market was recorded in the age category of 55 years and older, where the rate of inactivity of women is 78.4%, in contrast to the rate of inactivity of men, which is lower and amounts to 61.6%. The largest gender gap in the labour market, when it comes to employment, was recorded in the category of persons aged 55-64, where the employment rate of women is 40.5%, and the employment rate of men is 60.8%.

Among the reasons why men and women work less than full-time, the category with the highest participation of women, at 87%, is taking care of children or disabled persons, while men most often cited the inability to find a full-time job as a reason (participation 62 %).

The largest number of informally employed is in the category of young people aged 15-24 (66.9% of women and 55.3% of men).

Research on the social roots of women's discrimination in the labour market³²⁷ showed that the biggest problem is that employers in the private sector do not respect the provisions of the labour law, and create work practices, culture and an environment that does not support parenting. Parenthood is also seen as motherhood, and this directly prevents women from being employed in the private sector.

There are several programmes aimed at enabling access to finance for women entrepreneurs. All programmes that have been financed by the government are implemented in cooperation with the Fund for Development and Development Agency or Employment Office.

There is a programme for support of women' and youth entrepreneurship in the total amount of 859 000 EUR (1 million RSD). Business entities that meet the conditions of the Programme can exercise the right to financial support in the form of grants in the amount of up to 35% of the investment value. The remaining amount of the investment will be financed from the Fund's loan with a repayment period of up to 5 years, within which there is a grace period of up to one year, and an interest rate of 1% per year with a bank guarantee or 2% per year with other means of security, with the application of the currency clause. The total amount of funds approved per request cannot be less than 3500 EUR nor more than 50000 EUR.

Investments that can be financed under this Programme include:

- purchase of equipment, delivery vehicles (including electric mopeds) that are used to transport own products, raw materials and other means of transport included in the production process (new or used, not older than five years);

.....
327 https://www.divac.com/upload/document/koreni_diskriminacije_web.pdf

- ongoing maintenance of business and/or production space up to the amount of 350,000.00 RSD
- operating costs, which can take up to 20% of the structure of the total investment, for which Programme funds are requested.

Ministry of Economy stated in the Budget Performance Report that in 2020 375 business used the starting business funds, out of which 142 or 37% were women.³²⁸

UN Women in cooperation with NALED conducted gender analysis of the available programmes of the Development Agency. Gender analysis of programmes implemented in 2018 through the Development Agency of Serbia indicate that the share of women in entrepreneurship support programmes (22.7% and 17.9%) was below the level of their participation in entrepreneurship (31.7%).³²⁹

UN Women, in cooperation with Coordination Body for Gender Equality, supported numerous projects aimed at economic empowerment of rural women by purchase of equipment for agricultural production, mentoring support, networking and other means of support. The support is provided within the “Key steps towards gender equality” project funded by EU (IPA).

At the provincial level, subsidies for women entrepreneurs, for the purchase of equipment are also available in Autonomous Province of Vojvodina. In addition to the public calls of the provincial government, support for women’s entrepreneurship is also provided through the Guarantee Fund of AP Vojvodina, which has a special line for supporting women’s entrepreneurship. The amount of

approved loan is from a minimum of EUR 2,000.00 to a maximum of EUR 20,000.00 in dinar equivalent of EUR at the official mid-rate of the National bank of Serbia (NBS) on the day the loan is put into use, with the fact that for participants that do not have a single financial report, the maximum loan amount is EUR 10,000 in dinar equivalent of EUR at the official mid-rate of the NBS on the day the loan is put into use.

The loan repayment term is up to 6 years from the day the loan is put into use. A grace period of up to 12 months is available and included in the loan repayment term.

Development Agency of Serbia has announced a public call for implementation of a package of services for young and female entrepreneurs published in accordance with the programme of a standardised set of services for micro, small and medium-sized enterprises and entrepreneurs in 2022. The programme consists of assistance of an expert to a business entity whose founder or owner is a woman, or a woman is one of the owners with a majority share in ownership (minimum 51%). Support is provided in the form of available standardised advisory services, and one or more specialised training and mentoring services lasting up to 40 hours. Business training encompasses 10 modules: training for beginners in business; preparation of a business plan and business with banks and investment readiness; financial management; export – for those that export for the first time; marketing and sales; electronic business and information technologies in business; review of quality standards and environmental protection important for business; innovations; preparation for the Single European Market; participation of SMEs in public procurement.

328 Strategy on Gender Equality 2021-2030, pg. 35, online <https://www.rodnaravnopravnost.gov.rs/sr/dokumenti/strategije>

329 UNWOMEN&NALED, 2019, *Gender analysis of economic programmes and financial measures in Serbia: Reviewing Development Agency of Serbia data on programmes and measures and analysing the effects and gender impact Report*. Belgrade. Available at: <https://eca.unwomen.org/en/digital-library/publications/2019/09/reviewing-development-agency-of-serbia-data-on-programs-and-measures-the-effects-and-gender-impact>

The Employment Office also offers training for self-employment, as a condition for subsidies provided for self-employment. The trainees are obliged to prepare the business plan as a result of the training. There is no training aimed particularly at women, but there are subsidies aimed at women who want to start a business. They are also funded from several local governments. In the opinion of experts, this measure supports entrepreneurship out of necessity. In the opinion of women entrepreneurs, this measure is not enough, because it is one-time and entrepreneurs would need longer-term support - at least one year, as well as monitoring the effects of subsidies or other types of support. Also, according to the opinion of female entrepreneurs, there is no support for female entrepreneurs who temporarily closed a company, which is a signal that they are facing problems and need additional support.

There is also training organised by civil society organisations and associations, including the Union of Business Women. It also provides e-Mentoring Programme which has been created as part of "DEA – Digital Entrepreneurship Awakening: From new vulnerabilities to economic empowerment of women in Serbia". The project is supported by the UN Women within the project "Key steps toward gender equality", which is financed by the EU.

Discussing women entrepreneurship enablers

Women entrepreneurship enablers are, first of all, women themselves and their skills, knowledge, motivation and passion to achieve success in the field they are working in. The money for investments is self-understandable as the factor that makes the huge difference. But cooperation and external support is an important factor. In almost all successful stories, especially for rural women, networks of

women supported individual producers. That helps women to overcome fear of entering the market, and enables knowledge and experience exchange. In rural areas, women networks and organisations are the key women entrepreneurship enablers.

Programmes of subsidies or bigger financial support are not accessible enough and their contribution is more in visibility of women entrepreneurship as an opportunity than in hands-on support to the business. Programmes for small grants for self-employment are also important as symbolic motivation. There are no evaluations or impact assessments of the diverse programmes, at least none have been conducted so far, so it is not possible to identify their efficiency as entrepreneurship enabler.

Key stakeholders that support and implement programmes for women entrepreneurship are the Ministry of Economy, Development Agency of Serbia and Fund for Development. Their programmes are most visible and with the biggest funds, but analyses have shown³³⁰ that they are not accessible enough for women and that there is a big gender gap in funds use. Specialised programmes are limited in the size and coverage.

Some programmes, such as the one by the Guarantee Fund of Autonomous Province of Vojvodina, include additional mentoring support. Women entrepreneurs shared that additional support, like mentoring or advising during the process is highly desirable.

In general, international organisations donations and support to women's movement are also important, although an indirect enabler. Strong women movement is important for advocacy and articulation of women entrepreneurs' needs and constraints.

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330 The UN Women in cooperation with NALED conducted gender analysis of t available programmes of Development Agency. Gender analysis of programmes implemented in 2018 through the Development Agency of Serbia indicate that the share of women in entrepreneurship support programmes (22.7% and 17.9%) was below the level of their participation in entrepreneurship (31.7%) mostly because support is aimed at the production rather than at services or sectors where women are more represented (UN Women, 2019, Reviewing Development Agency of Serbia data on programmes and measures and analysing the effects and gender impact, online <https://eca.unwomen.org/en/digital-library/publications/2019/09/reviewing-development-agency-of-serbia-data-on-programs-and-measures-the-effects-and-gender-impact>)

5.6.4. Initiatives supporting women entrepreneurship

Local support initiatives in Serbia

Local initiatives include measures and programmes of economic support to women's entrepreneurship, i.e. implementation of the principle of gender equality in business support programmes. As the key stakeholders were presented in the previous section, the emphasis here is on the type of programmes and their grouping into different categories.

Primarily there are programmes aimed at financial support, i.e. awarding of subsidies and refunds or favourable loans.

The Ministry of Economy supports the Programme for encouraging development of entrepreneurship through financial support for women entrepreneurs and young people in 2021/2022. In addition, the Ministry also has programmes to support business, which are not intended specifically for women, but they can apply.

Support programme for small businesses for purchase of equipment: The programme is implemented in cooperation with Development Agency of Serbia and commercial banks and leasing companies. Through this programme, the Ministry of Economy co-finances the acquisition of new production equipment and equipment directly involved in the production process of exchangeable goods, in the form of a grant in the amount of 25% of the value of the equipment, while 70% of the acquisition costs are financed from loans from commercial banks or financial leasing from leasing companies, partners to the Programme, and five percent is the participation of the business entity itself.

Programme to encourage entrepreneurship through development projects: The programme is implemented in cooperation with the Development Fund. Grants are given from the budget, up to 20% of the investment value (30% in underdeveloped

municipalities), and the rest is a loan from the Development Fund. The users are micro, small, medium and large companies, entrepreneurs and cooperatives, and the investment refers to the purchase and construction of production space, purchase of new or used machines and equipment, delivery vehicles and software. The maximum amount of grants is 12.5 million dinars.

"Key steps towards gender equality" project - The second phase was financed under the IPA programme in 2019 in accordance with the financial agreement between Serbia and the European Commission and the value of the project (to date) is two million euros. This project is implemented by UN WOMEN in Serbia, in cooperation with the coordination body for gender equality. The project involves a number of activities, but the relevant ones here are those aimed at economic empowerment of rural women, through which women's associations in rural areas are supported throughout Serbia.

There is also the initiative **Let's Employ 1000 rural women**, created jointly in 2017 by the Coordinating Body for Gender Equality, Ethno Network and NALED. The aim of the initiative was to employ 1,000 women from rural areas in the production of traditional handicrafts that will be sold as business and diplomatic gifts. The initiative targets socially responsible companies, institutions and international organisations that, by purchasing fine handicrafts, can contribute to the economic empowerment of women in rural areas, as well as to the preservation of cultural heritage of Serbia.

At the provincial level (Autonomous Province of Vojvodina), **the Guarantee Fund of AP Vojvodina** is particularly important: In 2008, AP Vojvodina received an award for promotion of social cohesion through economic development by the Congress of Local and Regional Authorities at the Council of Europe for Women's Entrepreneurship Support Project of the Guarantee Fund. The Guarantee Fund

was the main partner in IPA Business Connection of Women Living in Rural Areas project (2013-2014). It was evaluated as one of the eight best projects in IPA programme of cross-border cooperation Hungary-Serbia 2007-2013 and received the award of DKMT Euroregion (Danube - Kriš - Moriš - Tisza).

The Fund provides support to inactive women (startup programmes) and women entrepreneurs who have been active for less than three years, from November 2006 until today, through two competitions:

- to support the programme of inactive women, and
- for financing the purchase of equipment for women entrepreneurs and women founders of small businesses that have been operating for less than three years.

What is specific is that the Fund monitors the business of women guarantees during the entire 6 years of the loan repayment period.

At the local level, majority of developed local self-government units provide grants for entrepreneurship through local economic development programmes and additional points are provided for women entrepreneurs during the competition for the allocation of funds. There are no individual analyses that would focus on the representation of women among beneficiaries, types of support or effects, and this would be significant especially considering regional differences and the necessary support for entrepreneurs in less developed regions.

Some LGUs offer special programmes for women entrepreneurs, such as the City of Novi Sad, which provides support to unemployed women when establishing an entrepreneurial business or company, and also provides support in further business operations. The programmes are conducted

exclusively in the city of Novi Sad of which two have been singled out:

- Subsidies for self-employment of women, and
- Grant to support development of women's innovative entrepreneurship.

Support is also provided by banks and private sector.

Erste Bank promotes women's entrepreneurship and empowerment. It is also very gender responsive institution. For instance, at the group level, Erste Women's HUB aims to bring together and connect women - colleagues from all seven economies in which the Group operates - through the sharing of knowledge and exchange of experiences, thus leading to mutual empowerment. Under its well-known slogan #believeinyourself, the Bank launched the campaign *Our country needs women who believe in themselves and a bank that believes in them*. This campaign provided opportunity to three extraordinary women to tell their life stories. A young scientist from the Faculty of Technology in Novi Sad, dr. Aleksandra Cvetanovic, whose research work is recognised worldwide, Marina Gunjaca - horse trainer and coordinator in the film and television industry, and Andrea Lukac Pap, the only woman who officially works as a blacksmith and locksmith.

Back in 2016, Erste Group launched a social bank programme called *Step by step*, which supports financial literacy and inclusion of the entire society and brings banking services closer to society overall. The programme was launched in all economies where Erste Group operates with the aim of supporting startup companies, social enterprises, and civil society organisations that contribute to positive economic and social changes, as well as individuals, natural persons with low incomes who want to improve their economic situation. The uniqueness of the programme lies in its complex support, which includes financial (credit), educational (completely free) and mentoring support. The programme engages many female entrepreneurs and companies

that employ women from vulnerable categories, thus contributing to the empowerment of women. As of 2022 there are dedicated workshops focused on female entrepreneurship, that intrinsically grew out of this campaign. By cooperating with professional associations focused on female entrepreneurship, it evaluates which educational programmes to support with additional sponsorship.

Mastercard and Ikea, in cooperation with *Ana and Vlade Divac Foundation*, are implementing I Am Brave project, which was implemented in 2020 and 2022 and in which about 100,000 euros were invested. It included around 150 registered women and 15 direct beneficiaries. The programme provides support for female entrepreneurs through mini grants.

Project created by **Lidl in Serbia**, named *Strong. Brave. Important.* aims to support women entrepreneurs by offering the possibility of placing goods in Lidl's retail stores during one action week and with appropriate promotion of the products and entrepreneurs themselves. The project is implemented throughout Serbia and, apart from the mentioned placement of products in Lidl's facilities, aims to encourage female entrepreneurship.

The project is being implemented in 2022 and is financed from Lidl's own resources. The company decided to take this step because it sees female entrepreneurship as an important strategy for emancipation and achieving economic independence of women. It is part of the strategy of sustainable business in procurement and belongs to the area of Fair Business. It was evaluated and approved by Lidl international and did not involve hiring of experts.

There are several measures and initiatives focused on agriculture and rural economy and provided by the government: improvement of economic activity in rural areas through support to non-agricultural activities. This measure is designed to boost

investment in the rural tourism sector and traditional arts and crafts, i.e. cottage industries. Applications submitted by women are awarded additional points when ranking applications. There are credit schemes and support to preparation and implementation of local rural development strategies, where participation of women brings 5 additional points. From the awarded contracts, 19.6 percent were women's applications. The total amount of funding allocated for rural development incentives in 2019 amounted to RSD 2 889 551 621.36 (EUR 24.5 million and equivalent to USD 29 million), of which 23.2 percent was granted to women. The average amount of funding per female recipient stood at EUR 3 917.3, which was higher than the average amount approved per male recipient (EUR 3 145.9)³³¹.

Support for strengthening the position of women in agriculture is provided by IPARD II programme through three accredited measures: Measure 1 (Investments in physical assets of agricultural holdings), Measure 3 (Investments in physical assets related to the processing and marketing of agricultural and fishery products), and Measure 7 (Diversification of agricultural holdings and business development).

As beneficiaries of IPARD incentive under Measure 1, women can obtain grant support in the amount of 60%. Also, in cases where the value of submitted requests is greater than the value of allocated funds for that call, women-holders of agricultural holdings or women-entrepreneurs receive additional points in scoring and ranking, which can ensure their better position on the ranking list. In order to improve their agricultural production, under Measure 1 women can apply for different types of investments, which relate to physical assets of agricultural farms in the sectors of milk, meat, egg, grape, fruit and vegetable production and other crops. As part of Measure 3, which refers to support for investments in processing capacities, women who are registered as entrepreneurs or are owners of companies can obtain support in the amount of 50% for investments

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331 FAO, 2021, National gender profile of agriculture in Serbia, online: <https://www.fao.org/3/cb7068en/cb7068en.pdf>

in the field of milk, meat, fruit and vegetable and egg processing, including wine production sector. To support development of rural tourism, women, as potential beneficiaries of IPARD funds, can apply for a wide range of investments through Measure 7 - from construction, reconstruction and equipping of accommodation facilities, procurement of equipment for recreation and arrangement of playgrounds for children, to procurement of production equipment from renewable energy. To this extent, women - applicants or companies that have at least 30% of women in their structure of employees receive additional points when ranking applications.

Through the support provided by IPARD II programme in five calls for Measure 1, women submitted 279 requests for approval of projects for development and improvement of agricultural

production, with the greatest interest being expressed in investments related to the purchase of a new tractor. In addition, women invested in sorting and calibrating fruit, equipment for ULO cold stores, as well as in the construction of a sheep farm.

In the previous period, over 393 million dinars were granted to women beneficiaries of IPARD incentives for their investments, and 165.5 million dinars were paid.

Clustering is highly important for rural women since there are barriers that impact their access to market. Women cooperatives have developed from rural women's organisations, first in Vojvodina and then in other parts in Serbia. They were supported by UN Women, EU Progress or other international organisations.

Box 16. Good Practices in Serbia: Women's Online Market

Women's Online Market, a platform for the sale of agricultural products from farms run by women from 6 municipalities, was launched during the COVID-19 pandemic in 2020 by the Women's Association of Kolubara District (www.zenskapijaca.rs). In a pandemic situation, markets were closed, state of emergency was proclaimed and movement was prohibited in Serbia for a few months. In that period, Women's Association of Kolubara District already had a developed communication with over 100 female farmers, and they began to receive information about the poor situation in which the female farmers and their farms found themselves. To respond to this, an online store of products from women's agricultural farms from Kolubara District was launched with the aim to reduce the losses caused to their farms. The aim of the platform was to place products on the Belgrade market, as the largest market in Serbia, however, courier services did not transport perishable products, so this required the farmers and the association to organise and deliver the products to customers' addresses. During the state of emergency, the number of orders rose to 140 per week, and products were delivered to 140 customer addresses in Belgrade daily. Bearing in mind that such activities exceed the capacities of the association itself, the association, through various training sessions for female farmers, developed an excellent logistic model of the Women's Market in a short period of time, and the female farmers gained knowledge so they now manage and update the platform themselves, communicate with customers, plan and track the movement of drivers, pack the orders themselves and deliver them to Mionica, where there is now a warehouse for products. From the launch of the platform until today, agricultural holdings involved in online sales had a turnover of over 5 million dinars (around 48.000 EUR).

The platform is an initiative of the women's organisation dealing with the position of rural women. It has been initially supported by UN Women but is sustainable and now has been funded from the profit.

The model can be applied in any context. What is important is that producers are close to Belgrade and transportation costs and time are not big. It is particularly important and efficient in emergencies, like the pandemic and an example of resilience and adaptation of women and producers to changed environment. It is also an example of business development in crises, meaning building back better. It also solves the access to market.

The requirements include technical skills that could be learned easily by women who after a few months can maintain the platform and organise the whole process themselves.

Entrepreneurs are moms! is an initiative launched to advocate for equal rights regarding the maternity leave for entrepreneurs, especially those taxed with flat-rate, and for the rights of employed women, both with the employer or in their own company.³³²

Box 17. Good Practices in Serbia: Night Bazaar

Novi Sad Night Bazaar was held for the first time in September 2017 and gathered 160 exhibitors and about 4,000 visitors. So far, 36 events have been held. The bazaar is important for women's entrepreneurship because it was established and run by women entrepreneurs, some of whom also sell agricultural products, and because it gathers small producers and artisans, where women make up the majority, in, for example, jewellery making, fruit and vegetable processing, milk and cheese products, etc.

The bazaar increases the visibility of small producers and, apart from Novi Sad, it is also held in other cities. The good practice is the visibility of the event and good opportunity for marketing, access to market and promotion of brands. It is also a good option for networking and mutual support by the entrepreneurs. It is not aimed only at women, and this is a good practice of gender transformative approach, where women are not kept into separate programmes. On the other hand, their production, results, and efforts are recognised and promoted.

5.6.5. Conclusions

- There is a lack of **participation of entrepreneurship** in design of measures and policies, regular **evaluation and revision of measures** in order to be more adjusted to the needs of women.
- Access to finance for women is still difficult, although more and more stakeholders are working to support it. There is a lack of support that would be aimed at women who have been in business for a long time, including those who are in business crisis, in services and other sectors that are typically female. The analyses that have been carried out show that there are still factors that **prevent women from using programmes and incentives** and that the budgets allocated for female entrepreneurship are smaller than they should be.

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332 <https://ipreduzetnicesumame.rs/>

- The new **Strategy and Action Plan for Gender Equality** is a significant opportunity for a more comprehensive and coordinated approach. It is necessary to ensure better coordination and a platform of stakeholders who would cooperate on the implementation of measures, but also on monitoring of measures and their effects.
- The improvement of gender statistics is key, including the availability of data on growth rates and survivor rates for women's business and increase of financial support aimed at women's entrepreneurship. Respective ministries should prepare the implementation plan and present it to the interested public, particularly women entrepreneurs in order to acquire ideas for the implementation.
- One of the recommendations from the study on women employment³³³ is to undertake regulatory impact assessments, assessments of implementation and requirements for harmonisation with EU directives and other legislation which would serve as the basis for amending or adopting legislation to comprehensively regulate areas relevant to employment, rehabilitation of persons with disabilities, social entrepreneurship and self-employment of women and youth.
- Networking is women's greatest strength. In addition to traditional and large networks, smaller organisations are also growing, primarily at the local level. Networks are important for visibility and access to information.

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333 Popovic – Pantic, Semecenko, RCC, 2021

6. Conclusions



Women entrepreneurship has received increased attention and more visibility in the past years, followed by good practices coming both from the public and private sector. However, challenges and deficiencies persist in the region, varying from the lack of gender-disaggregated data, which significantly impacted the process of writing this report as well, to hampered possibility of evidence-based and data-driven analysis and conclusions with policy implications.

Despite efforts towards women empowerment and gender equality, there is a lack of specific focus on women entrepreneurship when designing measures and policies. It is also important to allocate realistic budgets to strategies and measures aiming to support women empowerment and in particular, women entrepreneurship; as well as to establish a unified approach for consultations organised by line ministries when drafting strategies. Moreover, a common definition of women's entrepreneurship - unique for the region - is needed and recognition of the definition in legal and policy acts should be advocated for.

Access to finance remains a challenge. Despite more stakeholders working to address it, women entrepreneurs in the region call for more women entrepreneurship-friendly instruments and services that will facilitate access to finance and further enable business growth and development.

Partnerships and stakeholder engagement play an important role in implementing women entrepreneurship strategies and supporting women entrepreneurs. Furthermore, networks are important for visibility and access to information. In addition to traditional and large networks, smaller organisations are also growing, primarily at the local level. Networks and partnerships can also enable regional exchange of practices among businesses, but also institutions at both central and local level.

Sectorial strategies for women entrepreneurship would also play a vital role. Having in mind the particular focus of this report on women in agriculture, it was concluded that women in rural areas face difficulties in access to markets and access to finance. Lack of gender data is even more prominent in this sector. Government support to protect domestic production and households with farming is crucial.

Finally, a gender-responsive approach and gender-responsive budgeting should be applied in all programmes and policies for the support of entrepreneurship. In order to do so and address the abovementioned findings, conclusions and recommendations, regional cooperation is very important as it will enable joint advocacy, but also access to markets and knowledge exchange. It would be good if measures could go beyond women's entrepreneurship and allow women to be a part of the mainstream.

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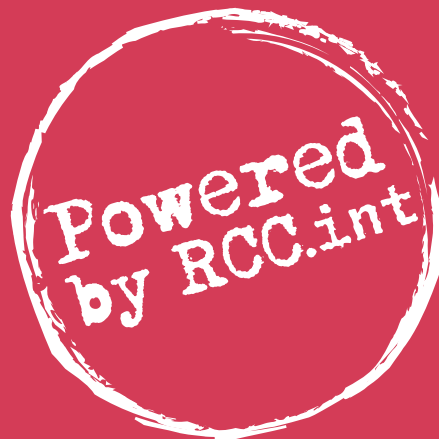


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