



KOSOVO WOMEN'S CHAMBER OF COMMERCE – G7 is an independent not-for-profit institution in service of women empowerment in Kosovo's economy.

VISION: G7 sees women as driving force of the economy of Kosovo. Participation of women in all decision-making process from the local level to the national one. Their equal involvement in economy, politics and all other spheres of national policy development.

MISSION: In compliance with international standards and best practices to facilitate, lobby and promote women representation in economy, politics and decision-making.

WOMEN'S ECONOMIC EMPOWERMENT

Women's economic empowerment¹ is a prerequisite for sustainable socio-economic development². Many studies have pointed out that good use of women capabilities may influence economic development growth, poverty reduction and improvement of social welfare³. To achieve this, it takes a comprehensive commitment in terms of mainstreaming gender-specific perspectives in developing economic policies and programmes and it also requires a long-term commitment of all stakeholders, including government, business community and civil society.

WOMEN'S POSITION IN THE WORLD

Looking at it globally, gender dis-balance is rather large. Out of 1.2 billion people that live on less than \$1 a day, 70% of them are women. Women compose 43% of labour force that works in agriculture, while they own three times less land. On the other hand 58% of women in the world work without pay and on extended schedules of more than 52 hours per week, or 12 hours more than men. Also, 45% of poorest women do not have decision-making rights on how they spend their income.

Promotion of gender equality and women empowerment is the basis for sustainable socio-economic development and fulfilment of Millennium Development Goals. Therefore, women need to be seen as equal partners to men, because women comprise 40% of labour force in the world and 38% of all businesses registered in the world. If women were given equal access to agricultural resources, more 100 million people would have access to food⁴.

What do we mean by women economic empowerment?

Women economic empowerment refers to women ability to achieve success and advance economically, and to have power to make economic decisions:

- when they possess skills and resources to compete in the market;
- when they are provided with equal access to economic institutions; and
- when they have capabilities to decide and control resources and generated profit.

(Golla et al., 2011)

¹ Golla, Anne Marie, Anju Malhotra, Priya Nanda, and Rekha Mehra. 2011. <http://www.icrw.org/files/publications/Understanding-measuring-womens-economic-empowerment.pdf>

² DAC Network on Gender. "Women's Economic Empowerment." 2012. <http://www.oecd.org/dac/povertyreduction/50157530.pdf>

³ Lang, Sara. "A Gender Perspective on Educational Facilities." 2010. <http://www.oecd.org/education/innovation-education/centreforeffectivelearningenvironmentscele/45566604.pdf>

⁴ CESO|SACO Perspectives. "Women Economic Empowerment." <http://www.ceso-saco.com>. 2013. <http://www.ceso-saco.com/getattachment/647831f8-939b-44ee-b1a1-31acc9969ed7/Women-s-Economic-Empowerment--A-CESO-Perspective.aspx>.

➤ **Entrepreneurial women in Kosovo**

Viewed from Kosovo's perspective, women's economic position is not that favourable. Based on reports and studies conducted by different national and international organizations, some interesting findings were identified, which reflect women's economic position in Kosovo.

Considering entrepreneurship area, women's presence is very low compared to the average of regional countries (33%) and global average (38%).

More than 128,000 businesses were registered in Kosovo by the end of 2013, from which only 11.04% (14,168) are female-owned businesses, 8 times less than male-owned businesses (114,173)⁵. Meanwhile, more than 96% (122,880) of them are micro-enterprises with 1-9 employees since more than 80% of them are registered as individual businesses or businesses with only one owner⁶.

Until 2013, there was no division of businesses according to gender or type of business; therefore a report cannot be extracted on business type and gender from the overall data of registered businesses.

To illustrate the relation between type of business (ownership structure) and gender, the data for businesses registered in 2013 will be used. According to MTI, 9121 enterprises were registered from which 80.9% are businesses in men's ownership and 15.6% (1,471) are women-owned enterprises and 3.5% are under legal ownership (gender not specified). Figure 1. clearly shows that percentage of individual businesses under men ownership is 5 times higher than percentage of women-owned individual businesses.

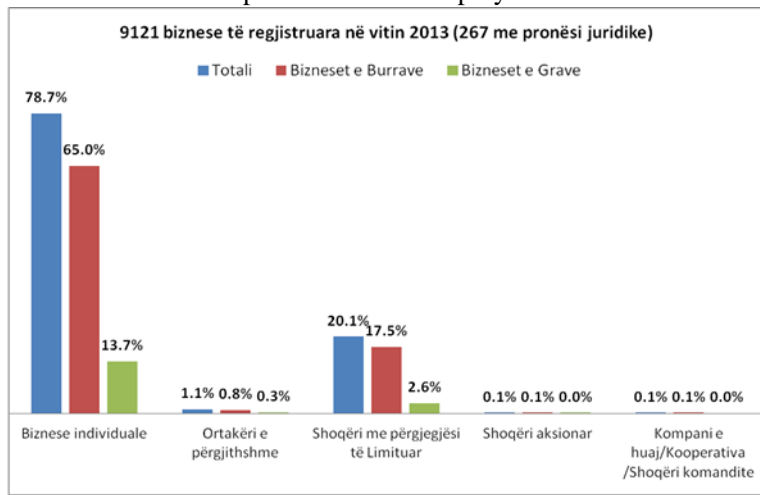


Figure 1. Type of business by gender in 2013

Figure 2. presents distribution of women-owned businesses by type of business. This clearly shows that women-owned businesses are mainly individual businesses, which are also small businesses.

According to a World Bank report, women businesses in Kosovo are established mainly from the need to provide welfare for their families. This is contrary to women businesses in Europe and Central Asia (ECA), where at least 50% of businesses are established because they see development opportunities⁷.

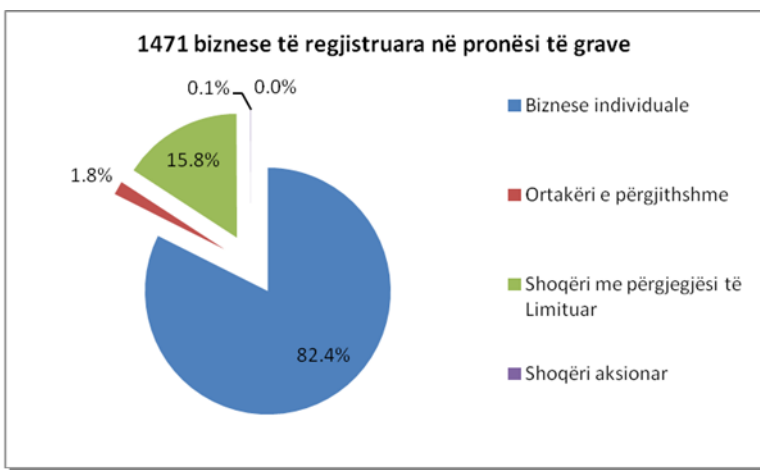


Figure 2. Distribution of female-owned businesses by type

But, despite being small, the research of the European Bank for Reconstruction and Development⁸ (EBRD) showed that women-owned businesses have a more modern approach and are market-oriented. In comparison to men-owned businesses, women-owned businesses proved to be more successful in presenting new products and services (84% versus 57%), investing in research and development (77% versus 21%), improving new products and services (91% versus 83%) and

⁵ MTI. Regjistrimi i ndërmmarrjeve sipas gjinise në vitin 2013. Mars 2014.

⁶ UNDP. Raporti i Zhvillimit Njerëzor – Zhvillimi i Sektorit Privat dhe Punësimi. Prishtinë: UNDP, 2012.

⁷ Banka Botërore. Dallimet Gjinore: Arsime, Shëndetësi dhe Mundësitë Ekonomike. Prishtinë: Banka Botërore, 2012

⁸ Research was conducted by EBRD and included 270 formal businesses in non-agricultural sectors, which employed more than 5 persons. Considering that the majority of enterprises in Kosovo are micor, this research was used to illustrate characteristics of companies according to owner's gender and these data must be interpreted carefully.

in communicating with clients and suppliers by using information technology (64% versus 52%)⁹.

Meanwhile, with regard to distribution across economic sectors, it can be observed that the sector including almost half of registered businesses in Kosovo is wholesale and retail sector, personal and domestic goods with 42% (54,002) of registered businesses, out of which only 12.3 % are women-owned businesses or 7 times less than men-owned businesses (87.7%). The second sector based on size is that of transport, storage and communication with 12.2% (or 15,601) of

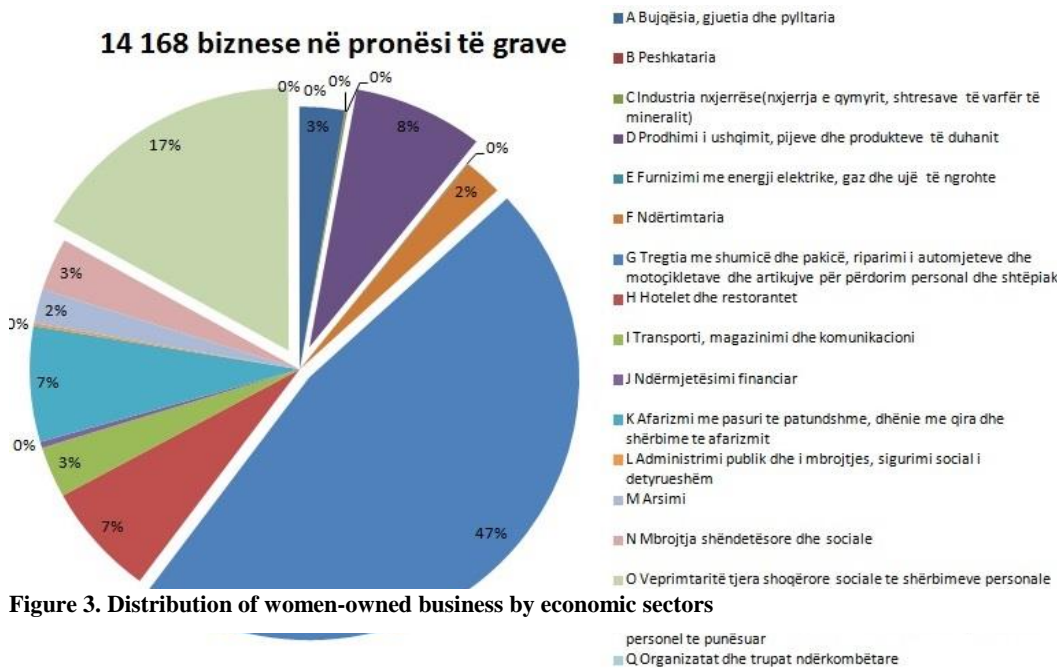


Figure 3. Distribution of women-owned business by economic sectors

retail trade, personal goods (42%) and sector of social activity and personal services (17%).

An indicator that shows women economic empowerment is the ability of women to decide for and control the business-generated resources and profit. If we rely on this indicator, then we can state that the position of entrepreneurial women in Kosovo is alarming based on the fact that only 0.3% or 42 entrepreneurial women are in senior management or decision-making positions, compared to ECA countries where percentage of women in management positions is over 20%¹⁰.

Main barriers that affect non-activation of women in entrepreneurship

Although in recent years Kosovo has made progress in the area of doing business and it is ranked as 86th out of 189 countries evaluated by the World Bank, Kosovo businesses still face a large number of barriers. Table 1 presents ten barriers with highest influence to doing business, which were identified in research conducted by RIINVEST with a sample of 600 businesses in Kosovo.

Based on perceptions on doing business in Kosovo, the intensity of the influence of these barriers increased from 2011 to 2013, and as a result, the influence of corruption and inability to collect debt increased for 15 points; the lack of security for political regulations increased for 18 points; non-functioning of the legal system and street crime/lack of rule of law increased for 9 points; while influence of unfair competition (as a result of fiscal evasion) and financial cost increased for 8 points, etc.¹¹.

Tabele 1 Barriers to doing business

#	Barrierat në biznes	Intensiteti	
		2011	2013
1	Konkurrenca jo fer	76	84
2	Korrupsioni	63	78
3	Krimi i rrugës dhe mungesa e rregullit	65	74
4	Praktikat jo konkurruese të konkurrentëve tjerë	69	72
5	Krimi i organizuar	62	69
6	Mbledhja e borxhit	54	69
7	Funksionimi i sistemit gjyqësor	59	68
8	Mungesa e stabilitetit politik	58	68
9	Mungesa e sigurisë për rregullore politike	50	68
10	Kostoja e financimit	57	65

Burimi: Barrierat në biznes krahasuar në vite sipas intensitetit (RIinvest 2013)

⁹ Banka Botërore. Dallimet Gjinore: Arsim, Shëndetësi dhe Mundësitë Ekonomike. Prishtinë: Banka Botërore, 2012

¹⁰ Banka Botërore. Dallimet Gjinore: Arsim, Shëndetësi dhe Mundësitë Ekonomike. Prishtinë: Banka Botërore, 2012

¹¹ RIINVEST. Numeratori Ekonomik 2013. Prishtinë: RIINVEST, 2013.



Some of these barriers affect more severely women-owned than men-owned businesses. For example, women reported that crime and stealing, energy supply, non-functioning of courts and regulative barriers (such as tax administration and businesses licences and permits) are some of the barriers that directly affect wellbeing of their businesses. Also, for businesswomen, the lack of collateral (real estate) is another barrier that influences their access to finances and disables expansion of their business¹².

There are different rates related to collateral ownership. For example, UNDP's Human Development Report (2012) reads that 92% of needed collateral to start or expand business is registered in men's names, while a study of the Kosovo Centre for Gender Studies specifies that 62% of surveyed women stated that collateral was registered under their husbands' or fathers' names. Therefore, irrespective of positive changes in legislation, property heritage is still conveyed traditionally, which poses a barrier for women to start or expand business. As a result, only 3% of bank loans are absorbed by women-owned businesses¹³. Besides lack of collateral, there might be many other reasons that impede entrepreneurial women to use bank loans. From prior experiences in the development sector of micro-enterprises and small and medium enterprises, entrepreneurial women has assessed that high interest is a factor that affects non-use of bank loans. Businesswomen as well as businessmen consider that taking a loan during the start-up phase poses a huge risk to the wellbeing of their business.

Therefore, a more qualitative study is needed, which would assess general barriers that businesswomen are faced with, so that active measures are taken to improve economic position of women in Kosovo.

➤ *Women employment in Kosovo*

Kosovo faces the highest unemployment rate in the region. Unemployment rate in economically active population is 30.9%, where women unemployment is 40%, or 11.9 % higher than that of men (28.9%). Therefore, women are in dis-favourable position compared to men when considering the labour market situation, since high level of women unemployment is another indicator of gender inequality in Kosovo.

What makes the situation even worse is dropping rate of economically active population (36.9%), which is dropping from year to year. In 2012, only 17.8 % of women and 55.4% of men actively seek jobs¹⁴, which is for 8.2% and 2.6% respectively lower than in 2009. While, 63.1% of the unemployed do not register with public employment service (PES) because they consider that chances to find a job through these offices are thin (ASK 2013).

Also, if we make a comparison between 2012 and 2009, we observe a drop in employment rate of women from 12% in 2009 to 10.7% in 2012, while employment rate of men increased from 34% in 2009 to 39.9% in 2012. According to a GAP Institute study¹⁵ and RIINVEST, as a result of the new labour law, businesses have started to issue short-term contracts for their women employees or they avoid hiring women altogether in order to reduce operational costs of their business.

Overall, the main employer that hires more than 67% of economically active women is the government (both national and local), and publicly-owned enterprises and institutions. In these two sectors, women have the opportunity to build their careers and hold supervision positions. Therefore, 79% of all women in supervision positions work in government institutions or publicly-owned enterprises¹⁶. While private businesses participate in women employment with 23%, international organizations with 4%, and private individuals with 5%.

According to KAS data on labour market for 2012, the number of employed women was 63,300, 4 times smaller than the number of employed men (241,400). Meanwhile, sectors that employ women include: education (21.3%), human health and social work (17.2%) and trade (14.1). Figure 4 presents distribution of the employed by sectors and gender.

¹² Banka Botërore. Dallimet Gjinore: Arsim, Shëndetësi dhe Mundësitë Ekonomike. Prishtinë: Banka Botërore, 2012

¹³ She-era. "Platforma Kombëtare për gratë sipërmarrëse në Kosovë." Maj 2013. <http://www.sheera.com>

¹⁴ Labour-age population (15-64-year-olds) in Kosovo is 1,189,019 (601,994 male and 587,025 female) out of whom only 36.9% (438,748) are economically active, meaning that they are employed or actively seek jobs during a 4-week period and are ready to start work within two weeks.

¹⁵ GAP. "Labor Law: its implementation in the first six months." June 2011.

¹⁶ OEK dhe GIZ. Present decision making power of women in Kosovo, attitudes and perspectives in economy. Prishtine: Oda Ekonomike e Kosovës, 2012

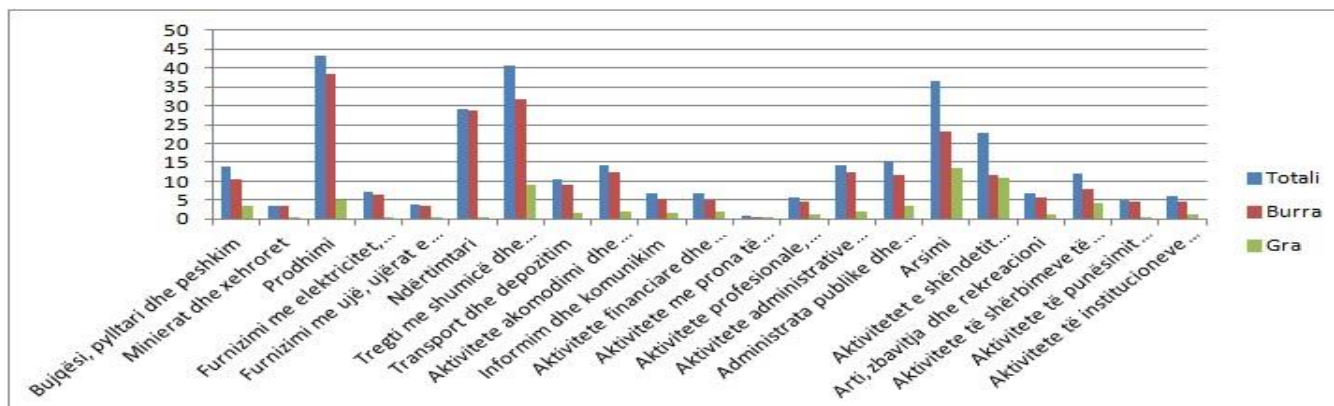


Figure 4. Distribution of employees in sectors by gender (expressed in thousands)

Main barriers to women employment and economic non-activation

The fall of employment rate and women activation in labour market results from their discouragement, due to non finding of a job for a long time; attainment of lower levels of education due to fewer opportunities to get educated; non-willingness of business owners to pay for annual and maternity leave; lack of institutions for early children care; continuation of traditional social roles; and home responsibilities where children care is still considered as a primary obligation of women¹⁷. In addition to this, another barrier that affects women employment and non-activation, especially in rural zones, is the lack of adequate transport¹⁸.

Furthermore, the new labour law has reduced opportunities for women to get long-term contracts and has increased the risk for women to get employment in the informal sector¹⁹.

But, despite women's high unemployment rate, different studies have found that employment rates and women activation are proportional to their level of education. Therefore, the higher women's level of education, the higher is their employment rate. Therefore, 96% of women that have completed a master's degree and 71% of women with a university/higher school degree are employed²⁰. Besides the level of education, vocational education also plays an important role in women's employability. Women that have finished a vocational secondary school have a high employment rate (26%) compared to those that have completed a gymnasium secondary school (13%) or those with only elementary school (3%)²¹.

Disclaimer:

This leaflet represents a brief summary of economic situation of women in Kosovo based on current reports or national and international organizations or agencies.

The leaflet was compiled by Vjosa Mullatahiri, commissioned by Kosovo Women's Chamber of Commerce – G7 and does not reflect G7 views.

¹⁷ Qendra Kosovare për Studime Gjinore. Ndikimi i ligjit të Punës tek Gratë në Kosovë. Prishtinë: Qendra Kosovare për Studime Gjinore, 2011

¹⁸ Rizvanolli, A. & Joshua, L., 2014. *Technical Analysis and Policy Recommendations for Enhancing Employment and Professional Training Interventions in Kosovo*, Prishtinë: Banka Botërore.

¹⁹ RIINVEST. Informaliteti nga këndvështrimi i bizneseve në Kosovë. Prishtinë: Instituti Riinvest, 2013

²⁰ OEK dhe GIZ. Present decision making power of women in Kosovo, attitudes and perspectives in economy. Prishtine: Oda Ekonomike e Kosoves, 2012

²¹ Agjensia e Statistikave te Kosoves. Anketa e Fuqisë Punëtore 2012. Prishtina: Agjensia e Statistikave të Kosovës, 2013