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BOOSTING WOMEN ENTREPRENEURSHIP IN WESTERN BALKAN COUNTRIES – CRITICAL ANALYSIS AND BEST PRACTICES

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Abstract

Women entrepreneurship plays a significant role in the development of national economies and growth. Nevertheless, although they represent half of the population, women are still not equally present in the higher management level, neither in the Western Balkans, nor globally. The Global Entrepreneurship Monitor (GEM, 2012) results have shown that female entrepreneurs are not adequately empowered and supported mainly due to cultural and societal attitudes and access to resources and opportunities. In order to lessen the gender gap, there is a need for policies that can promote societal attitude changes, in line with and training, support and encouraging women entrepreneurs. The situation in the Western Balkans is that women are under-represented in economic and political decision making, employment rates in are very low, and women entrepreneurs are frequently discriminated against when trying to secure loans or credit for their businesses.

This paper therefore researches on the means to boost women entrepreneurship in Western Balkan countries by providing a critical analysis and an overview of the best practices.

On the European Union level, women's entrepreneurship is promoted through the European Network to Promote Women's Entrepreneurship (WES); a women entrepreneurship portal and female entrepreneurship ambassadors and mentors programme followed by many EU funded projects.

As a means to reduce the women entrepreneurship issues, this paper has identified the mentoring support as a good means for a flexible, adjusted support to entrepreneurs and her/his experience, identity, whereby at the same time handling struggle to education and training (Kickul et al., 2007; Rute, 2006).

Key words: women entrepreneurship, gender gap, Western Balkan countries, national policies, mentoring

POTICANJE PODUZETNIŠTVA ŽENA U ZEMLJAMA ZAPADNOG BALKANA – KRITIČKA ANALIZA I NAJBOLJE PRAKSE

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Sažetak

Poduzetništvo žena igra značajnu ulogu u razvoju nacionalnih ekonomija i rastu. Ipak, unatoč tome što žene predstavljaju polovicu populacije, one nisu adekvatno zastupljene na višim razinama managementa na Zapadnom Balkanu, a ni globalno. Rezultati Global Entrepreneurship Monitor-a (GEM, 2012.) pokazuju da žene poduzetnice nisu odgovarajuće osposobljavane ni poticane, uglavnom zbog kulturoloških i socijalnih stavova te pristupa resursima i prilikama. Kako bi se smanjila razlika u spolovima, potrebne su politike koje promoviraju promjene u društvenim stavovima, a koje su usklađene s učenjem, podrškom i potporom poduzetništvu žena. Situacija na Zapadnom Balkanu je da su žene nedovoljno zastupljene u ekonomskom i političkom odlučivanju, s niskom razinom zapošljavanja, te da su žene poduzetnice često diskriminirane kada traže sigurne pozajmice i financiranje za svoje poslovanje. Ovaj rad stoga istražuje načine poticanja poduzetništva žena u zemljama Zapadnog Balkana dajući kritičku analizu i pregled najboljih praksi.

Na razini Europske Unije žensko je poduzetništvo promovirano kroz European Network to Promote Women's Entrepreneurship (WES); portal za poduzetništvo žena i mrežu žena ambasadorica i mentorica koji su praćeni kroz mnoge projekte financirane iz EU.

Kao način za smanjivanje izazova u poduzetništvu žena, ovaj rad je identificirao mentorsku podršku kao dobar način za fleksibilnu, prilagođenu podršku poduzetnicima i njezinom/njegovom iskustvu, identitetu, a koji istovremeno nosi s otporom prema učenju (Kickul et al., 2007; Rute, 2006).

Ključne riječi: poduzetništvo žena, spolna razlika, zemlja Zapadnog Balkana, nacionalne politike, mentorstvo

1. Introduction

Women in the higher management levels are underrepresented and this is an economic issue (Burke, 1997; Hakim, 1996; Jacobs, 1999; Powell, 1999; Schein et al., 1996; Tanton, 1994; Wacjman, 1998). The research conducted by the international research program Global Entrepreneurship Monitor (GEM, 2012) highlights the importance of female entrepreneurship in the development of national economies and growth. Specifically, GEM results have shown that female entrepreneurs are not adequately empowered and supported for the creation new business start-ups. There are numerous reasons, but the key ones globally are cultural and societal attitudes and access to resources and opportunities. In order to contribute to the perceived need to lessen the gender gap, promote inclusiveness and fuel economic growth, there is a need for policies that can promote societal attitude changes, in line with and training, support and encouraging women entrepreneurs.

On the European Union level, women's entrepreneurship is promoted through the European Network to Promote Women's Entrepreneurship (WES); a women entrepreneurship portal and female entrepreneurship ambassadors and mentors programme. Similarly, women's entrepreneurship plays a significant role in the Western Balkan countries.

Namely, the women's employment rates in the Western Balkan countries are lower than in the EU and the policies to support equal opportunities are key for the economic and social development. According to the Western Balkans Investment Framework (2012), the gender employment gap in some of the Western Balkan countries is very large: the employment rate of females in Kosovo was 67% below that of the males, 41% in BiH, and above 30% in the Former Yugoslav Republic of Macedonia and Albania.

There is a need for the governments to implement measures for reducing the gender pay gap and, as a consequence, the gender pension gap. In the region the female entrepreneurs are discriminated against when trying to secure loans or credit for their businesses, and still often face barriers based on gender stereotypes. There is also a need for the countries in the region to consider the creation of mentoring schemes and support programmes.

In view of the above mentioned, this paper aims at analysing the means to support women entrepreneurship in Western Balkan countries by providing a critical analysis and an overview of the best practices taking into account the gender perspective. When analysing policies in the Western Balkans and the best practices for boosting female entrepreneurship, gender is not perceived as biological factor, but it is rather researched as socially, historically and spatially constructed (Rose, 1993). Important highlighting is the fact that in the research on the gender gaps in entrepreneurship, it has often been neglected to analyse the embeddedness and context specificity of entrepreneurship (de Bruin et al., 2007) that this research utilises.

2. Female entrepreneurship in Western Balkans

This section of the paper displays an extraction from the literature on the female entrepreneurship and makes an overview of the situation and programmes/projects that have had affected the Western Balkan region.

Rouse and Kitching (2006) stress that the main arguments for supporting women and people from disadvantaged backgrounds by business start-ups are: promotion of social inclusion by enabling excluded groups to take up paid work and to reduce the social security bill and child poverty. Nevertheless, a certain hierarchical ranking is also perceived by Wilson et al (2004) as some businesses are maybe of more importance than others. During the OECD conference in Istanbul (2004) it was reported that Rhein (1998) has researched that widespread gender-based employment discrimination in both the government and private sectors in Russia and argues that lack of political will to combat these issues has made the situation worse. In line with these arguments, some analysts suggest that discrimination in labour markets in emerging economies creates disincentives for investment in developing female talent (Kingdon, 1998), as the human capital produced is improbable to ever be fully utilised. Therefore, women are not provided equal opportunity to develop their technical skills as they work with their male colleagues.

According to the World Bank (2012) inequality of job opportunities as job opportunities are related to i) circumstance at birth, such as gender, ethnicity, parental education and political affiliation, and ii) attributes (educational attainment and age), for a sample of 29 countries from Europe and Central Asia. The results show inequality in the Western Balkan countries between 3% and 20%, with the least inequality among Western Balkan countries in Serbia, followed by Croatia, BiH, Montenegro and the Former Yugoslav Republic of Macedonia. The highest inequality in job opportunities across the region (and third worse in Europe and Central Asia) appeared in Albania.

The Western Balkans Investment Framework (2012) reports that Western Balkan countries suffer from comparatively low participation rates and unemployment rates are amongst the highest in the world. BiH and Montenegro have the lowest participation rates of 54 and 57%, respectively, whereas the Former Yugoslav Republic of Macedonia has the highest at 64%.

When going to the regional gender gap issues, the Committee on Women's Rights and Gender Equality has adopted the report on women's rights in the Balkan accession countries. It highlights the need for women in the Western Balkans to take a prominent role in society through active participation and representation at all levels of government and in political, economic and social life. Whilst the accession countries in the Western Balkans have adopted much of the legislation required in the EU accession process, Members note that this legislation is in many cases not being effectively implemented.

The committee stresses the fact that women are under-represented in economic and political decision making, that women's employment rates in the Western Balkan countries remain very low, that women entrepreneurs are frequently discriminated against when trying to secure loans or credit for their businesses.

According to the report, members recommend that Western Balkans governments should: introduce quotas so to promote female representation, and, where necessary, to apply quotas effectively in political parties and national assemblies; introduce measures in order to reduce the gender pay gap and, consequently, the gender pension gap and to tackle high unemployment rates, focusing in particular on women, especially those in rural areas; establish a legal framework for equal pay for equal work for both sexes, to assist women in reconciling private and professional life, to secure better working conditions, lifelong learning, flexible work schedules and in addition to create an environment which stimulates female entrepreneurship; accompany measures and action plans with adequate resources for their implementation, including appropriate women personnel; use the Instrument for Pre-Accession Assistance (IPA) for projects related to the promotion of women's rights and gender equality; develop specific strategies to improve the position of women faced with multiple discrimination, such as Roma women, lesbian, bisexual or transgender women, women with disabilities, women of ethnic minorities and older women.

3. Best practices – an overview

The main initiatives in the area of female entrepreneurship the Commission is undertaking is to support networking amongst women entrepreneurs, potential women entrepreneurs, government agencies and other support organisations which can significantly contribute to encouraging women entrepreneurs.

According to the DG Enterprise and Industry, today women entrepreneurs in Europe are only 30% of all entrepreneurs. Furthermore, there is a need to create an environment in which those women who are already entrepreneurs can more easily grow their companies. Even though there has been a shift in women running businesses in the past decade, much more needs to be done to change the specific factors which depress women in particular from launching and maintaining businesses.

In 2008 a study has been undertaken by the European Commission on women innovators and entrepreneurship with the aim to perform a literature review for informing new policies and actions in the promotion of women's innovators/inventors' entrepreneurship. Additionally, the study provided policy recommendations with a view to promote entrepreneurship of women innovators/inventors.

The study shows that women's obstacles to innovative entrepreneurship are of 3 types:

- Contextual obstacles: educational choices, traditional views and stereotypes about women, science and innovation;
- Economic obstacles: innovation sector requiring substantial investment and women being seen less credible financially than men;
- Soft obstacles: lack of access to technical scientific and general business networks, lack of business training, role models and entrepreneurship skills.

The best practices in the Western Balkan region that were launched by the European Commission are: European Network of Mentors for Women Entrepreneurs, Female Entrepreneurship Ambassadors, European network to promote women's entrepreneurship**,** and Women's entrepreneurship portal**.**

The European Network of Female Entrepreneurship Ambassadors is made up of around 270 entrepreneurs coming from 22 European countries with the aim of the Ambassadors Network to have successful entrepreneurs campaigning on the ground to inspire women of all ages to become entrepreneurs and to set up their own businesses. Furthermore, the Ambassadors help to raise confidence necessary for setting up and creating successful businesses as well as they are role models to inspire other women to become entrepreneurs by "telling their own story".

The ambassadors come from the following countries: Albania, Belgium, Croatia, Cyprus, Denmark, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Luxembourg, Malta, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Sweden and United Kingdom. Among the Western Balkan countries, Albania, Croatia, Greece, Italy, Romania, and Serbia have joined the network.

The Mentors Network is established in order to provide advice and support to women entrepreneurs on the start-up, running and growth of their enterprises in the early phase of their life (from the second to the fourth year of existence of a new woman-run and owned enterprise).

European Network of Mentors for Women Entrepreneurs is consisted of 17 CIP countries: Albania, Belgium, Cyprus, FYROM, Greece, Hungary, Ireland, Italy, Montenegro, the Netherlands, Romania, Serbia, Slovakia, Slovenia, Spain, Turkey and the United Kingdom. It is visible that form the Western Balkan only the countries: Albania, FYROM, Greece, Italy, Montenegro, Romania, Serbia, Slovenia, and Turkey have participated in the Network.

Among the project in the area of female entrepreneurship, worth highlighting is the ongoing action "Balkan Women Coalition for Professional Qualification and Training in the field of Business and Economic Science" (B-WCo) that is developed between 8 countries from the Balkan Region and it is based on the longstanding cooperation and work between the participating organizations. The aim is to support the Women Business Qualification and competitiveness in the labour market. The main goal of the project is to establish a coalition between organizations and NGOs from the countries in the Balkan Region - Greece, Romania, Croatia, FYROM, Serbia, Turkey, Albania, and Bulgaria. In the long run, this new coalition will work on the development of the common training contents or concepts, the integration of skills needs of the labour market into VET and the Reinforcing links between education and working life.

4. Mentoring as a way to boost female entrepreneurship

Companies owned by women entrepreneurs are a growing phenomenon around the world today (Davidson and Burke, 2004). It is observed that that intervention must be based on helping the entrepreneur rather than giving her/him the solutions. Therefore, mentoring is a supportive instrument that is more flexible, adjusted to the needs of the entrepreneur and her/his experience, identity, whereby at the same time managing resistance to education and training (Kickul et al., 2007; Rute, 2006). The Greek myth describes mentoring as a transfer of wisdom, knowledge and thoughts from an experienced person a person with less experience, whereby their relationship based on equality.

Barrett, 2006; St-Jean and Audet, 2009 describe the purpose of mentoring as a means to learn from the experience of others and just-in-time and experiential learning. According to Hall (2003) successful mentoring involves: screening of prospective mentors, matching of mentors and mentees on appropriate criteria, and frequency of contact. Nevertheless, mentoring may be put at risk as of untrained mentors, social distance and a disparity between the values of mentor and mentee, inadequate definition of roles and ground rules and relationship problems (broken promises, lack of commitment, gender issues).

5. Conclusion

Although many initiatives in the area of women entrepreneurship have affected the Western Balkan region, there is still a lack of consistency and a good combination and correlation of bottom-up and top down-initiatives. In addition, strong national policies related to the strategies in women entrepreneurship need to be implemented and followed by a consistent monitoring system.

As a toolkit for boosting female entrepreneurship in a region that does not require significant national and/or EU finding, a mentorship support could be a good solution. Still, it implicates a centre that will promote good practices and a well planned matching of mentors and mentees on appropriate criteria, and frequency of contact. In order to boost implementation of mentorship programmes, a well designed national/regional guidelines needs to be defined and be monitored in order for the programme to develop and produce results. In this way the gender gap could be tackled, and supported by policies as a top-down approach to promote societal attitude changes, it could contribute to training and encouraging women entrepreneurs in the Western Balkans.

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