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Assessing the Environment for Women's Entrepreneurship: A Survey on Women Entrepreneurs in Albania

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Findings, Opinions, or Recommendations present in this document represent the views of the experts and the organization “Gender Alliance for Development Centre” and don’t necessarily reflect the position of partners and supporters of said project.

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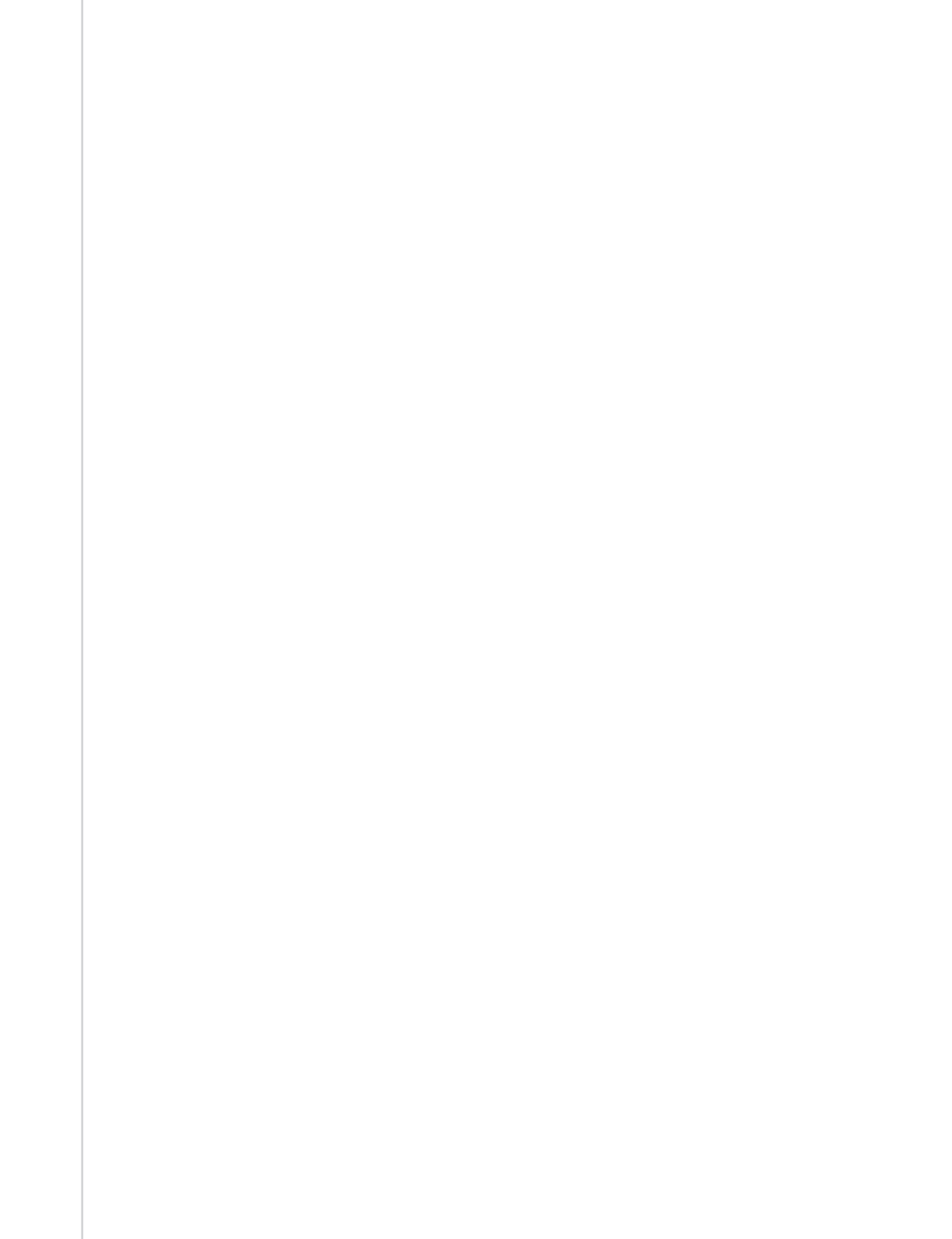
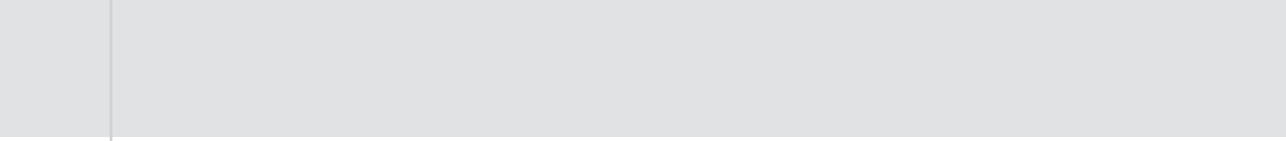
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Abbreviations

AFI	Alliance for Financial Inclusion
AIDA	Albanian Investment Development Agency
ALL	Albanian Lek
BDS	business development support
BEEPS	Business Environment and Enterprise Performance Survey
BIDS	Business and Investment Development Strategy
BPO	Business process outsourcing
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CEO	Chief Executive Officer
COVID-19	Coronavirus Disease
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECA	Europe and Central Asia
EDGE	“Evidence and Data for Gender Equality” project
EEO	Equal Employment Opportunities
EU	European Union
GADC	Gender Alliance for Development Centre
GDP	Gross Domestic Product
HDI	Human Development Index
HR	Human Resources
ICT	Information and Communication Technology
ILO	International Labour Organization
INSTAT	Institute of Statistics of the Republic of Albania
IT	Information Technology
JSC	Joint-stock Company
LLC	Limited Liability Company
MBA	Master of Business Administration
MSME	Micro, small and medium enterprises
NGO	Non-governmental Organization
NPEI	National Plan for European Integration
OECD	Organization for Economic Co-operation and Development
SDG	Sustainable Development Goals
SME	Small and Medium Enterprises

TFEU	Treaty on the Functioning of the European Union
UK	United Kingdom
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
US	the United States
WED	Women's Entrepreneurship Development
WOE	women-owned enterprises



Executive Summary

There is no doubt on the increased importance of businesses in the economy, and there is increasing evidence on the role of business led by women in the economy. Albeit, lack of studies in gender-related dimensions of entrepreneurship or participation of women in entrepreneurial activities, there is evidence on the economic loss that countries have from the low inclusion of women in the entrepreneurial world. According to the World Bank, the Western Balkans region lose 5% of its annual GDP from inequality among women and men in entrepreneurship. Global data shows that out of 224 million women owned businesses worldwide, 112 million of them employ more than one person, and only 12 million plan on employing up to six in the next couple of years¹.

Earlier studies have established methodologies to assess and compare women entrepreneurship around the world. One of these methodologies, under the OECD and Eurostat practices have established the EDGE framework, where 'determinants', 'outcomes', and 'impact' connect in the formulation, assessment and appraisal of policy measures.

Several analyses carried by the Gender Alliance for Development Center and other actors following women entrepreneurship in Albania and the region, have noted positive developments in the legal and regulatory framework for women entrepreneurs in the country, and lastly experts expect a strengthening of the governance of entrepreneurial policies in Albania. Key stakeholders in the civil society and business world, supported by donors are making an effort to level up the engagement of policymakers in women entrepreneurship. Nonetheless, all stakeholders are aware of the shortage in data, surveys and research papers in the field. Thus, the Gender Alliance for Development Center carried a survey among women entrepreneurs, as an attempt to enrich the field of study, provide findings and/or conclusions. Key findings of the survey are listed below.

¹ Global Entrepreneurship Monitor

Profile of Women Entrepreneurs

- Overall, nine out of 10 women entrepreneurs live in urban areas, with most of them in Tirana, Shkodra, Elbasan and Durrës.
- One out of three women entrepreneurs are between 30 and 39 years old.
- They are in their thirties also when establishing a business.
- Almost 3 out of 4 women entrepreneurs are married and 3 out of 4 have children.
- Women with the highest number of children have started their business only in the last 2 years.
- One out of three respondents have finalized tertiary education, thus they either have a Bachelor, Master or PhD diploma, mostly in the fields of economy, business and finance. Nine out of ten women entrepreneurs had at least high secondary education.

Being an entrepreneur

- The number one motivation to start a business for two out of five women is to support their families with additional income. The top reasons following this latter are, additional earnings, following a dream or passion and providing something missing in the market.
- Only one in twenty women entrepreneurs declared being completely satisfied with their work as the owner of the enterprise. The two factors that would bring more satisfaction to their initiative are more incomes from the business and more support from their spouse, family and community.
- One in eight respondents spend an average of 70 hours per week in administration or working in their business.
- The average working hours for a women entrepreneurs that doesn't have children is 44.7 hours/week, whereas for those with a child the average is 57 hours/week.
- Women entrepreneurs appear to be very good at managing a work-life balance. Only one in five women entrepreneurs, report managing the commitment to the business and the one within the family, as very difficult.

Women-led Enterprises

- The majority of the surveyed enterprises was established in the period between 2010-2019. The year with the highest number of business registration/creation from the respondents of this study is 2021 (10.9%),
- There is no particular trend in the establishment of women enterprises based on economic activity, but the trend rather goes with the general construction of the economy. Notably in the last years there is an increase of enterprises in the communication, finance etc.

- Women-led enterprises operated mostly in the retail trade (19%), wellness services (12%), fashion (11%) etc.
- 3 out of 4 women entrepreneurs (76.3%) are officially registered as a natural person.
- 13.8% are a CEO of a limited liability company or joint stock company. Women registered as shareholders in a joint stock company mostly held 50%-60% of the shares.
- Seven out of ten women entrepreneurs established the business they are leading today. More than one out of ten women entrepreneurs purchased, and less than one out of ten inherited the company.
- Overall, more than half of women entrepreneurs (53.9%) used family savings as the main source of financing to establish, register or start a business. Commercial banks were the main source of financing only for one in ten women entrepreneurs.
- 58% of women-led enterprises have 1-4 employees, and 26% have more than 5 employees. 16% of women-led enterprises do not have additional employees.
- One out of five women entrepreneurs employed at least one family member in their business.
- On average women-led businesses employ 4 other women. On average they employ 50% more women than men.
- 65.9% of women entrepreneurs do not implement any human resources practice in business operations. Of those who implement HR practices, the most common, known and practiced is mentoring.
- Less than half of respondents have a policy of equal employment opportunities and diversity and inclusion.

Business Expansion

- More than half of women entrepreneurs expressed that they would like to increase their business but have not yet been able to. In overall also, less than half of women-led enterprises have expansion plans.
- Only slightly more than half of the enterprise keep reserve capital in their business.
- According to respondents, the factors affecting expansion of a business in need are: purchasing power, high taxes, cost of employing new employees and lack of trained staff.

Access to Finance

- Seven out of ten women entrepreneurs have never applied for a bank loan for their business. From those who obtained a loan, the majority used real estate as collateral and the remaining used their business.

- Three out of ten women entrepreneurs acknowledged they do not work with any business advisors.

Access to Markets

- Nine out of ten women entrepreneurs believe they have good access to the Albanian market.
- Only three out of ten women entrepreneurs considered having sufficient information on foreign markets.

Access and use of IT Services

- Almost seven out of ten (67.4%) think that digitalization and IT increases the efficiency and productivity of their business.
- More than half of these businesses had a website or profile on social platforms.
- Levels of engagement in the use of software or technologies for purposes of the business are very low.
- More than half of businesses have access to banking applications, but only three out of ten businesses provide the possibility for online payments.

Capacity Building

- Three out of five respondents declared that they have not heard of any formal or informal course on how to start a business. More than half of these businesses expressed the desire to participate.
- The main reported reason for not participating in training was that they could not disconnect from their business.
- The most recurrent training needs are on the use of digital marketing, planning for higher incomes and having a sustainable business.
- Only 2 out of 5 respondents have participated in trainings for the use of the computer, information and communication technology

Financial and Entrepreneurial Literacy

- About half of women entrepreneurs (46.5) choose to separate their business finances from their personal ones. Only one out of five women entrepreneurs declare to fully understand the financial indicators of their business.
- Six out of ten women entrepreneurs have never participated in a training related to business finances and seven out of ten never received training on personal finances.
- Almost a quarter of women entrepreneurs had a detailed plan before establishing their business, which they continue to implement. The same share having no business plan when they started their business.

Introduction

Policy-makers recognize women entrepreneurship as an important component of economic development of a country. There is evidence that women economic participation and GDP per capita are positively correlated². Unfortunately, global data demonstrates that only one in three businesses are owned by women; obstacles remain and men still outnumber women 3-1 when it comes to business ownership³.

Should women participation as entrepreneurs be equal to that of men, the region would have on average a higher GDP by 5.0 %, according to a study of the World Bank and the research work of its economists⁴. Upon the outbreak of the pandemic there were several research studies on the impact of the pandemic, but there is no follow up of the study cited above.

Earlier assessments carried by the Gender Alliance for Development Center, show that there is progress in the overall framework that enables women entrepreneurship. In the region, there are several active, formal or informal, women's entrepreneurship partnerships between public and private entities jointly implementing support programs of different nature⁵.

Gender equality counts on a strong legal basis within the Albanian legal framework. Gender based discrimination is well regulated and the Law on Gender Equality regulates fundamental issues, provides equal protection and equitable access for women and men in public life and social and economic developments.

There are several strategies and policies in place on gender equality in Albania. With time and progress in other areas of life, the focus has increased on the economic empowerment of women, but remains lower on women entrepreneurship. There has been only one Action Plan on Women Entrepreneurship in the period 2014-2020, not followed up by a final report and a follow up action plan⁶.

² Regional Cooperation Council. 2021, Economic benefits of gender equality and women empowerment in the Western Balkans six.

³ World Bank. 2022. Female Entrepreneurship Resource Point.

⁴ World Bank. 2019. Albania to Enhance Gender Equality in Access to Economic Opportunities with World Bank Support. Washington DC.

⁵ Regional Cooperation Council. 2022. Women Employment in the Western Balkans 6.

⁶ Gender Alliance for Development Centre. (Topi E.). 2021. Re-launching Women Entrepreneurship in Albania - Rapid Evaluation of the National Women's Entrepreneurship Action Plan Implementation. Tirana. Albania

Additionally, the profile of women entrepreneur is little explored in the Albanian society. Surveys are limited and go back in time for more than 10 years. This report is an attempt to bring together a literature review on the major relevant perspectives on women entrepreneurship and the measurement of key indicators and to provide a descriptive profile of women entrepreneurs in Albania, their motivation and challenges to start and continue a business.

Literature Review

This chapter introduces key perspectives on women entrepreneurship as discussed in research papers from an academic point of view, factors influencing gender diversity in leadership in business and provides a summary of some of the key international reports and positioning for Albania. It further presents latest available data that describe the state of play of women entrepreneurship in the country and makes an attempt to bring together all studies carried out on women entrepreneurship in Albania in the last years, analysing key features of women entrepreneurs and drivers or obstacles to women increased presence in the business world in Albania.

An Academic Perspective on Women Entrepreneurship

Women's Entrepreneurship: What to expect?

Research demonstrates the role that the stage of economic development of a country is relevant, when assessing the impact of entrepreneurship on economic growth, as Hashi & Krasniqi (2011)⁷, Marcotte (2014)⁸, Van Stel et al. (2005)⁹ or Wong et al., (2005)¹⁰. Conclusions can differ among developed and developing economies, but there is, however, no doubt on the increased importance of the private sector in the economy. Thus, governments of developing countries have appreciated and embraced policies that increase rates of entrepreneurial activities. The development of private sector is closely related to the economic development of any country.

Existing and new businesses,¹¹ being them small, medium or large ones, account for a high share of employment, constituting a critical factor in the well-being of societies. A strong private sector creates sustainable

⁷ Hashi, I., & Krasniqi, B. A. (2011). Entrepreneurship and SME growth: Evidence from advanced and laggard transition economies. *International Journal of Entrepreneurial Behavior & Research*, 17, 456–487.10.1108/13552551111158817

⁸ Marcotte, C. (2014). Entrepreneurship and innovation in emerging economies: Conceptual, methodological and contextual issues. *International Journal of Entrepreneurial Behavior & Research*, 20, 42–65.10.1108/IJEBR-09-2012-0089

⁹ Van Stel, A., Carree, M., & Thurik, R. (2005). The effect of entrepreneurial activity on national economic growth. *Small Business Economics*, 24, 311–321.10.1007/s11187-005-1996-6

¹⁰ Wong, P. K., Ho, Y. P., & Autio, E. (2005). Entrepreneurship, innovation and economic growth: Evidence from GEM data. *Small Business Economics*, 24, 335–350.10.1007/s11187-005-2000-1

¹¹ Throughout this report, the terms “business”, “enterprise”, “company” and “firm” are used interchangeably

employment and growth. It currently accounts for some 90% of jobs in developing countries, and is thus an essential partner for government in the fight against poverty¹².

An analysis of the European Commission considers women are under-represented in business communities in developing countries. This phenomenon, albeit increased attention in the last decade, not necessarily counts on historic studies and review.

There is a general **lack of studies in gender-related dimensions of entrepreneurship, gender gaps, participation of women in entrepreneurial activities** and their performance. Most importantly, although the official figures are rich in business statistics, official data disaggregated by gender are not always the case. A similar conclusion was reached by a recent study on women entrepreneurship in the Western Balkans region, from the Regional Cooperation Council, where **more gender-segregated data are needed** on the above, and the public sector must pave the way to **robust gender-based statistics**¹³.

The major economic and social changes in Albania in the last twenty years have brought about significant changes in the position of women inside the family and society. One of the most significant and visible changes is the **participation of women in the labour market**, which has strengthened her role in the economic and social development of the family and society.

Recent developments in the labour market have been associated with lower participation rates for men and women, but the decrease in participation was larger for women, consequently, the gender participation gap has widened. By the third quarter of 2022, gender gap in labour force participation is 12.4 percentage points higher for men, where labour force participation rate for women is 67.3%, while for men is 79.7%¹⁴.

International research has focused on the investigation of reasons for women's **lack of ascendancy to the top jobs** in the business environment. Four main reasons may be identified in the literature¹⁵. First, the "glass ceiling" explanation focuses on discrimination due to the tendency to associate male

¹² European Commission. (2014). A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014DC0263&qid=1400681732387&from=EN>

¹³ Regional Cooperation Council (RCC). 2023. Comparative Review: Women Entrepreneurship in the Western Balkans.

¹⁴ INSTAT. Labour Force Participation Survey: Third Quarter 2022, Press Release. 2022

¹⁵ Hoobler, J. M., Grace, L., Wayne, S. J. Women's underrepresentation in upper management: New insights on a persistent problem. *Organizational Dynamics* (2011) 40, 151–156

characteristics with leadership positions. The second explanation is related to the lower participation of women in law schools, M.B.A. programs, which may explain their lower presence in leadership and boards. According to this explanation, women will eventually assume leadership positions in senior management in equal numbers to men when enough qualified women are “in the pipeline”. Although there is evidence to support the first explanation, research has not supported the second, especially given the higher rates of PhD and Masters completion of women compared to men in a vast array of fields, in which yet the pipeline seems to be “leaking” on the way to the top positions.

The explanations provided in the third category are based on the idea that women and men are different and explain men’s higher involvement in management by their higher preferences for it, while considering women as risk-averse. In this view, it is assumed that with the progressive politics of gender equality, women tried to reach career parity with men, but their genetic makeup is dominant, thus differences in career achievement are a natural, predetermined difference.

The fourth explanation focuses on the structure of work nowadays and the incompatibility of the competitive business environment with family tasks and home duties. Top management roles may force women to choose between work and family, especially in the case of single mothers. While both women and men have less time to devote to their careers when their domestic responsibilities include spouses and children, many studies have documented that women still are responsible for the majority of household labour, and hence their careers are more affected by domestic roles. However, these explanations may overlap and are not exclusive.

A vast body of research is also dedicated to the relationship between women’s presence in top management and boards, and company results, highlighting the benefits of a greater inclusion of women in decision-making, not only in terms of promotion of equal opportunities for women and men, but also in terms of improving business performance. Research evidence indicates that inclusive, balanced and diverse boards are more likely to be more effective, better able to understand their customers and stakeholders and to benefit from fresh perspectives, new ideas, vigorous challenge and broad experience, leading in turn to better decision making¹⁶.

¹⁶ Women on boards, 2011. UK Government. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/31480/11-745-women-on-boards.pdf

According to UK government, gender diversity on business leadership, in particular gender diversity on business boards has four key dimensions:

1. Improving performance. Different **business performance indicators are positively affected by increased level of women's representation in boards and senior management positions.** Boards are usually composed of similar members, with similar backgrounds, education and networks. Women's presence will diversify backgrounds, experiences and points of view leading to better decision-making. They bring different perspectives and voices to the debate and to the decisions¹⁷. Female directors are expected to improve performance through enhancing board independence¹⁸. Women take their non-executive director roles more seriously, preparing more conscientiously for meetings. Zelechowski and Bilimoria (2004)¹⁹ have shown that three women are required to change boardroom dynamics allowing them to have their voices heard. McKinsey and Company (2007)²⁰ show that the environment for women in senior roles improves once about a third of leaders at that level are female, and corporates with at least 30% women in senior management produce the best financial results. Bhogaita (2011)²¹ found that operational and share price performance was significantly higher for companies with women making up over 20% of board members compared to those with lower female representation. Another study showed that having at least one female director on the board appears to cut a company's chances of going bust by 20% and that having two or three women directors lowered the chances of bankruptcy even further²². It should not be considered a game of gender numbers, though. A key factor driving boards is profitability and return to shareholders. A range of research illustrates the positive impact that women's contribution to the boardroom can make to the bottom line of the company's finances, and positively associates gender-diverse boards with improved performance, as mentioned earlier.

UN Global Compact and UN Women have recently developed the **Women's Empowerment Principles**, a set of Principles offering guidance to business

¹⁷ Zelechowski, D. and Bilimoria, D. (2004) Characteristics of women and men corporate inside directors in the US, *Corporate Governance: An International Review*, 12(3): 337-42

¹⁸ Fondas, N. and S. Salsalos (2000), "A Different Voice in the Boardroom: How the Presence of Women Directors Affects Board. Influence over Management," *Global Focus*, 12: 13-22.

¹⁹ Zelechowski, D. and Bilimoria, D. (2004) Characteristics of women and men corporate inside directors in the US, *Corporate Governance: An International Review*, 12(3): 337-42

²⁰ "Women Matter: gender diversity, a corporate performance driver", McKinsey & Company, 2007

²¹ 'Companies with a better track record of promoting women deliver superior investment performance', Bhogaita M, *New Model Advisor*, 2011

²² Women in the boardroom help companies succeed - Times article March 19, 2009 - Professor Nick Wilson LUBS

on how to promote gender equality and women's empowerment in the workplace, marketplace and community²³. These Principles are signed independently and publicly by international and local companies across the globe. The seven principles are a set of commitments on an extended landscape, from establishing a high-level corporate leadership for gender equality or fair and equal treatment at work, to promoting equality through community initiatives and advocacy or measuring and publicly reporting on progress to achieve gender equality. **As of the end of 2022, only 38 companies in Albania** have signed/issued a statement in support of these Principles²⁴.

2. Accessing the widest talent pool – using the skills of all. Women account for a major pool of university graduates. In Albania the ratio of women to men graduates from the tertiary education is 1.49²⁵. The failure to utilize the talents of all its people will result in lower performance not only for the businesses, but for the economy as well. Thus, tapping into the under-utilised pool of female talent at board level is vital if companies are to remain competitive and respond to rapidly changing expectations and market demands.

3. Being more responsive to the market. Women constitute approximately half of the population of the country and 52.6% of the workforce²⁶. They are also responsible for the majority of the household purchasing decisions. Having women on boards may be seen as a representation of the end users and customers of the companies' products. This could improve understanding of customer needs, leading to more informed decision making.

4. Achieving better corporate governance. More gender-balanced boards are more likely to identify criteria for measuring strategy, monitor its implementation, follow conflict of interest guidelines and adhere to a code of conduct. Women are also more likely to ensure better communication and focus on additional non-financial performance measures, such as employee and customer satisfaction, diversity and corporate social responsibility. These expectations are confirmed in more recent research²⁷.

While broad consensus on the benefits of gender diversity in the management of economic activities is reached, one of the main reasons for the understudied gender-related entrepreneurship is the lack of standard measures and

²³ Women's Empowerment Principles. Website: <https://www.weeps.org/>

²⁴ Women's Empowerment Principles. Website. WEP's Signatories Interactive Map. Albania. Retrieved on December 12, 2022

²⁵ INSTAT. 2021. Women and Men 2021. Tirana Albania

²⁶ INSTAT. 2022. Minimum set of gender indicators. Tirana. Albania

²⁷ Brown, D., Brown, D. and Anastasopoulos, V. (2002) Women on Boards: Not just the Right Thing . . . But the "Bright" Thing, Report, 341-02: The Conference Board of Canada, Ottawa.

methods for the collection of data. The literature in the field is being enriched with evidence on the importance of women economic empowerment and particularly of their participation in entrepreneurial activities in economic growth, poverty reduction, job creation and women employment²⁸. Women entrepreneurs constitute an important source of contribution to the economy of the country. Their enterprises not only contribute to employment growth, but they also enhance regional trade, spend a higher amount of their income in improving the wellbeing of their households, invest higher amounts for the health and education of children, as well as caring for their aging parents, leading to better economic and social development of the societies. There is increasing evidence that businesses led by women are subject to higher product and service innovation rates, higher diversification in management, in production and in marketing practices.

Literature on women entrepreneurship in Albania is limited. There is none or very few studies or surveys carried throughout time on women entrepreneurship. Few of them date considerably back in time such as a study carried by Bezhani. M (2001) for the ILO²⁹, or Ramadani V. (2015)³⁰. As per these studies, **one of the key factors affecting women entrepreneurship in Albania entrepreneurial education**³¹, a phenomenon noted in earlier studies where women entrepreneurs were educated or highly educated in Albania³². According to the studies of OECD in the region, Albania has improved in the entrepreneurial learning and women entrepreneurship dimensions, in the framework of the SME Policy Index for 2022³³.

Drivers and barriers faced by men and women entrepreneurs are shown to be different, mainly because of the different roles that the society expects men and women to play and the environment that fosters entrepreneurship. Research is limited on additional difficulties family and childcare creates for the Albanian women entrepreneur, particularly early in the conception phase of the business³⁴. Multiple and simultaneous roles held by women within

²⁸ World Bank 2014. Supporting high-growth potential women entrepreneurs. Innovation, technology and entrepreneurship policy note; no. 5. Washington, DC: World Bank Group

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

³⁰ Ramadani V. 2015. The Woman Entrepreneur in Albania: An Exploratory Study on Motivation, Problems and Success Factors. Journal of Balkan and Near Eastern Studies.

³¹ Rica R. 2021. Women entrepreneurship framework in Albania. Journal of Economy and Business. University of Mostar

³² Ramadani V. 2015. The Woman Entrepreneur in Albania: An Exploratory Study on Motivation, Problems and Success Factors. Journal of Balkan and Near Eastern Studies.

³³ OECD. 2022. "Albania: Economy Profile", in SME Policy Index: Western Balkans and Turkey 2022: Assessing the Implementation of the Small Business Act for Europe, OECD Publishing, Paris, <https://doi.org/10.1787/d22fdb37-en>.

³⁴ AFD. How does fertility affect female employment? Evidence from Albania. Research Papers. 2022

society can support findings that women start a business later in life, rather than early when young³⁵. A woman is more likely to face dual responsibilities in the household, lack of collateral because of limited ownership rights, being sole income earners in the household, as well as other contextual barriers that limit their earning ability. Reportedly, additional incomes for themselves or families is the number one reason behind the establishment of a business by a women³⁶, alongside other key reasons such as freedom and control in decision making³⁷. Therefore, it is important to explore the importance of insurance, safety nets, savings and investments, as important factors of support to women entrepreneurs.

Albania in International Reports

- The **Global Gender Gap Report 2022**, by the World Economic Forum, ranked Albania the 18th among 142 countries, with regards to gender differences in the participation of women and opportunity. Albania has improved by twenty positions compared to 2006, and by eighteen positions from 2020, being one of the countries with the highest progress in Europe. However, in 2022, Albania was ranked in the 76th place regarding women participation in the labour market, an increase of sixteen places compared to 2013. The country has shown considerable improvement regarding the gap closure for political empowerment, being ranked in the 25th place, showing a substantial improve compared to 2006 when it ranked in the 105th place. Albania ranks number 1 for women in ministerial positions in the government. The same report ranks Albania in the 1st place for women enrolment in tertiary education³⁸ and in the 76th place concerning women engagement as legislators, senior officials and managers. These figures indicate that women outperform men in education, but **corporate management, leadership and entrepreneurship is still a “men’s land” in Albania.**
- The **Human Development Reports** capture metrics that estimate gender gaps, inequality, planetary pressures and poverty. The Gender Development Index and Gender Inequality Index are two of the indexes part of these reports. Albania has a score of 1.007 in the Gender Development Index, calculated as the report of the Human Development Index to men to that for women (HDI value for Albania is 0.799 for women in contrast with 0.794 for men). This places Albania in the first group countries, alongside

³⁵ Together for Life. 2020. The overall business climate and the impact of autumn 2019 earthquakes and COVID-19 among women entrepreneurs. Tirana. Albania.

³⁶ Bezhani. M. 2001. Women Entrepreneurs in Albania, Geneva, International Labour Office,

³⁷ Ramadani V. 2015. The Woman Entrepreneur in Albania: An Exploratory Study on Motivation, Problems and Success Factors. Journal of Balkan and Near Eastern Studies.

³⁸ World Economic Forum. Global Gender Gap Report 2022. July 13th, 2022

more developed countries³⁹. The Gender Inequality Index ranks Albania 39th out of 170 countries in 2021⁴⁰. The Index has a value of 0.144, and it measures gender inequalities (the loss in human development due to inequality between female and male achievements) in three key dimensions – reproductive health, empowerment, and labour market.

- The **Sustainable Development Goals Index 2022** ranks Albania 61st out of 163 countries listed in the ranking⁴¹, with an overall score of 71.63. The report assesses also the Spillover Index along three dimensions: environmental & social impacts embodied into trade, economy & finance, and security. Albania has a score of 93.63, as such being recognised as a country with a high and positive spillover effect. The evaluation on SDG 5: Gender Equality assesses a moderate improvement, but insufficient to attain goal, with significant remaining challenges.
- A quick comparison of the findings from **Business Environment and Enterprise Performance Survey (BEEPS)** 2013 and 2019, conducted by EBRD in cooperation with the World Bank, indicates that women in Albania were shareholders in 12.3 and 20.7 percent of the businesses, in 2013 and 2019 respectively. Despite the increase, participation of women in ownership is low compared to European and Central Asian Countries (33.9% in 2019). With regards to majority of female ownership, BEEPS data indicate that only 16.9 percent of businesses are majorly owned by women, while INSTAT reports that women occupied 32.1 percent of the managerial positions in 2015 and 34.7 percent in 2019⁴². 18.1 percent of companies have a woman manager, a figure that is very close to the average of ECA countries of 18.3%⁴³.
- The **World Bank Study Women, Business and Law** assesses the set of rules and regulations that make possible equal opportunities for women and men in 190 economies. In 2022 Albania is considered stable in achieving equality between men and women. The Index for Albania in this report is 91.3.
- The latest **Small Business Act for Europe** assessment in the **SME Policy Index for the Western Balkans and Turkey**⁴⁴, ranks Albania below the

³⁹ Human Development Reports. 2022. Albania Country Data - Gender Development Index.

⁴⁰ Human Development Reports. 2022. Albania Country Data - Gender Inequality Index.

⁴¹ Sachs et al. 2022: From Crisis to Sustainable Development: the SDGs as Roadmap to 2030 and Beyond. Sustainable Development Report 2022. Cambridge: Cambridge University Press.

⁴² INSTAT. 2020. Sustainable Development Statistics: SDG 5 – Gender Equality.

⁴³ World Bank Group. 2019. Enterprise Surveys. Albania 2019 Country Profile. Washington DC.

⁴⁴ OECD et al. 2019, 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>.

average of the region for the sub-dimension of entrepreneurial learning and women's entrepreneurship. These latter are the two sub-dimensions of the component, assessed by a process related approach through planning and design, implementation and monitoring and evaluation. The sub dimension of women's entrepreneurship performs better in terms of planning and design of policy and measures. There are notable improvements.

A Data Driven Perspective on Women Entrepreneurship

Measuring the gender dimension in entrepreneurship

One of the most important achievements to address data and methodological issues related to gender in entrepreneurship was the "Evidence and Data for Gender Equality" (EDGE) project which developed and piloted methodologies to integrate a gender dimension into entrepreneurship official data. The project identified the statistical concepts, definitions and methods to fill the information gap on women and men entrepreneurs at the national level, and to improve comparability of data internationally (UN, 2018).⁴⁵ Based on the framework of the OECD-Eurostat Entrepreneurship Indicators Programme, the experts of the EDGE project designed a new conceptual framework that defined the objectives of the data collection for measuring entrepreneurship from a gender perspective as two main sets of outcomes, entrepreneurial participation and entrepreneurial performance, disaggregated by gender as illustrated in Figure 1.

The 'determinants', 'outcomes', and 'impact' are interconnected important flows in the formulation, assessment and appraisal of policy measures.

'Determinants' reflect the key factors that affect entrepreneurship, 'Outcomes' reflect the indicators that may be used by policy makers to assess and monitor the results of their policies, and 'Impacts' reflect the contributions to the economy. They also recommended assessment of an enabling environment, including assessment of existing laws and/or policies that incentivize women entrepreneurs, when adapting the EDGE framework to country contexts.

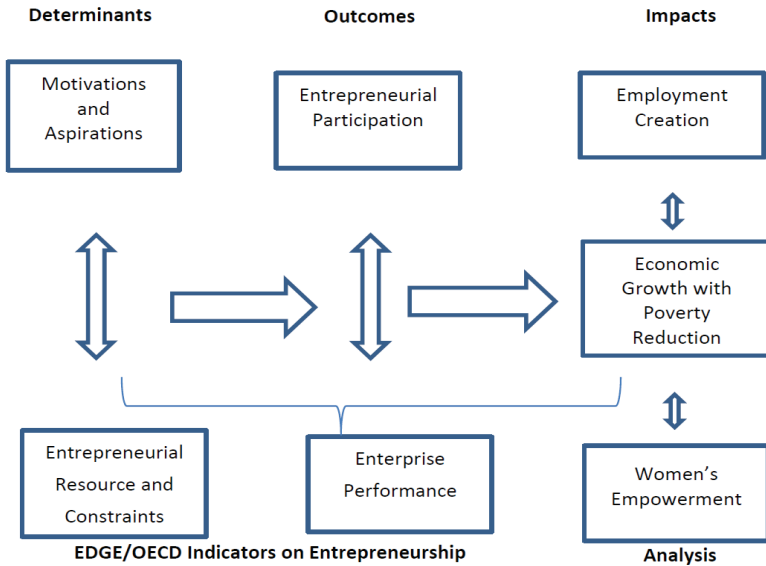
With regards to the indicators, these were selected using the view that gender gaps are observed in the low number of women entrepreneurs or lower size of women-owned businesses. Hence, the main outcome variables describe gender gaps in entrepreneurial participation and performance. The determinants of gender gaps were categorized into motivation and aspiration factors, and gender-unequal availability of entrepreneurial resources and constraints, such as access to training and credit.

⁴⁵ United Nations, 2018. Measuring Entrepreneurship from a Gender Perspective: Lessons Learned from the EDGE Project

In this framework, the likely impacts of a reduction of gender gaps in entrepreneurship include, but are not limited to, job-creation, better employment opportunities for the vulnerable, micro-entrepreneurs, pro-poor economic growth, women's empowerment. The interconnectivity of the three blocks is a key characteristic of this conceptual framework, as many of the impact elements can be seen as determining factors and vice-versa.

Although there is difficulty in measuring entrepreneurship and examining its gender gap, there is evidence that the main reasons for gender-unequal entrepreneurship participation and performance are grounded in the existing policies. Women face a number of barriers regarding participation, such as access to finance, unfavourable business regulations, cultural barriers, concentration in certain business types and sectors, information and training gaps, lack of (access to) social and support networks, educational and occupational segregation, and social and cultural norms regarding expectations of her role in the household as well as prejudices about women in business⁴⁶. Globally, 5.3% of women entrepreneurs, compared to 8% p of men, borrow money to start or expand a farm or business⁴⁷.

Figure 1. Conceptual Framework for entrepreneurship indicators



Source: UN, 2018.

⁴⁶ European Institute for Gender Equality (EIGE), 2016. Gender in Entrepreneurship.

⁴⁷ A. Demirguc-Kunt et al. 2018. The Global Findex Database 2017 : Measuring Financial Inclusion and the Fintech Revolution. Washington, D.C., World Bank Group

There is considerable evidence that women are still under-represented among entrepreneurs in many countries⁴⁸. Under-representation of women in entrepreneurship is a widely observed fact, even in countries where participation of women in the labour force have been constantly increasing. There is some evidence that support the view that women participation in entrepreneurship is higher in countries with low per capita income, which is often called “necessity entrepreneurship”, because women who start their own businesses consider this as the only opportunity to make a living. On the other side, women in more affluent countries experience lower entrepreneurship participation rates, and this is often called the “opportunity entrepreneurship”⁴⁹.

Entrepreneurship rates are also **expected to be higher among women who personally know an entrepreneur** and would act as role models. Within the family businesses, women often play a secondary role, and in countries in which the tradition is of high relevance, this is associated with lower participation rates. Countries that **incentivize participation of women in entrepreneurial activities** have often experienced **higher rates** of women owners on paper only.

Characteristics of women owned/managed enterprises in Albania

The situation in Albania reflects the expectations projected in the literature review. Participation of women in entrepreneurial activities is usually measured by the percentage of businesses that are owned or managed by women. The Albanian Institute of Statistics produces these statistics as of a few years now. Table 1 presents the figures for the period 2013-2019.

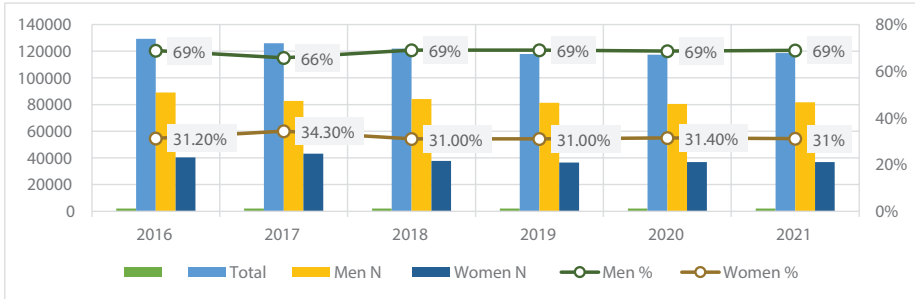
As expected, **the number of businesses owned/managed by men is higher**. It is about three times higher than that of women-owned/managed businesses. The percentage of businesses owned/managed by women has fluctuated during this period and has recently recorded a downward slope, falling from the peak of 29.7% in 2017 to 25.5% in 2020.

The total number of businesses has only slightly fluctuated. Given that the number of registered businesses has increased by more than 14,000 since 2015, but the number of women owned/managed businesses has remained stagnant at about 2,000, strengthens the finding that women participation in entrepreneurship has experienced a stagnation in the last years.

⁴⁸ OECD (2013). *OECD Science, Technology and Industry Outlook and Scoreboard*.

⁴⁹ Allen, I.E., Elam, N., Langowitz, N. and Dean, M. (2007), *Global Entrepreneurship Monitor Report on Women and Entrepreneurship*, Babson College, Babson Park, MA and London Business School, London

Figure 2. Active enterprises by gender of owner/administrator, 2016-2021



Source: INSTAT, 2022

Research on the root causes of such stagnation is scarce, and no structured baseline study or monitoring and evaluation has been made public, as foreseen in key policy documents⁵⁰.

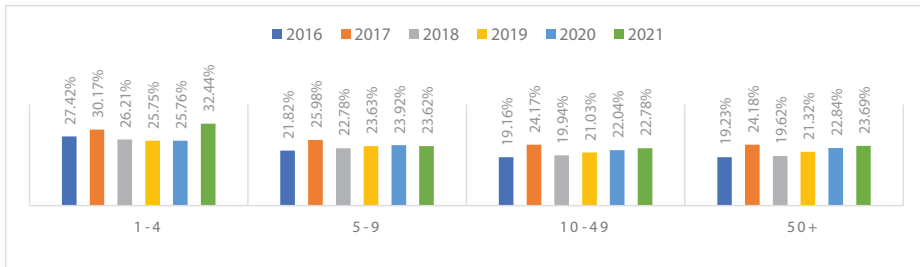
As argued in most studies in the field, the classification of entrepreneurs by gender, firm size and entrepreneurial activities is useful, because there are differences in business structures owned by women and men.

Women-owned businesses tend to be smaller in size than those of their male counterparts. Firm size is usually determined by the average number of employees during a year. The figures in the following table indicate that during 2013-2021 women owners/managers are concentrated in micro enterprises with 1 – 4 employees.

On average, women owned/managed 28.4% of these firms for the six-year period. The highest rate has been recorded in 2015, with 32.7%, whilst as of 2017 the rates have decreased for the micro firms. In the last two years, the fall in micro firms owned/managed by women have been associated with an increase in the shares of larger business sizes.

⁵⁰ Gender Alliance for Development Centre. (Topi E.). 2021. Re-launching Women Entrepreneurship in Albania - Rapid Evaluation of the National Women’s Entrepreneurship Action Plan Implementation. Tirana. Albania

Figure 3. Breakdown of active enterprises with woman ownership / administrator by firm size



Source: INSTAT, 2022

The figures for 2021 are no different compared to what discussed. Women owners/administrators account for about 22.78% of businesses with 10-49 and 23.69% of businesses with more than 50 employees. Despite volatility of the series in general, it seems like the recent increase in the latter two percentages is a consequence of clear and consistent increasing trend of women-owned/managed businesses among the bigger businesses during the period under consideration.

There is also evidence that not only women-owned/managed businesses are smaller than men-owned businesses, but they are also **more likely to be concentrated in certain sectors, usually the less capital-intensive sectors** and in the sectors that are less expensive to enter, such as sales and retail trade.

One possible explanation for the lower business size is the limited access to capital and the lower existing (financial and physical) capital levels. Some form of informality is also expected to be higher than in the men-led businesses. While there are no data on informality in the Albanian market, data presented below show some important statistics related to the economic activity of the businesses owned/managed by women.

The number women owners/managers (or administrators) is higher in the Service Sector than in the Manufacturing Sector, respectively 33.7% and 12.6%. The figures in the table also confirm that trade is one of the sectors in which a high rate of women-owned/managed businesses is concentrated. The percentage has decreased from 39.2% in 2017 to 34.8% in 2019; it only increased slightly in 2020, reaching 35 percent.

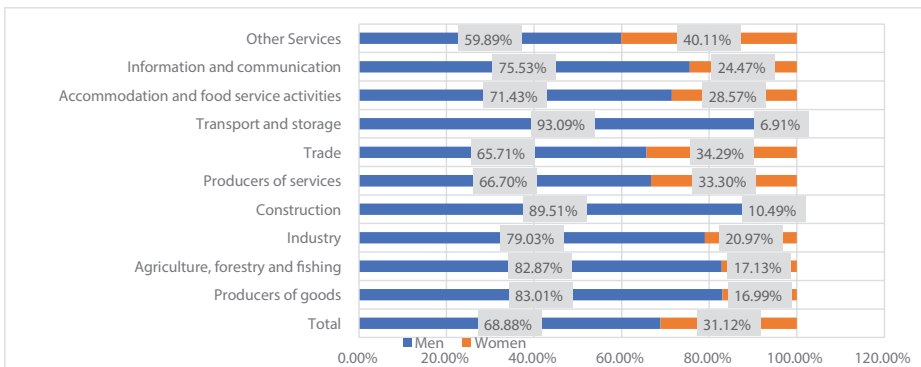
Table 1. Active enterprises by gender of owner/administrator and economic activity, in (%)

Year	2017		2018		2019		2020	
	Men	Women	Men	Women	Men	Women	Men	Women
Total	70.3	29.7	74.3	25.7	74.6	25.4	74.5	12.6
Producers of goods	83.9	16.1	88.2	11.8	88.1	11.9	87.4	12.6
Agriculture, forestry and fishing	86.1	13.9	89.9	10.1	89.4	10.6	82.3	17.7
Industry	75.2	24.8	80.4	19.6	80.8	19.2	79.4	20.6
Construction	86.4	13.6	90.4	9.6	90.2	9.8	90.2	9.8
Producers of services	63.7	36.3	66.8	33.2	66.7	33.3	66.3	33.7
Trade	60.8	39.2	64.6	35.4	65.2	34.8	65.0	35.0
Transport and storage	89.5	10.5	94.5	5.5	94.2	5.8	93.4	6.6
Accommodation and food service activities	68.7	31.3	71.7	28.3	71.2	28.8	71.0	29.0
Information and communication	74.1	25.9	77.3	22.7	75.8	24.2	75.1	24.9
Other Services	58.6	41.4	60.8	39.2	60.2	39.8	59.4	40.6

Source: Business Register, INSTAT, 2022

In general, women owned/managed businesses are more concentrated in the services sectors. Food services and accommodation facilities also constitute an important sector, and its share is considerable with about 29% in the last two years. Interestingly, a high share of businesses in the Information and Communication sector are owned/managed by women (about one fourth of them).

Figure 4. Active enterprises by gender of owner/administrator and economic activity (%), 2021⁵¹



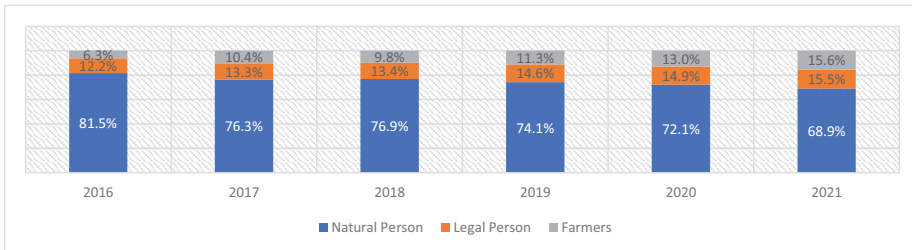
Source: Business Register, INSTAT, 2022

The sectorial structure of women’s entrepreneurship presence, changes little in the short-run. The same is identified for earlier periods in other studies such

⁵¹ These data do not include data on farmers.

as Bezhani (2015)⁵². Data shows that the trend of women's entrepreneurship is affected by the general developments in the business world, as in a 20 years window, women entrepreneurship has slightly shifted trade, services, industry and agribusiness,⁵³ also to information and communication and other services.

Figure 5. Legal forms of women-led businesses (%),2016-2021



Source: Business Register, INSTAT, 2022

Women-owned businesses are also likely to be organized in different ownership status as compared to men-owned businesses. They are more likely to register their businesses as sole proprietors rather than corporations. Data clearly support such statement. **In the last 6 years, 3 out of 4 businesses led by women were registered as a natural person.** There is a decreasing trend of the phenomenon, shifting from 81.5% in 2016, to 68.9% in 2021, with a difference of 12.6 percentage points.

The Institute of Statistics **does not have a dedicated window on women entrepreneurship**, or public data that would allow for a profiling of the population of women entrepreneurs in Albania. Such fact, constitutes a limitation to this study and to other research studies carried. A gender-sensitive report focused on entrepreneurship or a more specific report on women entrepreneurship and their demographic, educational or professional characteristics, would serve policymakers and researchers.

Drivers and obstacles faced by women-owned/managed enterprises

Despite “women in entrepreneurship” being a new strand in the gender equality literature, there are several studies that have been conducted focusing on different aspects of gender in entrepreneurship and differences among countries. Almost all studies in the field use questionnaires as data collection tools.

⁵² Women Entrepreneurs in Albania, Bezhani. M. Geneva, International Labour Office, 2001

⁵³ Ibid.

UNCTAD (2014)⁵⁴ carried out a survey on the drivers and obstacles to entrepreneurship and innovation from a gender perspective, in both developed and developing economies, to investigate whether the economic development is associated with differences in drivers and obstacles. In addition, the study aimed at examining gender variation of impediments to entrepreneurship and innovation and providing recommendations for higher innovation in women-owned enterprises. The data for the study were collected through a sample of 456 males and females high-growth entrepreneurs in Brazil, Jordan and Uganda (the developing countries) and Sweden, Switzerland, the United States (the developed countries).

The conclusions were grouped into three main topics: entrepreneurial motivations and drivers of innovation, innovative practices, and barriers to innovation. The results suggest that important gender differences exist in the drivers of entrepreneurship and innovation, in the entrepreneurial motivations, and innovation motivations. Significant differences were also found in the management structures, with women-owned businesses being more prone to cohesive and collaborative management. Nevertheless, they found no evidence on the approach to innovation, although women entrepreneurs tend to focus their innovation efforts on business organization rather than on products and processes.

In countries such as Egypt, Myanmar or Moldova, the International Labour Organisation and other researchers carried framework assessments on the environment supporting or hindering Women's Entrepreneurship Development (WED). The scope of this assessment was to identify the major deficiencies in six framework conditions affecting the emergence of women entrepreneurs and the ability of existing women-owned enterprises (WOEs) to access the necessary resources and support for sustainability and growth on an equal opportunity basis. The framework conditions include:

1. Gender-sensitive legal and regulatory system that advances women's economic empowerment
2. Effective policy leadership and coordination for the promotion of WED
3. Access to gender-sensitive financial services
4. Access to gender-sensitive business development support (BDS) services
5. Access to markets and technology
6. Representation of women entrepreneurs and participation in policy dialogue

⁵⁴ UNCTAD, 2014. A survey on women's entrepreneurship and innovation.

Egypt carried the WED Assessment in 2016⁵⁵, concluding that women-owned businesses are mainly of **micro size and very likely to operate in the informal sector**. While there is growing awareness on the benefits of women as business owners for the economy of Egypt, no national strategic framework for women's entrepreneurship development exists. The WED results show that 200 women entrepreneurs have created 2,796 jobs. As per the six WED framework conditions, Egypt is assessed as being strongest on gender-sensitive legal system and gender-sensitive BDS services. The main challenges are noticed in areas related to effective policy leadership for WED, access to financing, access to markets and technology, and participation of women entrepreneurs in policy dialogue. Myanmar had a similar performance to Egypt⁵⁶.

ILO (2020)⁵⁷ published a research on the main challenges faced by women-owned/managed businesses in Egypt during the coronavirus outbreak. A questionnaire, consisting of 26 questions, was designed to achieve the objectives of the research. 440 responses were collected from the online survey, with most of them concentrated in the capital city and 91% corresponding to micro enterprises (less than 10 workers).

The results of the survey indicated that about 79% of the participant women-lead MSMEs experienced a negative impact on their businesses, including complete closure, revenue decline, laid-off employees, and inability to pay wage bills. Others decreased prices of services and products, and renegotiated existing contracts to ensure survival.

Most participants emphasized the need for Support from the government and other support entities, including marketing/promotion support (68%) and financial support (67%), and in particular e-marketing training, financial crisis management training (42%), training and support with regard to e-commerce (37%), new product/service development (36%), and mentoring and coaching (36%), new loans and indulgence in the payment of the instalments (12%). The study also concludes that business practices intended to be used in the future are different to the operational model of the current businesses.

Chakava et al (2017)⁵⁸ aimed to establish the barriers that hinder women-lead businesses to grow from micro and small to medium and large-sized

⁵⁵ ILO (2016). Women's Entrepreneurship Development Assessment. Egypt

⁵⁶ ILO. 2020. Women's Entrepreneurship Development Assessment. Myanmar

⁵⁷ ILO. 2020. Survey of Women Leading Micro, Small and Medium Businesses about The Main Challenges they Face as a Result Of the Coronavirus Crisis

⁵⁸ Chakava, A. L., Mworira, M., Moshe, M., Mbinya, J., Magaga, S., Gachoki, L., 2017. Survey to explore growth barriers faced by female entrepreneurs in East Africa, Graça Machel Trust Network.

businesses. The study also collects information on sources of capital used by women to start up and grow their businesses, future challenges and support needed by them to overcome these obstacles. The survey was conducted online and the results were drawn using 664 participants from East Africa.

The results of the study show that woman entrepreneurs are young and well educated, and about 71% of them started their business using their own savings, with modest amounts from US \$1,000 and US\$5,000. The access to finance may not be considered as limited, but often they think they do not comply with bank requirements, or because of the unpredictability of the business cash flows. As expected, women's businesses are small in size; however, their businesses are profitable. Different to expectations, their businesses operate in diverse sectors and serve more than just local markets. Growth potential was estimated to be especially high, at 91%.

Interestingly, the study finds that 48% of women entrepreneurs provide products and services that are targeted towards women, and the same percentage creates products and services for a client base of over 50% women. More than half of the firms employed at least 50% women. These figures strengthen the expectations formulated in the start of this section about a high potential of women-owned businesses towards poverty reduction and impact, and women economic empowerment.

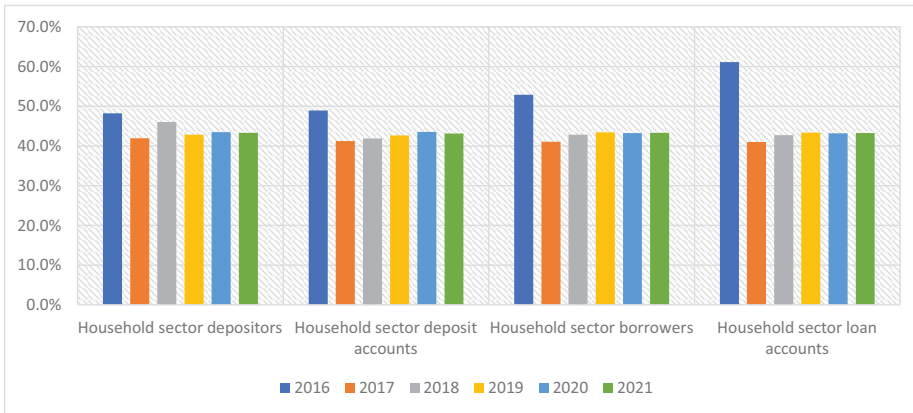
Ramadani (2015) carried a study to gain a better picture of current motives, problems and perspectives of Albanian women in entrepreneurship, including a survey during May– June 2014 to complement secondary sources. Respondents were asked about their motives for starting a business, the size of the business they run, revenues, their family status, management problems and the necessary capabilities as perceived by them.

Results show that a typical woman entrepreneur in Albania has a university education, manages a micro enterprise, before 30 years old and continue to be present in the business world for 10–15 years. The reasons behind establishing and maintaining a business motivated to undertake an entrepreneurial career due to the existing possibility focus on substantial profit, desire to work exclusively for themselves on their own account and aim to reach significant career achievements. They are normally married, have one or more children; nonetheless they devote a significant portion of their time to work (more than 10 hours a day).

Among the barriers and challenges towards double-digit business growth more than half of the respondents listed access to finance and access to markets, with the main reasons being collateral requirements and prohibitive

interest rates. Women entrepreneurs face relevant barriers in obtaining credit and receiving loans with fair interest rates, thus increasing the risk of bankruptcy for women-headed firms⁵⁹. Access to finance, marketing, and access to trade are considered as the main barriers to growth. Non-financial support is also found to be limited with about two thirds of the business-owners not having a business industry mentor or a board of directors/ advisors. Participation in trainings is also a growth barrier and most women get their information via internet. Women networks and organization, being them formal or informal, are a source of support for more than half of the respondents, including financial support⁶⁰.

Figure 6. Share of women depositors, borrowers, and their accounts in commercial banks



Source: INSTAT, 2021 and author's calculations

In Albania, access to finance in numbers seems to be almost equal between men and women. Recent data on the number of depositors, borrowers, deposit accounts and loan accounts, reflect small differences between men and women, during the period 2016-2020. In 2020, the number of borrowers in commercial banks was 338,871, of whom 56.8 % were men and 43.2 % were women. During the period 2017-2020, the number of women borrowers, although lower than that of men, has increased. The number of depositors in commercial banks in 2020 was 2,512,365, of which 56.5 % are men and 43.5 % are women.

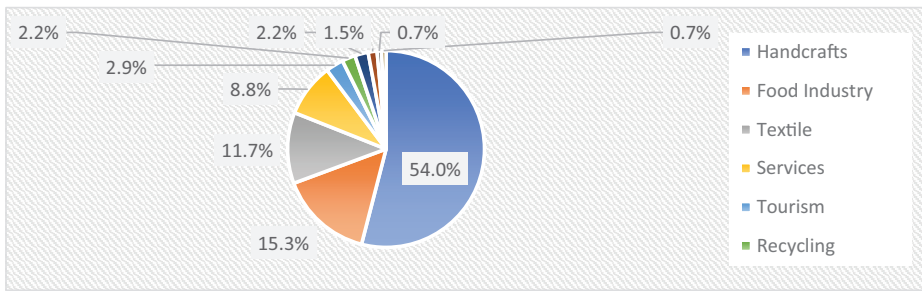
⁵⁹ R.M. Prasad. 2009. "Loan Hurdles: Do Banks Discriminate against Women Entrepreneurs?"; in *Academy of Management Perspectives* (2009, Vol. 23, No. 4, November), pp. 91–93; and N. Wellalage and S. Locke: "Access to credit by SMEs in South Asia: do women entrepreneurs face discrimination?"; in International Labour Organisation. 2020. Policy Brief. The COVID-19 response: Getting gender equality right for a better future for women at work. May 2020

⁶⁰ INSTAT. 2021. Women and Men in Albania 2021. Tirana. Albania

In 2019, the share of women beneficiaries of support schemes granted by the Albanian Investment Development Agency decreased from 46.0% to 43.6%. In the Creative Economy Fund and Start-Up Fond, the percentage of women benefiting from support schemes is higher to men, 80.0% and 78.9%, respectively. During the year of the pandemic, the Albanian Investment Development Agency did not apply support schemes or investments.

The three top industries of women-led enterprises benefiting from the support scheme are handicrafts (54%), food industry (15.3%) and textile (11.7%).

Figure 7. Women beneficiaries from AIDA Grant Schemes by sector 2014-2019



Source: Ministry of Finance and Economy, 2020

The Alliance for Financial Inclusion (AFI) (2017)⁶¹ carried out a survey with women entrepreneurs in member institutions of the SME Finance Working Group aiming to find out whether current policies and regulations promote access to finance for MSMEs owned by women and women entrepreneurs and to check whether gender disaggregated statistics are gathered in the participant countries. Several member countries participated in the survey, including Bangladesh, Costa Rica, Tonga, Fiji, Ghana, Tajikistan, Indonesia, Mexico, Tajikistan, Palestine, and Samoa. The implementation of the project, and in particular, the data gathering process across countries faced several difficulties which were somehow anticipated. These were mainly related to lack of definitions of concepts or use of diverse definitions among countries. Even in countries in which clear definitions were in place, the survey respondents faced difficulties in responding certain questions and in providing statistics, and even more in reporting statistics disaggregated by gender. **This problem highlights the need of a common set of indicators and definitions in the field that would enable country comparisons.**

⁶¹ AFI, 2017. Survey report on SME finance policies for micro, small and medium enterprises (MSMES) owned by women and women entrepreneurs.

In the survey, ten countries claimed to have specific government funding for MSMEs in general, but only Bangladesh, Costa Rica, Ghana, Indonesia, Mexico and Tonga reported having specific funding interventions for MSMEs owned by women and women entrepreneurs. Other findings indicated that women entrepreneurs' **lack of collateral is the biggest challenge to increasing access to finance**, followed by **financial literacy, socio-cultural environment, and lack of customized financial products or access points**. Findings also confirmed that women's employment is concentrated in the informal sector, with four countries reporting a higher percentage of women employed in the informal sector than the formal sector. The findings were diverse among countries, but in general it can be concluded that only a few countries had made access to finance for MSMEs owned by women and women entrepreneurs a priority, by including it in their national financial inclusion strategies or other MSME-specific national strategies.

Aliyeva and Zeynalova (2016)⁶² carried out a study in Azerbaijan aiming to identify the situation and trends of women entrepreneurs, their challenges and concerns, to examine current legislation related to small business, to assess the role of support organizations that assist women entrepreneurs, and to examine women's participation in business and in civic organizations. The average women entrepreneur in this study is **middle-aged or older, married with older kids and better educated than the general women population**, with most of them being bilingual/trilingual, with digital skills and some work experience, although the latter is not relevant to the business they are running. They have different reasons to start business, and their families are quite supportive; they hire on average 5 permanent full-time staff, mostly women. The findings confirm expectations of women-lead businesses being likely to operate in the informal sector. **Lack of collateral, absence of initial capital**, high interest rates for loans, and the complexity of loan procedures are the **main barriers** towards business expansion. Trainings were only received by one third of business-owners, although the need for trainings is high, particularly in tax, legal and documentation matters. The main barriers they reported is the unfair competition and how to attract new clients, although gender roles, customs and traditions constrain their growth making an impediment to interact with men in running the business.

Research on the gender dimension of entrepreneurship in the Western Balkans countries is scarce. In 2017, Riinvest published an analysis on women's entrepreneurship in Kosovo,⁶³ with the aim to evaluate women-owned

⁶² Aliyeva, Y., and Zeynalova, B., 2016. Women entrepreneurship policy assessment and women entrepreneurs stakeholder survey.

⁶³ Riinvest, 2017. Women's entrepreneurship. An analysis on doing business in Kosovo.

businesses across Kosovo from the perspective of business characteristics, performance, barriers to doing business, financing, socio-economic issues, and opportunities for growth of women entrepreneurs. 313 women entrepreneurs randomly selected and stratified by municipality and sectors of economy participated in the survey.

The findings show that women-owned/managed businesses have a relatively low turnover, are concentrated in low value-added sectors, and employ low number of workers. However, most women have started their business themselves, relying on their own equity, motivated predominantly by the income to be received by such ventures, and despite challenges faced show determination in advancing their business. Women invest almost twice as much as men in human capital and use more standard criteria when hiring staff, such as work experience and skills, although they have similar attitudes with men entrepreneurs towards institutional environment. Women assign lower intensity to all barriers. Tax rates and small markets are considered as prominent barriers, while corruption is ranked as one of the lowest barriers considered in the survey.

Deloitte Albania conducted a survey of business executives in Albania focusing on the role of women in leadership, as well as challenges faced by them. The biggest 500 multinational and local companies that operate in different sectors of economy in Albania were invited to participate in the survey, aiming to investigate the barriers that women need to overcome in the business environment to achieve higher functions on the hierarchical scale. 207 respondents of C-level took part in the survey. The survey was conducted in two stages; the first was an online questionnaire and the second focused on individual interviews with business representatives. 59.6% of the first stage respondents were women and 40.4% were men.

The study concludes that about **66.4 % of the respondents perceive women in leading positions in their business as highly professional**, 40% believe women have good analytic skills, 40.5 % perceive honesty as main characteristic. They score less well in the area of decision making (13.6%) self-confidence (23.6%) and strategic planning skills (20.2%). Only one third of the respondents consider women as having leadership skills. The findings also indicate that **women invest more in knowledge and professional expertise (47%), professional performance (36%), and are better at maintaining a work-life balance (62%)**. Furthermore, 47 % of respondents indicated that men have a more effective response to business challenges, such as decision-

making under stress (46%) and battling for company's position in competing conditions (41%). However, a low gap is noticed regarding sales, profit and implementation of strategic development. With regards to the need for legislative changes for participation of women in business, the respondents suggested introduction of a regulation similar to that of some Western European countries that impose quotas for the participation of women in company boards. These changes are expected to benefit the businesses and the society by enhancing diversity and contribution from both genders based on talents and meritocracy.⁶⁴

In general, with regards to the factors used to assess women's entrepreneurship, one can conclude that the main factors considered are **motivation, education and skills, a supportive business environment, including access to finance, business development solutions, information, technology, markets.** Women-led businesses face a multitude of challenges when starting up and running a business. These challenges are particularly pronounced in countries where economic growth is slow and not fully inclusive, and where business environment is unfavourable, and in countries with strong societal attitudes and prejudice towards gender roles.

⁶⁴ Deloitte. 2014. SheXO: Women in Business - Gaining Power. Tirana. Albania

Framework Conditions for Gender Equality and Women Entrepreneurship

This chapter provides a review of the existing framework in the Albanian society in terms of the normative, policy and institutional framework that enables or discourages women entrepreneurship in Albania. Initially it summarizes and presents the key legislative and regulatory framework on gender equality and entrepreneurship. It follows up with a review of the key current strategic documents in the country and closes with the institutional review.

Legal Review of Women Rights and Economic Empowerment in Albania

The Albanian Constitution

The Constitution of the Republic of Albania introduces the principles of equality and non-discrimination for men and women in the country.

“No one may be unjustly discriminated against for reasons such as gender, race, religion, ethnicity, language, political, religious or philosophical beliefs, economic condition, education, social status, or parentage”⁶⁵.

The constitution provides women with the right of special protection when pregnant or young mothers⁶⁶. A constitutional and legal framework which ensures human rights and equal economic opportunities provide a sound basis for the establishment of economic and entrepreneurial activities, by women or men.

The International Framework

Albania has ratified or signed several conventions and declarations in support of women rights, among which some of the most relevant are: The European Convention on Human Rights and the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), the Beijing Declaration and Platform for Action and its additional protocol.

⁶⁵ Article 18 of the Albanian Constitution

⁶⁶ Article 54 of the Albanian Constitution

The European Convention on Human Rights has been ratified by the Republic of Albania in 1996⁶⁷, and is an integral part of the Albanian legislation, including its key principles that the rights defined by law shall be ensured without discrimination on any basis, including gender.

The Convention on the Elimination of All Forms of Discrimination against Women has determined that discrimination against women violates the principles of equal rights and respect for human dignity prevents the participation of women, under the same conditions as men, in the political, social, economic and cultural life of countries of them. The Convention was ratified by 1993⁶⁸, and its additional protocol by 2003⁶⁹. Additionally, the Convention states that discrimination against women hinders the improvement of the well-being of society and the family, and makes it more difficult to develop the potential of women in the service of their countries and humanity.

The Beijing Declaration and the Platform for Action is an agenda aiming to empower women and accelerate the implementation of Nairobi's Future Strategies for the Advancement of Women⁷⁰. The Platform for Action is an instrument to enable the active participation of women in all public and private life, through a complete and equal division in economic, social, cultural and political decision-making. A key strategic action is increased access of disadvantaged women, in rural, remote and urban areas, to financial services by strengthening linkages between formal banks and lending intermediary organizations, including legislative support, training for women and institutional empowerment for intermediary institutions in order to mobilize capital for these institutions and increase the amount of credit available to women. Literature recognises access to finance as one of the key enablers of entrepreneurship for women, thus support to this action, is a direct contributor to entrepreneurship for women and their economic empowerment. The Albanian legislation throughout the years has undergone changes and improvements affecting almost all areas of concern of the Beijing Platform for Action⁷¹.

Lastly, Albania has ratified the Stabilisation and Association Agreement with the EU in 2006, based on which an increased cooperation shall aim towards

⁶⁷ Law no. 8137, dated 31.07.1996

⁶⁸ Law no. 1769, dated 9.11.1993

⁶⁹ Law no. 9052, dated 17.04.2003

⁷⁰ United Nations. 1985. Nairobi's Future Strategies for the Advancement of Women. Available at: <https://www.un.org/womenwatch/confer/nfls/Nairobi1985report.txt>

⁷¹ Ministry of Health and Social Protection. 2019. National Report on the Implementation of the Beijing Platform. Tirana. Albania

the completion of the establishment of fully functioning market economy and alignment of the laws of the country to those of the EU. Based on the Treaty on the Functioning of the European Union (TFEU), the European Union should take appropriate action to combat discrimination based on gender, racial or ethnic origin, religion or belief, disability, age, or sexual orientation. This competence has led to the adoption of several directives with direct impact on the lives of women in Europe such as the so called Recast Directive (2006/54/EC) on equal opportunities and equal treatment of women and men in employment and occupation has brought together some older directives, and requires the prohibition of direct and indirect sex discrimination, harassment and sexual harassment in pay, (access to) employment and in occupational social security schemes. Further, throughout the years, the adoption of the Racial Equality Directive and the Employment Equality Directive initiated a movement throughout Europe, in EU Member States and beyond, towards the adoption of national non-discrimination legislations transposing the provisions of the directives⁷². The latest Directive of the EU affecting gender equality, but also women in the business world, was adopted in November 2022, and is also known as the Women on Board Directive, aiming to improve the gender balance among directors of listed companies. A short list of key directives is presented in the following box.

Box 1. List of key EU Directives in support of gender equality

Non-discrimination on statutory social security schemes (Directive 79/7/EEC)
 Pregnancy Directive (92/85/EEC)
 Part-time Work Directive (97/81/EC)
 Racial Equality Directive (2000/43/EC)
 Equal access to the supply of goods and services (Directive 2004/113/EC)
 The Recast Directive (2006/54/EC)
 Self-employment Directive (Directive 2010/41/EU)
 Parental Leave Directive (2010/18/EU) or the
 The Employment Equality Directive (2000/78/EC)
 The Women on Boards Directive (EU) 2022/2381

Civil Society Organisations in Albania have discussed from an early time the relevance of gender equality as a pre-condition for European integration⁷³. The

⁷² European Equality Law Network. 2023. Key EU directives in gender equality and non-discrimination

⁷³ Gender Alliance for Development Center. 2008. Barazia Gjinore, kusht për integrimin europian. Tirana. Albania

Government of Albania adopts the National Plan for European Integration, the latest one being the NPEI 2022 – 2024, including a list of key legislation to be approximated with the EU Directives⁷⁴.

The Albanian Legislation

The latest National Strategies for Gender Equality present the effort to improve the legal and institutional framework on gender equality as a priority of the Government of Albania for years now. Indeed, several initiatives have been taken throughout the years, from the approval of a dedicated law on Gender Equality in 2008, to the latest legal changes that promote more actively the empowerment of women, including economic empowerment, aiming to harmonize this national framework with the international one⁷⁵.

Several reports outline the legal framework on gender equality, on non-discrimination, with the latest report being on protection from violence against women in elections from UN Women in 2020. There are none or very limited analysis on the gender-sensitivity of the legislation which enables woman entrepreneurship. A latest analysis by the Gender Alliance Development Centre has identified as some of the main laws linking women economic empowerment and private economic initiatives including Law no. 9970 dated 28.07.2008 “On gender equality in society”, amended; Law no. 221 dated 04.02.2010 “On protection from discrimination”, amended; Law 121/2016 “On social care services in the Republic of Albania”; Law 22/2018 “On social housing”; Law 110/2018 “On Notary”, Law 111/2018 “On Cadastre”; Law 15/2019 “On employment promotion” etc.,⁷⁶.

Moreover, the corporate governance framework in Albania is essentially comprised of the following laws⁷⁷:

- the Law on Entrepreneurs and Commercial Companies (no. 9901, dated 14.4.2008)
- the Law on Statutory Auditing and Organization of Registered Chartered Auditors and Approved Accountants (no. 10091, dated 5.03.2009)
- the Law on Banks (no. 9662, dated 18.12.2006)

⁷⁴ Ministry for Europe and Foreign Affairs. 2022. National Plan for EU Integration. Available at: <https://integrimi-ne-be.puneteshatme.gov.al/en/anetaresimi-ne-be/plani-kombetar-i-integrim-it-pkie/>

⁷⁵ Government of Albania. 2021. National Strategy on Gender Equality 2021-2030. Tirana. Albania

⁷⁶ Gender Alliance Development Center. 2021. Analysis of Albanian Legislation in support of women’s economic empowerment through the involvement in private economic initiatives. Av. A. Kalo. Tirana. Albania

⁷⁷ Deloitte Albania. 2022. Doing Business in Albania: A comparative Guide.

These law and/or the following are relevant topical legislation, related or enablers for the development of women entrepreneurship in Albania.

Law on Gender Equality in society

This law is the cornerstone of the legal framework for explicit gender equality. It provides a definition to this concept and aims to ensure effective protection from all forms of discrimination on the grounds of gender, it determines measures to guarantee equal opportunities among women and men, and the responsibilities of institutions to draft and implement a legal framework and policies that support the development and promotion of gender equality in society. This law is one of the most important pieces of legislation in gender equality, women economic empowerment and thus women entrepreneurship. Per the definition of this law, *Gender Equality is the equal participation of women and men in all areas of life, equal positioning, chances and opportunities, to enjoy the rights and fulfil the obligations in society, benefiting equally from the achievements of its development*⁷⁸.

Law on Entrepreneurs and Commercial Companies

In principle a business in Albania can be established by a sole entrepreneur, as a branch or representative office of an international company or as a local company. Article 3 of the law stipulates that commercial companies can be established by two or more natural and/or legal persons, who agree to achieve common economic objectives, making contributions to the company, according to the provisions in its statute. Legal entities (companies) may be organized in one of the following types:

- General Partnership by at least two partners, with unlimited liability towards creditors.
- Limited Partnership, when at least one partner's liability is limited up to the amount of their contribution (limited partner), while the liability of other partners is not limited (general partners).
- Limited Liability Company (LLC) established by one or more natural and/or legal persons, the liability of which is limited to the extent of any unpaid share of subscribed contributions.
- Joint-stock Company (JSC) whose capital is divided into shares subscribed by its founders.
- Joint Venture, regulated in the provisions of the Albanian Civil Code.

Article 10 stipulates that the founders make their contributions to the company, in cash or in kind, according to the methods and deadlines provided in the statute and perform the establishment formalities according

⁷⁸ Article 4. Law 9970, dated 24.7.2008 "On Gender Equality in society"

to the requirements of this law and law no. 9723, dated 3.5.2007 “On the National Business Center”.

All the above create a framework for men and women to establish a commercial company and become entrepreneurs. Women can enter the business world, through gender-neutral laws and regulations.

Law on Start-up Support and Development in Albania

This is a recently adopted law in Albania, which aims to enable a favourable regulatory and institutional framework for the establishment and development of start-ups and the support of their ecosystem, for the promotion of research, realization and use of innovative ideas, as well as new models, products and processes, which bring innovation in every field for economic development⁷⁹. The law foresees the support of start-ups and start-up facilitators through grants and support measures. To this end, one of the key objectives of this support is empowering girls and women entrepreneurs⁸⁰.

Law on the National Business Centre

This law stipulates the procedures to be followed for the establishment of a business in Albania. This procedure currently requires 24 hours to be finalised by the National Business Centre. The National Business Centre functions as a one-stop-shop office, enabling simultaneous registration of the new company with other relevant authorities, such as the competent tax authority. As of January 2021, one can register a business online only, with no priority given based on the gender of the owner or administrator. The gender neutrality is present in every following steps of the process. Earlier to the online procedure, the Municipality of Tirana provided dedicated assistance to new or existing women entrepreneurs, approaching to obtain services from the Municipality Bureau of Internal Revenue⁸¹.

Albeit up to date procedures, the law does not provide any obligation for a partner (wife or husband) to bring an authorisation from the other partner, agreeing to the establishment of a commercial company, when the capital is part of the marital property.

The laws listed above, do not guarantee implementation and execution of the right to commercial co-ownership of the non-participating spouse, even in cases of dissolution of marriage / non-contractual legal property regime, despite that the legal framework implies and judicial practice has formally

⁷⁹ Law 25/2022 “On start-ups support and development in Albania”, Article 1.

⁸⁰ Law 25/2022 “On start-ups support and development in Albania”, Article 14.

⁸¹ Regional Cooperation Council (RCC). 2023. Comparative Review: Women Entrepreneurship in the Western Balkans. (unpublished)

confirmed with court decisions the right of the non-participating spouse as a co-owner in the quotas or shares created or purchased with the non-contractual legal marital property⁸².

Law “On the development of micro, small and medium sized enterprises”

The Government of Albania has adopted a new law on MSMEs, initially foreseen to be adopted by 2021. The law enables the creation of a thorough legal and institutional framework for the development of micro, small and medium enterprises. It is an approximation to EC Recommendation May 6, 2003⁸³, on data collection and the methods in the calculations for the categorization of micro, small and medium sized enterprises and the implementation of the methodology for its use by businesses. The law creates an improved framework for support to micro, small and medium sized enterprises, in accordance with the state aid rules; defines the nature of support and the origin such as financial support from the state budget, from domestic or foreign development partners, state loan guarantees etc.

Bankruptcy Law

The lack of recognised quotas in the enterprises/businesses owned by the wife or husband, restrict the other spouse from access to decision-making. The majority of entrepreneurs being men in Albania, this phenomenon affects mainly women, which carry civil liability as a partner/shareholder who is not a formal participant with voting rights in the commercial company. In the framework of the bankruptcy law, the decision to declare bankruptcy of a business in which only one spouse is formally the owner, entails financial consequences against the other spouse who, without knowledge and without decision-making rights, faces the obligations of the bankruptcy procedure. These legal provisions do not provide guarantees for the spouse in cases where the bankruptcy measure is distributed and a commercial company is undergoing bankruptcy.

Law on Banks in the Republic of Albania

Women and men have the right to apply for a loan on equal grounds in Albania. However, mortgage loans require collateral, thus a real estate registered in the name of the individual at the Cadastre Office. The legal status of the borrower is confirmed during the procedure for obtaining a loan, supported by official documentation. In cases of marriage a personal certificate of the spouse must be submitted, thus providing the non-borrowing spouse with

⁸² Gender Alliance Development Center. 2021. Analysis of Albanian Legislation in support of women's economic empowerment through the involvement in private economic initiatives. Av. A. Kalo. Tirana. Albania

⁸³ Government of Albania. 2022. Economic Reform Programme 2022-2024. Tirana. Albania

decision-making power regarding the loan application. This was enabled through the issuance of an Order of the Governor of the Bank of Albania in 2015. This has enabled women access to financing without restriction, respecting equally the matrimonial property regime (regardless of whether legal or contractual) during the formalization of the loan and the provision of collateral. Nonetheless, women's access to borrowing from banks and non-bank financial institutions, mortgage assistance and other forms of financial credit is still low. Gender roles in the country constitute a problem, with men still acting as head of households and limiting access to finance for women. Access to finance and particularly to mortgage loans, is linked to the long-term practice of registering the property mostly on the name of the men of the family. In rural areas, difficulties multiply, as women are yet seen as the wives of the farmer.

Law on Cadastre

This law regulates the registration of legal co-ownership property and other cases of ownership benefits by law, acknowledging that if a spouse is transferred a property acquired during marriage, in accordance with Article 76, of the Family Code, it is a joint property of both spouses, and is to be registered on both names. The law on Cadastre has foreseen correction and updating of the real estate acquired during marriage before the entry into force of this law, to be jointly owned by both spouses.

Such provisions, regulate and establish a standard in the Albanian legislation on the transfer of ownership in favour of both spouses and the procedures to be followed to ensure such ownership is reflected in the cadastre registers of the Republic of Albania. These provisions ensure a legal framework, which provides women with increased access to property, as another key enabler or potential instrument, for women entrepreneurship. Additional; action is foreseen in national strategic documents, particularly on the right of ownership over agricultural land where information is needed, and on strengthening the capacities of professionals to enable the exercise of these rights.

Law on Notary

Article 127/1 of the Law on Notary stipulates provisions for mutual registration in cases of transfers or benefit of an immovable property for assets obtained during marriage, unless they are subject of a special matrimony regime. The procedure based on the law requires submission and attachment of a family and/or marriage certificate of the purchasing party to the relevant contract. The notary makes the relevant description in the contract, citing the absent spouse as buyer/co-owner, in accordance with the provisions of the Family Code. Such

procedure is a key enabler for increased access of women to property rights, as in principle, if the presumption of co-ownership of assets created in marriage is not applied *de jure*, the validity of the legal action would be *null*.

Law on State Aid

This law provides the framework for state aid being provided to the support of the economic and social development of the country, including direct support to private enterprises. The gender-sensitivity of this law is higher as compared to other private sector related legislation, as it specifies the category of women entrepreneurs as possible beneficiaries that can obtain such support from the state. This law allows state aid for small and medium-sized enterprises for categories such as investment aid; assistance to small enterprises newly established by women entrepreneurs; counselling assistance etc. According to the relevant provisions, women entrepreneurs can have access to state aid if they meet the relevant criteria and following the relevant procedures. The conditions, criteria, aid intensity and procedures for granting and authorizing state aid for small and medium-sized enterprises are determined by the decision of the Council of Ministers.

Strategies on Entrepreneurship and Women Economic Empowerment

The regulatory framework for women entrepreneurship development includes several key strategic documents alongside the action plans drafted and implemented aiming to reach strategic objectives. These strategic documents include the National Strategy on Gender Equality, Business and Development Strategy, National Strategy on Social Protection, National Employment and Skills Strategy etc.

Strategic Documents relevant to Women Economic Empowerment

National Strategy on Gender Equality 2021-2030

The new strategy was adopted in 2021, builds upon the 2014-2020 National Strategy and constitutes a guide towards a society where women and men are given equal opportunities to develop their potentials; to participate equally in political and public decision-making; to influence the socio-economic development of the country and be supported to develop socially and economically; and where vulnerable groups are prioritized and supported until they are empowered and enjoy equal rights and opportunities⁸⁴. The economic empowerment of women, is one of the key pillars of the strategy

⁸⁴ Introduction of the National Strategy for Gender Equality 2021-2030.

and foresees a set of actions and expected results, including promotion of women entrepreneurship.

The latest Report on Albania from the European Commission considers the National Strategy on Gender Equality 2021-2030 and its action plan as well aligned with the EU Gender Action Plan III⁸⁵. The report considers the strategy is more affirmative in addressing the rights of all women and men, focusing on people who face intersecting forms of discrimination and vulnerability⁸⁶. The strategy aligns gender equality with key developmental objectives within the economy, considering as crucial the fulfilment of economic and social rights of women, alongside a sustainable economy and equal participation in the digitalization process.

Business and Investment Development Strategy

The BIDS 2021-2027 is the strategic framework for Albania's enterprise and industrial policy, and is currently the key enabling framework for women entrepreneurship. It provides key strategic orientation for SME skills development, innovation, sustainable growth, and conditions for attracting foreign investment. The previous BIDS 2014-2020 was accompanied by a specific action plan on women entrepreneurship. This document has adopted a different approach, setting specific objectives/key performance indicators within non-discriminatory actions for all entrepreneurs. This gender-aware instruments are known for gender experts and implemented in economies with a higher integration of women in the political and economic life⁸⁷.

National Employment and Skills Strategy

The latest National Employment and Skills Strategy 2019-2022 was an extension of the 2014-2020 strategy, aiming to complement the strategic objectives set out in the document. This latter recognised entrepreneurship by women as a prerequisite for improved employment and a competitive and growth-oriented economy⁸⁸. Both documents had a focus on promoting learning about entrepreneurship and women's entrepreneurship as a key competence and promoting social entrepreneurship (social economy and jobs in the third sector) and economic empowerment of women. In the new draft strategy launched for public consultation in November 2022, women entrepreneurship does not fall under any of the strategic objectives, creating a policy gap in support of women entrepreneurship.

⁸⁵ European Commission. 2022. Albania Report 2022. Brussels. Belgium

⁸⁶ Ibid.

⁸⁷ Regional Cooperation Council (RCC). 2023. Comparative Review: Women Entrepreneurship in the Western Balkans. (unpublished)

⁸⁸ Government of Albania. 2014. National Employment and Skills Strategy 2014-2020.

Economic Reform Programme 2022-2024

Progress aside, the current regulatory framework requires more efforts in support of women entrepreneurs, as the challenges women face are compounded compared to those faced by men entrepreneurs⁸⁹.

One of the Policy Guidance of the Economic Reform Programme 2022-2024 is to *provide enhanced business support services to improve access to finance and entrepreneurial knowhow*. Under this policy guidance, activities related to women entrepreneurship fall under the objective of strengthening the start-up ecosystem. Activities planned in 2023 include making functional the Council of Start-ups, start implementation of the law on start-up, with focus on supportive measures and running of the online portal for the online self-registration of start-ups and facilitators. Expected results include support to women and young women entrepreneurs. There are, however, no gender-based indicators outlined to assess the effectiveness of such support.

Another priority is the approval of a new law on the development of micro, small and medium sized enterprises, presented as an important instrument for women entrepreneurship and women economic empowerment, thanks also to the introduction of new financial instruments for starting a business and development of SMEs⁹⁰. This policy measure lacks as well gender-based indicators.

As long as there are substantial differences in the lives of women and men in the majority of areas in a society, public policies which are considered neutral from a gender perspective, have a different impact on women and men. These substantial differences are cause for these seemingly neutral policies to serve as tools that deepen the existing inequalities⁹¹.

As suggested by the latest Albania Report of the EU, the Economic Reform Programme should follow a more thorough public consultation process⁹². Such inclusive public consultation of the Economic Reform Programme, could provide additional gender-related comments for more gender-sensitive policies and gender-aware policymaking processes.

⁸⁹ Regional Cooperation Council (RCC). 2023. Women Entrepreneurship in Albania. (unpublished)

⁹⁰ Government of Albania. 2022. Economic Reform Programme 2022-2024. Tirana. Albania

⁹¹ Drumea I. 2013. Assessing the environment for women's entrepreneurship in the Republic of Moldova. Confederația Națională a Patronatului din Rep. Moldova. Chișinău; S. n., 2013 (Tipogr. „Sofart Studio”). 48 p

⁹² European Commission. 2022. Albania Report 2022. Brussels. Belgium

Brief Review of the Institutional Framework on Women's Entrepreneurship

Overall, an environment can be considered as enabling for entrepreneurship, when there is coordination between institutional/political leadership and key stakeholders empowered to develop the legal and policy framework on entrepreneurial activity⁹³.

In Albania, no distinctive institution has been established or empowered to develop and implement the regulatory and policy framework on equal opportunities for men and women. Central Government institutions, namely line Ministries, are given areas of operations in support of gender equality, in line with their functions.

Currently, the central government institutions directly related to the governance of women entrepreneurship in Albania are:

- The Minister of State for Protection of Entrepreneurship;
- The Ministry of Finance and Economy;
- Albanian Investment Development Agency.

These institutions are the key institutions for the development of entrepreneurship in overall, rather than women entrepreneurship in specific.

The **Minister of State for the Protection of Entrepreneurship** aims to assist and protect private enterprises operating in Albania, while promoting inter-institutional cooperation to improve public services for businesses.⁹⁴ The Ministry is foreseen as a representative of the business community within governmental bodies, maintaining stable communication channels with businesses, including strategic and foreign investors. Lately they administer the support for innovative start-ups and start-up facilitators, handling the management of the dedicated fund.

The **Ministry of Finance and Economy** manages within its area of responsibilities, entrepreneurship promotion, policy preparation and implementation for a positive business climate and promotes an intensive public-private dialogue. In the newly approved structure of the Ministry has enlarged the structure working in the area of business promotion and entrepreneurship. Whereas until 2022, the structure included only one unit,

⁹³ Drumea I. 2013. Assessing the environment for women's entrepreneurship in the Republic of Moldova. Confederația Naț. a Patronatului din Rep. Moldova. Chișinău; S. n., 2013 (Tipogr. „Sofart Studio”).48 p

⁹⁴ Government of Albania, Decision of the Council of Ministers, 20.10.2021, “On the determination of the area of responsibility of the Minister of State for Protection of Enterprise”

the new structure of the Ministry of Finance and Economy foresees a General Directorate for Economic Development, Business Promotion and Trade. This would lead to the re-establishment of a directorate focused on business promotion, similar to the structure in place before 2017. They would cover areas such as SME development, business promotion, sectorial policy assessment and development, promotion of the internal market, policies that increase competitiveness and productivity. The Ministry of Finance and Economy is in charge to implement actions that promote women entrepreneurship, based on the National Strategy for Gender Equality 2021-2030. For the period 2014-2020 they were in charge of implementing the Action Plan on Women Entrepreneurship in Albania.

The **Albanian Investment and Development Agency (AIDA)** is an institution that is part of the Ministry of Finance and Economy, focusing on enhancing competitiveness of the private sector, strengthening the export potential of the country, and promoting/supporting foreign direct investment in Albania, as well as promoting the country's tourism potential. AIDA serves as an intermediary between the government and the private sector, acting as a "One-Stop-Shop", supporting investors, providing access to up-to-date information etc. AIDA is also the agency in charge of executing grant schemes in support of businesses, as foreseen in strategic and policy documents, informs the private sector on financing opportunities implemented by central institutions and engages particularly with the strategic sectors such as tourism, energy, ICT and BPO, manufacturing, agriculture etc.

Findings of the Survey on Women Entrepreneurs in Albania

This chapter presents the findings of the survey carried from the Gender Alliance for Development Centre (GADC) through a questionnaire made available online for women entrepreneurship operating in Albania. The questionnaire aimed to observe women entrepreneurs through a set of 91 questions, looking to identify the needs that women have in developing or expanding a business and to issue recommendations.

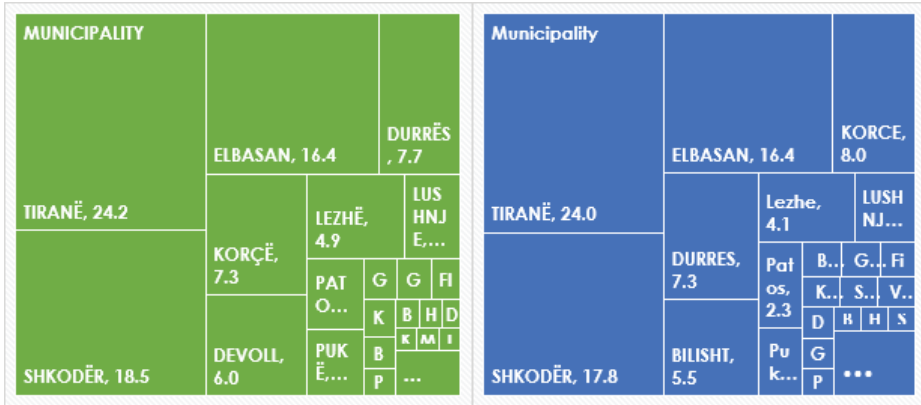
Profile of Surveyed Women Entrepreneurs

Participants of this survey are women entrepreneurs, who mostly live in urban areas, and focus their activity in the municipalities of Tirana, Shkodra, Elbasan etc.

Regional Distribution

88.6% of these women entrepreneurs live in urban areas, while 13.4% of them live in rural areas. Throughout the literature review, we emphasized the increase barriers for women entrepreneurship in rural areas, particularly in Albania; thus expecting a similar result. Most of the respondents, or 24.2% of them, lived in the city of Tirana, followed by Shkodra with 18.5%, Elbasan and Durrës, with respectively 16.4% and 7.7%. In the same line is the division of business activities according to the location, since most of them, 23.9% have concentrated the development of the subject's activity in the capital, about 17.4% in the city of Shkodra, 16.4% in the city of Elbasan, 7.7% in the city of Korça and 7% in the city of Durrës.

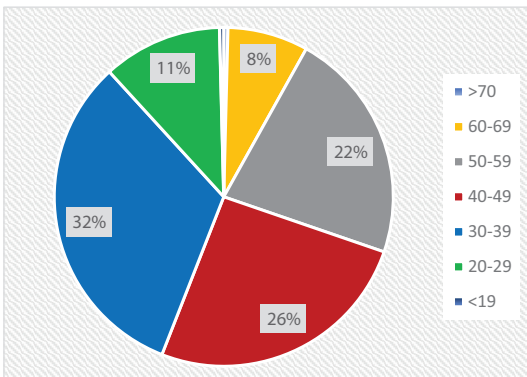
Figure 8. Residency of Women Entrepreneurs and place of operations by Municipality



Demography

Respondents' age varies from women born in 1951 to 2004, thus from an age of 71 years old to the age of 18 years old.

Figure 9. Age of Respondents



One out of three women entrepreneurs belonged to the age group of 30-39 years old. The other most relevant age groups were 40 - 49 and 50-59, respectively 26% and 22%. Only 0.4% of respondents are younger than 20 years old, whereas only 8.1% are more than 60 years old. The most recurrent ages amongst the respondents were 48 years

old (44 respondents), 35 years old (43 respondents) and 32 years old (44 respondents). **The average age of the Albanian women entrepreneur today is 43 years old.**

Almost 3 out of 4 women entrepreneurs are married and 3 out of 4 have children. 86.7% of the women entrepreneurs who have been married. 8% were divorced and 4.7% were widowed. While respondents who answered that they do not have children are mostly single, married at 35.5% and divorced only 6.5%. 39% of women entrepreneurs who have children answered that they have no children under 18 years of age, 18.9% that they have only 1 child under 18 years of age, and 14.3% that they have 2 children under 18 years of age.

Women with the highest number of children have started their business only in the last 2 years, supporting thus the reasoning that their responsibilities and possibly increased unpaid care work, delayed their approach to the entrepreneurial world. 64.3% of those who have a total of “3 children under 18” registered their business for the first time in 2020. Only 3 women had “4 children under 18” and they also had registered the business for the first time in 2020.

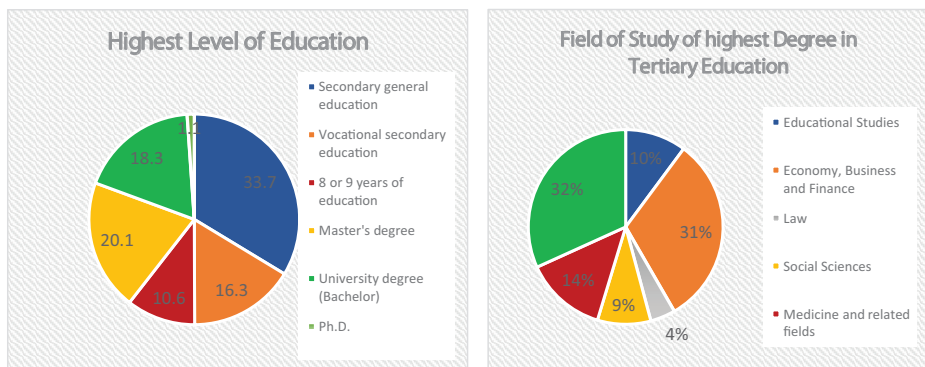
Out of the respondents that have children, 71 of them or 9.6% registered their business for the first time in 2015. 15.3% or 29 women out of 189 who have a total of “1 children under the age of 18”, registered the business for the first time in 2021. 9.2% or 36 women out of 390 who have a total of “0 children under 18 years old”, registered the business for the first time in 2015. 12.6% or 18 women out of 143 who have a total of “2 children under 18” registered the business for the first time in 2014.

Education

One out of three respondents have finalized tertiary education, thus they either have a Bachelor, Master or PhD diploma. Also one out of three have finalized higher secondary education, general or vocational education). The share of women entrepreneurs with primary or lower secondary education is ten times more the ones with PhD.

Considering there is a high share of women led entities registered as natural persons, the above can be related to self-employment. Data on women self-employed shows that the women entrepreneurs with a low level of education are most likely to be self-employed, particularly among the age 55-64 years old. Nevertheless, in overall 89.4% of women had at least high secondary education, in line with previous studies which present a highly educated profile of the Albanian women entrepreneur.

Figure 10. Educational Level of Respondents (%)



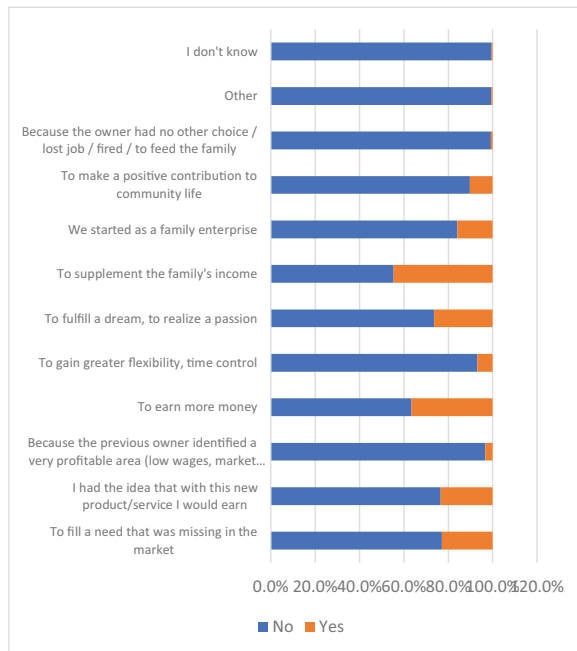
Most of the respondents with tertiary education have studied economy, business or finance in their highest degree, followed by medicine and related fields, social and educational sciences.

Being an entrepreneur

Motivation to start a Business

Survey results show respondents' key motivation to start a business is additional income.

Figure 11. Motivation to start a business



The main reasons why the women asked had started the business were:

- To supplement the family's income, in 44.6% of cases;
- To earn more money in 36.6% of cases;
- To fulfil a dream, to realize a passion in 26.3% of cases;
- To fill a need that was missing in the market in 22.9% of cases, etc.
- 15.9% answered that they started the business as a family enterprise and 10.3% to make a positive contribution to community life.

Happiness from the Initiative

Only one in twenty women entrepreneurs declared being completely satisfied with their work as the owner of the enterprise. The rest, asked about the factors that would increase their happiness and satisfaction as entrepreneurs,

62.4% of businesses answered that “more money at the end of the month for them and their family” would be the main factor, followed by “more support from their spouse / partner / family and community”. One in five entrepreneurs believe that spending more time with their family would increase their happiness (21.5% of cases).

Stereotypes

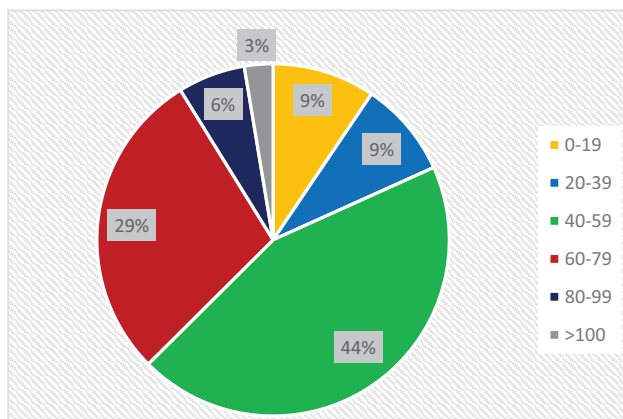
As for the stereotypes for women entrepreneurs, the answers show that **45% of the businesswomen had experienced the stereotypes expressed by friends, family members; business partner, colleagues; potential investor or the media, at the same levels from each.**

At the same time, about 55% answered that they have not experienced the following stereotypes such as: *Women are not lady entrepreneurs, Women do not have innovative ideas, Women should prioritize household duties, such as childcare, Women are not able to manage money, Running a business is not compatible with being a mother, Women do not have the mind-set for business, Women are not determined enough to be successful entrepreneurs, Men have more ambition than women, therefore, as a result, men’s businesses are more successful than women’s businesses, Women tend to avoid risks, Men do not like women who are very strong/have the ability to do business/are successful.*

45% of the answers show that potential investors think that “Business management is not compatible with being a mother”. The same stereotype of women entrepreneurs has been experienced from business partners, work colleagues or the media. Other relevant statements include: “Women do not have the mental orientation for business” or that “Women are not determined enough to be successful entrepreneurs” etc.

Time dedicated to the Enterprise

Figure 12. Hours per week spent at the business

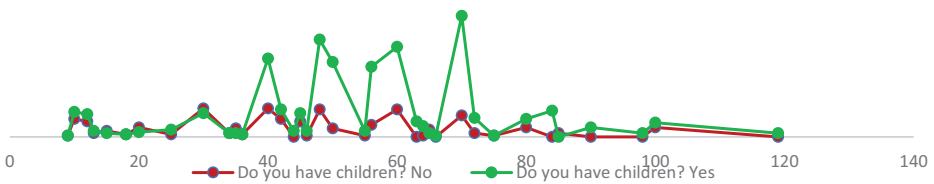


One in eight respondents spend an average of 70 hours per week in administration or working in their business, 11% spend an average of 48 hours per week in their business, while 10.4% spend an average of 60 hours. As expected, there is an overall engagement higher than the usual working hours at 40 hours/week. Similar results are noted when considering women entrepreneurs with a child.

There are however differences between women entrepreneurs with and without children. Women with a family and children generally engage more and dedicate more time to their business.

The average working hours for a women entrepreneurs that doesn't have children is 44.7 hours/week, whereas for those with a child the average is 57 hours/week.

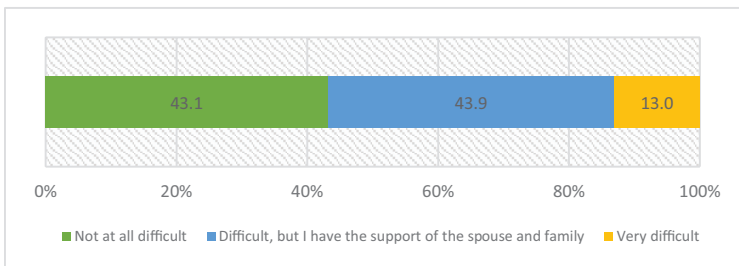
Figure 13. The average number of hours per week spend administering or working on business



Work-life Balance

According to respondents, women entrepreneurs are very good at managing a work-life balance. Two out of five women (43.1%), report that is very easy to navigate between business and family commitments. The same numbers (43.9%), though, report balancing work-life as difficult, but they have the support of the spouse and family.

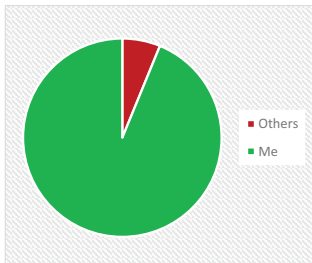
Figure 14. Work-Life Balance



And one in five women entrepreneurs, report managing the commitment to the business and the one within the family, as very difficult (they do report no help/support).

Independence in decision making

Figure 15. Responsibility of managing operations in the business



In 93.8% of cases, respondents herself had the main responsibility for managing daily business operations. In other cases, the answers mainly involved the management of operations carried out by the business partner or the spouse.

As well as the management of daily operations, financial control, which includes the ability to sign loans, leases and contracts, were at the same levels of representation. In 93.8% of cases the respondent herself managed these processes.

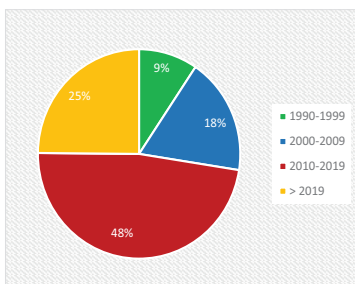
In other cases, mostly the answers included financial control as a process led mainly by the economist, the respondents and the husband, or only the latter. In 2.2% of the cases women entrepreneurs declared their husband was directly involved in the financial management of the business. However, more women, around 40%, considered the support or feedback given by their husband as management advice.

When asked about business management advice received from different people, they answered that they receive management advice regularly (more than once a month) in 39.7% of cases from the spouse/partner, 29.9% of cases from other family members/relatives, 23.7% of cases friends, etc.

Profile of surveyed Women-Led Enterprises

Establishment of enterprises

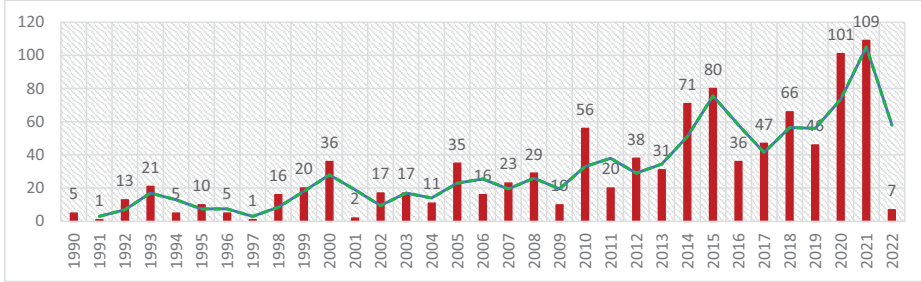
Figure 16. Women-led businesses registration by decades



The majority of the surveyed enterprises was established in the period between 2010-2019, whereas only 27% of enterprises have been established earlier to 2010. In the literature review we have not identified any relevant analysis on the longevity of enterprises led by women in Albania. However, literature recognises the positive impact in the lowering of the chances of bankruptcy when having women directors, as mentioned throughout the review. There is clearly a

positive trend within our sample in the establishment of women enterprises, albeit the official data demonstrate a stagnation in numbers.

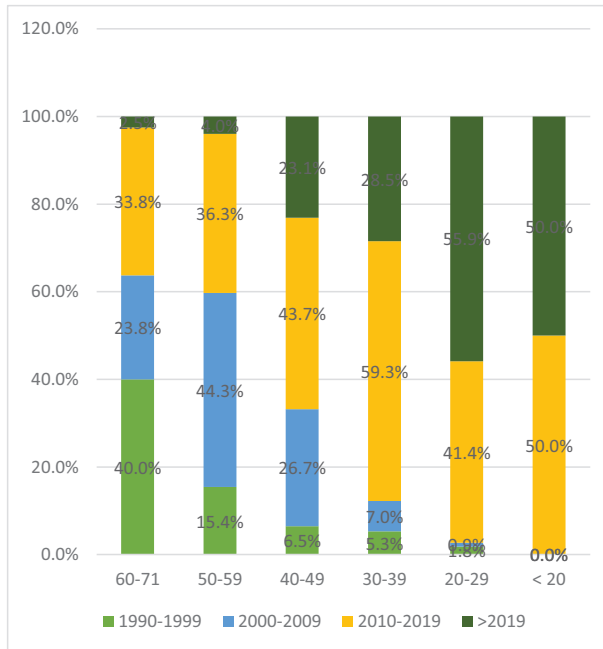
Figure 17. Year of establishment of respondents' enterprises



The year with the highest number of business registration/creation from the respondents of this study is 2021 (10.9%), followed by 2020 with 10.1%, 2015 with 8%, 2014 with 7.1% and 2010 with 5.6%.

Albanian women entrepreneurs are generally in their thirties, when establishing a business.

Figure 18. Period of business registration by age of respondents



40% of businesses led by women aged more than 60 years old, were established between 1990 and 1999. 44% of businesses led by women in the group age 50-59 years old were established between 2000-2009.

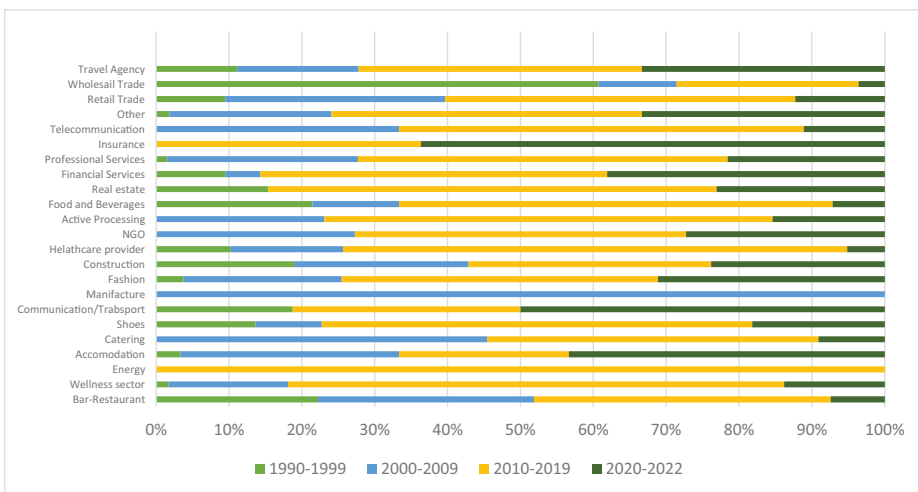
43.7% of businesses led by women in the group age 40-49 years old and 59.3% of businesses led by women in the group age of 30-39-year-old were established between 2010-2019. Data for the age group of 20-29 years old women entrepreneurs are interesting as more than half of the businesses were established after 2019, and 41.4% were established between 2010-2019.

There is no particular trend in the establishment of women enterprises based on economic activity. What is worth mentioning is the fact that results from respondents, follow developments in the market, with communication, education, fashion, financial sector and insurance share of business increasing in the last years, whereas the focus decreases on trade etc.

Data shows that:

- 14.7% of the businesses that operate in “Wellness Services” (17 out of 116 in total) have registered their business in 2014.
- 9.5% of businesses that operate in “Retail Trade” (17 out of 179 in total) have registered their business in 2015.
- 18.9% of businesses that operate in “Fashion, Textile” (20 out of 106 in total) have registered their business in 2020.
- 41% of the businesses that operate in “Education” (16 out of 39 in total) have registered their business in 2020 and 2021.
- 22.8% of the businesses that operate in “Handicraft” (13 out of 57 in total) have registered their business in 2021.

Figure 19. Period of establishment of enterprises by economic activity

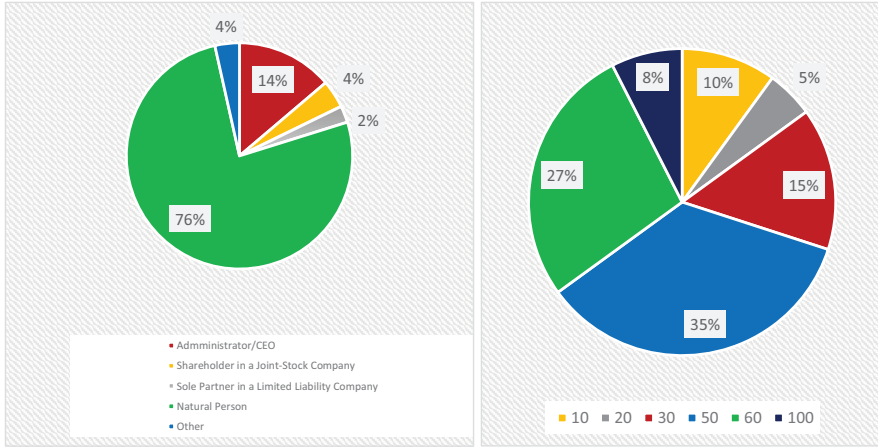


Legal Form

3 out of 4 women entrepreneurs (76.3%) are officially registered as a natural person. 13.8% are a CEO in their company and only 4% and 2.4% of women

were respectively positioned as a co-partner/shareholder of a limited liability company and sole shareholder of the joint stock company.

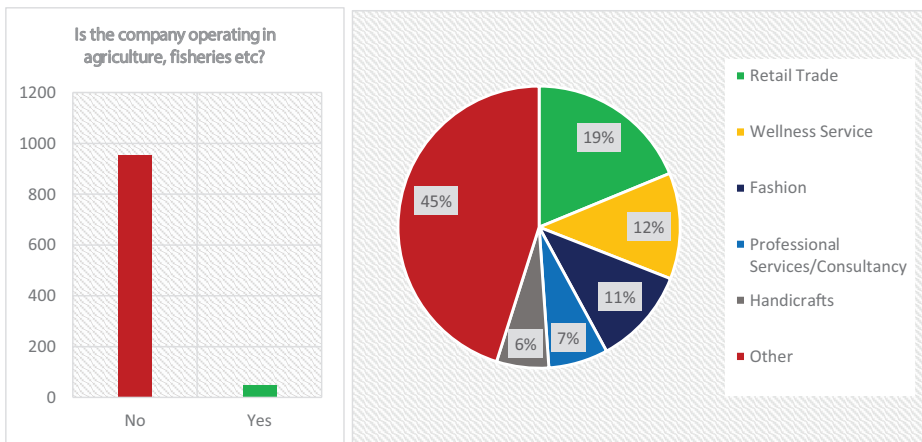
Figure 20. Position of the women entrepreneur in the company



Women registered as shareholders in a joints stock company mostly held 50%-60% of the shares (72%). Of the 40 cases where respondents were shareholders, only 3 of them had 100% of the quotas of the company. Additionally, 0.6% of respondents have reported not to be legally registered, and operate informally.

Industries

Figure 21. Industries where women-led enterprises operate



Out of all respondents, only 48 of them, or 4.8%, answered that their business was in the field of agriculture, livestock or fishing. The rest of the respondents

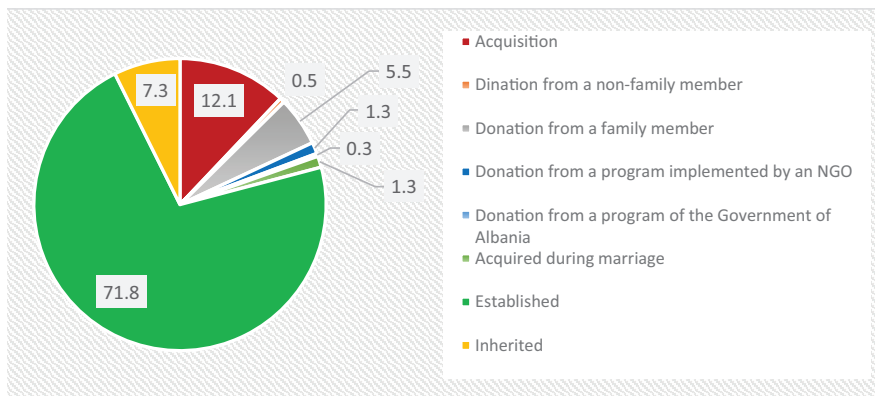
operated in retail trade (19%), wellness services (12%), fashion (11%) etc. Within these categories:

- Of the 179 businesses operating in Retail Trade, 166 were natural persons;
- Of the 116 businesses that operate in wellness services, 113 were officially natural persons
- Of the 106 businesses operating in the fashion sector, 88 were natural persons.
- Out of all women which hold the position of an administrator/CEO. 10.3% operate mainly in Financial Services and the same 10.3% in Wholesale Trade.

Source of Ownership

Women entrepreneurs have been asked on how they established or obtained ownership of the business. Respondents declared that 71.8% of commercial entities were established and 12.1% purchased, 7.3% inherited. While 5.5% of respondents obtained ownership of the business as a donation by their family, the remaining 2.1% have acquired ownership through donation from a non-family member, donation from programs supported by non-for profit organisations or the Government of Albania.

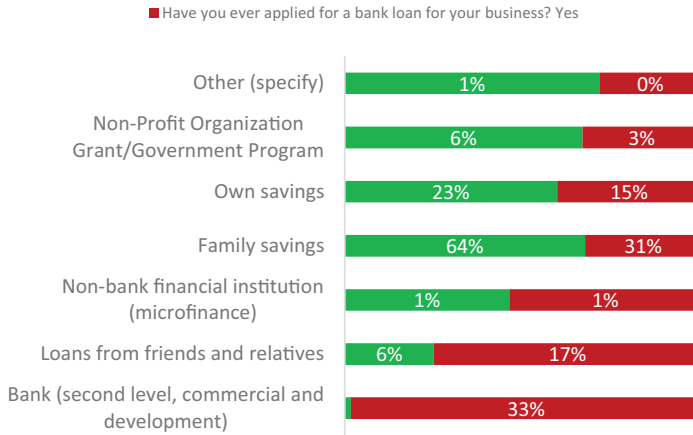
Figure 22. How was the enterprise acquired from respondents?



Capital to Start a Business

The initial financing for about 11.6% of businesses was 1,000,000 ALL, followed by 9.7% of businesses that started with initial financing of 500,000 ALL and 8% with 200,000 ALL. Respondents declared that the lowest value of the initial financing was 400 ALL, while the highest value of the initial financing was 450,000,000 ALL.

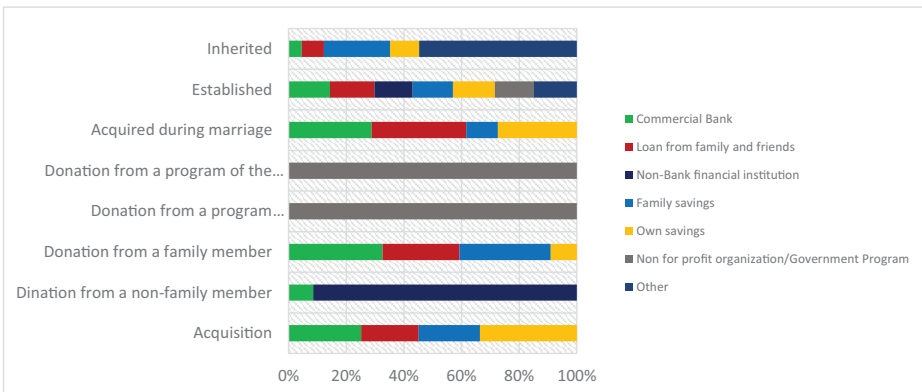
Figure 23. Sources of funding to start the business



Overall, more than **half of women entrepreneurs (53.9%) used family savings as the main source of financing to establish, register or start a business.** One in five women used their own savings (20.6%) to finance establishing a business. **Commercial banks were the main source of financing only for one in ten women entrepreneurs.**

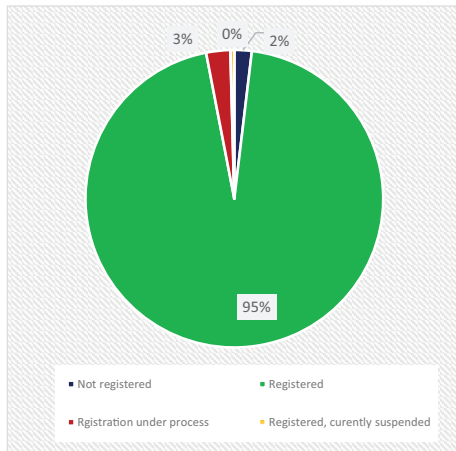
Out of all women entrepreneurs that acquired the property by buying it, 50% declared family savings as the source of financing, 30% had own savings and about 11% used financing from commercial banks. The source of financing for the most recurrent starting capital (1,000,000 ALL) was family's savings and commercial banks were the main source for companies with a starting capital of 2,000,000 ALL (16.5%.)

Figure 24. Source of financing and origin of ownership



Registration Status

Figure 25. Registration status of enterprises



95.1% of the respondents reported their business is registered, 2.6% reported that the registration is in process, while 1.9% answered that their business is not registered and 0.4% are registered but currently suspended.

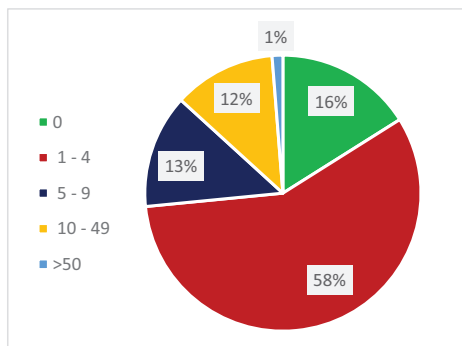
Literature notes that women entrepreneurship can be related to some extent to a higher level of informality.

Nonetheless, comparison in terms of informality cannot be carried, and

are not subject of this research.

Size of the Business

Figure 26. Size of women-led enterprises in the survey



The number of paid employees serve as the basis to assess the size of a business.

As noted in the literature and thanks to secondary data sources, women enterprises are small sized.

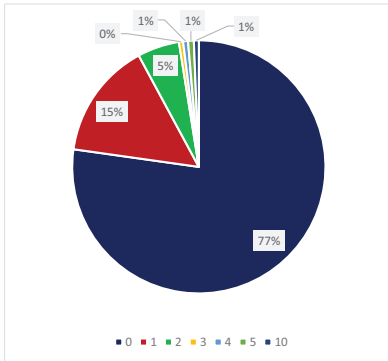
ata show that aside from 16% of respondents that have no long-term employees, 58% of the enterprises

have 1-4 employees, and 26% of the enterprises have more than 5 employees.

Respondents provided the following data on the number of employees they have on a continuous basis.

- 22.5% answered that they had 1 paid employees in their business;
- 17.7% employed 2 employees;
- 10.7% employed 3 employees etc.

Figure 27. Employees related to owner

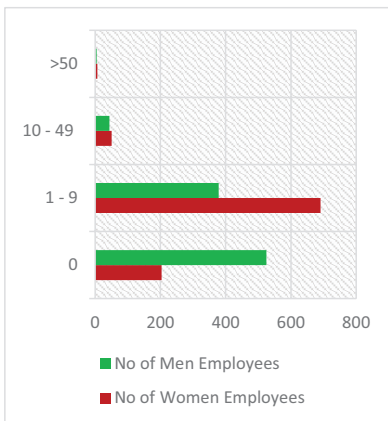


Respondents have reported that they employ at least one person, part of their family. Respondents have reported in 15% of cases that they employ at least one person with a family connection and in 5% of the cases 2 employees. Nonetheless, 77% of respondents report not applying such practice.

On average women-led businesses surveyed in this study, employ 3 other women. Should we consider only enterprises with

more than 1 employee, these entrepreneurs employ on average 4 other women. Survey women-led companies employ 50% more women than men.

Figure 28. Number of companies based on their gender employment status



Respondents data show:

- 691 women-led enterprises employ 1-9 women;
- 51 women-led enterprises employ 10-49 women;
- Only 7 women-led enterprises employ more than 50 women.

At the same time:

- 379 women-led enterprises employ 1-9 men;
- 44 women-led enterprises employ 10-49 men;
- Only 5 women-led enterprises employ more than 50 men.

HR Policies

The majority of women entrepreneurs or 64.5% reported their business does not have a human resource management system, while 35.5% answered positively. Of the latter, **65.9% stated that they do not implement any of the following components of human resources in business operations:** Recruitment, retention and promotion; Mentoring; Skills training / executive training; Flexible working hours; Part-time working hours; Remote work or telecommuting; Paid maternity leave; Paternity leave; Career breaks; Prevention of sexual harassment; Reward. **One out of three women-led**

enterprises reported implementing in their business HR practices of human resources.

Figure 29. HR Practices used or not in women-led enterprises



The most common, known and practiced component of HR is mentoring. Other practices reported in Albanian women-led businesses are skills training, executive training and flexible working hours.

Equal Employment Opportunities and Diversity and Inclusion

Equal Employment Opportunities (EEO) prohibits discrimination and retaliation and outlines the procedure for reporting complaints. 44.6% of respondents reported a policy of employment opportunities or diversity and inclusion, while 55.4% answered negatively. Ethnicity does not constitute a particular factor in terms of EEOs and diversity and inclusion, as only 2 out of 5 women entrepreneurs which reported being Egyptian, apply such policies. 55% of women who identify themselves in the Albanian ethnic group answered that their business does not have a policy on employment opportunities, or diversity and inclusion.

Furthermore, whereas only 4.9% of respondents reported a disability in the survey, 3.2% answered that their business does not have a policy of employment opportunities, or diversity and inclusion.

Business Expansion

Out of all respondents, **52.9% expressed that they would like to increase their business but have not yet been able to**, while 47.1% expressed satisfaction with the current size of the business they run.

The least used sources for financing the needs of businesses during 2019-2020 are grants from government programs and non-bank financial institutions of microfinance. 6.2% received grants from Non-Profit Organizations, 5% received loans from commercial banks, 2.7% were helped by friends and relatives, while 2.2% used business income.

Only 54.4% of businesses answered that they keep reserve capital in their business, whereas the remaining answered negatively to this question.

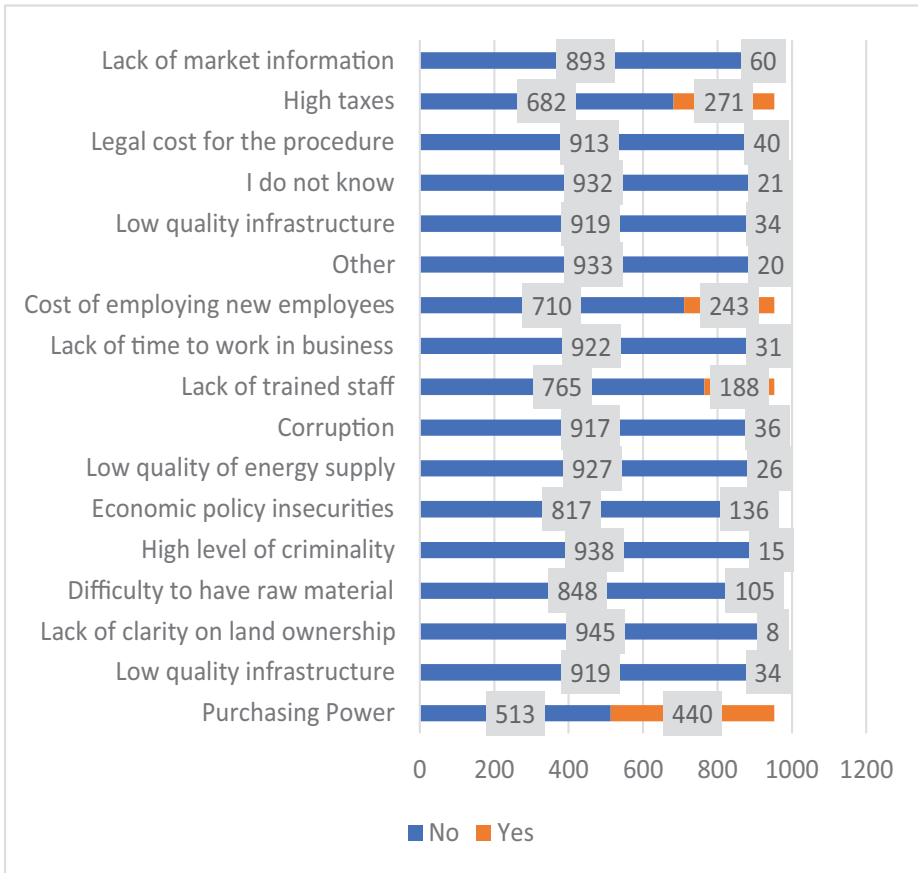
57.7% of the people who completed the questionnaire refused to answer the question related to the value of the approximate annual turnover of their business in 2019. Of the rest that answered, 3.6% reported that in 2019, the approximate value of their business's annual turnover was 2,000,000 ALL, 3.1% answered with the value of 1,200,000 ALL and 2.3% with 1,500,000 ALL. 2.9% reported 0 value of annual business turnover in 2019.

In 2020, the same as in the previous year, 57.4% of businesses refused to answer. 2.9% reported 0 value of the annual turnover of their business, 4.5% answered that the approximate value of the annual turnover of their business was 1,000,000 ALL.

In 2021, 56.6% of businesses did not provide an answer regarding the value of the annual turnover of the business. 2.8% gave the value of 1,200,000 ALL for the value of the annual turnover of the business.

Regarding the declaration of profit, the same situation has been observed as with the annual turnover of the business, where the majority refuse to give answers. About 62% of businesses have not given any answer about the value of their profit in 2019, 2020 and 2021. 4.5% of business declared 0 ALL profits during 2020, while 3.6% declared 500,000 ALL. **51% of business answered they did not expand the business and did not increase capital during 2019 and 2020,** while **26% said that their main source of finance to help their business were personal or family savings.**

Figure 30. Factors affecting business expansion

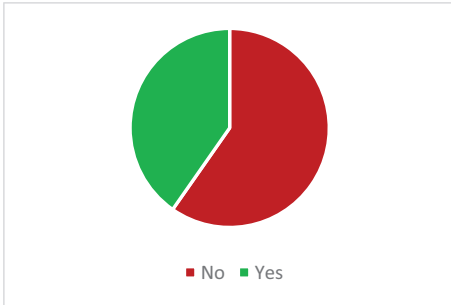


In general, and in the opinion of our respondents, the factors affecting expansion of a business in need are: purchasing power, high taxes, cost of employing new employees and lack of trained staff, respectively:

- 46.2% of cases with lack of demand/purchasing power;
- 28.4% with high taxes/taxes;
- 26.5% with lack of financing;
- 25.5% with the cost of hiring new employees;
- 19.7% with the lack of trained employees, etc.
- Economic policy insecurities, difficulty to have raw material and lack of market information are the remaining reasons.

Financial Management in the Enterprise

Figure 31. Approach to Periodic Financial Analysis



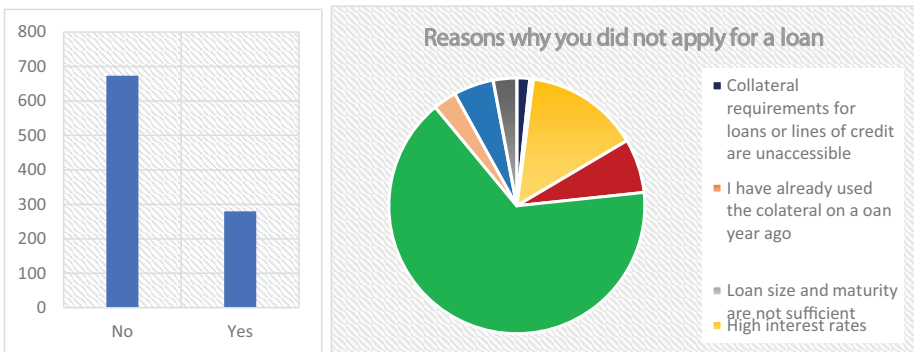
More than **one third** (35.8%) of respondents declared they maintain **detailed official accounts of their business** and at almost the same levels (32.6%) respondents declared they kept a simplified accounting format. 3 out of five respondents declare not carrying any periodic analysis on their business finances.

Results show that almost one out of five (19%) of businesses keep informal records for personal use and **one out of ten responded that they did not keep any written accounts of their business**. This latter is particularly a concern when considering financial literacy is one of the barriers for access to finance. It is a concern also for business expansion, personal finances management and progress of the business and additional costs. More than half of women entrepreneurs, or 55.5%, answered that they make the tax declarations themselves for their business, while 41.9% hired an economist and **only 2.6% answered that they contracted financial companies to take care of their business accounts and payments**.

Access to Finance

7 out of 10 women entrepreneurs have never applied for a bank loan for their business. For 65.7% the reason for not applying was that they did not need a bank loan, for 14.4% that the interest rates are high, 6.8% did not have collateral and 5.1% answered that the loan application procedures are complex.

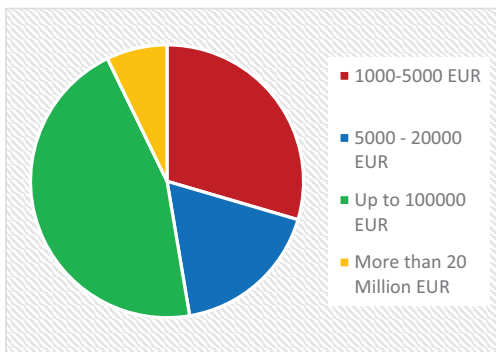
Figure 32. Data on loan applications from women entrepreneurs



29.4% of businesses have applied for loans. Of these, 63.6% responded that they received a loan only once, 24.6% received a loan twice, while 6.8% responded that they received a loan more than 3 times.

Businesses that received more than one loan answered that they received the last loan from a Bank in 95.1% of cases. Only 4.9% of businesses received their last loan from a non-bank financial institution. **As collateral for the loan, the majority of businesses used real estate**, where 41.2% used the business, 31.4% used the house, while 9.8% answered that they received a loan without collateral.

Figure 33. Size of loan obtained by respondents



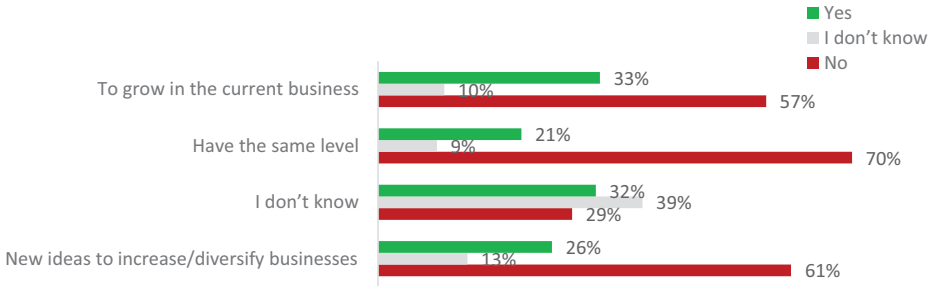
94.3% of the businesses that applied for a loan were approved. Loans approved in 45.5% of cases up to 1 million ALL, 29.5% of cases between 1-5 million ALL, 17.8% of cases in the 5-20 million ALL grouping and only in 7.2% of cases received loans more than 20 million ALL. 5.7% of the businesses that were refused a loan, answered that they solved the need for financing in their business by using

their own or family savings in 56.3% of cases, debts in the informal market in 25% of cases and debts from relatives in 18.8% of cases.

The reasons for loan rejection include unsustainable business in 56.3% of cases, lack of collateral in 37.5% of cases and unconvincing business plan in 6.3% of cases. In obtaining loans, **44.1% of businesses answered that gender, the fact of being a woman did not influence**, 23.5% answered that they were not sure, while 32.4% answered positively and think that gender has influenced getting loans. For more than half of the respondents (58.7%) of them, the lack of financing has not been an obstacle to their business plans. **Only 28.5% have recognised that lack of financing has hindered them in their business plans.**

For the future, 48.1% of businesses have expressed that they plan to grow in the current business, 25.3% to have the same level, while 17.5% have new ideas to add or diversify businesses.

Figure 34. Future Plans and Lack of Funding

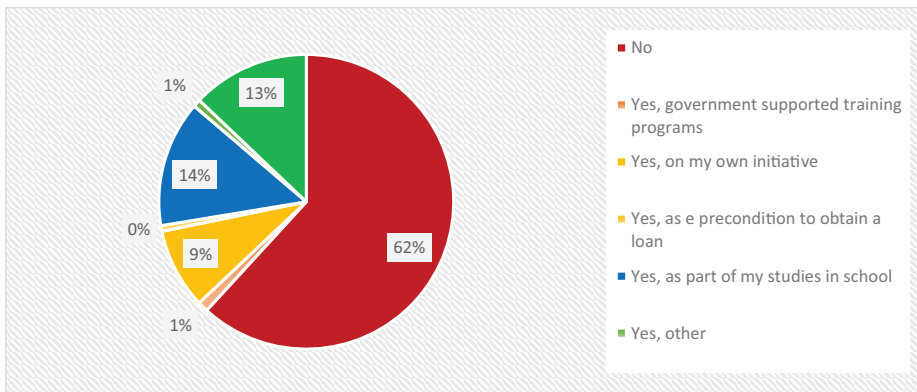


About consulting in business, the majority of respondents or 39.6% of businesses stated that they classify their needs for consulting as small, 28.9% classified them as large, while 20% stated that they do not have consulting needs in businesses. 11.5% answered the question with “I don’t know”.

68.7% of businesses stated that they received the necessary information about new developments from the press, 16.8% from the business associations they belong to, 21.5% from the organizations they cooperate with, while the rest answered that they have a great lack of information. **More than 87% of businesses surveyed said they do not currently work with any business advisors.**

Capacity Building

Figure 35. Knowledge on formal or non-formal education on how to start a business

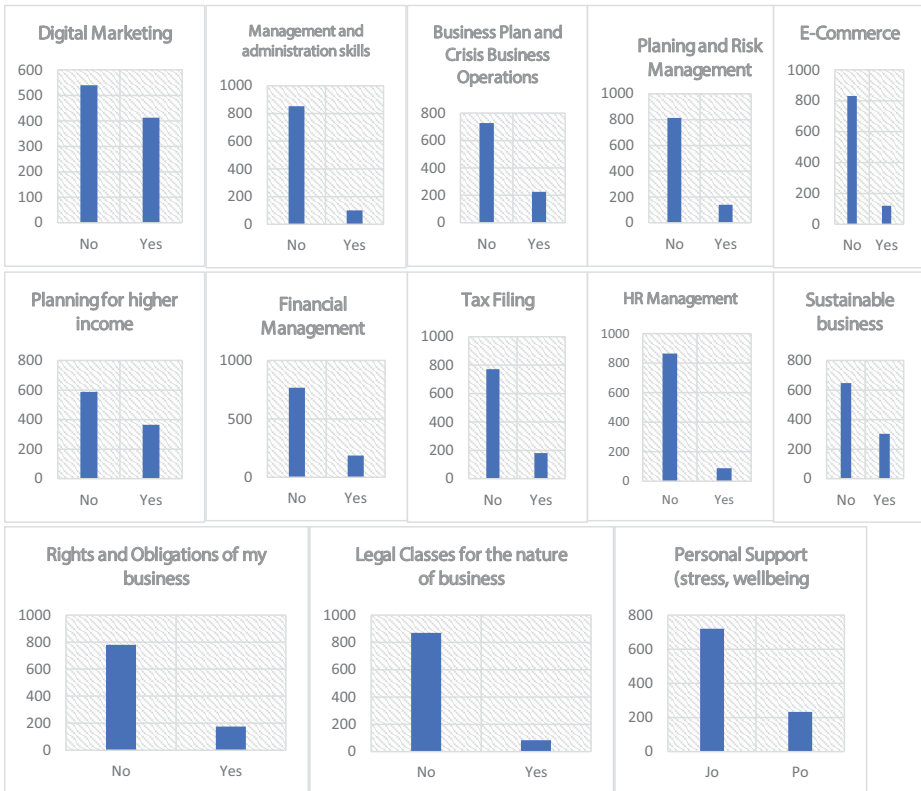


Three out of five respondents declared that they have not heard of any formal or informal course on how to start a business, such as training on how to develop a business plan, market opportunity assessment, identification and access to initial capital, development of business networks, etc. More than half of these businesses, 67% of them, answered that they would have liked to participate, while the rest of 33% answered negatively. The rest of the

businesses that have stated that they have heard about business courses and trainings, remains at low levels and focuses mainly on answers such as:

- part of regular school education in 13.9% of responses;
- NGO trainings in 12.9% of cases;
- with personal initiative in 8.8% of cases.

Figure 36. Training Needs



In cases where they were aware of the organization of activities and trainings that they wanted to participate in, only 4% declared the cost being a reason for lack of participation. The main reported reason why they did not participate was the lack of possibility of disconnecting from the business in 19.9%.

Training needs are mostly related to:

- The way of using digital marketing in 43.3% of positive responses;
- Planning for higher income in 38.3% of responses;
- How to make the business sustainable in 32% of the answers;
- Personal support such as mental well-being, stress in 24.4% of responses;
- Crisis operations management and business plan in 23.7% of responses;
- Financial management in 19.5% of responses, etc.

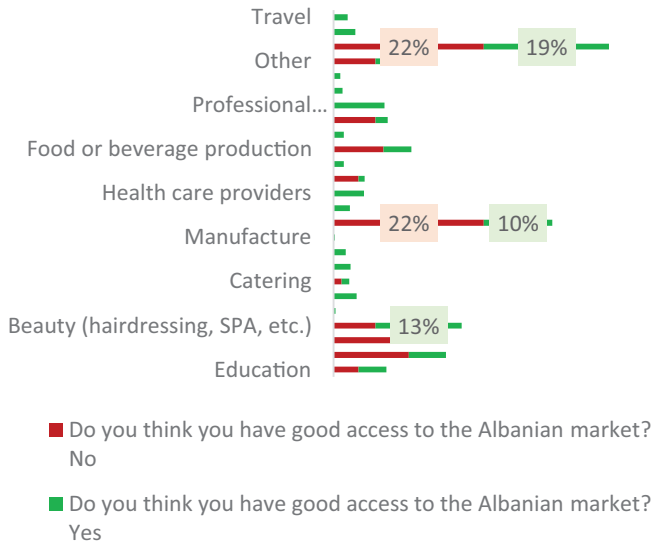
The lowest ranked training needs are related to management and administration skills in 10.6% of responses, human resources management in 9.2% of responses, legal classes for the type of business in 8.8% of responses and other in 3.9% of responses, which are specifically related to the lack of time or the need for training.

Only 2 out of 5 respondents have participated in trainings for the use of the computer, information and communication technology in their business activity (40.7%).

Access to Markets

Local Market

Figure 37. Perception of access to markets based on economic activity



Nine out of ten (91.5%) women entrepreneurs believe they have good access to the Albanian market. The remaining 8.5% mention some main obstacles to market access, such as purchasing power, lack of information and advertising, lower demand, competition, etc. These latter belonged mainly to activities such as fashion (22%), retail trade (22%), handicrafts (11%). Enterprises in the retail trade sector and wellness services believe the access is quite good.

Foreign Markets

Almost **four out of five women entrepreneurs reported having information on the Albanian market**, whereas **only three out of ten considered having sufficient information on foreign markets**. Out of these, only 10.6% of all respondents had direct access had access to international markets, mainly in Italy, Greece and Turkey. The main source of information used for market knowledge is the Internet, media and social networks, and to a lesser extent direct contact, suppliers or friends and colleagues.

National and International Fairs

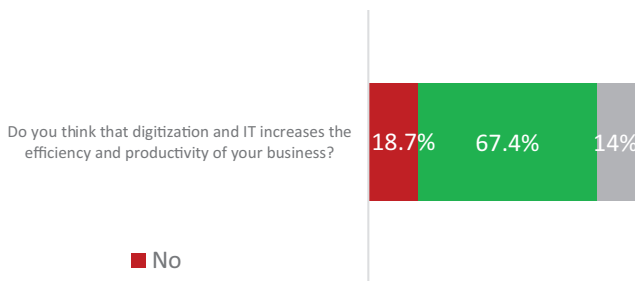
When asked about participation in fairs, 20.3% of businesses answered that they participated in national fairs. Of these, 14.8% expressed that after participating in the fair, their contracts with potential clients increased, while for 5.5% it was the contrary. The number of businesses participating in international fairs is twice as low as the participation in national ones. One out of ten women entrepreneurs participated in international fairs, and for 7.6% the experience was very positive as their contracts with potential clients increased. 2.9% did not note the same phenomenon.

Access and use of IT Services

Perceptions of Benefits

The perception of digital services and IT within the firm is quite positive among women entrepreneurs. **Almost seven out of ten (67.4%) think that digitalization and IT increases the efficiency and productivity of their business.**

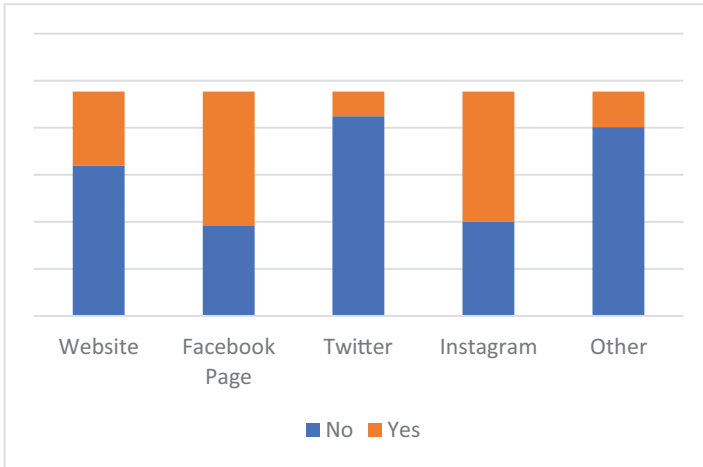
Figure 38. Perception of the relevance of digital services and IT



Nonetheless, more than three out five women entrepreneurs either think that digital services and IT does not serve the efficiency of the business (18.7%), or express at least scepticism (14%).

Use of Digital Platforms

Figure 39. Use of Social Media and Intern Platforms



Women-led enterprises appear to be engaged in social media or digital services for marketing/information purpose, thus **making use of digital platforms.**

More than half of these businesses had a website or profile on social platforms for their business, such as 59.9% Facebook, 57.9% Instagram, 33.1% a website for their business and only 10.9% used Twitter.

Use of other Digital Services for Businesses

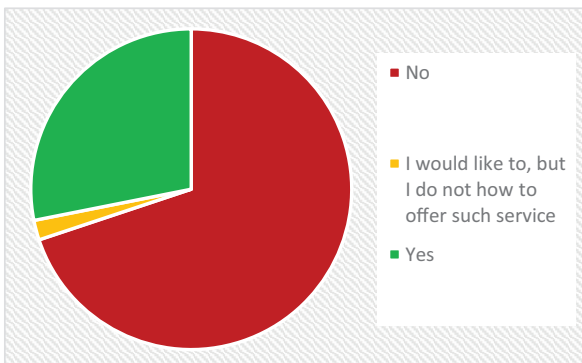
Aside from social platforms, respondents were asked on the use of digital devices. They declared using these devices in 70.4% of the cases for Communication with customers; 51.2% of the cases for Communication with suppliers; 42.6% of the cases for promoting your products/services; 35.5% of the cases for finding new customers and 28.3% of the cases to find new suppliers, etc. Additionally, there are **low levels is the use of software or technologies for purposes of the business.** Women entrepreneur use very little project management platforms, home-based WIFI and Cloud for business to ensure flexible work or telecommuting.

There is an urgent need to support women in business with digital know-how, as only 34.9% of respondents reported using the technology. Thus, the expectations for the penetration of e-banking for business purposes or e-commerce platforms as a business expansion strategy, become very low among women entrepreneurs.

Online trade and payments

Only 27.2% of businesses sell products/services online within Albania, and 71.5% do not. There is a need to emphasize that for purposes of this study the process of selling products/services online is not limited to purely e-commerce activities, but includes also solely online orders. Only 1.4% reported being asked to sell online, but that they do not have the knowledge to offer such service.

Figure 40. Online payment in women-led enterprises



Only 14.7% of women-led enterprises offered online purchase option outside of Albania.

50.4% of businesses have access to banking applications (online banking) via phone/computer. Meanwhile, **only three out of ten businesses provide the**

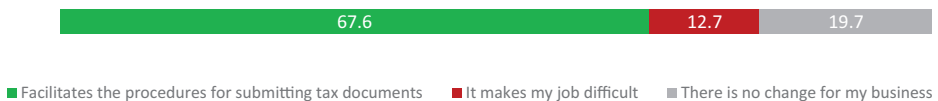
possibility for online payments for the products/services offered by the business.

Use of Government Portals

E-Albania Platform

More than half of respondents (55.3%) have acknowledge the positive impact of the government portal e-Albania, and the online services provided within the platform. Whereas 18.7% reported that providing such services online through the platform has created difficulties as they cannot use them, the remaining majority reported that these changes do not constitute a problem. To the contrary, 55.3% believe that access to public services through e-Albania, has facilitated their loan procedures.

Figure 41. Perception on government provided digital services (e-Albania, e-filing, My taxes)



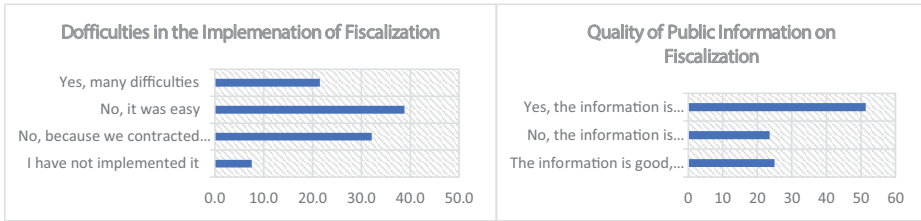
■ Facilitates the procedures for submitting tax documents ■ It makes my job difficult ■ There is no change for my business

67.6% of women-led enterprises responded that digital and online services such as e-Albania, e-filing, My Taxes, have facilitated the procedures for submitting tax documents and 19.7% of respondents reported not being affected by these changes. For 12.7% of respondents, however, these online services have made their business activity more difficult.

Fiscalization process

Regarding the implementation of the *fiscalization* process, 38.8% of businesses answered that they did not encounter any difficulties. Almost the same amount of women-led enterprises were relying on a third party (expert) for the implementation. One out of five women entrepreneurs (21.5%) recognised encountering many difficulties, while 7.6% have not yet implemented it.

Figure 42. Respondents' experience with the fiscalisation process



More than half of the respondents (51.4%) perceived the public information on *fiscalization* the official webpage of the General Directorate of Taxation process as very helpful and clear. A quarter of the respondents think that the information is good, but they still need more assistance, and almost the same share of respondents (23.6%) consider the information on the tax page as rather confusing.

Networks

Of the 953 businesswomen who participated in this survey, only 6% (57 businesses) answered that they are part of a network of businesses in Albania and only **3.9% were part of a dedicated network of women in business.** *The women networks reported include the Women Economic Chamber, Women Hairdressers Network, National Association of Professional Women, Businessmen and Craftsmen of Albania. Other general networks included the Albanian Beauty Association, Albanian Pharmacist Network, the Albanian Chamber of Diaspora and the Albanian Chamber of Advocacy.*

49.9% answered that they would like to participate in such a network and 42.5% either did not have time to participate, or did not see any benefit in business networks. The overall participation in business network is low (less than one in ten women entrepreneurs), as participation in regional networks is also low (at 7.2%) and international networks are 2.8%.

COVID-19 Impact

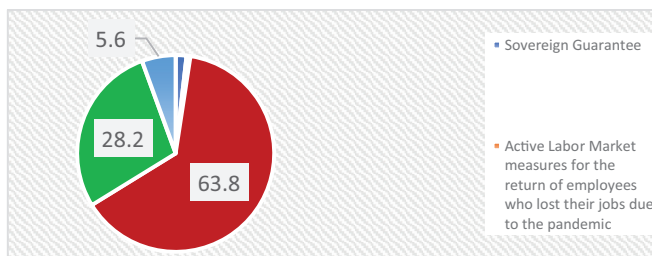
Throughout the questionnaire, women-led enterprises were asked whether and how did the pandemic affect their business.

- 38.6% of businesses answered that the Covid-19 pandemic affected access to customers, markets were completely closed or reduced; 28.3% answered that they temporarily stopped the supply; for 25.1% of businesses production or services were reduced/stopped, while for 18.8% there was a reduction in staff and working hours.
- Only 1.8% answered that the COVID-19 pandemic affected their business leading to bankruptcy.

About **half of women-led enterprises (46.5%) reported struggling to survive in business**, due to the impact caused by the closure/reduction of activities. **Two out of five entrepreneurs (19.5%) acknowledged it was the staff who suffered the consequences.** The preferred support after the pandemic include for 55.4% of businesses financial support, 14.5% Training and 12.6% Mentoring/advice from a professional/expert, etc.

Meanwhile, **from the measures taken by the Albanian Government, only 28.2% reported obtaining direct payments for their employees.** The majority, about 64% of businesses, responded that the measures did not apply to their business and that their business did not qualify for any reward. Whereas, **only 1.8% of businesses obtained a loan under the sovereign guarantee.**

Figure 43. The percentage of beneficiaries from the measures taken by the Albanian Government



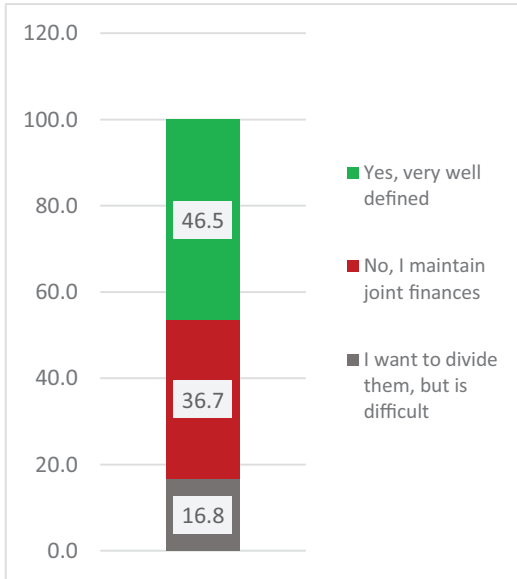
Out of the businesses that have obtained some support, 21% obtained employment salary support for three months (at the level of the minimum statutory wage of 26,000 ALL/month).

Only 1.8% obtained support through Active Labour Market Policies, for re-employing their staff (salaries and social security subsidy depending on

the specific program). Other categories that obtained a one off payment provided as financial assistance to all employees comprise a very small part of the total.

Business Finances vs Personal Finances

Figure 44. Separation of business and personal finances



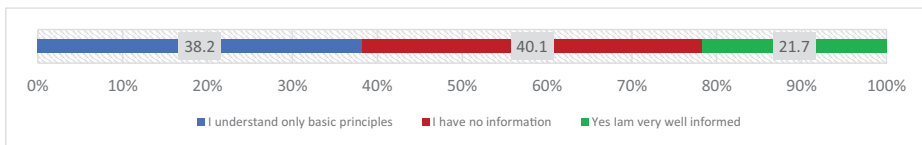
About **half of women entrepreneurs (46.5)** choose to separate their business finances from their personal ones, 16.8% want to separate but find it difficult to do so. More than 3 out of 10 women entrepreneurs (36.7%) maintain joint finances of their business and personal budget.

54.5% of businesses draw up a budget for their personal finances, while the rest do not. 29% of businesses have analysed their personal finances for the last time last month, while 21.3% of them at

the beginning of the year. 47.8% choose not to do it as practice.

Financial and Entrepreneurial Literacy

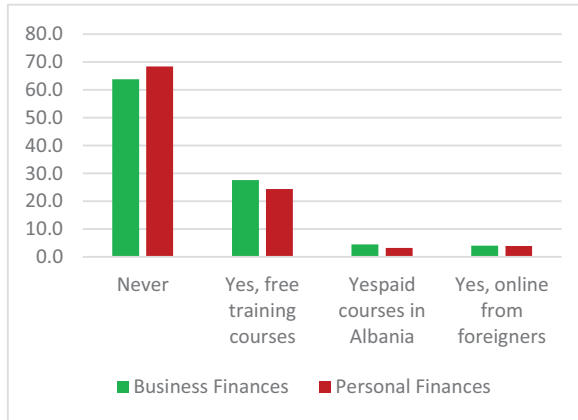
Figure 45. Knowledge on financial indicators of their business



Only 21.7% of women entrepreneurs part of this study declare they fully understand the financial indicators of their business. Thus only one in five women entrepreneurs is fully “hands on” their business, while two out of five do not have any understanding on the financial indicators. Meanwhile, as mentioned earlier, about 60% of businesses did not perform periodic analysis of their business financial indicators. This goes in line with the fact that 40.1%

of them were not familiar with the main financial indicators of the business and 38.2% understood only the basic terms.

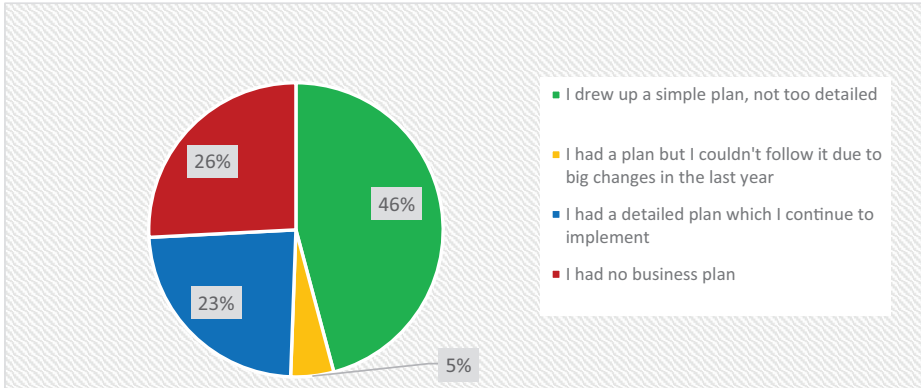
Figure 46. Training Participation on Personal and Business Finances



From these answers we can easily detect the relevance of training for their business. However, **respondents do not train related to finance as important as it appears to be. Three out of five respondents (63.8%) report never receiving lessons/training related to business finance.** Only 27.6% have received free training courses. Similar results are noted about lessons/trainings related to personal finance, where almost seven out of ten (68.4%) respondents have never received such trainings, while 24.3% have chosen to receive these trainings for free.

About four out of five women entrepreneurs consider participating in training for their personal and/or business development a very good investment, albeit their participation or not. There is clearly a discrepancy among the perception on the importance of these trainings and the share of entrepreneurs participating in them. Among those participating in these trainings, the ratio of participation in paid and free trainings, is 1:7.5 (*for the participation of one women entrepreneur in paid trainings there are more than 7 entrepreneurs are participating in a free training*) for personal finance trainings and 1:6 for business finance related training. There is a higher engagement in trainings for business finances, but the participation in free trainings outnumbers the paid training option. Thus, should policymakers aim to improve knowledge on financial management, business finance and foremost personal finance, they should increase the access to training opportunities and capacity building courses.

Figure 47. Business Plans and Business Creation



The same need is true when discussing business plans, business operations. A quarter of the respondents report not having any business plan, before establishing their business. About half (46%) prepared a simple business plan, while only 23.6% have had a detailed plan which they continue to implement.

These data are an urgent call for intervention in terms of financial and entrepreneurial literacy. This could encourage discussions on the need for some very basic components of entrepreneurial literacy. Albeit progress is reported in international reports (OECD, 2022), the long term impact of curricula focused on entrepreneurship remains to be exploited. Thus, for the time being “traditional” training courses for women entrepreneur, or potential women entrepreneurs remain very relevant.

Topical Case Studies from the Western Balkans region: Access to Finance

A review of literature and data demonstrates that among the most relevant but complex factors across the region of the Western Balkans is access to finance⁹⁵. To this end, this chapter represents an effort to bring some case studies of successful approaches to increase access to finance in several countries of the region.

Box 2. Case Study #1:

Women Empowerment and Promotion of Entrepreneurship in Albania

The Municipality of Tirana implements as of 2021, a new program in support of women enterprises in the fields of tourism, ICT, textile industry, services and crafts. The Fund for Women Entrepreneurs is established through the National Committee of State Aid, under the auspices of the Municipal Council Women Alliance.

This initiative targets 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 includes an annual budget of at least 10 million ALL, at the disposal of existing and new businesses in amounts of 500 000 ALL. There is yet no evidence on the impact of such finding.

Box 3. Case Study #2:

Entrepreneurship Development Encouragement Program in Serbia

The Government of Serbia introduced in 2021 a program in support of women entrepreneurs. The program enables a financial framework engaging blended financing, with a combination of a grant (*up to 35% of the investment value, or up to 45% of the investment value*) and a favorable loan from the Development Fund (*up to 65% of the investment value*).

⁹⁵ Regional Cooperation Council (RCC). 2023. Comparative Review: Women Entrepreneurship in the Western Balkans.

The conditions for the loans included in the programme are favourable ranging at 1%-2% annually. The total budget planned for the first year was 850 000 EUR. There is no public evidence on the impact of the grants.

Box 4. Case Study #3: Support through Local Government Units in Montenegro

Montenegro introduced in 2018 a new initiative with the support of development partners such as the UNDP, with the support of an informal group of women representatives in the Parliament and local councils, known as Women's Political Network. This initiative aimed to tackle at a local level some of the most pressing issues in terms of access to finance such as lack of diversified financial instruments⁹⁶. Municipalities included funding through grants in their local budgets. Currently there is no evidence on the impact of such grants.

Box 5. EBRD Women in Business Programme in the Western Balkans

EBRD established in 2014 the Women in Business Programme, with the support of donors, aiming to help women entrepreneurs in the region to grow their businesses and become more competitive. This programme is implemented with the cooperation of 13 financial institutions in the Western Balkan countries. Enterprises can qualify in this programme only if the overall operational management responsibility for the company should be held by a woman, thus providing access to credit lines in local bank and non-bank financial institutions dedicated to women-led SMEs. In a report of 2022, the EBRD declared that women-led enterprises had benefited from over 65 million EUR or financing under this programme. 96% of the businesses boosted their income and 94% of beneficiaries increased their number of employees, creating nearly 3,000 jobs in the region. The EBRD report that 60% of these loans reached women in rural and less developed areas^{97,98}.

⁹⁶ Montenegrin Employers Federation. 2013. Assessment of the environment for women entrepreneurship in Montenegro

⁹⁷ EBRD. 2022. Women in Business Programme. Available at: <https://ebrdwomeninbusiness.com/about.xhtml>

⁹⁸ EBRD. 2022. EBRD and donors support 5,000 women-led businesses in Western Balkans. Available at: <https://www.ebrd.com/news/2022/ebrd-and-donors-support-5000-womenled-businesses-in-western-balkans-.html>

Key Takeaways

This chapter elaborates on some of the discussions in the report, and on the continuous work of the Gender Alliance for Development Center for women entrepreneurship, women employment and gender equality.

Box 6. Actionable Takeaways

Crosscutting Takeaways

- Maintain the momentum and revive existing public-private dialogue platforms.
- Ensure periodic and comparable surveys to assess women entrepreneurship and develop trends and policies.

Policy-level Takeaways

- Ensure women entrepreneurship is a domain of focus in all strategic documents, including the upcoming National Employment and Skills Strategy.
- Engage in concrete action-plans on entrepreneurship, with equitable actions for women entrepreneur.
- Engage to ensure a thorough public consultation of the Economic Reform Programme. Increased participation from civil society organisations.
- Engage in supporting women in business in access to finance, marketing, and access to trade as the main barriers to growth.
- Initiate the development of special programs for clusters of women-run business and start-ups, to support or induce distribution of women entrepreneurs in all sectors of the economy, particularly in strategic sectors;
- Pilot new measures to support transition of women to self-employment.
- Ensure investment in human capital for women throughout the life cycle, from childhood development to building skills, and encourage entrepreneurship.

– Support to women-led businesses for access to national and international fair. The future export strategy to be developed by the Ministry of Finance and Economy should have a gender-sensitive approach.

Takeaways on Visible Gender Data

- Directly engage academia in the effort to scale up gender data availability.
- Establish an alliance for more gender-segregated data, robust gender statistics and gender-sensitive data analysis.
- The Institute of Statistics should develop and present a dedicated window to women entrepreneurship or a Gender Scorecard.
- The government should initiate a gender-aware automatized data processing approach within every system collecting data in the public sector. The National Agency for Information Society should develop a horizontal approach to be implemented by public institutions.

Women-led Entrepreneurs Takeaways

- Women entrepreneurs peer awareness raising should be explored as a tool for mentoring, networking and increased engagement of women entrepreneurs in gender-positive policies in and out of their business. Build upon the power of networking, becoming a strong stakeholder to the public.
 - Women's Empowerment Principles should be promoted for companies to enrol, and initiate a process of having gender equality among their strongest guiding principles.
- Capacity Building and Training Needs Takeaways
- Initiatives supporting training of women in business should continue. Additional training should be developed free of charge to introduce women entrepreneurs or aspiring entrepreneurs with basic know-how of HR policies, financial management of a business and personal finances.
 - Awareness on positive impact of digital services, alongside training will be crucial to ensure that women-led businesses, particularly small ones, are not strongly affected by technological changes.

Non-Financial Support Takeaways

– Increase and strengthen support services for women, starting with childcare, easing the burden to those women that want to engage in entrepreneurship and support women entrepreneurs for a better work-life balance.

Access to Finance Takeaways

- Scale up access to finance with the combination of several financial instruments.
- Explore the possibility to implement programmes similar to the one implemented in Serbia.
- Continue the positive experience with support to women-led businesses at a local level. Advocate to expand this initiative to other municipalities.
- Combine financial support to know how and business literacy: implement financing models targeting women led enterprises and scale up entrepreneurial learning and financial literacy, especially in rural areas.

Financial and Entrepreneurial Literacy Takeaways

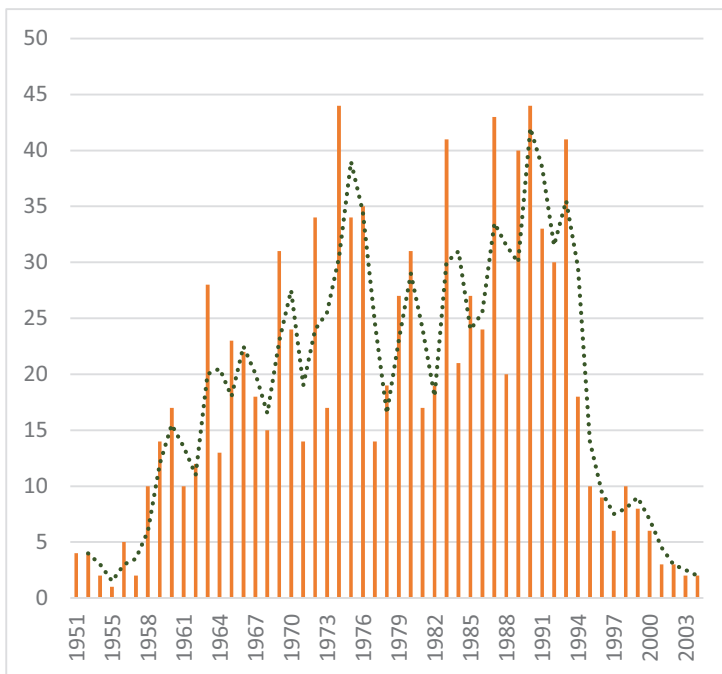
– Scale up entrepreneurial education and implement recommendations of the Small Business Act for Albania. This can turn out as one of the few defining factors in shaping the structure of women enterprises, shifting from natural persons with no employees, to more structured companies and larger size.

Annexes

Annex 1. Additional Information on Respondents

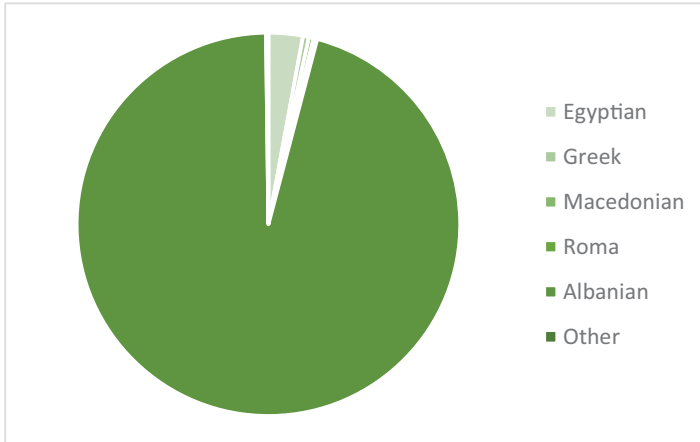
1,002 people answered the questionnaire, of which only 1 of them lived abroad, while 99.9% or 1,001 respondents answered that they lived in Albania.

Figure 48. Age of Respondents



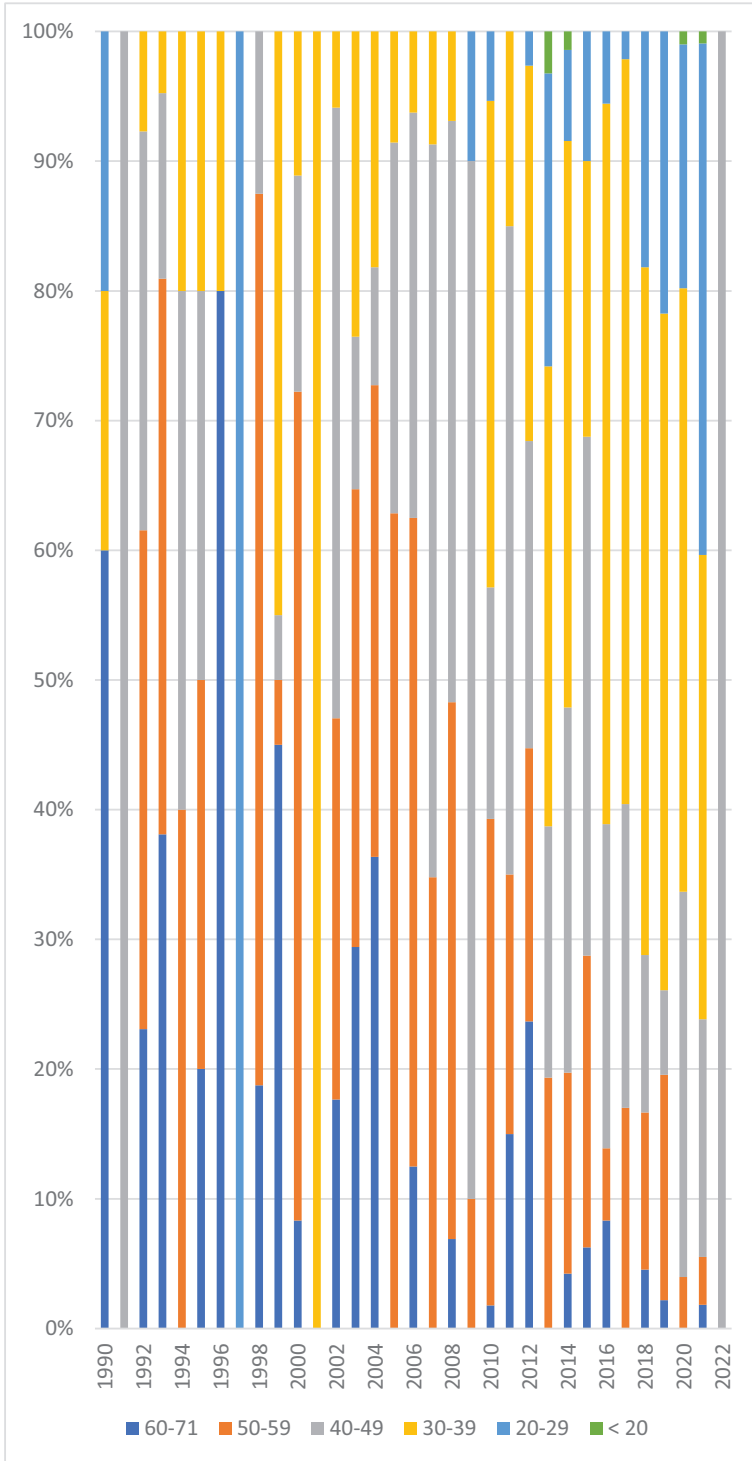
- Respondents were born from 1951 to 2004, that is, from the age of 71 to the age of 18. 2 of the 1001 women entrepreneurs were 18 years old. 4 were born in early 1951 and are 71 years old.
- Most of the women questioned, 44 of them, belong to the 48-year-old age category and were born in 1974.
- Likewise, another 44 were born in 1990, so they are 32 years old, while 43 of the respondents were born in 1987 and are 35 years old.

Figure 49. Ethnicities of respondents based on self-declaration



- 95.7% of the women entrepreneurs, who answered to the questionnaire identified themselves as being Albanian.
- 2.9% of respondents reported belonging to the Egyptian ethnic group.
- Each of the remaining groups represent less than 1% of the sample.

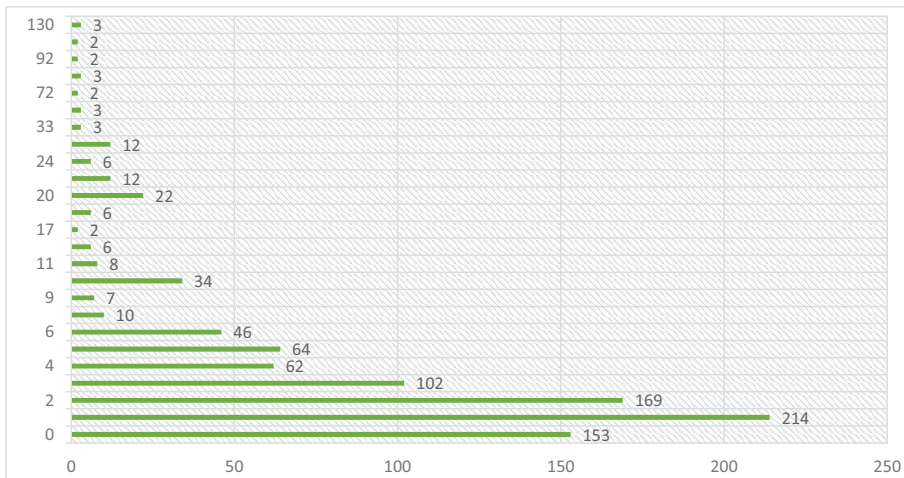
Figure 50. Women Entrepreneurs' age when starting a business



Out of all the respondents, only 5 women established their business in 1990, having today a business longevity of 33 years. Out of these, 3 were **31 years old** when they created their firm.

- In 2000, 36 women established their business, 6 of which (16.7%) were **34 years old** at the time, while 5 women (13.9%) were 26 years old.
- In 2010, 56 women started their business, 6 of which (10.7%) were born in 1990 and were 20 years old when they registered their business for the first time.
- In 2015, 80 women started their business, 13 of which (16.3%) were born in 1976 and were 39 years old when they registered their business for the first time.
- In 2021, 109 women started their business, 14 of which (12.8%) were born in 1993 and were 28 years old when they registered their business for the first time.

Figure 51. Total number of paid employees' business, currently employ on an ongoing basis



A high percentage of businesses 16.1% answered that they did not currently employ any salaried employees in their business.

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