

Marija Babovic, PhD

# THE STATUS OF WOMEN IN THE BUSINESS SECTOR IN SERBIA

A STUDY



Ministry of Labour,  
Employment, Veteran  
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## LIST OF ABBREVIATIONS

<b>APR</b>	Agencija za privredne registre – <i>The Serbian Business Registers Agency</i>
<b>ARS</b>	Anketa o radnoj snazi – <i>Labour Force Survey</i>
<b>CEDAW</b>	Konvencija o eliminaciji svih oblika diskriminacije nad ženama ( <i>The Convention on the Elimination of All Forms of Discrimination Against Women</i> )
<b>EFSE</b>	Evropski fond za jugoistočnu Evropu ( <i>European Fund for Southeast Europe</i> )
<b>EIP</b>	Program za razvoj indikatora za preduzetništvo ( <i>Entrepreneurship Indicator Programme</i> )
<b>EK/EC</b>	Evropska komisija ( <i>European Commission</i> )
<b>EU</b>	Evropska unija ( <i>European Union</i> )
<b>FREN</b>	Fondacija za razvoj ekonomskih nauka ( <i>Foundation for the Advancement of Economics</i> )
<b>GEM</b>	<i>Global Entrepreneurship Monitor</i>
<b>GTF</b>	Radna grupa za jednakost polova ( <i>Gender Task Force</i> )
<b>IBM</b>	Transnacionalna korporacija za informatičke tehnologije ( <i>Transnational Corporations For Information Technology</i> )
<b>ILO</b>	Internacionalna organizacija rada ( <i>International Labour Organization</i> )
<b>MSP</b>	Mala i srednja preduzeća ( <i>Small and Medium Enterprises</i> )
<b>OECD</b>	Organizacija za ekonomsku saradnju i razvoj ( <i>Organisation for Economic Co-operation and Development</i> )
<b>RZS</b>	Republički zavod za statistiku – <i>Statistical Office of the Republic of Serbia</i>
<b>SEECCEL</b>	Centar za proučavanje preuzetništva u Jugoistočnoj Evropi ( <i>South East European Centre for Entrepreneurial Learning</i> )
<b>UN</b>	Ujedinjene nacije ( <i>United Nations</i> )
<b>UNDP</b>	Program za razvoj Ujedinjenih nacija ( <i>United Nations Development Programme</i> )
<b>WB EDIF</b>	Program za razvoj preduzeća i inovacija u Zapadnom Balkanu ( <i>Western Balkans Enterprise Development &amp; Innovation Facility</i> )
<b>WES</b>	Ekonomska mreža za promociju ženskog preduzetništva ( <i>European Network to Promote Women's Entrepreneurship</i> )

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## FOREWORD

The economic position of women is a key element for promotion of gender equality and one of key factors of both economic growth and development and promotion of human rights in the world, especially in the countries where the position of women is additionally burdened by the on-going transition. Economic, political and media empowerment of women are the three priorities of the National Strategy for Improving the Position of Women and Promoting Gender Equality.

Through Action Plan for the Implementation of the National Strategy for Improving the Position of Women and Promoting Gender Equality the Ministry of Labour, Employment, Veteran and Social Issues of the Republic of Serbia implements various provisions that are reinforcing and empowering economic stability and rights of women in Serbia.

Since equal economic development cannot be achieved without adequate use of female potentials, it is necessary to encourage participation and improvement of the position of women in the market economy. In order to compile the exact data on the effects of the world economic crisis and of all measures for improvement of the economic position of the women, we have conducted the "Study on the Status of Women in Business", within the Three year Programme for the Implementation of the Priority Areas of the Plan of Action for the Implementation of the National Strategy for Improving And Promoting Gender Equality, supported by the Government of Sweden.

The study presents the outline of the most important aspects of the national and international institutional frameworks, policies and examples of good practices regarding the support to women in business. It also contains a description of the most important socio-economic markers that are required in order to comprehend the status of women in business. One part is dedicated to comparative insights into the status of women in business – in relation to men in Serbia and also regarding women in the region and EU and it provides the findings of the survey research about a set of key dimensions regarding the status of women in business: the processes of initiating a business or raise to managerial positions, the sustainability and success rates of the business, and the factors contributing to them, about perceptions of gender relations in business, and synchronizing the professional and private life.

The last part of the study is used to summarize the most important conclusions and bring forth the recommendations in few key areas: Institutional framework for women entrepreneurship, socio-economic conditions and business climate, the profile of women in business, entrepreneurial /managerial beginnings, sustainability and success, potentials and obstacles.

We are hoping that that these recommendations meant for decision makers, representatives of business sector and female entrepreneurs will be proven as useful tool in processes of creation of institutional and business frameworks and mechanisms for strengthening the economic position of women in Serbia.

Mr Laslo Cikos

State Secretary

Ministry of Labour, Employment, Veteran and Social Issues of the Republic of Serbia

## SUMMARY

The Study on the status of women in business has been prepared according to the research conducted by SeConS – Development Initiative Group during the spring of 2014, in partnership with the Ministry of Labour, Employment, Veteran and Social Issues, and supported by the IMG and the funds from the Swedish International Development Cooperation Agency (SIDA).

The basic aim of this study is to provide thorough knowledge and information on the status of women in the business sector in Serbia, through identifying the scope and characteristics of the business activities conducted by women and the social profile of women in business. Furthermore, one of the key subjects of this research was researching the potentials and identifying the obstacles to sustainability and success rate of business endeavours of women, alongside with reviewing the status and characteristics of women in the business sector in Serbia regarding the comparative framework – when compared to men in Serbia and women in other countries.

## METHODOLOGY AND DEFINITIONS

The study presents differences for two basic categories of women in the business sector, which were considered as separate samples of the research:

**Women entrepreneurs** – women who are simultaneously (co)owners and principal managers of their company, regardless of the fact that they are registered as entrepreneurs or (co)owners of a business entity. **Women managers** – women that were at the highest managerial positions in their respective companies during the research and who did not have a share in the ownership.

Research methodology contained three basic components: **desk research**, **survey research** on a representative sample of women entrepreneurs and managers (with a panel subsample of women entrepreneurs) and **qualitative research** of selected cases of women entrepreneurs and managers.

The desk research was conducted with an aim to provide information on international and national institutional framework and policies, mechanisms and good practices for improving the status of women in business in the country and regarding the international context. The survey was conducted on a sample of 600 women entrepreneurs and managers and represents the key researching component, with an aim to enable gathering of data for a large number of indicators that are to be used to monitor the characteristics of the status of women in the business sector, their perceptions of the business climate, programs of support, etc. The qualitative research has been conducted on a small assembly of women entrepreneurs and managers who were chosen as upstanding sample examples of various types of business women, with an intention to take a closer look into their experiences regarding successes and failures, sustainability strategies, perceptions regarding obstacles and potentials, etc.

It should be pointed out that the survey has also included a panel subsample of women entrepreneurs who were interviewed during the previous cycle of research on women entrepreneurship in Serbia, and which was also conducted by SeConS in 2011, in cooperation with the Directorate for Gender Equality, and supported by UN Women. That enabled a more clear and precise investigation into various factors of sustainability / success rate of business, both those in the form of **internal weaknesses**, and those regarding **external threats** from the environment, in personal socio-economic context in Serbia,

which is characterized by reduction in recession and stagnant economy during this period. Owing to that, it was possible to obtain a more precise knowledge on **resistance factors and potentials** of women in business.

## INSTITUTIONAL AND LEGAL FRAMEWORK

The institutional framework for entrepreneurship in Serbia has significantly developed in the past couple of years. A complex legal framework and a network of institutions are important for regulation and advancement of the status of women in business, but can also represent a burden in conditions of extreme complexity and extent of the framework. The development can also be established through multiplying laws and regulations that regulate the areas such as: registration, conducting business, conditions for conducting various transactions, cooperation and contractual relations, settling obligations towards the state, employees, respecting the rights of the employees and regulating social contributions, as well as a large number of conditions regarding the standards and conditions in the community. The development is finally established through various strategic and action plans, which are used to operationalize the policies intended for the development of entrepreneurship as the key instigator of the economic growth. However, that can represent a significant burden for women entrepreneurs who are, in most of the cases, at the head of their micro companies and in that sense have no possibilities to relay on other employees regarding the administrative aspect of business. The gender perspective is not sufficiently integrated in the regulations and policies that directly target the regulation and development of entrepreneurship, thus these regulations and policies neither recognize some specific problems and requirements of women in business, not do they enable specific forms of support.

## THE FINDINGS ON THE STATUS OF WOMEN AND MEN IN BUSINESS

Gender inequalities in the business sector are only a continuance or part of the total gender inequalities in Serbia, which are still prominent in a number of aspects – political and economic participation, family, education, etc.

The data from our research show a prominent gender gap in the business sector. Women take only about a fourth (25.8%) of the highest decision making positions in the companies (the positions of general managers and chairperson of the executive boards), and are somewhat less than a third of the whole number of entrepreneurs (31.7%). Although the information on the share of women among entrepreneurs points out to an increase, when compared to 2011, it is required to take that information with caution on account of possible differences in methodology used for making the estimations. However, regardless of that, women are still a minority in the ranks of entrepreneurs and highest ranking managers. In case we direct our attention to the scope of entrepreneurship through various legal forms of companies, we can notice that women are ever more rare at the heads of business entities than in entrepreneurial activities. Namely, the share of women entrepreneurs who are leading business entities is especially small (only 19.6%), and the number of men entrepreneurs is significantly higher (80.5%). Apart from that, the findings of the research show a tendency of even harder advancement of women to the highest managerial positions, in the situations when they are not owners of the company, or when there are multiple owners, and also when there is a big competition with the colleagues for the highest managerial positions. The information show that the companies headed by women are harder for sustainable work, or they are distinguished by a higher rate of closing. Gender gap is also visible in respect to sector structure of women and men entrepreneurship. Women are most often working with trade – as much as 40% of women entrepreneurs is leading a company within this sector, while when men entrepreneurs are in question trade activities are noticed with 29.3%. Furthermore, the sector of providing services also has a very high rate of women, while men entrepreneurs turn more to the sectors of transportation and construction, and women entrepreneurs are more present in the sector of services.

Regional differences are noticeable in several aspects: men entrepreneurs and women entrepreneurs outside Belgrade are considerably less prone to conduct their entrepreneurial ventures through legal forms of business entities than their counterparts from Belgrade; women outside of Belgrade are getting to the leading positions in business entities even harder, and the sector structure of entrepreneurial ventures of women is significantly different between Belgrade and other regions, women entrepreneurs outside Belgrade are somewhat more engaged in conducting business in the field of industry, they concentrate their businesses even more in the area of trade, while women from Belgrade are more inclined to do business activities in the area of information technologies and quaternary services.

When we are considering comparative data on basis of which the condition in Serbia can be compared with the condition in other countries, the findings are counterintuitive. Gender gap in the spread of entrepreneurship was mostly visible in 2007, when compare to all the monitored countries and was 12 percentage points. However, one should keep in mind that the spread of entrepreneurship for women is considerably smaller than with men in all countries monitored by GEM<sup>1</sup>.

The presence of women at the highest decision making positions in companies is above the average of EU (the share among the chairperson of the executive boards) according to some indicators, and according to the other ones it is below this average (the share among the chairpersons of the executive boards). Regarding the share of women among general managers of the largest companies from the Stock Market list of Serbia, the data unfortunately presents the same situation as in most of the countries in respect of a total absence of women in these positions.

## CHARACTERISTICS, POTENTIALS AND OBSTACLES FOR WOMEN IN THE BUSINESS SECTOR

Women in the business sector are not a homogenous category. Significant differences are manifested between those who are entrepreneurs, or have ownership over the company and manage it, and women managers, who only manage the company without founding capital. Although their socio-demographic profile is similar, because these are middle-aged women, usually family women, the differences between them are shown in respect of education and business profile. Namely, while women entrepreneurs are most commonly women with secondary education (as much as 65% belongs to this educational category), women managers are most frequently with high education, (only 23.5% of the women managers are with secondary education). Apart from that, women managers run companies which are on average larger than the companies of women entrepreneurs, and they are less concentrated in the sector of services, while there are more companies conducting business in the production sector. Regional differences are registered also in the structure of the companies according to their branch of activities, but trade is somewhat less present among business women in Belgrade region, with a higher share of companies providing administrative, social services in this region at the same time. Companies conducting business in the sector of personal and classical services are most of all present in the region of Šumadija and Western Serbia. A significant difference can also be seen in the fact that companies of women managers are doing business in the markets wider than local more frequently than companies of women entrepreneurs.

Women entrepreneurs have in most of the cases founded their own current companies, most often after a previous working experience (mainly with another employer), considerable number of them has not only previous working experience in the given activity, but also managerial experience. Although in most of the cases entrepreneurship was motivated by necessity to provide employment, a large role

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1 Global Entrepreneurship Monitor – GEM, an innovative methodology for monitoring entrepreneurship developed in a partnership between OECD and Eurostat for the EU area, as well as a mechanism of monitoring the participation of women and men on decision making positions, which was established in 2003., by the European Commission.

in initiating an independent business was played by the desire to be independent in work, the need to realize certain business ideas, etc. Financial means came from private funds, whether in the form of family or personal savings. The resources from informal networks are prevailing support in initiating a business, as well as informal sources of information and business support in the beginnings.

Women managers have also reached managerial positions after a previous working, and frequently managerial, experience, in most of the cases. The channels of recruitment were different and started from lower position at the same company, but also from managerial and non-managerial positions in other companies. Most of women managers were “evaluated” during the execution of previous working roles, making the promotion to higher positions become a “natural” consequence. Despite high education and previous experience, a considerable number of women managers has pointed out that at the beginning of their current roles they have felt insecure, that certain knowledge was missing, alongside with experience and self-confidence. Most of the women managers stated that they encountered obstacles, during their ascent to managerial positions, and that the obstacles can be noted as gender discrimination. They had to prove themselves more than their male colleagues, there were not equally rewarded and there were facing lack of trust, sometimes even humiliation inside and outside the collective.

When financial indicators of business are in question, the differences are noticeable between women entrepreneurs and women managers. While trends of turnover, income and profit decrease are noted with the former, a more frequent positive evaluation of financial performances can be heard from women managers. Among them the category of respondents that evaluated last year as “good” is not small, and neither is the share of the category which evaluated the profits as “excellent”.

Judging according to the information from the research, women companies from the sample are not sufficiently connected with other organizations. Women entrepreneurs most often connect with the suppliers of raw materials and semi-finished products, then with companies they exchange information with, while other forms of connections are present in a lesser number of cases. When companies of women managers are in question we can notice a higher presence of connections with clients, with other companies that sell raw materials, products or services, with the previous two forms of connections, present also with women entrepreneurs.

Both women entrepreneurs and women managers are most often innovating products and services, and a tendency of “new” women entrepreneurs and managers to make innovations in marketing aspects of the business, more than the “old” entrepreneurs, is perceived as well. Women entrepreneurs invest in trainings of their staff much less than women managers.

Potentials of women entrepreneurship are shown through intensely presented desires for autonomy in work, for independent business ventures, as much as 64% of women entrepreneurs stated this as one of the most important reasons for initiating their own business. Apart from that, there is readiness to take risks, not to give up easily, after the first try, to invest valuable previous experience and resources at their disposal in the independent business.

The analysis of success factors has shown that important factors are: size of the company (small companies have ten times more chances to be successful when compared to micro companies), investment in knowledge and skills of women entrepreneurs, cooperation with other companies above all in the form of stable connections with the clients and innovation of products and services.

The main weaknesses are frequent entering in entrepreneurship on account of sheer pressure caused by economic necessity (64.6%) and without sufficiently developed business ideas, while other obstacles are unfavourable resources for start-ups, and especially the lack of financial capital, big competition in restrictive economic conditions after the crises, vulnerable status of small companies, difficulties in collecting claims, as well as obstructions connected with gender discrimination.

The information from the research shows that there is gender discrimination in business as well, and that women entrepreneurs, and especially women managers, have encountered its various forms during their careers. One form of gender discrimination is portrayed in lack of trust from the business environment, even in refusal to make a business deal with a woman. Another form is seen more within the organizations and it is most often encountered by women managers, in the situations when they meet impediments to advancement, when they are not equally rewarded or when their colleagues and subordinates are “not taking them seriously” because they are women, belittling not only their competencies and skills, but also their personalities.

Business women are predominantly also family women who are facing problems of reconciling business, family and individual aspects of life. They on average work longer hours than the normal working hours.

### **FAILED ENTREPRENEURIAL ATTEMPTS**

Women entrepreneurs whose business ventures were unsuccessful are different in certain characteristics than with women entrepreneurs who were active during the research: they are on average older, their companies were exclusively micro companies, most frequently present in the areas of trade and personal and classical services. Former women entrepreneurs were most often becoming that on account of necessity and the companies were mostly closed by themselves when they erased them from the registry of the Serbian Business Registers Agency at the time when they could not settle their obligations any more. Their perception of the business climate in Serbia is extremely unfavourable, but despite that, some 40% of them is thinking about their new entrepreneurial venture. They have a less exposed conflict between professional and private life today, still, almost half of them claims that they were more satisfied when they had their own company.



# INTRODUCTION

The study on the status of women in the business sector in Serbia is based on the findings of the research conducted by the organization SeConS – development initiative group, during the spring of 2014, for the needs of the Directorate for Gender Equality within the Ministry of Labour, Employment, Veteran and Social Issues, and with the help of the IMG and the funds from the Swedish International Development Cooperation Agency (SIDA). The basic aim of this study is to provide thorough knowledge and information on the status of women in the business sector in Serbia. This encompasses a set of specific aims:

- Identifying the scope and characteristics of business activities conducted by women,
- Identifying the social profile of women engaged in the business sector,
- Researching the potentials of women included in the business sector, as the most important economic players contributing to the economic growth and the development of the country, but also as social actors who are providing for existential needs to themselves and their families with their business activities,
- Identifying the key obstacles in sustainability and success rate of business endeavours of women,
- Reviewing the status and characteristics of women in the business sector in Serbia regarding the comparative framework – when compared to men in Serbia and women in other countries in the region of South East Europe and EU,
- Identifying the practices and mechanisms, both national and the ones present in the region and EU, which contribute to the improvement of the status of women in the business sector.

The initial study on the entrepreneurship of women (Babović, 2012) represented the first comprehensive and systematic analysis of the scope and characteristics of entrepreneurship of women in Serbia. The most important findings put forth in this analysis have presented a relatively low proportion of women among entrepreneurs (26%), higher vulnerability of the business ventures of women than of the ones conducted by men, initiating business which is in most cases motivated by necessity (the impossibility to provide employment in other ways) and not on account of the need to realize a good business idea. At the same time, the study has pointed out the significant potentials of women entrepreneurship: valuing the autonomy in work, willingness to work with high intensity in order to provide sustainability and success in the business, perseverance in work, persisting even after unsuccessful venture attempts and willingness to try out new courses of action, etc. However, this initial study has only regarded women entrepreneurs, that is to say, women that at the same time had (at least a partial ownership) of the company and were the main managers of that company as well.

Having in mind the findings of the initial study, the research that was conducted in 2014 has contributed to the expansion of knowledge regarding the status of women in business in two ways. First, apart from women entrepreneurs, the research has also encompassed the women managers, women that are at the head of a company and are not among the owners / founders of the company. Second, a panel survey had been conducted on a subsample of women entrepreneurs that were interviewed in 2011, which enabled a more clear and precise investigation into the influences of various factors to sustainability / success of the business, both for those in the form of **internal weaknesses**, and the ones connected with the **external threats** from the environment, in a specific social-economic context in Serbia, which is characterized by the decrease in recession and a stagnant economy. Due to that it was impossible to acquire a more precise knowledge on the **resilience and potentials** of the business conducted by women.

A complex methodology had been introduced in an effort to accomplish all set research aims. It included three basic components: **desk research, survey research** on a representative sample of women entrepreneurs and managers (with a panel subsample of women entrepreneurs) and **qualitative research** of selected cases of women entrepreneurs and managers. The desk research was conducted with an aim to provide information on international and national institutional framework and policies, mechanisms and good practices for improving the status of women in business in the country and regarding the international context. It also had an aim to gather comparative statistic data in order to enable the analysis of women in business in a comparative framework – relating to men in Serbia and as well women in business in the wider region and EU. The survey research represents the key researching component, with an aim to enable gathering of data for a large number of indicators that are to be used to monitor the characteristics of the status of women in the business sector, their perceptions of the business climate, programs of support, etc. The qualitative research has been conducted on a small assembly of women entrepreneurs and managers who were chosen as upstanding sample examples of various types of business women, with an intention to take a closer look into their experiences regarding successes and failures, sustainability strategies, perceptions regarding obstacles and potentials, etc.

Taking into account the complexity of the category regarding which the research has been conducted – women in business – as well as the aims of the research, the sample included some basic sub-categories:

- 1) Women entrepreneurs – women that are (co)owners and main managers of the company at the same time, with a couple of categories:
  - a. Panel category, which includes women entrepreneurs interviewed during the initial research in 2011 as then active entrepreneurs, and who were found in the spring of 2014 as still **active or inactive** (the business is closed);
  - b. Non-panel category, also including active and inactive women entrepreneurs selected with the method of random selection from the Serbian Business Registers Agency (APR)
- 2) Women managers – women that are positioned as the head managers of companies, but are not themselves founders, that is to say (co)owners of the companies.

The research contains several basic parts. The first part contains the conceptual framework, the most important terms are defined and aims and methods of research are represented. The second part contains a description of the contextual framework. It encompasses a review of the most important aspects of international and national institutional framework, the policies and examples of good practice regarding support to women in business. Additionally, it contains a description of the most important socio-economic markers that are required in order to comprehend the status of women in business. In this respect, the most important economic trends have been presented alongside the characteristics of the gender regimes. The third part is dedicated to comparative insights into the status of women in business – in relation to men in Serbia and also regarding women in the region and EU. The fourth part represents the key section of the study, because it provides the findings of the survey research about a set of key dimensions regarding the status of women in business. This part contains chapters on basic characteristics of the sample, the processes of initiating a business or raise to managerial positions, also regarding the sustainability and success rates of the business, and the factors contributing to them, about perceptions of gender relations in business, and synchronizing the professional and private life. The fifth part is dedicated to the analysis of business failures. The subsample of women with closed businesses has been used to analyse specific characteristics and factors of malfunction, but also the potentials to obtain lessons and initiate new business ventures from these experiences. The sixth part presents selected cases of women entrepreneurs and managers, that can be shown as important upstanding examples for certain forms of business or as types of problems, that is to say examples of successful business strategies. The last, seventh part, is used to summarize the most important conclusions and bring forth the recommendations.



# 1. THE CONCEPTUAL BASIS AND METHODOLOGY OF THE RESEARCH

## 1.1. CONCEPTS AND DEFINITIONS

Taking into consideration that the subject of the research – women in business sector – might be insufficiently clear, it is required to initially put forward the most important definitions and concepts. Above all, uncertainties might appear regarding the term “business sector”. This is a term which is mostly used without being sufficiently defined, thus making it unclear as to what it encompasses exactly.

**The business sector** in this study represents the sector of economy where private, profitable companies are placed, combining resources with an aim to produce goods or provide services. This sector includes state institutions, public companies, non-profit organizations, private households, agricultural households and cooperatives. On operational level, the business sector in this study includes registered entrepreneurs and business organizations in legal forms of limited liability companies, partnerships, limited and joint-stock companies, where at least half of the capital is in private ownership of natural and legal persons.

**The owners** are natural and legal persons owning a part or the whole of a company’s capital. They may be “absent owners” in the sense that they do not take any entrepreneurial or managerial roles in the company.

**Managers** are persons that are in charge of the existing resources within the existing structures and procedures in the company, with an aim to make organizational decisions and realize tasks (Cingula, in Bolcic, 1994: 76).

**Entrepreneurs** are not the same as the owners or managers. There are numerous definitions of entrepreneurship and entrepreneurs (more about it in Babović, 2012, Bolčić, 1994), but basically those are the actors that work in the space between the owners and managers. They not only own (at least a part) of the company and perform regular managing as managers, but also carry out roles that are specific only to them, which is to say that they combine in a pro-active and innovative way the economic resources, transferring them from the sectors of low productivity and income to the sectors of higher productivity and income (Say, Catillion, Drucker, in Drucker, 1985). In that way, and as opposed to managers who execute business with the existing resources, they work in the direction of providing, establishing the resources required, identifying the chances and taking risks trying to reach their economic goals. However, this definition of the entrepreneurs is not easy to operationalize with a research, and the entrepreneurs are thus in researches defined as persons that are simultaneously the owners and main managers of the company.

**Company** is a term used to describe a formal organization within which business is conducted. On account of a specific legal framework in Serbia, the term “entrepreneur” is officially utilized to mark natural persons registered at the Serbian Business Registers Agency (APR) as bearers of some business

activity that can be realized within the workshop, office, practice, agency or within some other form. The term company is often used solely in the context of a business entity. However, in this study, the term company will be utilized to also encompass the economic organization of the entrepreneurs (shop, office, practice and other), as well as the business entities (limited liability company, partnership, limited (liability) partnership, joint stock company).

Taking into account the presented definitions, the study will differentiate two basic categories of women in the business sector:

**Women entrepreneurs** – women that are at the same time the (co)owners and main managers of the company, regardless whether they are registered as entrepreneurs or (co)owners and heads of the business entity.

**Women managers** – women who were at the highest managerial positions in the company where they did not have any shares in the ownership.

## 1.2. GOALS AND METHODOLOGY OF THE RESEARCH

The basic aim of the research was to provide thorough knowledge and information on the status of women in the business sector in Serbia. This task includes a number of specific goals:

- Identifying the scope and characteristics of the business activities conducted by women,
- Identifying the social profile of the women engaged in the business sector,
- Investigating the potential of women included in the business sector, as important economic players who are contributing to the economic growth and development of the country, but also as social actors who are providing for existential needs to themselves and their families with their business activities,
- Identifying the key obstacles to sustainability and success of the business endeavours of women,
- Consideration of the status and characteristics of women in the business sector in Serbia in comparative frameworks – regarding men in Serbia and women in other countries and the region of the Western Balkans and EU,
- Identifying the practices and mechanisms both national ones and the ones in the region and in EU, which are used to contribute to the improvement of the status of women in the business sector.

A complex methodology has been introduced aiming to reach all set investigative objectives. It included three basic components: **desk research**, **survey research** on a representative sample of women entrepreneurs and managers (with a panel subsample of women entrepreneurs) and **qualitative research** of selected cases of women entrepreneurs and managers.

**The desk research** was conducted with an aim to provide information on international and national institutional framework and policies, mechanisms and good practices for improving the status of women in business in the country and regarding the international context. It also had an objective to gather comparative statistic data in order to enable the analyses of women in business in a comparative framework – relating to men in Serbia and as well women in business in the wider region and EU.

**The survey research** represents the key researching component, with an aim to enable gathering of data for a large number of indicators that are to be used to monitor the characteristics of the status of women in the business sector, their perceptions of the business climate, programs of support, etc.

**The qualitative research** has been conducted on a small assembly of women entrepreneurs and managers who were chosen as upstanding sample examples of various types of business women, with an intention to take a closer look into their experiences regarding successes and failures, sustainability strategies, perceptions regarding obstacles and potentials, etc.

Taking into account the complexity of the category regarding which the research has been conducted – women in business – as well as the aims of the research, the sample included some basic sub-categories:

- 1) Women entrepreneurs – women that are (co)owners and main managers of the company at the same time, with a couple of categories:
  - a. Panel category, which includes women entrepreneurs interviewed during the initial research in 2011 as then active entrepreneurs, and who were found in the spring of 2014 as still **active or inactive** (the business is closed)
  - b. Non-panel category, also including active and inactive women entrepreneurs selected with the method of random selection from the Serbian Business Registers Agency (APR)
- 2) Women managers – women that are positioned as the head managers of companies, but are not themselves founders, that is to say (co)owners of the companies.

The field research has been conducted in the period May – July, 2014 and it included 601 women from the business sector. The sample has been realized in accordance with the plan and has encompassed 167 active women entrepreneurs who were also interviewed during the initial research in 2011, 168 active women entrepreneurs that were not previously interviewed but had registered their business until 2011, 116 active women entrepreneurs whose business after 2011 and whose business ventures are still in the phase of “young” business, 50 inactive women entrepreneurs, and 100 women managers.

The survey research was conducted on the basis of standardized questionnaires. Apart from the survey research, in-depth interviews were conducted with more than 10 women of various profiles, and the most interesting examples, illustrating certain typical or specific profiles of women in business very well were presented within this study.

## 2.

## THE SOCIAL CONTEXT OF WOMEN'S INVOLVEMENT IN BUSINESS

An insight into a wider social context is required in order to adequately distinguish the status of women in the business sector. The most relevant aspects of this context, which will be presented in this section, are referring to the international and national institutional framework, policies and practices for improvements of the status of women in business, as well as the key economic trends in Serbia defining the business climate and conditions, notwithstanding the gender regimes which define the chances and obstacles for an equal inclusion of women in business.

## 2.1.

### INTERNATIONAL FRAMEWORK FOR IMPROVING THE STATUS OF WOMEN IN THE BUSINESS SECTOR

The relevant international framework is required to be reviewed on three levels: the framework that is set by the most wide, global conventions and initiatives of the UN, the EU framework with a special significance on account of the EU accession process, as well as the regional framework which, as it seems, is getting a higher importance in the processes of regionalization, and which uses the Regional Cooperation Council in South East Europe as its institutional stronghold.

## 2.1.1.

#### UN CONVENTIONS AND INITIATIVES

An equivalent economic participation of women, also including the aspects relating to entrepreneurship of women and equal participation in business, has been identified as an important area for improvement of gender equality in the two most thorough documents or frameworks for gender equality of the United Nations, on global level: The Convention on the Elimination of All Forms of Discrimination against Women (1979) and the Beijing Declaration and Platform for Action (1994).

The article 11 of **the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)** foresees that all signing countries should take appropriate measures in order to eliminate the discrimination in the area of employment and in order to ensure the equality of women and men regarding the right to work, equal chances for employment, choice of profession, as well as the right for advancement in work.

As a very important problem **the Beijing Declaration and Platform for Action** identifies the situation present in the private sector, and including the transnational and national companies, where only a low number of women is present in managerial positions, which in turn points out to discriminatory practices of employment and promotion to managing positions. It has been recognized that on account of these obstacles, as well as the overall lesser chances for women to get employed,

women are more and more present as self-employed or as owners and managers in micro, small and medium companies. On account of this it is highly important to provide women with a suitable control over the capital, credit loans and other resources, technologies and trainings, because that will enable them to increase productivity and income, which significantly contributes to a sustainable development (UN, 1994: 67-68).

The Beijing Platform also defines the strategic goals to be strived at by the countries that had signed it, with an aim to provide more suitable conditions for entrepreneurship of women and their participation in business, alongside with recommending various types of measures and activities to reach those goals, such as: legal requirements forbidding discrimination in employment and advancement to managerial positions, legal and administrative reforms enabling equal access to economic resources for women, including ownership and control over land, other forms of material assets, credit loans, inheritance, natural resources and technologies; establishment of mechanisms that will enable the women entrepreneurs and managers to influence the policies and programs for improvement of business; advancement of the conditions for self-employment and the development of small enterprises, etc.

The conclusions of the 58th Conference on Women in the UN, held in 2014, confirm the dedication to the afore mentioned goals of the Beijing Platform and have asked to strengthen the role of women in the formal and informal sector of economy, including the cross border trade, to apply the measures for advancement of availability of the markets and production resources to women, to make the markets more secure for women and to ensure that women and men have equal chances in business (UN, 2014).

The Convention Concerning Discrimination in Respect of Employment and Occupation of the International Labour Organization (No. 111, 1958) also represents an important international document which should guarantee the protection of women in employment and professional practice, including entrepreneurship and conducting managerial positions in companies. Apart from that, the International Labour Organization in its own Action Plan for the period 2010-2015 anticipates a large number of activities directed towards encouraging entrepreneurship for women, alongside with improving the conditions of the status of women in the business sector, as one of the key mechanisms for progress regarding the conditions in the labour and employment spheres on global level. (ILO, 2012).

## 2.1.2.

### THE EUROPEAN UNION FRAMEWORK FOR IMPROVING THE STATUS OF WOMEN IN BUSINESS

Normative, institutional and political framework in the EU encompasses a set of documents and initiatives that directly or indirectly regulate or improve on the conditions for women's participation in business.

**Women's Charter** (EC, 2010) in its most general sense envisages equal opportunities for economic equality of women and men. This Charter reaffirms the dedication to mobilize all the instruments, legal and otherwise, in order to remove the gap in the field of economic participation.

**Directive 2010/41/EU** on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity (Official Journal of the EU, 2010, 180/1), represents a "firm legislation" of EU and obligates the member states to, apart from other, have to ensure the principle of equal possibilities for women and men in the field of self-employment. This means that discrimination according to gender must not exist in the process of founding, equipping or expanding a business or any other activity regarding self-employment. Apart from that, the member states are obligated to undertake measures that will increase the portion of the less present gender among the self-employed and provide for the protection of women's rights for the women who are temporarily absent from the activities on account of family and maternity leaves.

**Small Business Act** that was adopted by the EU in 2008 has a goal to improve the conditions for entrepreneurship all around EU. It regulates the sector of companies with less than 250 employees, which actually drains 99% of the economy in the EU area. This Act rests on the principle “think about the small ones first”, and makes every effort to instigate growth of the sector for small and medium enterprises by removing the obstacles for establishing and conducting business with them (EC, 2008.). Apart from other things, this Act provides for measures for stimulating the interests in entrepreneurship and skills of women, as well as simplifying the conditions for conducting the business. The Act also provides for establishing an EU Network of Ambassadors for women’s entrepreneurship, improvement of mentor schemes in women’s business, which supports women in initiating and strengthening their business endeavours.

**Entrepreneurship Action Plan 2020** is a strategic effort to improve the entrepreneurship potential in EU. This strategic initiative is founded on three pillars: education and training for entrepreneurship, creation of a favourable environment where entrepreneurship can “flourish” and development of role models, which would enable reaching those specific groups whose entrepreneurship potential are not sufficiently utilized or which are not included in the traditional programs for support to entrepreneurship. Women represent one of the groups for which it was evaluated that they are not sufficiently included in the traditional programs of support, and whose entrepreneurial potentials are less than adequately used. This action plan represents an effort of the European Commission to create a platform for networking, mentoring, counselling and training for women entrepreneurs all over EU. Member countries of EU are obligated to take part and adopt and implement the national strategies for women’s entrepreneurship and increase in the share of companies that are led by women, to keep a gender sensitive statistics regarding women’s entrepreneurship, to support and spread the existing networks of women Ambassadors and mentors of women’s entrepreneurship, alongside with conduct policies that would enable women to establish a balance between professional and family life by making available the programs for taking care of the children and the elderly.

Apart from instigating women’s entrepreneurship, the efforts to increase the participation of women in business through enhancing their participation in the highest managerial positions of large companies by using various instruments are increased in the last couple of years in EU. European Commission has made a proposal for adopting the Directive for improvement of the gender balance between the non-executive head managers of the companies from the stock exchange in 2012. According to this proposal all companies that are on the public lists, except for small and medium companies, should have a quota of 40% presence regarding persons of the less present gender as members of non-executive boards. This Directive is still in the process of consultations.<sup>2</sup> Apart from that, the representative of the sector for justice of the European Commission has invited companies to sign the “Women on the Board Pledge for Europe”, in 2011.<sup>3</sup> The web site of the Secretariat for Justice of the European Commission brings forth public consultations on gender imbalance in corporation boards in the EU<sup>4</sup> with an aim to provide inputs for possible measures that will be formulated for increase of the share of women among the board members all across the Union.

### 2.1.3.

## REGIONAL FRAMEWORK FOR IMPROVING THE STATUS OF WOMEN IN BUSINESS

The Regional Cooperation Council (RSS) in South East Europe has an increasingly important role in shaping the policies and mechanisms on regional level. This Council is the bearer of the regional strategy for development “South East Europe 2020: Jobs and Prosperity in a European perspective” (SEE 2020). The Strategy is not gender sensitive in most of its part, which is to say, that only in some of its parts it recognizes women as a specific group within the generally positioned goals. The Strategy, apart

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2 Details regarding the process of bringing forth this Directive can be seen at the following link.  
<http://www.europarl.europa.eu/sides/getDoc.do?type=REPORT&mode=XML&reference=A7-2013-340&language=EN>  
 3 [http://ec.europa.eu/commission\\_2010-2014/redoing/multimedia/news/2011/03/20110301\\_en.htm](http://ec.europa.eu/commission_2010-2014/redoing/multimedia/news/2011/03/20110301_en.htm)  
 4 [http://ec.europa.eu/justice/newsroom/gender-equality/opinion/120528\\_en.htm](http://ec.europa.eu/justice/newsroom/gender-equality/opinion/120528_en.htm)



from other things, provides for joint regional activities for support to a better availability of financial and market capitals for women, through implementing the regional financial instruments such as: EFSE, EDIF and others. It also includes the activities of providing support to businesses in early stages, instigating integration of the regional capital markets, trainings for start-ups, promotion of the culture for new business ventures, as well as their cooperation with the entrepreneurs in EU. These activities should be under the jurisdiction of the Ministry of Economy, Finance, Education, as well as institutions of the capital market in the regional countries.

One of the most important issues is that the Regional Council is the coordinator of the project "Women Entrepreneurship – A job Creation Engine for South East Europe". The project is directed towards harmonization of the policies of women entrepreneurship in the region, in accordance with the principles of the EU Act on Small Business, alongside with being aimed at various forms of strengthening the networks and associations of women entrepreneurs, improvement of the political dialogue, and proposing measures of support for women entrepreneurship. The countries encompassed in the project are: Albania, Bosnia and Herzegovina, Croatia, Serbia, Moldavia, Montenegro, Macedonia, Turkey and Kosovo. The project is realized by the Gender Task Force – GTF and the South East European Centre for Entrepreneurial Learning – SEECCEL, with the coordination from the Regional Cooperation Council in South East Europe. The goal of the project is to contribute to the development of methodology for monitoring of women entrepreneurship in the region, to improve the skills for entrepreneurship with women through various training programs and to promote good practices and enable exchange of experience among the women entrepreneurs in the region.

#### 2.1.4.

### INTERNATIONAL BEST PRACTICES FOR ADVANCEMENT OF THE STATUS OF WOMEN IN BUSINESS

The examples of international practices for advancement of the status of women in the business sector is possible to follow on three levels: (1) in the area of monitoring the trends and conditions, (2) in the area of formulating and conducting the measures for the government institutions and non-government donors and their efforts to support and bring about the initiatives that would improve the status of women in business and (3) on the level of concrete initiatives in the business sector that improve the status of women in certain aspects.

European Commission is dedicating a great deal of attention to the exchange of experiences and best practices in the sector of small and medium enterprises (SME). There is a data base of best practices on the web pages of the European Commission where examples of successful initiatives in the forms of projects, measures, programs or successful company practices may be found.<sup>5</sup> Some of them directly relate to the encouragement of women entrepreneurship and advancement of the status of women in the business sector.<sup>6</sup> Initiatives that might represent best practices on international or EU level, but not national level of individual countries may be found in the continuance, numerous examples of which are dedicated to improvement of the status of women in the business sector.

### MONITORING THE STATUS OF WOMEN IN BUSINESS

The mechanisms of monitoring the status of women in business regarding the international practice are almost nowhere sufficiently developed. Nevertheless, three initiatives stand out in this respect:

5 The web page of the European Commission regarding the best practices in the SME can be found at the following address: [http://ec.europa.eu/enterprise/policies/sme/best-practices/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/best-practices/index_en.htm)

6 The data base with the best practices for advancement of the SME sector, including women entrepreneurship can be found at the following address: <http://ec.europa.eu/enterprise/policies/sme/best-practices/database/SBA/index.cfm?fuseaction=practice.list>

Global Entrepreneurship Monitor – GEM, innovative methodology of monitoring entrepreneurship developed in a partnership between OECD and Eurostat for the EU area, as well as the mechanism of monitoring the participation of women and men on the decision making positions, which was in 2003. established by the European Commission. The first two mechanisms are limited on monitoring only entrepreneurship with the inclusion of its gender aspects, and consequently the information on the status of women in the business sector and outside the entrepreneurial engagement must be sought through other mechanisms for monitoring (for example, gender or business statistics).

The Global Entrepreneurship Monitor is a non-profit academic consortium<sup>7</sup> that monitors entrepreneurial inclinations, the scope and characteristics of entrepreneurship in almost 100 countries all around the world. This consortium conducts annual assessments since 1999 and is essentially directed at three basic goals:

- Measurement of the differences in the level of entrepreneurial activity between countries,
- Identification of the factors that lead to realization of certain levels of entrepreneurship and
- Defining the recommendations for the policies that might strengthen entrepreneurship on national levels.

GEM research is conducted on general adult population of the countries covered within the program. The conditions in entrepreneurship are monitored over 19 basic indicators, which are used to measure entrepreneurial activities, aspirations and attitudes, and which provide a basis for the gender sensitive insights. This methodology is also significant on account of the fact that while monitoring entrepreneurship it distinguishes new entrepreneurs, both men and women, (men and women entrepreneurs in the making, emerging men and women entrepreneurs, businesses that are lasting between 3 and 42 months) from the established entrepreneurs (the ones that are leading companies older than 42 months) and thus providing a better insight into the factors and processes of spreading entrepreneurship, survival and development of the entrepreneurial ventures.

OECD has as early as 2006 started the program for developing indicators for monitoring entrepreneurship, in cooperation with Eurostat (Entrepreneurship indicator programme – EIP). However, this system is still not established. It will be possible to monitor entrepreneurship through the EIP mechanism with three sets of indicators: the ones relating to characteristics and success rates of the entrepreneurship, the ones regarding the impact of entrepreneurship, and finally the ones used to identify the most important determinants of the entrepreneurship. The idea behind it is find all the information in a unified data base for the EU region, but for the time being it is possible to monitor some of the indicators through other data bases on business statistics on the web site Eurostat. The information in question is mostly regarding the size and structure of the business, business demographic statistics (the rates of establishing, closing business, etc) and statistics obtained through the pilot research on the factors of business success that also enables monitoring classified according to the gender of the entrepreneur<sup>8</sup>.

The database on women and men in the decision making positions, which was established by the European Commission and which can be found on the web pages of the Secretariat of Justice of the European Commission<sup>9</sup> contains data on the proportion of women and men occupying the decision making positions in several key areas: politics, public administration, justice system, business sector and finances, non-government sector and in the sector of ecology. Most of the information is updated on annual basis. The quarterly updates are reserved for the statistics regarding the proportion of women and men in the decision making positions in politics on EU and national level, as well as on regional level in case elections were carried out in the meantime. The data on the companies are updated twice

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7 The web presentation and the data bases are available at the following address: <http://www.gemconsortium.org/>

8 [http://epp.eurostat.ec.europa.eu/portal/page/portal/european\\_business/special\\_sbs\\_topics/entrepreneurship\\_indicators](http://epp.eurostat.ec.europa.eu/portal/page/portal/european_business/special_sbs_topics/entrepreneurship_indicators)

9 [http://ec.europa.eu/justice/gender-equality/gender-decision-making/index\\_en.htm](http://ec.europa.eu/justice/gender-equality/gender-decision-making/index_en.htm)



a year and can be approached directly at the web site of the European Commission, as they are present in the open and machine readable format. An important notice for us is that this data base contains information regarding Serbia, making it possible to prepare good comparative insights, a topic to be raised in more details later in the appropriate chapter.

## THE POLICIES OF ADVANCEMENT OF THE STATUS OF WOMEN IN BUSINESS

European Union has directed special efforts towards the advancement of the status of women in business in the past ten years. Several initiatives can be emphasized regarding that plan, out of which we will mention some of the most important that were conducted directly by the EU institutions or through programs of support.

*European Network to Promote Women's Entrepreneurship – WES* has been established at the initiative of Sweden in 2000 with a goal to increase the visibility of women in entrepreneurial activities and to create a more suitable climate for women entrepreneurship which would enable the increase in the number of women entrepreneurs, but also the growth of companies that are led by women. One of the aims of the Network is to help European Commission to set future priorities in the area of women entrepreneurship. The Network is coordinated by the Directorate General for Enterprise and Industry of the European Commission, and the members of the Network are representatives of governments of 31 countries (member and candidate countries, and EEA members) who are responsible for the development of women entrepreneurship (Serbia has no representative in this Network at the moment). The Network is preparing regular reports on its activities, which are posted on the web site of European Commission<sup>10</sup>.

*The European Network of Female Entrepreneurship Ambassadors*<sup>11</sup> has been established in 2009. with an aim to include the successful women entrepreneurs in the campaign of promotion of women entrepreneurship and thus contribute to inspiring women to start their own business and opt for entrepreneurship. The Ambassadors promote entrepreneurship directly, speaking to girls and women in schools, at Universities, in the communities, over the media, by organizing conferences, through business networks and initiatives for employment. The Network is made up of 270 women entrepreneurs from all across Europe. The Republic of Serbia is represented in this Network with ten Ambassadors, successful women entrepreneurs, and coordination is in jurisdiction of the National Agency for Regional Development.

*European Network of Mentors for Women Entrepreneurs* has been established in 2011. The Network encompasses 17 countries that are taking part in the Competitiveness and Innovation Framework Programme – CIP<sup>12</sup>, and Serbia is among the members. The aims of the Network are to improve, support and encourage women entrepreneurship through counselling and mentorship in the phases of initiating a business, leading and growth of companies during the early phases (between the second and fourth year of the business' "age").

Opening a Women Entrepreneurship Portal<sup>13</sup> represents a valuable initiative of the European Commission. This Portal contains information and facts on national organizations of women entrepreneurs, international organizations of women entrepreneurs, networks promoting women entrepreneurship, projects of advancement and development of women entrepreneurship, as well as events in connection with women entrepreneurship. The Association of Business Women of Serbia is present on this Portal.

10 [http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/women/wes-network/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/women/wes-network/index_en.htm)

11 More information on this Network can be found at the following address:  
[http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/women/ambassadors/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/women/ambassadors/index_en.htm)

12 More information on this Program can be found at the following address:  
[http://ec.europa.eu/cip/faq/index\\_en.htm#090126248788c842](http://ec.europa.eu/cip/faq/index_en.htm#090126248788c842)

13 [http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/women/portal/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/women/portal/index_en.htm)

## BEST PRACTICES IN EUROPEAN COMPANIES

Many companies in EU have already successfully integrated gender equality in their business structures and practices. Some examples are described with an aim to illustrate the various forms of improving the status of women in the business sector.

*IBM* – Transnational corporation for information technology, with over 430 000 employees working all over the world, has initiated a program for increasing the gender diversity of its employees as early as 1990s. As a part of this strategy gender equality has become one of the most important pillars of the corporate policy and culture. Namely, gender equality has been recognized as a precondition for development of innovative technologies, but also as a precondition of preserving the image of the organization as a suitable employer. It has been evaluated that it is necessary to increase the proportion of women in all professional circles and forms of career and enable advancement of women on the basis of merits as a vital characteristic of the system of advancement in the corporation. Setting up a Council of Women Leaders in all countries where this company is conducting business has been established as one of the most important mechanisms in obtaining these goals. The role of the Councils is to take care of the proportion of women among the employees and improvement of conditions for advancement of women to managing positions. This included work on a general change of attitude towards women, on changing the company structures, organizing processes and procedures within the company, and also, looking at the outward plan, on improvement of the company's image as a gender responsible one. The activities described have brought to the fact that IBM has become one of the most prestigious companies regarding gender equality, but also regarding the overall performance. IBM was in 2012. ranked among the first 10 companies on the list of 50 companies for women in managerial positions (2012), in 2013. it made a 100% score on the index of the Campaign for Corporate Equality in Establishing Human Rights, and is regularly placed on the list of 100 best companies for working mothers.<sup>14</sup>

*Axel Springer AG* is one of the leading media groups in Germany, with 12 800 employees. In 2010. this media group has started a project for increasing the proportion of women in managerial position, because it had been established that only 16% of the managing positions are occupied by women, and also that explicitly "male" culture is present in the company, with women being hardly able to coordinate their business obligations with the family ones. The Company introduced various kinds of measures during the project, all of which were significant for a balanced coordination of family life and professional engagements. It included different forms of leaves (suitable arrangements for parental leaves, leaves on account of taking care of the members of the family), flexible work arrangements (flexible work hours, shorter work hours, job sharing, etc) and flexible work place (working from home). Consultations with the employees having children were constantly held with the aim to improve those conditions. Apart from that, there was also a number of measures regarding promotion of mixed up teams for preparation of the novelties, with the emphasis on how to increase the quality, and accordingly the circulation in the cases when mixed editing teams were working on producing the contents for the newspapers. The results were very fast and already in 2011 the proportion of women among the managerial positions had increased to 25%, more men on managerial positions were taking family leaves, and women on managerial positions have managed to better balance their family lives with their professional obligations.

*Kleemann Hellas SA* is a Greek multinational company founded in 1983 which produces and installs elevator systems. Since 2004 this company has initiated their strategic work in the direction of increasing the proportion of women, because they were much less present among the employees (only 13% in 2004), and especially in the sales department where women were only 5% of the employees.

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14 More on IBM and the Project of setting up the Council of Women Leaders in Germany can be found at the following web page [http://ec.europa.eu/justice/gender-equality/equality-pays-off/women-mean-business/good-practice/example-six/index\\_en.htm](http://ec.europa.eu/justice/gender-equality/equality-pays-off/women-mean-business/good-practice/example-six/index_en.htm)

Various activities were conducted in order to accomplish this goal, including gaining the dedication of the highest levels of management for this strategy, removing stereotypes, optimization of the work practices, strengthening the position of the company as a firm that implements the policy of equal opportunities. The management of the company has signed the "Declaration on Variety" of the Hellenic Network for Corporate Social Responsibility, and the management had a pivotal role in the realization of all the mentioned activities. As a result of the efforts describe above, the proportion of women among the employees has, in 2012, increased to 18%, and a remarkable result was made exactly in the sales department, where the proportion of women has reached 30%.

The cases described above regarding gender responsible corporative practices are just some of the examples of good practices for advancement of the status of women in the business sector<sup>15</sup>. One common thing for all the described companies is a fact that all are large corporations where women were finding it hard to advance towards the decision making positions, which is a problem that is present in our society, and which will be pointed out in our later discussion. This is exactly why such examples should show other corporations how important, but also achievable it is to transform the existing unjust and irresponsible practices gender wise.

## 2.2. **NATIONAL FRAMEWORK FOR REGULATION AND ADVANCEMENT OF THE STATUS OF WOMEN IN THE BUSINESS SECTOR**

The institutional and political framework of significance for regulation and advancement of the status of women in business encompasses numerous laws, institutions and organization, policies defined through strategies, direct measures of support. Many laws and policies are not directly aimed at regulation / advancement of women in business, they rather indirectly regulate certain areas of conducting business, employment, regulating the obligations towards the stat, etc, thus defining the general conditions within which women are included in the business sector. On account of the impossibility to include all the elements of the institutional and political framework in this chapter, only the most important elements will be selected here.

### 2.2.1. **LEGAL FRAMEWORK**

As it was mentioned, the national legal framework differs various participants in the business sector depending on whether they register their activities as natural persons, entrepreneurs, or as founders of a legal entity, that is a business company. The legal status and activities of the entrepreneurs and business companies is regulated with the Company Law ("Official Gazette of the Republic of Serbia" Nos. 36/2011 and 99/2011). This Law makes the difference between private entrepreneurs and business companies. A business company is defined as a legal entity that performs its activities with an aim to gain profit (Article No. 3), while an entrepreneur is defined as a natural person with business capabilities that performs its activities with an aim to obtain income (Article No. 83). Business companies may be formed within the following forms: partnership, limited (liability) partnership, limited liability company and joint stock company (Article No.8). Entrepreneurs are for all liabilities incurred in connection with their activities held responsible with all their assets (Article No.85), while with business companies it depends on the type.

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15 The following link contains other examples as well  
[http://ec.europa.eu/justice/gender-equality/equality-pays-off/women-mean-business/index\\_en.htm](http://ec.europa.eu/justice/gender-equality/equality-pays-off/women-mean-business/index_en.htm)

The Serbian Business Registers Agency, with its establishment and activities regulated by the Law on the Business Registers Agency (“Official Gazette of the Republic of Serbia” Nos. 55/2004 and 111/2009), is responsible for the registration of business entities. The process of registration of business entities is regulated with the Law on the Registration Procedures at the Serbian Business Registers Agency (“Official Gazette of the Republic of Serbia” No. 99/2011). This law regulates the procedures of registration, keeping records and presentation in the registry.

Conducting business of the companies and entrepreneurs is further regulated by a large number of laws and regulations which, apart for the general, also include the more specific regulations, regarding specific aspects significant for conducting business, etc. The existence of a large number of laws that regulate various aspects of business is imposes high demands on the men and women entrepreneurs and managers, forcing them to be well informed and updated regarding all the applicable regulations. Apart from the laws and regulations that define the conduct regarding specific activities special significance is also with the two types of laws and regulations that regulate the general obligations of the companies and entrepreneurs with regards to paying taxes and financial obligations, such as *The Corporate Profit Tax Law* (“Official Gazette of the Republic of Serbia”, Nos. 25/01, 80/02, 43/03, 84/04, 17/10, 101/11, 119/12, 47/13, 108/13), *Value Added Tax Law* (“Official Gazette of the Republic of Serbia”, Nos. 84/04, 86/04, 61/05, 61/07, 93/12, 108/13) and others, such as the law in the area of employment (*The Law on Employment and Unemployed Insurance*, “Official Gazette of the Republic of Serbia”, Nos. 36/2009 and 88/2010). In addition, in the area of labour and employment the following are important: *Labour Law of the Republic of Serbia* (“Official Gazette of the Republic of Serbia”, Nos. 24/2005, 61/2005, 54/2009 and 32/2013), which regulates the conditions of work and termination of employment, *Law on Workplace Safety and Health* (“Official Gazette of the Republic of Serbia”, No. 101/2005), which regulates the safety conditions at the work place that have to be met by the employers, as well as the *Law on Prevention of Harassment at Work* (“Official Gazette of the Republic of Serbia”, No. 36/2010), which creates a legal basis for prevention of harassment at the work place and improvement of working relations.

The mentioned laws are neutral considering gender, and the protection from their gender non-discriminatory application is expected from the Law on Prohibition of Discrimination (“Official Gazette of the Republic of Serbia”, No. 22/2009), and the Law on Gender Equality (“Official Gazette of the Republic of Serbia”, No. 104/2009). The Law on Prohibition of Discrimination defines discrimination as every “unjustified difference making or unfair treatment” according to various points (Article No.1). Among said laws, this law recognizes sex and gender as two separate categories, and discrimination according to this point is treated as serious, that is to say as a conduct contrary to the principle of gender equality (Article No. 13). *The Law on Gender Equality*, also forbids discrimination according to gender (which is defined as unjustified or unfair making difference according to gender), but at the same time it has installed instigation measures for establishing a policy of equal opportunities. The law recognizes the key areas where special measures are to be taken in order to increase equality: employment, social and health protection, family relations, education, political and public life, culture and sport.

The laws presented here are only representing the key pillars of the legal framework and this complexity of the legal regulations may present a hampering circumstance for the women entrepreneurs, or women that are at the head managing positions of small companies, where adequate expert support in legal and financial matters is hard to come by.

## 2.2.2.

### INSTITUTIONAL FRAMEWORK

The institutional framework of significance for regulation and advancement of the status of women in business is also rather complex and consists of institutions and organizations which strive to regulate and monitor the conditions for the business activities of women in domains of various jurisdictions.

*The Ministry of Economy* is, apart other things, in charge of economy and economic development, as well as the position and connecting with business entities and other forms of organizing for conducting activities, measures of economy policies for development of manufacturing, small and medium enterprises, making proposals and realizing financial and other measures for the sake of instigating business, competition and liquidity of economic subjects in the Republic of Serbia, also business and financial restructuring of business entities and other forms of businesses, supervision and managerial jobs in connection with business registers ("Official Gazette of the Republic of Serbia", No. 44/2014).

*The Ministry of Labour, Employment, Veteran and Social Issues* conducts the work of the state management in the area of regulation regarding labour conditions and relations, but also in the area of social protection, which is connected with work (parent leaves, etc). The Unit for Gender Equality of this Ministry has special importance for advancement of women entrepreneurship, and it supervises the conditions regarding gender equality taking activities for improving gender equality and strengthening women, also including the area of entrepreneurship and company management.

*The Ministry of Finance* is another state institution significant for entrepreneurship, considering that with its policies and measures it creates conditions under which financial business and financial obligations of the entrepreneurs are being performed, alongside with maintaining supervision of these activities.

Serbian Business Registers Agency, founded in 2004, represents the key institution in charge of registration of business entities when being established, terminated and during certain key changes. The procedures for registration are simplified in 2009. by introducing "one stop shop" system of registration for business entities, which includes obtaining a registration number and a value added tax identification number (or VAT identification number) on one place in the Serbian Business Registers Agency.

There is a whole series of services from various Ministries in charge of monitoring the legality of the activities of men and women entrepreneurs and business entities:

- Labour Inspection within the Ministry of Labour, Employment, Veteran and Social Issues, supervises the health and safety issues at work, whether or not work is being conducted in conditions adequate to formal agreements, if the rights provided by law on labour are respected (overtime work, payment of income, discrimination, etc);
- The Market Inspection of the Ministry of Trade, Tourism and Telecommunications conducts supervision work for monitoring the application of the law and other regulations which control: the conditions for trade in goods and providing services realized by legal entities, natural persons and entrepreneurs, the prices of the goods and services provided, the quality of the industrial and food commodities which are produced and traded, the quality of services, setting the conditions for performing certain economic activities, preventing unfair competition, etc;
- Agricultural Inspection of the Ministry of Agriculture and Environmental Protection conducts supervision of the production and trade of agricultural products;
- Sanitary Inspection of the Ministry of Health performing sanitary and health supervision in the activities of companies, institutions and other legal entities and natural persons, provides opinions on planning documents, gives estimations on sanitary conditions during the issuing of documents regarding urban and technical requirements for constructing facilities under sanitary supervision, etc.
- Tax Inspection of the Ministry of Finance performs control of fulfilling tax obligations, determines violations of the law and forwards the cases of law violation to the tax police.
- Communal inspection is within the competence of local authorities, and the scope of work is also defined by the decisions of the local authorities.



While the inspections represent services of the institutions which conduct activities of supervision and take care of enforcing the law, that is monitor that the entrepreneurial activities are conducted in accordance with various laws, there is a special set of institutions with a role to provide services and programs of support to entrepreneurship and companies alike:

- The Development Fund of the Republic of Serbia provides credit support and financial instruments for development of small and medium enterprises and entrepreneurship in general. In such way it provides loans for men and women beginners in business without mortgage and “start up” loans for entrepreneurs and legal entities, also various types of loans for men and women entrepreneurs and business entities, loans for instigating production and employment in especially devastated areas, loans for development of companies and entrepreneurship in underdeveloped municipalities and other. After the recent floods a Program of the Development Fund for business entities from the flooded areas was endorsed for 2014. (“Official Gazette of the Republic of Serbia”, No. 663/2014).
- The Export Credit and Insurance Agency of the Republic of Serbia (AOFI) finances export companies that fulfil certain conditions.
- National Agency for Regional Development conducts a program of support for development of competition of the small and medium enterprises (SME), training programs for potential men and women entrepreneurs, or potential users of the “start up” loans from the Serbian Development Fund; it provides mentoring services for the SME and develops the European Network of SME. Apart from the National Agency, there are 17 regional Development Agencies in Serbia, which realize various programs of support to entrepreneurship and development of the SME.
- Investment and Export Promotion Agency – SIEPA provides support to national companies which are contributing to the increase of export.
- National Employment Service (NES) is conducting training programs regarding entrepreneurship, subsidizes self-employment, provides services of mentoring and subsidizes opening of new jobs.

Finally it is important to mention the Chamber of Commerce and Industry of Serbia, as well as regional/local Chambers of Commerce that represent a network of institutions for support to the economy and entrepreneurs. The role of the Chambers is to represent the interests of its members, alongside with providing various forms of support: providing information, consulting services, promotions, advocating of legal changes, etc. Apart from these key institutions that provide support to entrepreneurship on a central level, there is a large number of organizations and local institutions which are providing services of support, such as employer’s associations, chambers of commerce, private providers of services regarding trainings and education for entrepreneurship (such as the Business Start Up Centre from Kragujevac), etc.

According to the insights from the institutional framework and regarding the significance for entrepreneurship we can conclude that the most important aspects of activities of the men and women entrepreneurs and companies are covered with said institutional framework, or in other words, the sector is at least formally ordered by laws and regulations with a constant monitoring of their application and compliance, especially regarding the forms that are aimed at contributing to a more balanced regional development and increase in competition concerning the economy of the Republic of Serbia at the international market.

### 2.2.3. STRATEGIC FRAMEWORK

The review of the key strategy is giving an inevitable impression that women entrepreneurship is considered more as means of establishing gender equality in the area of economic participation than as means of economic development of the country. The significance of women entrepreneurship is explicitly pointed out in the National Strategy for Improving the Position of Women and Promoting Gender Equality

(2009-2015) ("Official Gazette of the Republic of Serbia", Nos. 55/05 and 71/05), and in the National Employment Strategy for the period 2011-2020. ("Official Gazette of the Republic of Serbia", No. 37/2011).

One of the key strategic goals in the National Strategy for Improving the Position of Women and Promoting Gender Equality is the advancement of the economic position of women and establishing gender equality in the area of economic participation. There is a specific goal for instigating employment, women entrepreneurship and self-employment defined within this general goal. Various instruments are required for achieving this goal, regarding which the following are important for the development of women entrepreneurship:

- Forming and creating conditions for work of the Centres for Women Entrepreneurship, Information and Communication Technologies (ICT), business and management; and the availability of these to all interested women. These centres should enable affirmation of women entrepreneurship and provide initial support in the form of informing on possibilities of financing, markets, placement, etc.
- Providing loan programs for instigating women entrepreneurship and all forms of self-employment. This would enable the start up chances for women who are about to initiate their own business, because the access to capital has proven to be harder for them when compared to men.
- Forming of special programs within the funds for instigating entrepreneurship and self-employment within privatization funds. Taking into account that women have suffered heavy losses in the processes of privatization and restructuring of companies, this measure would enable directing a certain percentage of funds obtained from privatization to special purpose programs for instigating women to start entrepreneurship.

The National Employment Strategy recognizes a problem of unequal position of women on the labour market in Serbia and providing for equal opportunities for employment and positioning in the labour market is among the goals. Development of women entrepreneurship and their self-employment is mentioned in that context, alongside with the necessity to improve the loan programs for instigating women entrepreneurship and all forms of self-employment, and adoption and implementation of special measures for instigating entrepreneurship and self-employment of women.

The Strategy for the Development of Competitive and Innovative Small and Medium Enterprises for the period 2008-2013 ("Official Gazette of the Republic of Serbia", Nos. 55/05, 71/05, 101/07, 65/08) was very important for the development of entrepreneurship in the previous period. This Strategy accepts the development of the SME sector as one of the key factors in the process of European integration for Serbia, and it was consequently made in accordance with the SME policies of the European Union in order to prepare this sector for the accession to the unique European market. In that respect the Strategy has been aligned firstly with The European Charter for Small Enterprises and the Small Business Act.

Considering the fact that the validity period of this strategy has passed a new strategy is currently being prepared. The Draft of the Entrepreneurship and Competitiveness Development Strategy for the period 2014-2020 has been made and is currently in the consultation process<sup>16</sup>. Regarding gender sensibility, this strategy represents a significant step forward, on account of the fact that one of the six basic pillars of the Entrepreneurship and Competitiveness Development Strategy is strengthening of women entrepreneurship together with strengthening the entrepreneurship of young people. As priority goals in the area of strengthening women entrepreneurship, this strategy includes:

- Establishing a system of regular and comparative monitoring of entrepreneurship of women and young people,
- Development of policies and instruments for support to women entrepreneurship,
- Promotion, application of best practices, networking and establishing a dialogue with the representatives of the sector.

16 The Draft is available at the web page of the Ministry of Economy: <http://www.privreda.gov.rs/pages/issue.php?id=8382>

Apart from the previously mentioned, a Strategy for the Development and Support to the Industry of Information Technologies has been adopted, which has a goal to instigate entrepreneurship in this area, however it does not specify women entrepreneurship.

#### 2.2.4.

### BEST PRACTICES FOR IMPROVING THE STATUS OF WOMEN IN BUSINESS IN SERBIA

Various initiatives of financial and non-financial support to women in business were started in the previous period in Serbia.

The portal “Entrepreneurial Service”<sup>17</sup>, placed by the National Agency for Regional Development under the support of the Improved Competitiveness and Innovation Project (ICIP – Serbia) for small and medium enterprises and financed by EU, represents a significant general support to entrepreneurship. A great deal of information significant for initiating and leading a business can be found on one place at the portal.

Setting up the Network of Mentors for Women Entrepreneurs, Engagement of Ambassadors of Women Entrepreneurship, the reward “Flower of Success for the Dragon Lady”, as well as the annual reward for the best export women entrepreneur are prominent among the non-financing initiatives. The Network of Mentors for Women Entrepreneurship has been established in 2011 in cooperation with the National Agency for Regional Development and the Association of Business Women in Serbia. This Network has a goal to provide help to women entrepreneurs to improve their business. The Network is a member of the European Network of Mentors for Women Entrepreneurship and thus has the capacities to provide support leaning on various experiences. The partnership of the National Agency for Regional Development and the Association of Business Women in Serbia has also produced the Network of Female Entrepreneurship Ambassadors. It gathers ten of the most successful women entrepreneurs who are working on promotion of entrepreneurship among women, as well as among the wider public through presentations in the media and public events.

The manifestation “Flower of Success for the Dragon Lady” is being held since 2009, organized within the Global Entrepreneurship Week. This reward has so far received more than 70 women in Serbia. In 2014 the reward will be awarded in two categories: “The Most European Women’s Company” and female company for “The Best Model of Employment”. The manifestation is organized by the Association of Business Women in Serbia.

Investment and Export Promotion Agency of the Republic of Serbia (SIEPA) is granting a reward for the best exporter of the year since 2004. The reward is being granted in four categories: the best exporter, the best new export product, conquering a new market and the best exporter in the category of small and medium enterprises. Since 2011 there is a special reward granted for the best women entrepreneur, with an effort to promote the export capacities of women entrepreneurship.

The Program of micro-crediting from the Opportunity Bank stands out. The analysis show that the rate of failure is almost down to zero value. The reason for such a great success can be explained through a high level of adaptation for each individual loan and the needs and requirements of the beneficiaries and their capacities. As a result, 99% of the clients are successful in paying off their start-up loans and keeping their businesses. This result is significantly better than, say, loans from the Republic Development Fund, which has recorded a failure rate of 10% (Avlijaš, et al, 2012).

Various programs of financial support are available for women in business and those are implemented by the state institutions. The National Employment Service is conducting training programs

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17 Entrepreneurial Service can be found at the following web address: <http://www.preduzetnickiservis.rs/opste-strane/o-portalu/>



and programs for subsidies intended for self-employment. The Republic Development Fund is granting loans for initiating a business both to women and men entrepreneurs and to business entities.

The Ministry of Economy in cooperation with the European Bank for Reconstruction and Development is conducting the *Support to SME Development in Serbia* program. The goal of this Program is to improve the competitiveness and productivity of small and medium enterprises in Serbia through direct support which can be received through two instruments: The Enterprise Development Program and the Business Advisory Services Program.

National Agency for Regional Development is conducting various support programs for entrepreneurship: consulting, mentoring, the Program of support to fast growing small and medium enterprises, Program of support to beginners in business for the ones coming back to their birthplaces, Program of support to development of innovative clusters, Program of support to small companies for purchasing equipment, Program of support to small companies and entrepreneurs in the early stages of development and Program of support to women entrepreneurship.

The success of the afore mentioned programs, from the viewpoint of support to women entrepreneurs, is analysed in the Study Gender Impact Analysis of Selected Support Measures to Entrepreneurship in Serbia (Avlijaš, et al., 2012). The Analysis has shown that a significantly larger number of women is registered in the support programs for initiating your own business, than is the case with their proportion in support programs for already established companies.

The support program for women entrepreneurship, conducted by the National Agency for Regional Development, has two components. The first component includes co-financing of projects for advancement of business of companies headed by women, through harmonization of their businesses with the demands of international standards, improvement of business processes, products and services and strengthening human resources. Awards for the most successful women entrepreneurs according to regions of Serbia are granted within the second component.<sup>18</sup>

## 2.3. SOCIO-ECONOMIC CONTEXT OF ENGAGING WOMEN IN BUSINESS

In order to completely comprehend the status of women in the business sector in Serbia some contextual conditions relating to the most important economic trends need to be clarified, alongside with the climate which is significant for the business of the company, as well as some specific regimes within which chances and obstacles for engagement of women in business are formed. Consequently the following two chapter will be directed at presenting a summary of the conditions present for these two contextual aspects.

### 2.3.1. ECONOMIC CONDITIONS AND BUSINESS ENVIRONMENT

The general indicators of economic conditions in Serbia are continuously unfavourable after the outbreak of the world economic crises in 2008. The rates of economic growth were negative in 2009 (-3.5) and 2012 (-1.5) (Ministry of Finance)<sup>19</sup>. The competitiveness of Serbian economy is decreasing

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18 More on these programs can be found at the following web address NARD:  
<http://narr.gov.rs/index.php/Aktivnosti/Podrshka-preduzetnistvu/Program-podrshke-zhenskom-preduzetnistvu>

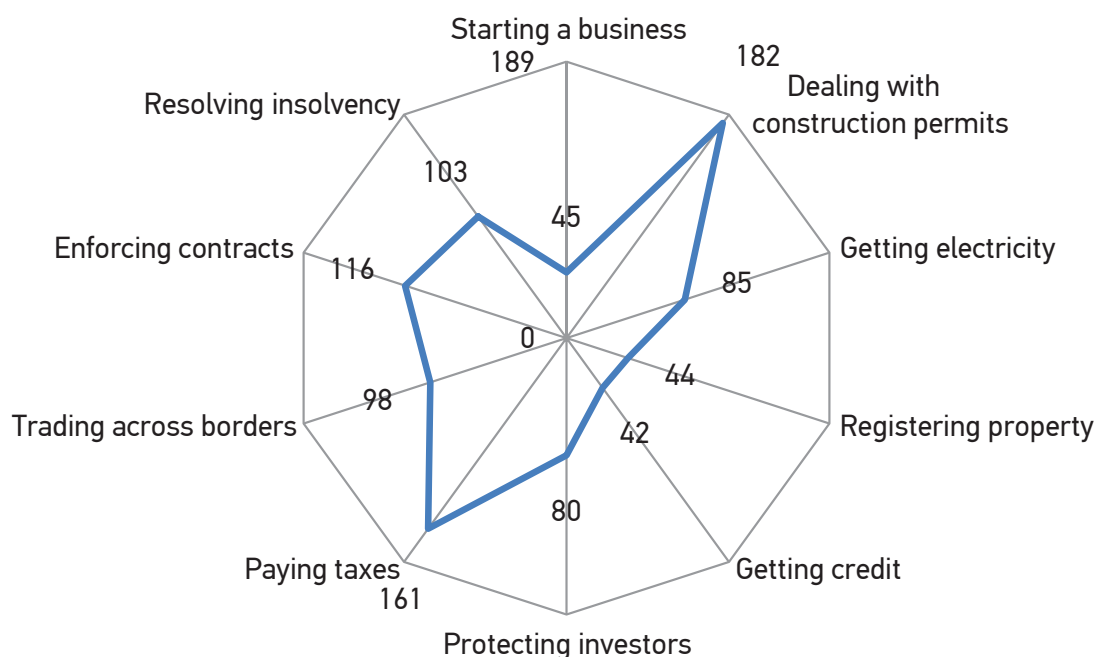
19 The information on the macroeconomic trends are published at the following web page of the Ministry of Finance  
<http://www.mfin.gov.rs/pages/article.php?id=7161> , retrieved on 24.06.2014.

during this period, in both the relative and absolute sense. According to the report of the World Economic Forum on global competitiveness for 2013 Serbia is ranked on 101 place, out of 148 ranked countries, which is a descent for 6 places when compared to the previous year (FREN, XX: 15). This fall is mostly owing to the condition in the areas of infrastructure, macroeconomic environment and sophisticated conditions of the financial market, while a moderate fall has been marked with the efficiency of the labour market and technological competence. The best marks Serbia gained in the area of health and basic education, and the worst in the area of innovation.

In these unfavourable economic conditions, the sector of small and medium enterprises has kept a relatively high participation in the non-finance sector of the economy. It generates about 2/3 of the employment and turnover, 55% of the gross value added (GVA), 50% export and gain and 45,5% of investments of the non-financial sector. It is estimated that in 2012. the sector of small and medium enterprises and entrepreneurship (SMEE), making 99,8% of the total number of business entities, has participated with some 34% in the gross domestic product (GDP) of the Republic of Serbia (Ministry of Economy, 2014).

Particular concerns are raised over the fact that the business climate in Serbia has been marked as especially disadvantageous. According to the report from the World Bank on the business climate for national companies, Serbia is ranked 93rd out of 189 countries according to the overall characteristics of the business environment (World Bank, 2013). Nevertheless, as can be seen from the chart below, some rather uneven conditions for suitability of the business climate are connected with the overall ranking of Serbia.

GRAPH: INDICATORS OF BUSINESS CLIMATE IN SERBIA



Source: The World Bank, 2013.

Most of the mentioned dimensions is measured and ranked over three types of indicators: the complexity of the procedure (how many steps are required for the procedure for realization of the given goal), the length of the procedure and expenses. In certain aspects Serbia is rather highly ranked:

- *Starting a business.* According to the report, establishment of business in Serbia includes 6 procedures, lasts 11,5 days, costs 7,2% of the income per capita and demands 0% of minimal initial share. Looking at this aspect, Serbia has better standings than the average for the regions

of Europe and Central Asia, and when compared to a closer regional surroundings, it is better than Hungary, and has less favourable position than Greece.

- *Registering property.* It is required to pass 6 different procedures for this activity, lasting 11 days with costs up to 2,8% of the property value. In this dimension Serbia has a better standing than the average for the wider region, and also most of the countries in the immediate surrounding area.
- *Getting credit.* This dimension is measured somewhat differently than the previous one. The indicators are strength of legal rights index (0-10), credit depth of information index (0-6), public credit registry coverage (% of adults) and the private credit bureau coverage (% of adults). Serbian economy is marking a value of 7 on the first, 5 on the second index, 0% on the third and 100% on the fourth one.

According to several dimensions Serbia is taking central positions with the ranks of the given dimension:

- *Getting electricity.* In order to obtain the power supply for example for one warehouse, it is required to pass a four step procedure that lasts 131 days and costs 505,6% of income per capita. In this respect Serbia has better standing than the average for the wider region of Europe and Central Asia, but less acceptable ones than Croatia, Greece and Slovakia.
- *Protections of investors.* This dimension is also measured with a set of specific indexes<sup>20</sup> and according to values of those indexes Serbia has somewhat poorer standing than the average for the wider region of Europe and Central Asia (80 compared to 65), similarly when compared to Bulgaria and Romania, but a bit better than the other countries in the immediate surroundings, such as: Greece, Slovakia, Hungary and Croatia.
- *Trading across borders.* The export of a standard container with merchandise demands 6 documents, lasts 12 days and costs \$1455. The import of the same kind of container requires 7 documents, lasts 15 days and costs \$1760. With such characteristics Serbia is in a slightly more favourable position than the average for the wider region of Europe and Central Asia, also Croatia, but in a less advantageous position than the rest of the countries in the immediate surroundings.

According to the report of the World Bank, the most critical dimensions of the business climate in Serbia are:

- *Dealing with construction permits.* This indicator measures the efficiency of the procedures to legally construct a warehouse, the time required for the procedures to take part and complete, and considers the costs. According to the data from the World Bank, such unfavourable rating Serbia has in this aspect on account of the fact that obtaining a building permit includes 18 procedure, lasts 269 days and costs 1433,5% income per capita.
- *Enforcing contracts.* A low efficiency for solving commercial disputes through the justice system is registered in Serbia. The process of solving the disputes lasts 635 days, costs 34% of the value of the disputed transaction and includes 36 different procedures. In this respect Serbia is in a much worse position than the average of the wider region and all countries observed in the immediate surroundings.
- *Resolving insolvency.* This procedure in Serbia usually lasts 2 years on average and costs about 20% of the value of the debtor's assets, with the most likely outcome that the company will be sold in parts. In this aspect Serbia stands far worse than the average of the wider region and all observed countries in the immediate surroundings.
- *Paying taxes.* The report shows that on average the companies should perform 66 payments of taxes on annual bases, spend 279 hours on filling in forms, preparation and payment of taxes and also that it costs them 36,8% of the profit. In this respect Serbia is in a significantly poorer position when compared to the average of the wider region and most of the countries observed in the immediate surroundings.

20 disclosure index (0-10), director liability index (0-10), accessibility index of corporate documents (0-10) and the strength of investor protection index (0-10).

Apart from such inauspicious conditions for conducting business, it is important to also point out the unfavourable trends regarding employment. After the crisis happened the trends at the labour market are getting worse and only slight signs of improvement were first time noticed in 2013.

TABLE: BASIC LABOUR MARKET INDICATORS IN SERBIA 2008-2013.

Labour market indicators	2008	2009	2010	2011	2012	2013
Activity rate	51.5	49.1	46.9	46.4	46,7	48,4
Employment rate	44.4	41.2	37.9	36.2	35,5	37,7
Unemployment rate	13.6	16.1	19.2	22.2	23,9	22,1

Source: Republic Statistical Office, Labour Force Survey 2013, 2014.

Apart from that, as it will be presented in the following chapter, women are characterized by a comparatively less favourable status at the labour market, and lower employment of women cannot represent a good framework for their larger and better engagement in the business sector.

## 2.3.2. GENDER INEQUALITY

Gender inequality is significantly present in numerous aspects in Serbia. It is manifested through an insufficient participation of women in politics, economic inequality, unequal distribution of family obligations, unbalanced power relations in the sphere of privacy, etc. (Blagojević-Hjusun 2011, Babović 2010). These gender inequalities are creating unfavourable preconditions and unsupportive context for women entrepreneurship. Without having the possibility to make a broader analysis of gender inequalities here, it is required to point out several of the most important aspects with direct significance for women entrepreneurship:

- The status of women on the labour market is less favourable than that of men;
- Property gender gap is creating a disadvantageous economic basis for women to initiate their own business;
- Unequal power relations in the sphere of privacy are imposing on women a larger amount of obligations regarding the care for the household and family, and leaving less space for devoting to a professional career in general, and especially one connected with entrepreneurship;
- Still wide spread patriarchal values, which are more often than not internalized by the women themselves, are creating a shortage of self-confidence and readiness to embark upon ventures that would include certain risks.

## GENDER GAP AT THE LABOUR MARKET

The status of women at the labour market is less favourable when compared to the status of men, a fact supported by the lower rates of activities and employment, alongside higher rates of unemployment and inactivity with women.

BASIC LABOUR MARKET INDICATORS FOR WORKING AGE POPULATION (15-64),  
ACCORDING TO GENDER, APRIL 2014.

Labour market indicators	Women	Men
Activity rate <sup>21</sup>	52.8	59.7
Employment rate <sup>22</sup>	41.0	55.1
Unemployment rate <sup>23</sup>	22.3	21.0
Inactivity rate <sup>24</sup>	47.2	30.3

Source: Republic Statistical Office, Labour Force Survey 2014.

The gender gap is shown also in the structure of the employed population according to their status. It can be perceived from the chart below that there is a higher percentage of self-employed among employed men, while there is a higher percentage of employed workers (with other employers) for women, but also a higher percentage of household helping members.

EMPLOYED POPULATION OF WORKING AGE (15-64) ACCORDING TO PROFESSIONAL STATUS, 2009



Source: Republic Statistical Office, Labour Force Survey 2014.

## GENDER PROPERTY GAP AND ACCESS TO IMPORTANT RESOURCES

Women much less than men own the property representing a significant economic capital or direct factors for production, such as land (which has a special significance for agricultural production), means for production, apartments, business offices. Research about the living conditions of women in Central Serbia has shown that in households owning land only in 18% of the cases at least one part of the land has been registered as owned by a woman, among the households occupying their own apartment space in only 15% of the cases the owners of those apartments are women, and among the household owning business offices only in 19% of the cases that facility is in women's property (Babović, Ginić,

21 The rate of activity represents a proportion of the active population (which includes all employed and unemployed population) compared with the population of working age (15-64).

22 Share of employed population in working age population (15-64).

23 Share of unemployed (not employed during reference period, looking actively for employment during the month preceding the survey and able to start to work within two weeks if job offered) in active population.

24 Share of inactive population (neither employed nor unemployed) in working age population (15-64).

Vuković, 2010). When looking at the women owners of the business offices less than half (45.5%) are owned by a women entrepreneur or self-employed women, meaning that they are also using these resources. Finally, among the household owning a car, only in 13% of the cases this automobile is owned by the woman examinee (Ibid).

Apart from the previously mentioned, gender differences are also showing in the approach to financial institutions. Only a small portion above half of the population has had a bank account (55.6%) in Serbia in 2009, and among them there was 54% of men and 46% of women. Looking at the situation from another angle, bank accounts was owned by 52% of women among adult women, while for adult men the percentage was 59% (UNDP, Research on social exclusion). Requests for loans (of any kind) were submitted by 24% of women and 29% of men, and the loans were obtained by 94% of women and 92% of men. The number of persons whose requests for loans were refused is small, so the data should be taken with precaution, but still they are pointing out that the reasons for refusing the loans are different for women and men. With women insufficient guarantees or absence of credit history or unfavourable credit history are the most frequent reasons for refusal that are different than with men, while regarding men the reasons that are far more present than with women are inappropriate business plan, inadequate documentation or other reasons.

## GENDER GAP IN CARING FOR THE HOUSEHOLD AND FAMILY

Finally, it is required to point out a very significant segment of gender inequalities which takes place in the sphere of private and family life. The research shows that the work for maintaining a household and caring for the family are disproportionately left to women, which is considerably spending their time and other resources.

DIVISION OF HOUSEHOLD UNPAID WORK IN SERBIA, 2007.

Type of work	Performed by women	Performed by men	Performed jointly by women and men
Cooking	85.4	9.0	5.6
Laundry washing	82.8	8.5	8.7
Cleaning	79.0	8.8	12.2
Ironing	84.6	8.5	6.9
Care of little children	75.0	9.2	15.7
Care of school performance of children	74.4	15.3	10.3

Source: Babović, 2010.

Inequalities in the sphere of privacy are also manifested through some psychological mechanisms that are not easy to detect in a quantitative research. Consequently the focus group discussion conducted within the research on the status of women on the labour market have shown that women more often than not emphasize that they are lacking “courage, confidence, audacity” to initiate their own business, especially in small towns where the pressure of traditional norms is much higher and more direct (Babović, 2007).

The described conditions show a rather unfavourable context for women entrepreneurship. At the level of general data, the relation of the mentioned aspects of the environment and women entrepreneurship may be judged only indirectly, while the task of the research will be to establish which of the afore mentioned determinants represent significant obstacles and lowering factors for development of women entrepreneurship in a more direct manner.

## 3.

## THE STATUS OF WOMEN IN BUSINESS IN SERBIA REGARDING COMPARATIVE PERSPECTIVE

Specific details regarding the status of women in the business sector in Serbia can be evaluated more precisely only in the comparative framework, at the moment when we compare them with the status of men in this sector in Serbia and business women in the wider region and EU. Thus, the following chapter will examine the scope and characteristics of women entrepreneurship, as well as characteristics of women managers in a comparative framework, and before we tackle a more detailed analysis of their position on the basis of the data from the research.

## 3.1.

### COMPARATIVE FINDINGS ON THE STATUS OF WOMEN AND MEN IN THE BUSINESS SECTOR IN SERBIA

The portion of women in the business sector can be evaluated on the basis of their portion among the owners of companies, among the highest head managers of the companies and among entrepreneurs, that is the category made up of persons that are at the same time owners and highest ranking managers of the company. In each of the afore mentioned categories women represent a distinct minority.

## 3.1.1.

#### GENDER GAP IN OWNERSHIP OVER BUSINESS ORGANIZATIONS

According to the information from the Serbian Business Registers Agency, in August 2014 some 168.158 business organizations were registered. An overwhelming majority (89.5%) were limited liability companies. However, a large number of business organizations was at that moment in the process of liquidation, bankruptcy proceedings in process or already terminated, so the number of active business organizations was 113.765.

Active business organizations had a total of 217.290 ownership shares. From that number of ownership shares only 26.8% (58.205) were owned by women, while the rest 73.2% (159.085) were owned by men. When compared to the period of the research on women entrepreneurship from 2011., when 25.2% of ownership shares were owned by women, this information shows that there is a very small shift towards closing the gender gap in ownership over business organizations.

This time a more detailed insight into the structure of ownership according to the size of the share and gender of the owners were not available, but in the previous cycle of research a regularity was spotted regarding a regularity that women are more prone to be independent owners of a company. In favour of that fact is the information about the average size of the ownership share – men are on average owners over 88.7% of the company, while women on average own 91.4% of the company (Babović, 2012).



## OWNERSHIP OF COMPANY ASSETS ACCORDING TO GENDER, 2011.

Size of ownership share	Women	Men
0.1-25.0%	3.0	4.1
25.01-50.0%	11.8	13.6
50.01-75.0%	1.0	1.5
75.01-99.9%	0.7	1.3
100%	83.5	79.6

Source: data set based on business registry of the Statistical Office of Serbia, 2011, cited by Babović, 2012.

The differences in ownership status and ownership shares of women and men were not notices in higher extent neither among the regions nor economy sectors. Less changes can be registered only in some “typically female” sectors, such as administrative help and services, health and social welfare, alongside with the sector of classic services, where women own between 30% and 40% of those shares (Babović, 2012.).

## 3.1.2.

## GENDER GAP IN MANAGING POSITIONS OF THE COMPANY

In order to view the gender gap in managing positions of the company in a real light we need to direct our attention to the highest managing positions, or the positions with the highest levels of power in the companies. Most frequently those are the positions of managing director, and in cases of joint-stock companies also the positions of management board members. According to the information from the Serbian Business Registers Agency in 2014, women were occupying 25.8% of the highest managing positions in active business organizations, which represents a slight increase of the share from 22.0% market in 2011.

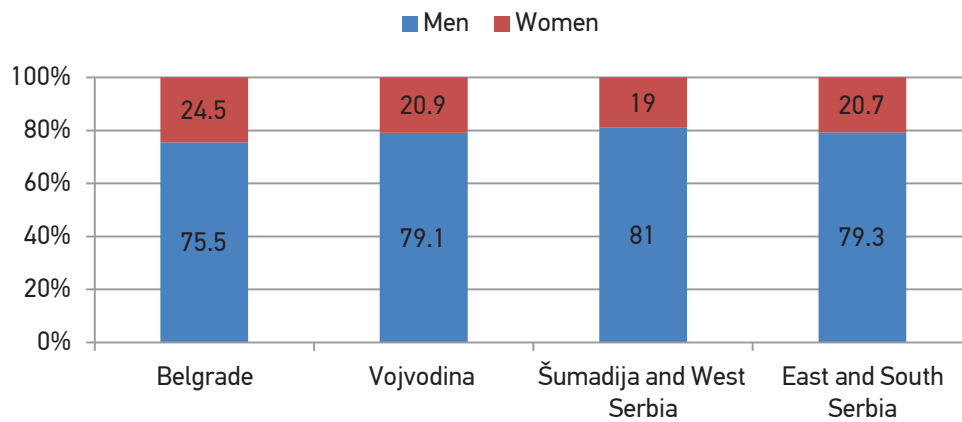
These findings again speak in favour of the thesis that women have a much harder time to “obtain” the leading positions in the situations when the competition with men is higher, or when there are more owners and candidates for those positions. This is in accordance with the earlier findings regarding the existence of the so called “glass ceiling”<sup>25</sup> in the vertical mobility of women to the principal managing positions in companies (Babović, 2007, 2010, 2012).

Regional differences in this aspect are shown in the following two charts but based on the data from 2011, and for persons conducting managerial functions or taking places in management boards of business organizations. The information shown point out that women outside Belgrade are even more rare as directors or managers, and they are significantly more seldom as management board members, that it is the case in the companies from Belgrade (Babović, 2012).

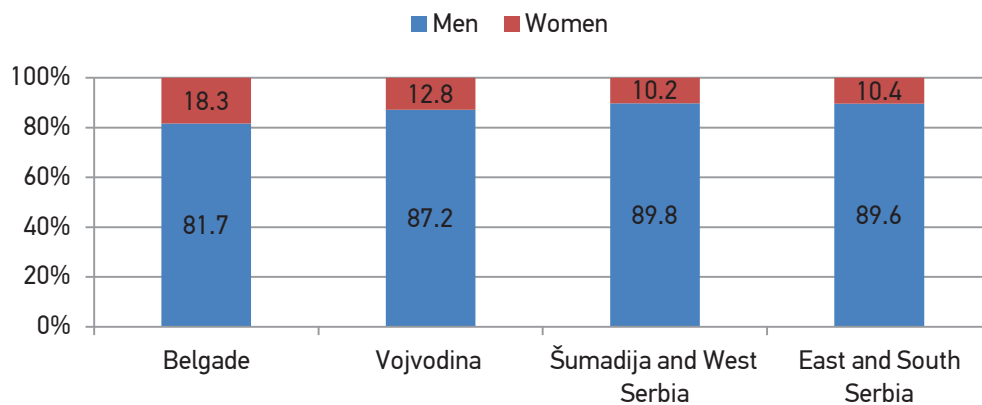
25 The effect of the “glass ceiling” points out to the invisible but still strong obstacle for advancement to the highest organizational positions for women and minorities. The term has come into use in feminist economy with the aim to mark gender discrimination in vertical mobility within organizations, and was later extended to other forms of discrimination as well.



## MANAGERS OF ENTERPRISES ACCORDING TO GENDER AND REGION, IN %



## BOARD MEMBERS ACCORDING TO GENDER AND REGION, IN %

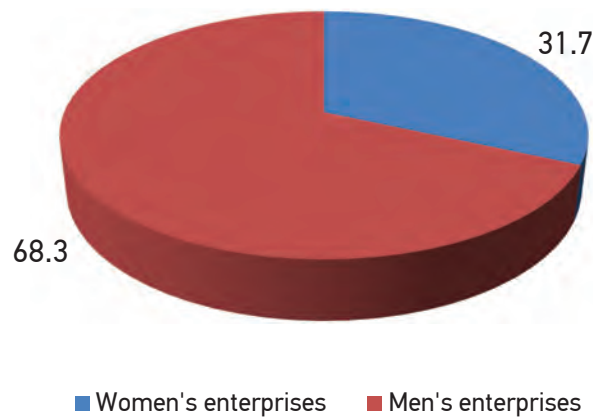


### 3.1.3. GENDER GAP IN ENTREPRENEURSHIP

Companies that can be classified in women entrepreneurship (because they are owned and under management of women) were only about 26% of the share of total active companies for 2011. Regarding the extent of the gender gap in the scope of women and men entrepreneurship in Serbia there were no significant regional differences (Babović, 2012). Also, based on the data from the Serbian Business Registers Agency from 2014, women were 24% of the entrepreneurs that were at the heads of business organizations (at the same time owners and head managers), while they had 32% when talking about registered entrepreneurs. In case we take the entrepreneurs at the heads of business organizations and entrepreneurs registered as natural persons to be one unique set of companies, we would notice that women are marking a share of 31.7%, which is a significantly higher share when compared to 2011.<sup>26</sup>

26 It is necessary to point out that the difference might be partially coming from the methodology of the two periods, that is to say from the treatment of the business organizations and entrepreneurs with no data available regarding the owners and/or managers gender.

ENTERPRISES ACCORDING TO GENDER OF A PERSON PERFORMING THE ROLE OF ENTREPRENEUR, IN 2014.



Source: Serbian Business Registers Agency, 2014.

The information do not allow an observation regarding whether these changes in shares of women entrepreneurs came on account of the increased share of company liquidations, for the companies headed by men in the period between 2011 and 2014. From the previous cycle of research, when this demographic information on the companies was available, it had been noted that the companies belonging to women were “less vital” from the companies belonging to men. Namely, the percentage of terminations of companies was, among companies and shops belonging to women entrepreneurs, significantly higher than with the companies of men – in 2011. 47% of the companies that were founded or led by women were terminated, while when looking at the companies founded and led by men the percentage is 38%.

Significant differences in women entrepreneurship are showing in regards to the sector of activities. This information is not surprising considering the relatively expressed segregation at the labour market which points out to professional and sector inclinations of both women and men (Babović, 2007, 2010). In the following chart it is possible to notice gender differences in the sector of activities as more expressed with women and men that were registered as entrepreneurs than with those that perform entrepreneurial roles at the heads of business organizations. Sector segregation is shown in entrepreneurship with women being more keen to trade and the sector of services, while men (also with a dominant orientation towards trade), are more inclined than women to conduct business in the sector of transportation and construction. A higher participation of women in the fields of information technologies, finances and real estate, is a consequence of high participation in accountancy and bookkeeping, which are traditionally “female domains of not new forms of economy of knowledge (information technology, technology innovations and financial markets).

The described differences were also noticed during the previous cycle of research and in that respect it can be said that there were no significant changes.

## WOMEN AND MEN ENTREPRENEURS ACCORDING TO THE INDUSTRY OF ENTERPRISE, 2014

Industry	%			
	Companies of women	Companies of men	Female entrepreneurs	Male entrepreneurs
Agriculture, forestry, fishing	4.4	6.3	0.8	1.6
Manufacturing, electricity, gas	16.6	18.4	14.2	16.7
Construction	5.7	9.0	2.9	11.4
Trade	34.3	32.3	33.0	22.9
Transport	6.0	6.5	2.2	17.5
Restaurants, accommodation	3.7	4.2	9.6	9.1
IT, finances, retail trade, scientific, innovative activities	21.6	17.3	14.5	10.5
Administrative and social services	5.8	4.2	8.0	4.0
Traditional services	1.9	1.8	14.8	6.3
Total	100	100	100	100

Source: Serbian Business Registers Agency, 2014.

## 3.2. COMPARATIVE FINDINGS ON THE STATUS OF WOMEN IN THE BUSINESS SECTOR IN SERBIA, EU AND THE REGION

The status of women in the business sector in Serbia compared to the countries in the region and EU, will be examined in two key aspects: women entrepreneurship and taking highest decision making positions in the companies.

### 3.2.1. ENTREPRENEURSHIP

Global Entrepreneurship Monitor – GEM research represents one of the rear initiatives that enables monitoring of entrepreneurship on international level according to standardized indicators and methodology. Every several years, GEM consortium is conducting a thematic research on women entrepreneurship. The last such research on global level was conducted in 2012.<sup>27</sup>, but unfortunately Serbia did not take part in it. The last data for all the indicators for Serbia are available from 2009., but the data for the completed gender analyses in international framework are available only for 2007., when, in

27 The report from this research is available at the following web address:  
<http://www.gemconsortium.org/docs/2825/gem-2012-womens-report>

this last attempt, a global thematic research was conducted on women entrepreneurship.<sup>28</sup> According to the information gathered in Serbia, in 2007., there was 7.9% of entrepreneurs among women aged 18-64, while for men of the same age the number of entrepreneurs was 19.%. Additionally, 5% of women of said age were in the phase of establishing work or in the early phases of business (as opposed to 12% of men), while 2.8% of women of said age were at the heads of already established businesses (as opposed to 7.7% of men). International comparative data from the following chart are leading towards several conclusions:

- The spread of entrepreneurship of women is significantly smaller than with men in all researched countries.
- Serbia is ranked relatively high among the researched countries; and regarding the presence of men as entrepreneurs it is in the third place (behind Greece and Portugal), and regarding women it takes the fourth place (behind Greece, Portugal and Hungary).
- Gender gap regarding the distribution of entrepreneurship is most prominent in Serbia and it is 12 percentage points.

#### ENTREPRENEURSHIP RATES ACCORDING TO AGE OF BUSINESS AND GENDER OF ENTREPRENEUR, 2007

	Early stage (3-42 months)		Established businesses (longer than 42 months)		Total entrepreneurship rate (early + established)	
	M	W	M	W	M	W
Serbia	12.1	5.1	7.7	2.8	19.9	7.9
Slovenia	6.8	2.7	6.8	2.3	13.7	5.0
Croatia	9.4	5.1	5.8	2.7	15.2	7.8
Greece	7.9	3.5	14.6	12.0	22.6	15.6
Hungary	9.3	4.5	5.9	3.8	15.2	8.3
Denmark	6.2	4.6	8.5	3.4	14.8	8.0
Italy	6.7	3.3	8.9	2.2	15.6	5.5
Netherlands	6.6	3.7	8.6	4.1	15.2	7.8
Portugal	11.7	6.0	9.8	4.4	21.5	10.4
Romania	4.9	3.1	3.3	1.7	8.3	4.8
Sweden	5.8	2.5	6.9	2.5	12.7	5.0
United Kingdom	7.4	3.6	7.6	2.6	15.0	6.2
Norway	8.6	4.3	8.2	3.5	16.8	7.8

Source: Allen et al, GEM, 2007: 12

28 The information for Serbia is shown according to gender and is available for 2008. (Bobera et al, 2008), however the problem is that in the report in which this data is displayed for each indicator there is a different set of countries with which Serbia is compared. For 2009. the information for Serbia were not published in such details, thus making almost all the indicators available for the total population, but not specifically for women or men (the data base [http://www.gemconsortium.org/about.aspx?page=gem\\_datasets](http://www.gemconsortium.org/about.aspx?page=gem_datasets)). For 2010. the data is currently not available in the GEM database, but only in the Global Report for that year, where Serbia is missing.

However, the information regarding the scope of entrepreneurship among women are not revealing much on their own. The given scope of entrepreneurship might be fulfilled out of various reasons. The indicators that are showing an overwhelming motivation for entering entrepreneurship illustrate that behind similar rates of the scope of entrepreneurship various forms of motivation for entrepreneurship might be revealed, which later influence the stability and success of the business. So, from the previous chart we may see that Serbia has similar overall rates of women entrepreneurship as Denmark and Norway. Nevertheless, from the chart that follows we will see that there are various reasons behind the same scope of entrepreneurship – while in Serbia entrepreneurship is highly motivated by economic necessity, the two Scandinavian countries which are at the opposite end according to the points considered for ranking, are representing significant changes in the development of women entrepreneurship based on recognizable business possibilities. At the same time, it is important to recognize that significant gender differences in motivation for entering entrepreneurship are exposed in Serbia, because for men a significantly more present motive is the motive of business possibilities, much more present with them than with women.

RATIO BETWEEN ENTREPRENEURIAL MOTIVATION BASED ON BUSINESS IDE AND MOTIVATION OUT OF NECESSITY DURING EARLY STAGE OF ENTERPRISE, SELECTED COUNTRIES, ACCORDING TO GENDER OF ENTREPRENEUR, 2007.

	Men	Women	Women – rank <sup>29</sup>
Serbia	1.45	0.32	1
Croatia	2.04	0.77	3
Hungary	3.07	1.57	12
Romania	5.00	2.6	22
United Kingdom	6.09	2.9	24
Sweden	6.00	2.93	25
Italy	5.33	2.96	26
Slovenia	10.44	3.83	32
Netherlands	6.30	3.88	33
Portugal	10.10	4.90	35
Greece	12.80	5.38	36
Norway	29.00	12.91	40
Denmark	28.00	17.69	41

Source: Allen et al, GEM, 2007

One should have in mind that when the data are considered in international comparative context the differences between the countries are stemming from a series of factors that are not only directly connected with the chances of women to start and develop their own entrepreneurial ventures, but also with the deeper characteristics of national economies, gender regimes, etc.

<sup>29</sup> The ranks are taken from the original chart, and considering the number of selected countries are much smaller in this chart than in the original chart (where all values for 41 countries are presented), the positions of the ranks are discontinuous.

### 3.2.2. MANAGING POSITIONS IN THE COMPANIES

Monitoring of the status of women at managing positions in the companies is enabled due to the unique database of the European Commission, which contains information on the status of women in the member countries and candidate countries, alongside with information from countries that have not even reached the candidate status yet, in the wider context of women's participation in the decision making processes. The methodology of the monitoring includes several important areas: the structures of political decision making, public administration, the justice system, the business and financial sector, social partners and the civil sector, not excluding the environment.

Monitoring of the scope in the area of financial and business sector is including the highest positions in the key institutions on European, national and regional levels, as well as the positions held in companies. When the companies are in question, the positions of the management boards (chairman and members of management or supervisory boards), managing directors or chief executive managers and similar are monitored. The largest companies present at the stock exchange list are monitored. Although the information is not completely comparable on account of various management systems of individual countries, they largely allow some basic comparative insights to be gained and also to monitor the changes over time.

From the following chart it can be noticed that the presence of women among the chairmen of the management boards is significantly above average for EU 28, and presence among the members of the boards is only for one percentage point smaller than the average for EU 28. An interesting fact is that the share of women among the chairmen of the company is considerably higher even than in some countries well known for their accomplishments in the field of gender equality, such as Denmark and Norway. On the other hand, when presence among the management board members is in question, Serbia presents an inferior situation than this and many other countries.

THE SHARE OF WOMEN AMONG THE CHAIRMEN AND MANAGEMENT BOARD MEMBERS IN COMPANIES FOR SELECTED COUNTRIES, 2013.

	Number of companies		Presidents		Board members	
	Included	With data	Women (%)	Men (%)	Women (%)	Men (%)
EU-28	610	610	5	95	18	82
Belgium	18	18	0	100	17	83
Bulgaria	15	15	13	87	17	83
Czech Republic	11	11	20	80	11	89
Denmark	18	18	0	100	23	77
Germany	30	30	3	97	21	79
Greece	24	24	0	100	8	92
Spain	33	33	6	94	15	85
France	35	35	9	91	30	70
Croatia	23	23	9	91	15	85
Italy	37	37	0	100	15	85
Hungary	13	13	0	100	11	89



	Number of companies		Presidents		Board members	
	Included	With data	Women (%)	Men (%)	Women (%)	Men (%)
Netherlands	21	21	0	100	25	75
Austria	20	20	0	100	13	87
Poland	19	19	16	84	12	88
Romania	10	10	0	100	8	92
Slovenia	20	20	5	95	22	78
Slovakia	10	10	30	70	24	76
Finland	23	23	4	96	30	70
Sweden	26	26	4	96	26	74
United Kingdom	45	45	0	100	21	79
Macedonia	10	10	30	70	17	83
Turkey	50	50	10	90	8	92
Serbia	14	14	21	79	17	83
Iceland	10	10	20	80	48	52
Norway	20	20	15	85	42	58

Source: European Commission<sup>30</sup>

When we are considering the share of women among the chief executive managers of companies there were no women at the head of any company from the sample. Nonetheless, it is obvious that most of the observed countries had a similar situation and that in only a few countries there are women on these positions.

#### THE SHARE OF WOMEN AMONG THE CHIEF EXECUTIVE MANAGERS OF COMPANIES FOR SELECTED COUNTRIES, 2013.

	Number of companies		CEO	
	Included	With data	Women (%)	Men (%)
EU-28	610	610	3	97
Belgium	18	18	0	100
Bulgaria	15	15	7	93
Czech Republic	11	11	0	100
Denmark	18	18	0	100
Germany	30	30	0	100

<sup>30</sup> [http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/business-finance/supervisory-board-board-directors/index\\_en.htm](http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/business-finance/supervisory-board-board-directors/index_en.htm)

	Number of companies		CEO	
	Included	With data	Women (%)	Men (%)
Greece	24	24	4	96
Spain	33	33	3	97
France	35	35	0	100
Croatia	23	23	4	96
Italy	37	37	0	100
Hungary	13	13	0	100
Nederland	21	21	10	90
Austria	20	20	0	100
Poland	19	19	0	100
Romania	10	10	11	89
Slovenia	20	20	5	95
Slovakia	10	10	10	90
Finland	23	23	0	100
Sweden	26	26	4	96
United Kingdom	45	45	2	98
Macedonia	10	10	0	100
Turkey	50	50	0	100
Serbia	14	14	0	100
Iceland	10	10	10	90
Norway	20	20	0	100

Source: European Commission<sup>31</sup>

The distribution of entrepreneurship of women is significantly smaller for women than for men in all countries monitored by GEM. The gender gap is most prominent in Serbia regarding the distribution of entrepreneurship and it had 12 percentage points in 2007. Entrepreneurship in Serbia is highly motivated by economic necessity, taking into account that the motive of business possibilities is much more present with men than with women.

The presented data show a conspicuous gender gap in entrepreneurship, and a considerably smaller scope of entrepreneurship of women when compared to the entrepreneurship of men. In case we take notice on the scope of entrepreneurship through various legal forms of the companies, it can be noticed that the percentage of women leading business organizations is especially small. As one of the most important reasons for that might be the fact that there are many owners in business organizations (especially in joint-stock companies which often have a large number of owners and managers), it is

31 [http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/business-finance/executives-non-executives/index\\_en.htm](http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/business-finance/executives-non-executives/index_en.htm)

harder for women to reach the leading managerial positions when competing with their male colleagues. The data show that the companies with women at their leading positions are harder to sustain, or in other words, they are marked by a higher rate of termination. The gender gap is also present regarding the sector structures of entrepreneurship of women and men – women are more often turning towards trade and the sector of providing services, while men turn to sectors of transportation and construction. The higher presence of women in the sector of information technologies, finances and real estate, is owing to a higher participation of accounting and bookkeeping services.

Regional differences are shown in several aspects: men and women entrepreneurs outside Belgrade are noticeably less prone to fulfil their entrepreneurial ventures through legal forms of business organizations than the ones from Belgrade; women outside Belgrade have even a harder time getting to the leading managerial positions in business organizations, and the sector structure of entrepreneurial ventures of women is much more different for Belgrade and for other regions, because the women entrepreneurs living outside Belgrade are somewhat more prone to conduct business in the field of industry, they concentrate their businesses in the field of trade, while women from Belgrade are more inclined to do business in the area of information technologies and quaternary services.

When we are looking at the comparative data for basis to consider the conditions in Serbia and compare it with the conditions in other countries, the findings are contradictory. Considering the gender gap in the distribution of entrepreneurship, it was the most prominent in Serbia than in all observed countries in 2007, and it had a value of 12 percentage points. However, we should keep in mind that the distribution of entrepreneurship of women is considerably smaller than of men in all countries monitored by GEM.

The presence of women at the highest decision making positions in the companies is according to some indicators above the EU average (the share considering the chairman of the managing board), while considering the others it is below this average (the share considering the managing board members). Regarding the share of women among the managing directors of the largest companies from the stock market list of Serbia, unfortunately, shares the fate of most of the countries regarding complete absence of women in these positions.

## 4.

## WOMEN IN THE BUSINESS SECTOR IN SERBIA – CHARACTERISTICS, POTENTIALS, OBSTACLES

## 4.1.

### BASIC FEATURES OF THE SAMPLE

The sample has included 601 women in the business sector. In accordance with the conceptual framework, the basic goals of the research and the definitions presented in earlier chapters, the sample has been defined in such way to include different categories of women in the business sector:

- **Active women entrepreneurs from the panel sub-sample.** This category is formed from women entrepreneurs, (which is to say women that are at the same time both (co)owners and chief managers of the company), who were interviewed during the research on women entrepreneurship in 2011. Out of 455 active women entrepreneurs who were included in the sample in 2011., the research of 2014. included only 167 of them who conceded to participate in the research, or in other words that is the number of still active women entrepreneurs.
- **Active women entrepreneurs outside of the panel sub-sample who founded their company before 2011.** Having in mind that the whole panel sample could not be repeated (on account of terminating companies or refusing to take part in the research again), a part of the sample of women entrepreneurs was compensated from the register of business entities and women entrepreneurs by selecting 168 women entrepreneurs who registered their business before August 2011. and 116 women entrepreneurs who registered their business after this period, in accordance with the rate of registration of companies for women.
- **Inactive women entrepreneurs.** This sub-category is composed of women entrepreneurs whose company has been terminated. Among this former entrepreneurs 42 were taking part in the previous research in 2011., when their company was active, and 8 have been selected randomly from the register of the Serbian Business Registers Agency, where the data on terminated and companies erased from the Register are placed.
- **Women managers.** This category is composed of 100 women who are at the heads of private companies, but do not have any share of the ownership over those companies.

The women entrepreneurs who have initiated their own business before August 2011., regardless if they belong to the panel sub-sample or not, will be called “old” women entrepreneurs in the further text. This separation will, apart from other issues, be significant when we want to perceive the differences in the profile and characteristics of the business. To be exact, we were interested to find out if the period after 2011., which was marked by the prolonged economic crises and unfavourable conditions in the labour market, has brought some changes in the structure of business activities, above all in the sense of branches of activities, the market, etc. The precise structure of the sample according to the above mentioned categories is shown in the following chart.

## THE STRUCTURE OF THE SAMPLE OF WOMEN IN BUSINESS

Subsamples	N	%
Entrepreneurs from panel subsample	167	27.8
Entrepreneurs out of subsample, enterprises founded prior to 2011	168	28.0
Entrepreneurs out of subsample, enterprises founded after 1 January 2011	116	19.3
Inactive entrepreneurs	50	8.3
Managers	100	16.6
Total	601	100

The analyses in the continuance of this chapter will include only active women entrepreneurs and managers, while a special chapter is dedicated for inactive women entrepreneurs.

It is noticeable that almost one third of the interviewees is from the regions of Šumadija and Western Serbia, and one fourth from the Belgrade region, when regional distribution of the sample is in question. Nevertheless, based on the information from the following chart it can be noticed that regional distribution of women entrepreneurs and managers differs significantly, because there is a greater number of managers from the Belgrade region than from the regions of Šumadija and Western Serbia. The smallest share belongs to women entrepreneurs and managers from Vojvodina.

BUSINESS WOMEN ACCORDING TO THE REGION OF ENTERPRISE HEADQUARTER<sup>32</sup>

Region	%		
	Total	Entrepreneurs	Managers
Belgrade	25.0	22.8	34.7
Vojvodina	21.9	22.6	18.4
Sumadija and West Serbia	31.1	32.2	26.5
East and South Serbia	22.0	22.4	20.4
Total	100	100	100

The rest of the socio-demographic and professional characteristics of the sample already describe the profile of women in the business sector, and will thus be analysed in the following chapter.

## 4.2. THE PROFILE OF WOMEN IN THE BUSINESS SECTOR

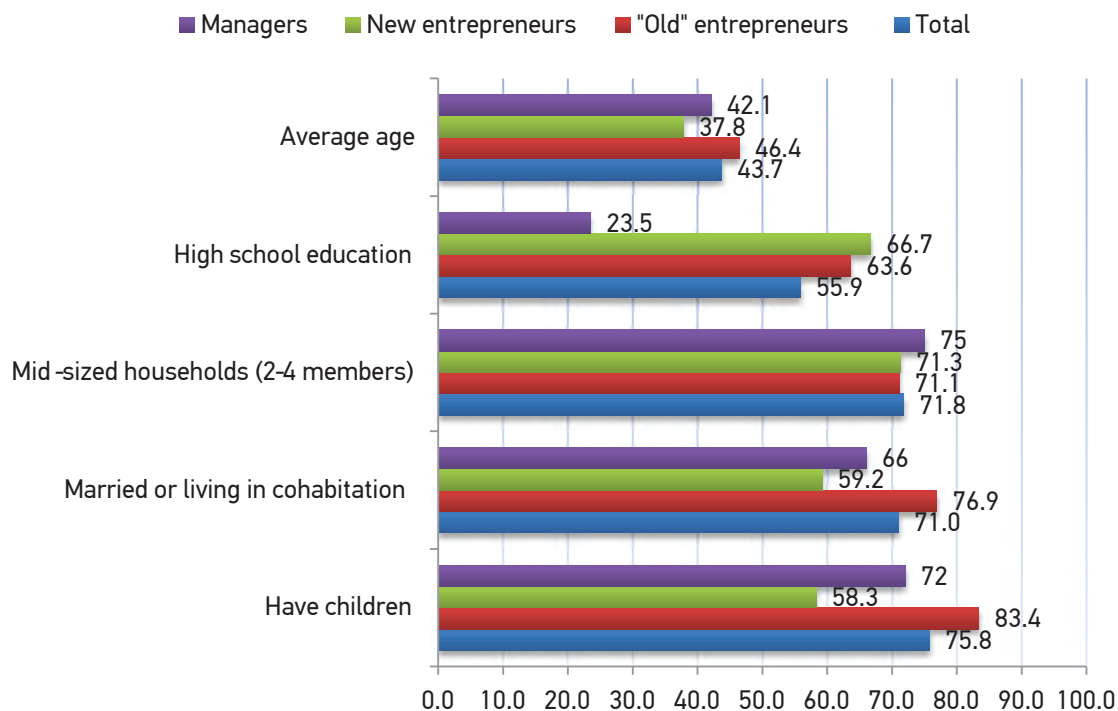
The profile of women in the business sector should show who actually these women are according to a set of socio-demographic characteristics, and also what is their business profile like, having in mind the most basic characteristics of their business.

<sup>32</sup> The place of headquarter is usually place in which women live.

### 4.2.1. SOCIO-DEMOGRAPHIC PROFILE OF BUSINESS WOMEN

Socio-demographic profiles of the women from the sample can be seen in the following chart. The basic data on their profiles show that they are average middle-aged women, who in the majority of cases live in medium-sized households, are married or live in cohabitation and have children. In individual aspects some more considerable differences are noticed between the sub-categories of women in business. Namely, the most important difference regarding educational characteristics can be seen between the women managers and women entrepreneurs. While women entrepreneurs are in most of the cases (over 60%) with secondary education, the managers are in most of the cases (76.5%) with higher or high education. There is even a 7.1% of them who have post graduate degree. Apart from that certain noteworthy differences can be noticed between the so called “old” and “new” women entrepreneurs. Women entrepreneurs who have initiated their own business after August 2011 are younger on average than the entrepreneurs who founded their own business before that period (37.8 years old as opposed to 46.6 years old), and then in accordance with that they more rarely live in a marriage community, or cohabitation and have children.

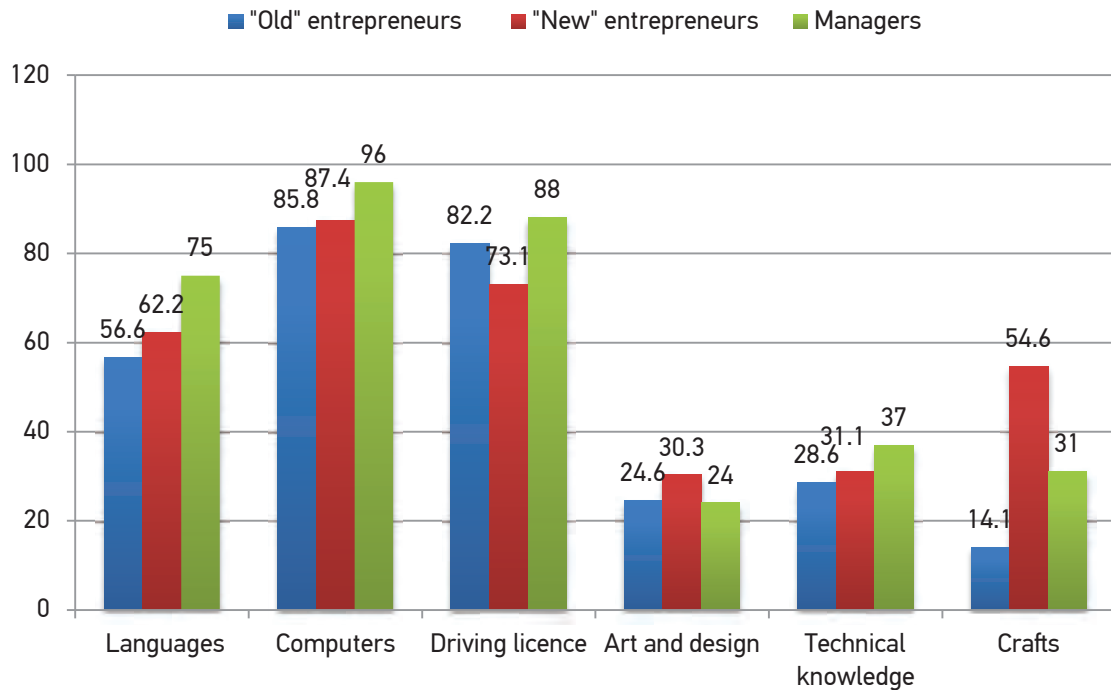
FIGURE: SOCIO-DEMOGRAPHIC PROFILE OF WOMEN IN BUSINESS



Women in the business sector are substantially having additional knowledge and skills. When looking at the following Figure we can notice that in most of the cases, in each of the category of women, knowledge of foreign languages, computer literacy and driving skills are present. This knowledge and skills are the most common among women managers. However, handicraft knowledge are most commonly present among the “new” entrepreneurs.



## POSSESSION OF SPECIFIC SKILLS AND KNOWLEDGE



## 4.2.2.

## BUSINESS PROFILE OF WOMEN IN THE BUSINESS SECTOR

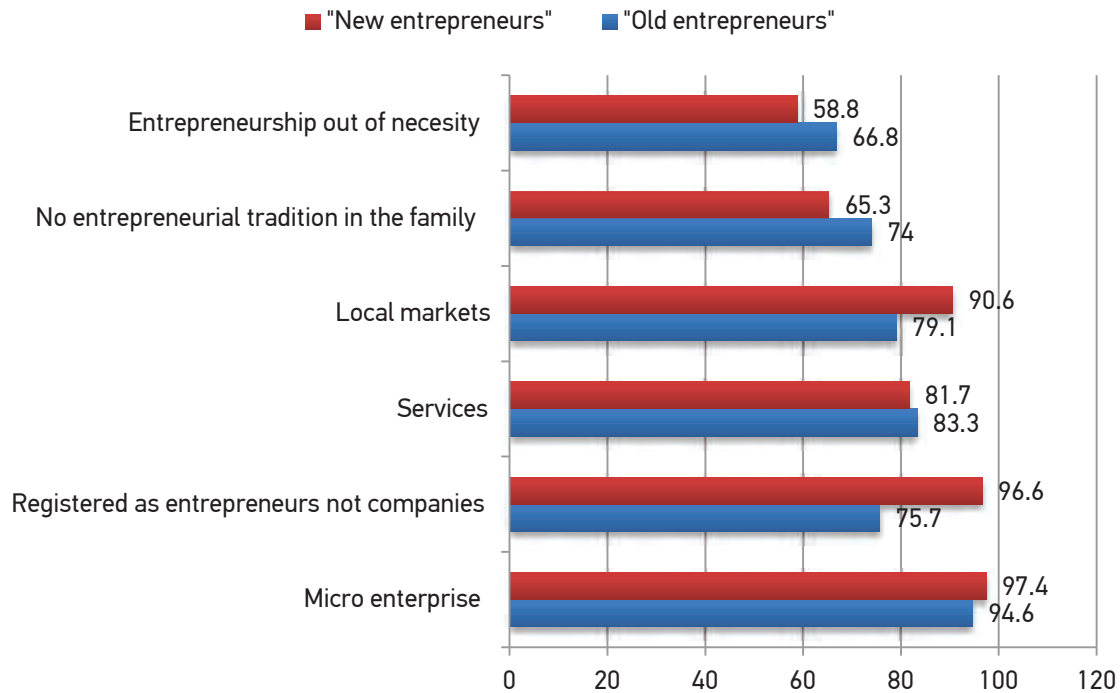
The business profile of women entrepreneurs and managers are shown separately because their position in the business sector is different (the former are owners and the latter are not), causing the profiles themselves to contain different elements. The entrepreneurial profile is shown on the basis of indicators such as: the size of the company measured according to the number of employees, legal form within which the entrepreneurial activity is taking place, branch of the overall activity in question, prevailing type of the market where they conduct business, entrepreneurial background, as well as the motives for starting their own business. The business profile of the women managers is made up of the following components: the size of the company measured by the number of employees, legal framework of the company, the type of the market where they usually conduct business and the branch of activity.

The business profile of the entrepreneurs points out to the fact that in most of the cases we are looking at women at the leading positions of a micro-business, or in other words employing less than 10 persons. Their activity is in majority of the cases also registered in the form of entrepreneurship, and not business entities. They predominantly conduct business on local markets, do not have a tradition of entrepreneurship in the family and have most commonly initiated their own business on account of necessity to solve the problem of unemployment or unfavourable employment, that is they started their entrepreneurial ventures out of need<sup>33</sup>.

Certain differences can be noticed between the "old" and "new" women entrepreneurs: the latter ones are more commonly than not directed at the local markets, they more rarely establish business entities, but also more rarely go for entrepreneurship out of necessity.

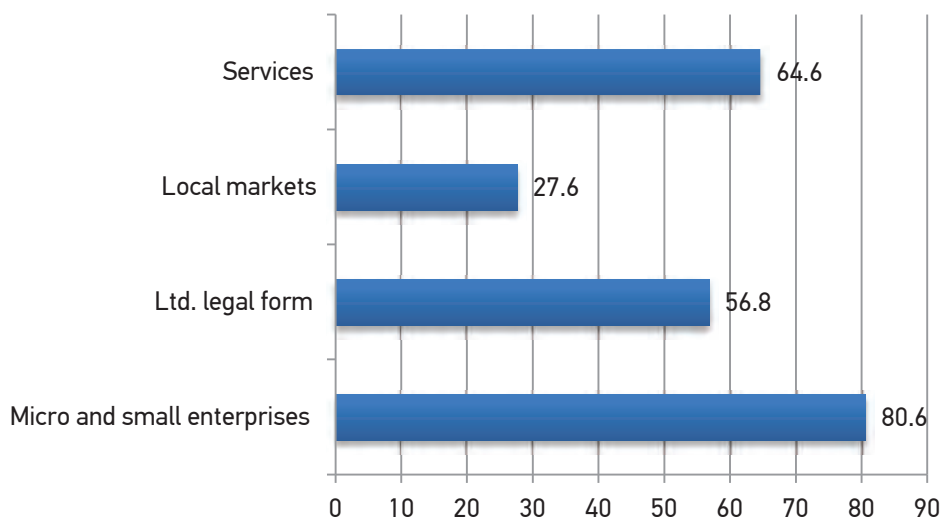
33 GEM approach also differs women entrepreneurs "out of necessity" from entrepreneurs of "opportunity".

## BUSINESS PROFILE OF THE "OLD" AND "NEW" WOMEN ENTREPRENEURS



Unlike women entrepreneurs who almost in all cases are at the heads of micro companies, the managers are frequently administrating somewhat larger companies. Thus some 80.6% of them are at the leading positions of micro and small enterprises. The companies of managers are significantly less directed only towards their local markets, which means that they most commonly conduct business on wider markets. According to the legal form their companies are most often business entities registered as limited liability companies (LLC).

## BUSINESS PROFILE OF WOMEN MANAGERS



Significant differences might be spotted between the three categories of women in business sector according to the branch of their predominant activity. The information presented in the following chart shows that the “old” women entrepreneurs are more concentrated in the sector of trade than the “new” entrepreneurs and managers. It can also be noted that the category of women manager presents a higher presence of industrial companies, alongside with the fact that the “new” women managers are appreciably more concentrated in the sector of classical services. The data point out two more important tendencies: the “old” women entrepreneurs are developing their business activities in the sector of the so called creative industries (information technologies, communication, real estate, science and technical innovations, etc.) much more than the other two categories, and significantly less than the other two categories they are directing their businesses towards catering services. These differences in the structure of business according to the branch of activities are noticeably influential on some other characteristics of business activities, which will be discussed later on.

#### WOMEN IN BUSINESS ACCORDING TO INDUSTRY OF ENTERPRISE

Industry	Category		
	„Old“ entrepreneurs	„New“ entrepreneurs	Managers
Agriculture, forestry, fishing	0	0	4.1
Manufacturing, electricity, gas	14.1	16.9	28.6
Construction	1.1	0	0
Trade	46.3	32.4	32.7
Transport and storage	1.4	1.4	2.0
Hotels, restaurants	5.3	15.5	14.2
IT, finances, real estate, scientific...	4.0	0	6.1
Administrative and social services	13.0	5.6	2.0
Traditional services	13.8	28.2	8.2
Other	1.0	0	2.1
Total	100	100	100

Chi-squared test=69.006, Cramer's V test =0.293, p=0.000

The data from the research show that there are considerable differences, statistically speaking, in the structure of the companies of women entrepreneurs according to the branch of their activities among regions. From the following chart one can notice that, although companies conducting business in the area of trade (both wholesale and retail) are dominating in all of the regions, the share of trade companies is still smaller in Belgrade and significantly larger in the rest of the regions. The share of catering companies considerably differs between Šumadija and Western Serbia, and Southern and Eastern Serbia. Administrative and auxiliary services are mostly present in Belgrade, where the economic activity is the highest. Social services are also mostly present in Belgrade region, while personal and other classical services are the most common branch of activities of women entrepreneurs in Šumadija and Western Serbia.

## WOMEN ENTREPRENEURS ACCORDING TO INDUSTRY AND REGION

Industry	%			
	Belgrade	Vojvodina	Sumadija and West Serbia	East and South Serbia
Manufacturing	9.5	13.8	17.1	15.9
Trade	34.9	46.3	43.1	47.7
Hotels, restaurants	7.9	6.3	5.7	10.2
Administrative and support services	17.5	8.8	7.3	2.3
Social services	9.5	1.3	1.6	3.4
Personal and other traditional services	17.5	15.0	21.1	11.4
Other	3.2	8.5	4.1	9.1
Total	100	100	100	100

Chi-squared test =59.850, Cramer's V test =0.237, p=0.017

There are substantial differences among the “old” and “new” women entrepreneurs and managers regarding the legal forms of the companies where they are situated. The “new” women entrepreneurs, have most commonly registered their business activity in the form of entrepreneurship. The “old” women entrepreneurs are more frequently than the previously mentioned group leading companies registered in the form of a Limited Liability Company, and this legal form is exactly the most common type of companies when looking at women managers. It is possible that the “new” women managers have especially concentrated on this legal form on account of unfavourable economic and social conditions in the period after the economic crises, because this form was the easiest to register, and the obligations and burdens for a registered entrepreneurship shop are far lesser than for business entities. Furthermore, branches of activities may exert influence on these differences in legal forms, above all in the sense of a relatively high participation of the activities in the field of classical services, which are most frequently registered in the form of an entrepreneurial activity (workshops, salons, etc.).

## WOMEN IN THE BUSINESS SECTOR ACCORDING TO THE LEGAL FORM OF ENTERPRISE

Industry	Category		
	„Old“ entrepreneurs	„New“ entrepreneurs	Managers
Registered as entrepreneur	75.7	96.6	20.0
Limited liability company	21.8	3.4	56.8
Partnership	2.2	0	2.1
Limited partnership	0.3	0	0
Joint stock company	0	0	21.1
Total	100	100	100

Chi-squared test =208.445, Cramer's V test=0.440, p=0.000

Ultimately, the highlighted differences in the business profile among the three categories of women in the business sector are also shown in respect to the markets where they are present. While conducting business by the women managers is the least connected with local markets, and a large portion of them is doing business on regional, national and foreign markets, women entrepreneurs are far more limited to local markets, especially when talking about the “new” women entrepreneurs. This fact is not surprising, because the expansion of business activities to wider markets takes time for the development of business, but also on account of a high share of activities in the area of classical services, which are connected to the immediate, local market.

#### WOMEN IN THE BUSINESS SECTOR ACCORDING TO MARKETS WHERE THEY CONDUCT BUSINESS

Markets	Category		
	„Old“ entrepreneurs	„New“ entrepreneurs	Managers
Local	63.5	81.5	27.6
Regional (in the country)	12.1	6.2	12.1
National	13.3	6.9	21.1
EU markets	4.2	2.3	15.6
Broader region (former Yugoslav republics not in EU)	5.2	1.5	12.6
Other foreign markets outside EU	1.7	1.5	11.1
Total	100	100	100

Women in the business sector do not represent a homogenous category. Significant differences can be seen between those who are entrepreneurs, that is who have ownership over the company and manage it, and women managers, who only manage the company without involvement with the founding capital. Although their basic socio-demographic profile is similar, because we are speaking of middle aged women, predominantly family women, the differences among them and shown in their education and business profile. Namely, while women entrepreneurs are mostly women with secondary education, managers most often possess high education. Apart from that, women managers are leading companies that are on average larger than the companies of women entrepreneurs, and are somewhat less concentrated in the sector of services, alongside with having more companies that conduct their business in the business sector. Regional differences are also registered in the structure of the companies according to their branch activities, considering the fact that trade is a bit less present among business women in Belgrade region, with a higher portion of companies providing administrative and social services in this region at the same time. However, the companies that operate in the sector of personal and classical services are mostly present in the region of Sumadija and Western Serbia. A noteworthy difference is perceived in the fact that the companies belonging to women managers are more frequently operating on markets wider than the local ones, when compared to companies of women entrepreneurs.

### 4.3. ENTRY INTO THE BUSINESS SECTOR

Taking into account the fact that career patterns of women entrepreneurs and managers differ on account of their diverse status in respect to ownership over the company, it is necessary to look into the characteristics of entering the business sector separately or these two categories.

### 4.3.1. WOMEN ENTREPRENEURS

In order to review the characteristics of the initial phases of entrance in entrepreneurship we will focus on the status of current women entrepreneurs on the labour market just before they have started their own business, various forms of capital they had on their disposal during the start-up period, sources and forms of support.

#### PREVIOUS STATUS ON THE LABOUR MARKET

The greatest share of women entrepreneurs from the sample was employed immediately before they founded their current companies (59.1%), formally and informally, independently or with other employers. As we can see from the following chart, the greatest percentage of current women entrepreneurs was formally employed with another employer. However, a considerable share of women entrepreneurs from the sample (22.1%) was unemployed immediately before they initiated their own business

#### WOMEN ENTREPRENEURS ACCORDING TO THE LABOUR MARKET POSITION PRIOR TO STARTING OWN BUSINESS

Status	%
Formally employed with another employer	44.1
Informally self-employed	3.4
Informally employed with another employer	8.2
Registered entrepreneur with previous business	3.4
Unemployed	22.1
Inactive due to the education	7.8
Inactive due to the family reasons	5.3
Inactive due to the other reasons	5.7
Total	100

When looking at the women entrepreneurs who were unemployed before they initiated their own current business, 40% of them never had employment and was seeking their first job, 17% lost their job as redundant workers, 11% lost their job on account of the company they worked for being terminated, 13% had made a pause in their career on account of maternity leaves and 17% willingly left their jobs on account of unfavourable working conditions, while the others lost their jobs because of other reasons. Apart from that, more than half of the unemployed women were long term unemployed (54.4%). A small number of women entrepreneurs had another company before the current one. In the largest number of cases (72%) that company was terminated, while in 12% of the cases the respondents kept the ownership over the company but had ceased to manage it when they founded their current company. In the rest of the cases the previous company had been sold.

Women entrepreneurs employed immediately before founding / taking over the current company had on average a 10 year long work service experience. Among them some 66% of women had their working experience exactly in the sector of activities shared by their current company, and the length of the work experience was 11 years, again on average. Among the respondents who were employed, 40%



had managing experience During the previous career, and the length of the management service was on average 9 years, which point to the fact that the women entrepreneurs from this subgroup had occupied important managerial positions before they founded their own company.

The data on the motives for entering entrepreneurship show a highly expressed need for independence in work with both of the subcategories of women entrepreneurs. Motivation regarding business ideas comes right after it, and a desire for higher income and a need to take on new challenges are following.

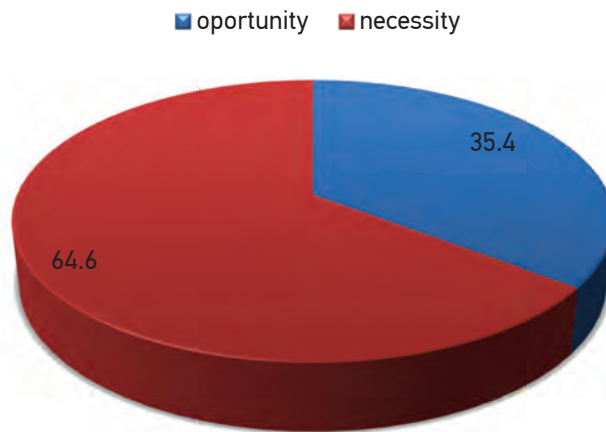
#### THE MOST IMPORTANT REASONS FOR ENTERING ENTREPRENEURSHIP

Reason to start own business	%	
	„Old“ entrepreneurs	„New“ entrepreneurs
Good business idea, business opportunity	44.7	39.6
Desire to export	1.6	1.9
Opportunity to become supplier of previous employer	2.2	1.9
Desire to face new challenges	24.3	24.5
Desire to become independent	62.8	65.3
Desire to develop business out of hobby	12.9	11.7
Desire to continue family tradition	10.8	13.2
Desire to better reconcile career and family	14.3	15.1
Desire to return to work after raising children	9.4	7.2
Desire to provide higher incomes	39.6	42.6
To solve problem of unemployment	14.8	13.2
To escape poor working conditions at previous employment	9.2	9.8
It was the only way to work in basic profession	3.5	3.4

However, when the women were explicitly asked to evaluate which one of these two reasons was decisive to initiate their independent business: economic necessity or good business opportunities, most of the entrepreneurs chose the first option<sup>34</sup>. The data obtained on the basis of their responses to the stated question show that entrepreneurship out of necessity is still predominant in Serbia, because most of the women entrepreneurs had initiated their own business primarily on account of not being able to find another way to solve the problem of unemployment, or low-quality employment with other employers, while only a small portion did it because they recognized good business opportunities or had business ideas. Thus the former might be characterized as entrepreneurs “out of necessity” and the latter as entrepreneurs of “opportunity”.

<sup>34</sup> In this case they had an opportunity to choose only one of the two options.

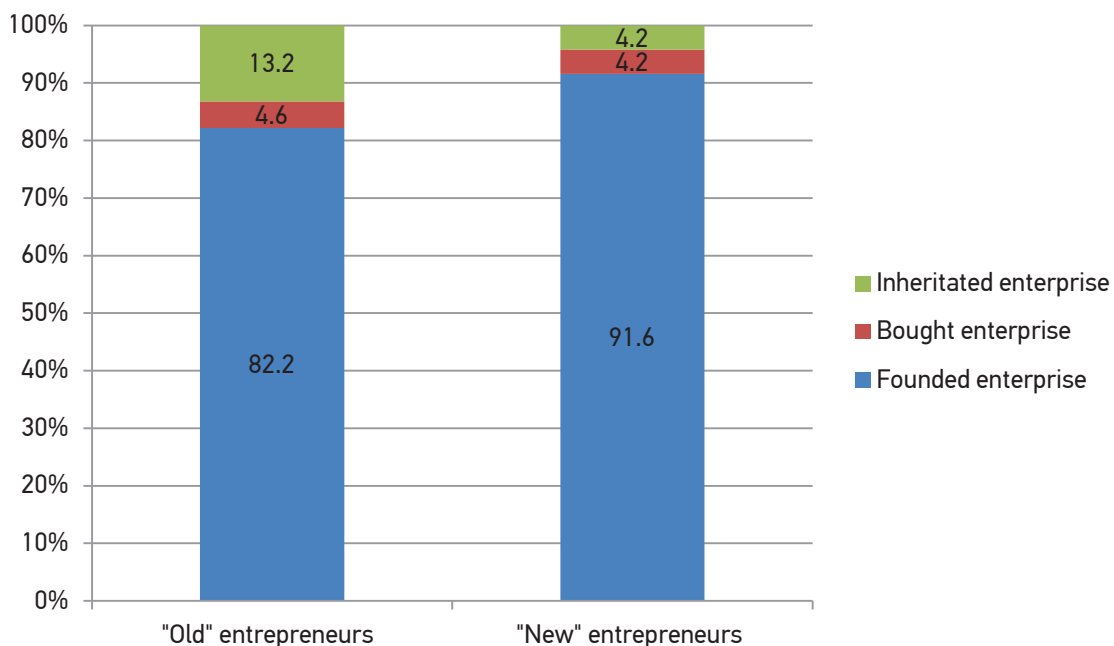
## WOMEN ENTREPRENEURS ACCORDING MOTIVATION TO START OWN BUSINESS



## THE METHOD OF ENTERING ENTREPRENEURSHIP

The largest number of women entrepreneurs had initiated their own business by founding their companies independently or with other persons. The average age on initiating their independent business is 36 years of age with both the "old" and "new" entrepreneurs.

FIGURE: STARTING BUSINESS



## SIGNIFICANT RESOURCES FOR ENTERING ENTREPRENEURSHIP

Initiation of an independent business requires various resources: financial, other forms of economic resources, such as: means of production, business offices, land; but also non-material resources, such as: knowledge, skills and important social contacts. The information from the research shows that most of the current women entrepreneurs have during the initiation of their current independent business disposed with suitable professional knowledge regarding the technology of work, that they knew the market, had useful business contacts and liaisons, but also funds.

## AVAILABILITY OF VARIOUS RESOURCES DURING THE INITIATION OF AN INDEPENDENT BUSINESS

Resources	% of those who had the resource <sup>35</sup>
Production means, technology	15.8
Business premises	27.8
Land	7.8
Financial assets	56.4
Knowledge in the technology, industry	63.6
Management skills	33.1
Knowledge about market in the area of business	64.4
Social capital	61.1

When they were asked to point out the key resource that had the greatest influence on them to make the decision and initiate their independent business, 30% of the women entrepreneurs had mentioned their professional knowledge regarding the technology, 21% said funds, 16% mentioned the business offices, and 14% responded knowledge of the market and useful business contact each, while other resources were stated only in a few cases.

When we are having in mind the knowledge and skills, the role of formal education was questioned, alongside with additional educational activities. Formal education does not only provide a professional basis for leading a business in some area, but can also instigate to entrepreneurship in general, it develops positive attitudes towards entrepreneurship and enables understanding of the role of women and men entrepreneurs. The “old” and the “new” women entrepreneurs differ according to the marks they gave regarding the contribution of the formal education to their knowledge and skills, which were of great importance for entering entrepreneurship. Concerning this some 41% of “old” entrepreneurs rated that they did not have any use of their formal education in that respect, while 54% of the “new” entrepreneurs had made the same conclusion. On the other hand, 86% of the “old” entrepreneurs has evaluated that during their formal education they did not receive any information on how to initiate their own independent business, while 77% of the “new” entrepreneurs stated the same. This information may show that the formal educational system enabled acquiring of more knowledge and skills that could later be used in the entrepreneurial career, but less concrete information on initiating independent business, among the women entrepreneurs who founded their companies before August, 2011., and with an average age of whole 8 years higher than the age of the “new” entrepreneurs. “New” women entrepreneurs have, as opposed to that, pointed out that they have received more concrete information, but have given lower scores to the role of formal education in acquiring knowledge and skill that could later be used in the entrepreneurial activities. A more thorough research of the educational programs and entrepreneurship could indicate this gap between the knowledge and skills and entrepreneurial possibilities.

Fewer numbers of entrepreneurs had attended some specialized seminars or courses on entrepreneurship before initiating their independent business. So, 20% of the “old” and 30% of the “new” women entrepreneurs had takes some educational program regarding entrepreneurship. Those were most commonly some specific vocational courses and courses for some service activities, than courses for development of entrepreneurship, trainings for bookkeeping, accountancy, laws and finances, computer literacy courses and the least common courses for marketing, communicational skills, etc.

<sup>35</sup> Due to the multiple answers total is over 100%.

Providing information on the procedures regarding founding, or taking over a company represents a significant resource during the initiation of independent business. Judging according to the data from the research, one third of women entrepreneurs is, when gathering information, predominantly relying on persons that have already passed the process themselves. The Serbian Business Registers Agency, as a source of information, is in the second place, while the rest of the sources for obtaining information are lagging behind these two.

#### SOURCES OF INFORMATION ABOUT REGISTRATION OF BUSINESS

Main source	%
Persons who already went through the process of business registration	33.7
Serbian Business Registers Agency	27.7
National Employment Service	9.5
Private agency	8.4
Chamber of commerce	1.7
Employers' association	1.3
Other	17.7
Total	100

In early phases of entrepreneurship, women entrepreneurs are often in need of advices, and according to the findings of the research, at least half of them relies on advices gained from family members, friends or acquaintances with the same kind of experiences. However, it is rather unusual that almost one fifth of the respondents depends on the experiences of their families, friends or acquaintances without entrepreneurial experience, instead of seeking support from some professional services, associations or business consultants. Relying on the other services of support is far behind the mentioned two, and about 6% of women entrepreneurs had not counselling support whatsoever, even though they were in need of one.

#### WOMEN ENTREPRENEURS ACCORDING TO THE BUSINESS ADVICES THEY USED DURING THE START-UP STAGE

Sources	%
Members of family, friends, acquaintances with entrepreneurial experience	49.3
Members of family, friends, acquaintances without entrepreneurial experience	19.2
National Employment Service	6.7
Paid consultants	5.8
Public institutions for business support	2.9
Nobody, but advices were not needed	5.0
Nobody, although advices were needed	6.5
Other	4.6
Total	100

When we are considering financial capital for initiation of entrepreneurial activity, the data from the research shows that for “start-up” the following are most commonly invested: firstly there is family funds, then their own savings, then money borrowed from friends and acquaintances. Commercial credit loans and funds from the programs of support are present in a significantly lower number of cases.

#### WOMEN ENTREPRENEURS ACCORDING TO THE SOURCES OF FUNDS INVESTED IN BUSINESS DURING START-UP STAGE

Source of funds	% who possessed
Family money	36.2
Personal savings	24.9
Loan from friends, acquaintances	12.5
Present from family, friends	7.2
Compensation from previous employment	2.0
Money from investors	0.4
Commercial credit	3.7
State support programmes	6.5
Other	6.6
Total	100

#### THE BIGGEST PROBLEMS AT THE BEGINNINGS OF INDEPENDENT BUSINESS

There are no big differences between “old” and “new” women entrepreneurs when it comes to perception of the key problems regarding founding a company and in the early phases of work. The respondents were given a list of fifteen problems and they could assess how much was that problem important for them at the beginning. The following chart shows the answers only to the most important problems. From the information presented one can notice that for both categories of women entrepreneurs the biggest problem was said to be providing financial means, after which are complicated procedures for registering a company and only then the problems in connection with the market, or finding clients. The rest of the problems are pointed out as the biggest ones much less.

## PERCEPTION OF KEY PROBLEMS DURING START-UP STAGE

Key problems	% „old“ entrepreneurs quoting problem	% „old“ entrepreneurs quoting problem
Complicated procedures of registration	20.4	19.4
Financial means	35.9	38.0
Business premises	7.4	3.7
Finding clients	10.4	10.2
Inefficient payments	7.0	0.9
Knowledge about law and financial obligations	4.8	7.4
Knowledge about labour law and obligations	0.7	0
Knowledge about standards of production/services	2.2	3.7
Knowledge about work security and protection	0.7	0
Finding suppliers	2.6	1.9
Providing employees	2.2	1.9
Finding information about available support	0.4	1.9
Too complicated procedure for application for support programmes	0.7	1.9
Difficulty in running business alone	4.1	6.5
Insufficient support	0.4	2.8
Total	100	100

### 4.3.2. WOMEN MANAGERS

Women managers from the sample occupy the highest decision making position in their respective companies. Just to remind, they simultaneously neither own any shares in their companies, nor are they responsible to the founders in that sense, as opposed to women entrepreneurs, who usually combine those two functions. We have attempted to establish in what way and under what conditions have managers reached their current managerial positions with this research. Judging according to the formerly presented data on a rather small presence of women on managerial positions in companies where they are simultaneously not (co)owners, women had a harder time establishing themselves as heads of a company where they do not own the charter capital. On account of that special attention was directed in the research exactly to the period when they reached their current positions.

The information in the research shows that women managers in the moment of coming to their current position were on average younger than the women entrepreneurs in the period when they have founded their companies (33 as opposed to 36 years of age). The data on their position at the labour market immediately before they have entered their current function show that most of them were employed, but also that only a bit more than one third had been promoted from the internal labour market of the company in question. Namely, the women managers have most frequently arrived at their current managerial position from another working place within the same company (one that was



not a managerial job of lower rank). This pattern is not surprising, considering that a great majority are micro and small enterprises, which usually do not have complex managerial structures with multiple management layers. Furthermore, a frequent pattern is also taking managers from other companies, to which is pointing the fact that 22% of them came directly from a managerial position in another company. The third most common pattern is coming to a managerial position from the ranks of employees in another company, while other models are far less present.

#### MANAGERS ACCORDING TO THE LABOUR MARKET POSITION PRIOR TO STARTING OWN BUSINESS

Labour market status	%
Inactive	8.3
Unemployed	7.3
Employed in another enterprise in non-managerial position	21.0
Manager in another enterprise	22.0
Employed in current company but on the non-managerial position	26.0
Employed in current company but on the lower managerial position	8.3
Informally (self)employed	7.1
Total	100

On average, women managers had a work experience of 11 years before they reached their current position. Apart from that, two thirds (66.3%) had experiences with managing a company, which on average lasted 4 years. An overwhelming majority (79%) also had previous experience in the branch of activities of their current company, lasting on average 7.3 years.

The models of promotion to the highest managerial positions have been established in various practices regarding evaluation of their work. In that way 29% of the women managers from the sample stated that their work before the promotion to their current position was formally and systematically evaluated, within regular, standardized procedures for evaluation of the employees. On fourth of the respondents (25.8%) has stated that their work has been evaluated from time to time, in a formal manner, and based on certain results or achievements, which were then recognized as successful by the management. One fifth of the respondents (20.6%) has pointed out that their work was only informally evaluated, 14.4% that their work was not at all explicitly evaluated, and 10.3% that they are not aware if their work was evaluated and in what way.

More than half of the women managers from the sample (52.5%) has noted that they were confronting difficulties during their ascent to the managerial position. Among the ones that have mentioned that they have confronted obstacles, the greatest portion ( in 26.5% cases) has mentioned as an obstacle lack of knowledge and experience, lack of knowledge regarding administrative regulations, technology or other aspects of work in the company. Having in mind that we are talking about women with predominantly high education, it is important to notice that the educational system in a considerable number of cases is not providing a good enough foundation to reach managerial positions without an appropriate practice. The other most common reason (present in 20.6% cases) includes some form of gender discrimination. The respondents have stated that they were not equally seriously considered as male colleagues, that the office workers had treated them with distrust regarding their rise to directorial position, that they were not equally evaluated or rewarded, and double obstacles appeared when the situation included young women, both concerning gender and age. Furthermore, 15% of the respondents stated that responsibility, stress of accepting such responsibility, work under stressful conditions, etc., were the

most important obstacles, while for the others impediments were some general circumstances, such as: the crises, privatization, problems in purchasing materials, relations with the clients and similar.

When we are considering the level of influence they have in the company, we can notice that although they are at the highest managing positions, as per their own estimate they neither have the decisive nor undivided power to make decisions. During the research the respondents were asked to mark their influence in the decision making process for investments and decisions on employing workers with grades from one to six. Based on those answers we have reached an average evaluation regarding investment decisions of 3.2, and regarding employing workers a somewhat higher grade of 3.5. This points out to the fact that their power is relatively limited, and that the decision making process they are involved in is not entirely autonomous, but rather under the influence of the founders or other formal or informal powerful characters within the companies.

During the research the respondents were also asked to describe the circumstances under which they were promoted to their current positions. Most of the respondents (40.6%) considers that they have reached their current position predominantly because their work had been recognized and because their previous management had recognized their qualities, which formed the basis for selecting them to become managers. However, 25% of the respondents things that they have reached their current positions by chance, that it was a set of circumstances that led them to that, and when it already had happened they have decided to seriously dedicate themselves to their current job. In 18% of the cases the respondents have stated that their promotion to the managerial position came “naturally”, as a consequence of their work and slow advancement in the company. For 10% of the respondents their current position was a personal choice, because they recognized the potentials of the company and decided to run for the managerial position (obviously with success), while the rest 7% stated some other circumstances.

With this research we have attempted to also identify what is the motivation of the managers to reach the highest managerial positions. For 37% it was higher income and better living, for 34% responsibility to be accountable for the company and the employees, for 14% it was need to fulfil the vision of the company’s development which existed before, for 12% it was bigger power to fulfil their own business ideas, and 3% had some other reasons.

Summing up the findings on the promotion of women managers to their current positions, we can conclude that most of them had arrived to that position after a considerable working and managerial experience. The channels for their recruitment were diverse and some of them lead to lower positions at the same company, others to managerial positions in other companies, and quite a few came directly from the status of inactive to managerial position. It should be kept in mind that they are predominantly with high education, but despite high competencies, some of them point out the lack of experience that creates a sense of insecurity while performing managerial roles. The number of those who have stated that during their advancement to the current position they have encountered obstacles in the form of gender discrimination, as well as extensive distrust in their working place and regarding their capabilities to perform this function, is considerable.

## WOMEN ENTREPRENEURS

Having in mind the data exposed, we can notice that the entrepreneurs have founded their current companies on their own in most of the cases, and most commonly after some previous working experience (mainly working for another employer), also that a significant number has not only previous working experience in the respective activity, but managing experience as well. Although in most of the cases entrepreneurship was motivated by the need to provide employment, a large role in initiating an independent business was played by the desire to be independent in work, the need to realize some business ideas, etc. Women

entrepreneurs engaged various available resources for initiating their own business, and the most important were those which they owned in the form of knowledge, especially in connection with the work technology, as well as financial means. This last resource has most commonly arrived from private funds whether in the form of family or personal savings. The resources from informal networks were prevailing support in the initiation of the business, as well as the informal sources of information and business support in the beginnings, because women entrepreneurs were rather looking for support from their acquaintances and friends with similar experiences than corresponding state services. The biggest problems during the initiation phases of independent businesses were most commonly problems with the financial means and complicated administrative procedures.

## WOMEN MANAGERS

Women managers also reached their managerial positions after previous experiences in most of the cases. The channels of recruitment were various and led to lower positions at the same company, but also towards managerial and non-managerial positions in other companies. Most of the managers was “evaluated” during the performance of their previous working roles, so the promotion to higher positions happened as a “natural” consequence. Despite their high education and previous experience, a significant number of women managers pointed out that at the beginning of their current roles they felt insecure and lacked certain knowledge, experience and self-confidence. Most of the managers stated that during the ascent to their managerial positions they encountered obstacles that can be marked as gender discrimination. They had to prove themselves much more than their male counterparts, they were not equally rewarded and were confronted with a lack of trust, sometimes even with disparagement outside and inside the company. However, we should keep in mind that most of the interviewed managers is at the head of the companies that mostly employ female workforce, which only confirms the thesis that it is much harder for women to reach the highest managerial positions in a company when they are not (co)owners.

### 4.4.

## THE CHARACTERISTICS OF THE BUSINESS AND INDICATORS OF SUCCESS

While the previous chapter was focused more on the characteristics of the women entrepreneurs and managers, in this chapter the analyses will predominantly be directed towards the characteristics of their companies and business activities, with an attempt to evaluate their success rate.

### 4.4.1.

## THE CHARACTERISTICS OF THE COMPANIES AND THE BUSINESS

The characteristics of the company were monitored through a number of indicators: the change in the number of employees, the scope and changes in financial indicators, such as turnover, income and gain, networking with other organizations and innovations.

## CHANGES IN THE NUMBER OF EMPLOYEES

The research has attempted to register the changes in the number of employees. With that goal in focus a number of employees was marked at the beginning of company’s work, in the case of women entrepreneurs, or the number when the manager arrived to her current position, as well as the current

number of employees, or the number at the time the research took place. The changes in the number of employees are connected with the growth of the company and thus represent a good indicator of the sustainability and development of the companies from the sample. The information in the following chart enables us to see once more that there are great differences between the women entrepreneurs and managers, in the sense of the size of their companies, measured according to the number of their employees. In the case of women entrepreneurs we are almost completely dealing with micro companies and just a few of them are small ones, when looking at the managers less than half of the companies were micro companies at the moment when they reached their positions.

#### NUMBER OF EMPLOYEES AT THE START-UP OR WHEN MANAGER CAME TO THIS POSITION

Number of employees	%		
	„Old“ entrepreneurs	„New“ entrepreneurs	Managers
Micro-enterprise (1-9 employees)	97.2	99.1	49.4
Small enterprise (10-49 employees)	2.1	0.9	24.6
Medium enterprise (50-249 employees)	0.7	0	14.3
Big enterprise (250+ employees)	0	0	11.7
Total	100	100	100

Chi-squared test=277.834, Cramer's V=0.502, p=0.000

In the meantime, from the period of establishing the company, or the time when the woman manager from the sample came to the head of the company, we can notice a slight decline in the share of micro companies. This means that a certain number of companies had increased its number of employees. Although it was possible that at the same time a certain number of companies had decreased their number of employees, the final outcome measured at the time of the research, on aggregate level, showed an increase of categories of small companies (enterprises) with all three groups of women, with a decrease in the category of micro companies. The truth is that among the companies of the managers the category of the medium companies (enterprises) had decreased at the same time, which is to say that the share of small companies had increased on account of a simultaneous growth of the number of employees in the micro companies and decrease of the number of employees in the companies of medium size.

#### THE NUMBER OF EMPLOYEES IN THE TIME OF THE RESEARCH

Number of employees	%		
	„Old“ entrepreneurs	„New“ entrepreneurs	Managers
Micro-enterprise (1-9 employees)	94.6	97.4	44.1
Small enterprise (10-49 employees)	5.4	2.6	36.5
Medium enterprise (50-249 employees)	0	0	7.6
Big enterprise (250+ employees)	0	0	11.8
Total	100	100	100

Chi-squared test=172.982, Cramer's V=0.396, p=0.000

Having in mind that micro companies are prevailing among the women entrepreneurs, or that they employ 1.05 persons on average, it is not strange that the work force in those companies also almost entirely consists of women (namely the women entrepreneurs themselves). Consequently, the share of women among the employees with the “old” women entrepreneurs is 99.7% and with the “new” entrepreneurs is 99.1%. However, an interesting fact is that even in the cases of companies headed by managers from the sample, the majority of the work force are women. Thus in 68.9% of these companies women are the majority of the employed work force. That furthermore shows that in the conditions of small chances for advancement of women to managerial positions when they do not have ownership of the company, chances are still slightly greater in case the company employs more female work force in overall.

Plans regarding the increase of work force should be taken with a degree of caution, because they can be changed under unfavourable economic trends and business cycles of the companies, which are closely connected with them. Nevertheless, it is worth noting that during the research it was established that employment of new workers in the period of the following two years is planned by 32% of the “old” women entrepreneurs, 45% of the “new” entrepreneurs and 38% of the managers.

## FINANCIAL INDICATORS OF THE COMPANY’S BUSINESS

The research has monitored the level and changes in the scope of the turnover, income and gain of the companies of women from the sample. The information on the size of the turnover show that when compared with the turnover noted on the sample of women entrepreneurs in 2011., the current subsample of “old” entrepreneurs has significantly increased the scope of turnover funds, while “new” entrepreneurs are distributing more or less within the categories of the turnovers registered for the entrepreneurs in 2011. The conditions in the companies of women managers are different, but this is not surprising considering the larger size of the companies on average.

### COMPANIES ACCORDING TO THE SIZE OF THE TURNOVER IN RSD

Turnover	% of enterprises			
	Entrepreneurs 2011 (turnover in 2010)	Women in business 2014. (turnover in 2013)		
		„old“ entrep.	„new“ entrep.	managers
Up to 2 million	59,2	39.0	58.3	30.0
2,01-4,00 million	17,5	19.0	20.8	16.7
4,01-10,00 million	15,8	17.0	12.5	10.0
Over 10 million	7,5	25.0	8.3	43.3
Total	100	100	100	100

The „old“ women entrepreneurs and managers differ considerably according to the changes in the turnover of the company which they experienced between 2012. and 2013. Namely, while the category of those who experienced a decrease in the turnover is bigger with the entrepreneurs, as opposed to that, the managers have a larger category of those who have experienced an increase of the turnover. It is hard to judge regarding the “new” entrepreneurs because many of them could not sense the change on account of their company being recently established.

## CHANGES IN TURNOVER COMPARED IN 2012. COMPARED TO 2013.

Turnover in 2013 has been...	„old“ entrep.	„new“ entrep.	managers
...increased	30.7	29.1	46.2
...decreased	42.7	11.7	28.0
...unchanged	26.6	14.6	20.4
Not available	0	44.7	5.4
Total	100	100	100

Chi squared test=192.358, Cramer's V=0.433, p=0.000

A similar trend can be noted when we try to look into the changes in the turnover regarding the period before the economic crises. Namely, even in this case the greatest share is seen in the category of entrepreneurs who felt a decrease of the turnover, while more than half of the women managers have experienced an increase in the turnover.

## CHANGES IN THE TURNOVER OF COMPANY IN 2013. COMPARED TO 2008., BEFORE THE CRISIS

Turnover in 2013 has been...	„old“ entrep.	managers
...increased	26.5	53.3
...decreased	48.7	25.6
...unchanged	10.0	3.3
Enterprise did not exist at that time	14.8	17.8
Total	100	100

Chi squared test=39.598, Cramer's V=0.282, p=0.000

The same tendencies can be seen when we are looking at the income. Among "old" women entrepreneurs, the largest category is of women who experienced a decrease in income, while among women managers the category of those who experienced an increase of income between 2012. and 2013 is most represented.

## CHANGES IN INCOME OF THE COMPANY IN 2013. COMPARED TO 2012.

Income in 2013 has been...	„old“ entrep.	„new“ entrep.	managers
...increased	28.4	24.2	43.0
...decreased	46.4	12.6	27.9
...unchanged	24.8	16.8	20.9
Not available	0.3	46.3	8.1
Total	100	100	100

Chi squared test=177.291, Cramer's V=0.427, p=0.000



The differences are shown in the same way when the changes in the incomes in 2013. are monitored, as compared with the period before the crises. While half of the women entrepreneurs had experienced a decrease in their incomes, more than half of the managers experienced an increase in the company's income. This tendencies are probably significantly influenced by the size of the company, because according to the findings, smaller companies are more sensitive to oscillations in the economic environment and have less resources and external potentials to successfully deal with those challenges. However, this will be discussed later on.

CHANGES IN THE INCOMES OF THE COMPANY IN 2013. COMPARED TO 2008.  
(BEFORE ECONOMIC CRISIS)

Income in 2013 has been...	„old“ entrep.	managers
...increased	24.8	51.9
...decreased	50.0	29.6
...unchanged	9.6	6.2
Enterprise did not exist at that time	15.6	12.3
Total	100	100

Chi squared test=22.352, Cramer's V=0.242, p=0.000

When we are considering the company profits, we can notice that among the women entrepreneurs, both “old” and “new”, the largest category is of those who evaluated the profit of the company in the previous year as “modest”. Such distribution of categories with various evaluations of the profit is very similar to the distribution of women entrepreneurs in 2011., as can be noted in the following chart. This time as well the women managers are significantly different, because the largest part among them belongs to the category evaluating the profit of the company as “good”, and not a small part belongs to the category that evaluated the profit as “excellent”.

EVALUATION OF PROFIT

Profit	% of enterprises			
	Entrepreneurs 2011 (profit in 2010)	Women in business 2014. (turnover in 2013)		
		„old“ entrep.	„new“ entrep.	managers
It was excellent	2,6	1.6	1.0	12.4
It was good	16,1	15.3	18.6	37.1
It was modest	46,7	46.6	52.6	24.7
There was almost no profit	25,8	25.6	16.5	11.3
There was no profit at all	5,4	5.9	6.2	2.1
We had losses	3,5	5.0	5.2	12.4
Total	100	100	100	100

Chi squared test=72.395, Cramer's V=0.265, p=0.000

It is rather interesting that regarding the changes in the levels of profit for the period 2012-2013, the “new” women entrepreneurs are more similar to the managers, than the “old” ones, because the biggest group among them belongs to the women who evaluated that the profit was increased in this period. However, there are various reasons probably lying behind that fact, with the managers, a more successful business of the company, and with the “new” entrepreneurs, the initial phase of business where the least profit represents an increase when compared to the first phase.

THE CHANGES IN THE COMPANY'S PROFIT IN 2013., COMPARED TO 2012.

Income in 2013 has been...	„old“ entrep.	„new“ entrep.	managers
...increased	31.0	45.5	47.7
...decreased	4.1	9.1	10.2
...unchanged	22.2	21.8	14.8
Not available	42.7	23.6	27.3
Total	100		100

Chi squared test=21,812, Cramer's V=0.154, p=0.001

At the end, the evaluation of the changes in profit when compared to the period before the crises brings changes between the “old” women entrepreneurs and managers which are not so big, taking into account the fact that the information for half of the entrepreneurs were not available (often on account of the companies being in their initial phases at that time and did not obtain any profit).

THE CHANGES IN THE COMPANY'S PROFIT IN 2013., COMPARED TO 2008.  
(BEFORE ECONOMIC CRISIS)

Income in 2013 has been...	„old“ entrep.	managers
...increased	14.1	14.3
...decreased	26.8	29.8
...unchanged	7.7	21.4
Not available	51.3	34.5
Total	100	100

Chi squared test=15.572, Cramer's V=0.202, p=0.001

## CONNECTING WITH OTHER COMPANIES

Various forms of connections with other companies are important for a successful business. Well spread and diversified relations with other companies, stable relationships in the vertical chains of suppliers and clients, good position in organizational networks may considerably improve the conditions of business. Judging according to the information from the research, the companies of women from the sample are not sufficiently cross-linked with other organizations. Women entrepreneurs are most frequently connected with the suppliers of raw materials and semi-finished products, then companies

with which they exchange information, while other forms of connections are present in less cases. When we are considering the companies of the managers, we can notice that there is also a greater number of connections with the clients, with other companies for selling raw materials, products and services, alongside with the previous two forms of connections also present with the women entrepreneurs.

#### NETWORKING WITH OTHER ENTERPRISES

Form of connection	% cases		
	„old“ entrep.	„new“ entrep.	managers
Exchange of information	24.4	25.2	17.7
Jointly suppliers of same client	5.9	3.1	13.3
Purchase from them products/services	37.4	36.2	30.9
Selling to them products/services	13.5	7.1	20.4
Cooperation along franchise, licence	1.2	0	5.5
Joint venture	4.4	3.1	7.7
Do not cooperate with other companies	13.1	25.2	4.4

Apart from that, it is important to connect with other entrepreneurs through appropriate professional associations for the success of conducting business. On the other hand, the respondents are enrolled in such associations in a very small percentage. Only 3% of the respondents are members of some association of entrepreneurs or business women.

#### INNOVATIONS

Finally, the research has attempted to establish whether and to what extent the women entrepreneurs and managers are introducing innovations to various aspects of their business activities and companies. The following chart shows that the most frequent innovations are for products or services in all three categories. Additionally, the “new” women entrepreneurs and managers are innovating their advertising activities and inner organization much more than the “old” entrepreneurs

#### INVESTING IN INNOVATION

Innovation	% of cases		
	„old“ entrep.	„new“ entrep.	managers
Innovation of products/services	75.1	82.6	92.4
Innovations of technology	37.8	40.6	56.5
Innovation of organization	42.1	50.7	70.7
Marketing innovation	43.1	69.6	70.7

The information on the investments in the trainings of the employees during the last two years show that the “old” entrepreneurs have invested in 30% of the cases, the “new” in 18% of the cases and managers in 58.2% of the cases.

## GENDER RELATIONS IN BUSINESS

Apart from the general problems and obstacles standing in the way of sustainability and development of the company we have investigated the perceptions of gender specific problems and possible discrimination met by the respondents during their career. Most of the respondents (54.4%) considers that women are having a harder time in business than men. Women managers have experienced different treatments for them than for their male counterparts considerably more than entrepreneurs. Some 40.8% of the women managers have noted that they have had the opportunity to experience some form of gender discrimination during their career, and this kind of experiences was, during the research, also reported by 25.6% of the “old” and 13.6% of the “new” entrepreneurs. This can partially be explained by the fact that the entrepreneurs are in a more “protected” environment, because they are the owners and are managing predominantly micro companies, while the managers do not have the ownership protection and have to push through the channels of advancement in companies with higher numbers of employees and a gender-mixed work force.

This discrimination has most commonly appeared in the form of underestimating the capabilities of women, refusing to negotiate business with women, to make arrangements with women, etc. Almost half of the respondents (46.5%) had pointed out this form of “external” discrimination, by stating that they were exposed to gender discrimination. Apart from that, 22% of the respondents pointed out to various forms of discrimination within the company, such as: sabotaging, humiliation, disrespect from the colleagues and subordinates. A small number of respondents (2.4%) mentioned that they were exposed to various forms of sexual harassment, while the rest have noted some other forms of gender discrimination, such as lower wages, challenging their competencies, etc.

### 4.4.2. BUSINESS SUCCESS

During the analyses of the business success factors after the research regarding women entrepreneurship in 2011., a composite index had been established for the evaluation of success, which takes into consideration more indicators, instead of arbitrarily evaluating individual financial parameters of business.<sup>36</sup> It has been decided to apply the same instrument this time as well and by doing so enable the comparability of the data, especially regarding the panel subsample of the women entrepreneurs.

Distribution of companies according to success for three categories of women in business has been provided in the following chart for 2014., alongside with the distribution of companies from the sample from 2011. According to the information presented in the chart we can notice a distinct similarity regarding the distribution of the companies based on the success between entrepreneurs from the 2011. sample and the “old” entrepreneurs from 2014. Still, the fact that encourages are the differences, or a smaller share of the category of unsuccessful companies and significantly larger share of the category of successful companies in the development. When we are looking at the last two categories of women in business, the image of success of their companies looks much more favourable, with a large share of companies that are growing.

36 This composite index was formed out of 5 variables: changes in the number of employees in 2010. compared to the year the company was established, changes in the turnover in 2010. compared to 2009., changes in the income for the same period, subjective evaluation of the profit and changes in profit in 2010. compared to 2009. Each of the mentioned variables was attributed with negative values to indicate decrease, reduction, 0 for unchanged state, and positive values for the growth trends. In that way the lowest number of possible points on this index was -5 and the highest +5. After that the companies have been divided to categories according to the number of points, thus producing (1) unsuccessful companies, with a risk regarding survival and they have -4 or -5 points (meaning that in all, or almost all dimensions they have shown decrease, or negative values); (2) companies with problems are the ones with an index of success from -3 to -1 point; (3) stagnant companies are the ones with 0 points (implying that they showed stagnation on all variables, or that the positive trend in one aspect cancelled the negative trend in the other); (4) successful companies as the ones with point values from +1 to +3 on index, while (5) very successful companies which grow and are companies with +4 to +5 points, meaning that they have shown growth in all or almost all dimensions alongside with good marks for the obtained profit.

## BUSINESS SUCCESS

Success	% of enterprises			
	Entrepreneurs 2011	Entrepreneurs 2011		
		„old“ entrep.	„new“ entrep.	managers
Very unsuccessful enterprises	7,9	4.1	0	0
Unsuccessful enterprises	36,6	36.8	28.0	25.6
Stagnant enterprises	9,2	9.5	4.0	5.1
Successful enterprises	27,2	24.0	26.0	21.8
Very successful enterprises	19,1	25.7	42.0	47.4
Total	100	100	100	100

Chi squared test=16.555, Cramer's V=0.210, p=0.002

The information on the success of the companies on the panel subsample of women entrepreneurs shows certain positive shifts. From the following chart we can notice that share of entrepreneurs with companies conducting business without success is smaller, while the share of the category of very successful companies has grown.

THE SUCCESS OF COMPANIES ON THE PANEL SUBSAMPLE OF WOMEN ENTREPRENEURS,  
2011. AND 2014.

Success	% in sample	
	Entrepreneurs 2011	“Panel” entrepreneurs 2014
Very unsuccessful enterprises	7,9	3.9
Unsuccessful enterprises	36,6	35.9
Stagnant enterprises	9,2	8.5
Successful enterprises	27,2	24.2
Very successful enterprises	19,1	27.5
Total	100	100

The continuance of the analyses investigates the factors of success. We have started from the findings of the analyses conducted regarding the information from the research in 2011, when 5 groups of potential factors were investigated:

1. „Demographic“ characteristics of the company (such as the region where it operates, the type of settlement, duration of its existence, size measured by the number of employees and the sector of activities).
2. Socio-demographic characteristics of the women entrepreneurs (such as: age, marital or partnership status, parental role, the type of entrepreneurial motivation during the initiation of independent business and presence of other entrepreneurs in the family of origin).
3. Culture capital of the company and entrepreneur (educational level of the entrepreneur, attitude towards regular trainings, participation in various forms of trainings, investments in trainings of employees, entrepreneurs having additional skills, investments in innovations for various aspects of the company).
4. Social capital of the company and the entrepreneur (having useful contacts for obtaining information significant for business, connecting with other stakeholders and similar).

5. Participation in programs of support from the key state institutions (National Employment Service, Ministry of Economy and Regional Development, National Agency for Regional Development, SIEPA and others).

The analyses performed than has shown that the major factors of success are: the age of the women entrepreneurs, their participation in trainings, innovations to products and services, regular cooperation with other companies, which are the clients of the companies of our respondents from the sample, and the branch of activities. The age had such an effect that companies of younger women entrepreneurs (18-30) had bigger chances of success than the companies of entrepreneurs who were middle aged. Participation of entrepreneurs in trainings was increasing the chances of success, as well as making innovations for the products and stable relations with the companies that are clients of the companies from the sample. Conducting business in the sector of classical services had, however, decreased the chances of success.

The analyses of the factors of success was conducted only on the subsample of “old” women entrepreneurs by the method of logistic regression<sup>37</sup>. The explanatory model contained the success of the company as an independent variable<sup>38</sup>, and all variables that were shown to be significant factors of success during the analyses of the research results in 2011., as dependent variables. However, this time, some of those factors did not present themselves as important: the branch of activities of the company, alongside with the age of the entrepreneur. On the other hand, the size of the company has proven to be a new significant factor of success. The final model of logistic regression is shown in the Appendix 1, and the results point out that the following are significant factors of success for the current period:

- The size of the company – small companies compared to micro companies have ten times greater chances to be successful. However, further growth in size of the company is statistically not connected with success, which is to say that medium and large companies do not significantly increase chances of success for the company.
- Attending courses of the entrepreneurs increases the chances of success by double. Thus, investing in personal resources, knowledge and skills above all is of great importance for the success of the company
- Cooperation with other companies, above all in forms of stable connections with the client, increases the chances of success for the company by 46%.
- Innovations of products and services increase chances of success by 40%.

The differences in the factors of success between 2011. and 2014. point out to the conclusion that in conditions of prolonged and deepened crises, the size was established as a significant factor, because micro-companies are extremely sensitive and susceptible to problems in business. Small companies, for a change, represent a considerably more suitable framework for conducting business. It is hard to explain the decrease of importance of the branch of activities on the basis of the existing analyses. Namely, in the previous cycle of research the influence of the branch of activities to business was presented by the fact that the chances of companies in providing personal services to have a successful business were considerably smaller than the chances for success of the companies making products. Today that kind of influence is not showing, and the answer to the question regarding what the reasons for that might be demands additional information. It can be assumed that we are not experiencing a decrease of influence because of a decline in activity, owing to

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37 It was evaluated that the subsample of the “new” women entrepreneurs is not suitable for this kind of analyses, because the marks of various parameters of success were not available for all on account of the fact that the companies were recently established. Apart from that, the factors of success were not investigated for managers by the method of logistic regression because their relatively small number would not allow for sufficiently reliable conclusions in cases when the influence of a large number of factors is being investigated. Including them to the subsample of entrepreneurs in the unique explanatory model would not be an adequate solution, because their position in the business sector is different and the explanatory model would not be able to encompass the same variables.

38 For the needs of this model the variable of success of the company has been changed into the so called “dummy” variable, with two values. In that variable all companies that were very unsuccessful, unsuccessful or stagnant have received 0 value, while the companies that were successful and very successful got value 1.

the fact that still a significant number of companies from the sample is conducting business in the sector of personal and classical services, and that there is a large share of companies conducting business in this activity precisely among the newly formed companies. It might be that the issue lies in some type of restructuring or adjustments, which would require more specific information about a greater number of companies from that exact sector. The other factors have presented themselves as important in both cycles of research and it can be concluded that the effects of the crises have not decreased the importance of innovations, development of capacities of women entrepreneurs and special forms of networking.

When it comes to characteristics of business and success factors of companies, the data points out to the fact that women entrepreneurs almost entirely have micro companies, while managers operate in larger companies on average. The companies of entrepreneurs and also most commonly of managers employ a majority of female workforce, which shows that, in conditions where there are smaller chances for advancement of women to managerial positions if they do not have ownership over the company, chances are still slightly bigger if the company generally employs more female workforce. The information shows that there is an increase in the number of small companies, when compared to the period when the company of entrepreneurs was established, or, the period when the managers came to their current managing positions. This is, undoubtedly, a good trend concerning women entrepreneurs, because the increase in the number of small companies (although not on a massive scale) occurred as a consequence of the decrease in the category of micro companies, which reveals a general, although very mild trend of company growth. However, the growth of the category of small companies with women managers is a consequence of contradictory trends of growth of micro companies and decrease of medium companies.

The research data show that gender discrimination exists in business, and that the women entrepreneurs, and especially managers have met with its various forms during their careers. One form of gender discrimination is distrust of the business environment, sometimes even refusal to conduct business with a woman. The other form is more commonly manifested within an organization and it is often encountered by women managers in situations when they run into obstacles for advancement, when they are not equally rewarded or when their associates and subordinates “do not take them seriously” because they are women, belittling not only their competencies and capabilities, but also their personalities.

Taking into consideration financial indicators of business, differences are noticeable between women entrepreneurs and managers. Trends of turnover, income and profit decrease are present with the former category, and for managers we often mark positive evaluation of financial performances. The category of respondents who evaluated last year’s profit as “good” is significantly more present among them as well, and the share of the category that marked the profit as “excellent” is not negligible either.

According to data from the research, companies of women from the sample were not sufficiently networked with other organizations. Women entrepreneurs are most commonly connected with suppliers of raw materials and semi-finished products, then companies with which they exchange information, while other forms of connections are present in a small number of cases. Looking at companies of women managers, we can notice an even greater presence of connections with the clients, with other companies for selling raw materials, products or services, with the previous two forms of connections present both with them and the entrepreneurs.

Both the entrepreneurs and managers are most frequently innovating products and services, and a tendency belonging to “new” entrepreneurs and managers was noticed regarding more innovations of the marketing aspects of business when compared to “old” entrepreneurs. Entrepreneurs are investing considerably less in training of their staff than managers.

The information on success of the company on the panel subsample of women entrepreneurs shows certain positive shifts. The share of the category of entrepreneurs with companies that are unsuccessful has decreased, while the share of the category of very successful companies has grown. The analyses



of the success factors has shown the following as important factors: the size of the company (small companies have ten times greater chances for success than micro companies), investments in knowledge and skills of the entrepreneurs, cooperation with other companies, especially in the form of stable connections with the client, and innovations of products and services.

## 4.5. POTENTIALS AND OBSTACLES

One of the aspects that was researched related to the perception of the obstacles and potential in establishing the sustainability of the business or planning the development of the company and business. Thus, our attention will here be directed to general perceptions of the business climate, identifying the most important obstacles in business, planning sustainability and development of the company and access to various programs of support.

### 4.5.1. PERCEPTION OF THE BUSINESS CLIMATE

The fact that Serbia is hard for initiating independent business is confirmed by 89.5% of “old” entrepreneurs, 88.1% of “new” entrepreneurs and 85.0% of managers. The image of an entrepreneur in Serbia is a negative one in Serbia according to 55.6% of “old” entrepreneurs, 52.6% of “new” entrepreneurs, and 48.0% of managers. In the majority of the cases respondents from all three categories consider the business environment to be less favourable today than it was in the period when they founded their company, or started to lead the company, in case of managers. That opinion is shared by 73% of the managers, 79% of “new” entrepreneurs and as much as 87% of “old” entrepreneurs.

The data presented in the following chart show that a considerable majority of the respondents has marked Serbia as a difficult place to initiate an independent business, on account of unavailability of financial capital, alongside with complicated administrative procedures. However, there are favourable aspects of the business climate presented in relatively expressed willingness to take on risks, as well as a positive attitude to give a second chance to entrepreneurs who failed. Considering the fact that entrepreneurship can be taught, and especially so in a society with socialistic past where tradition of entrepreneurship is not developed, it is required to furnish the entrepreneurs with new chances to initiate their own business after the lessons learned, which in itself represents a favourable circumstance.

PERCEPTION OF THE BUSINESS CLIMATE

Aspects of business climate	% entrepreneurs who agree		
	Entrep. 2011	2014	
		Entrep.	managers
It is hard to start a business in Serbia because of unavailability of financial capital	90.7	93.1	86.0
It is hard to start your own business in Serbia because of complicated administrative procedures/bureaucracy	72,8	73.1	78.0
If there is risk of failure, one should not start an independent business.	26.4	21.5	26.0
Entrepreneurs, who have failed the first time, should be given a second chance.	80,7	75.2	84.0

## 4.5.2. PERCEPTION OF THE MOST IMPORTANT PROBLEMS

Having in mind different positions of “old” and “new” women entrepreneurs and managers in the business sector, it is not surprising that their perceptions of the key problems are somewhat different. During the research the respondents had a possibility to identify three key problems they face when attempting to maintain or improve their business, from a list of almost twenty offered options. Naturally they could add a problem themselves, in case it was not present in the list. After the analyses of these answers lists of five most commonly identified problems were made for each category of women, which are presented in the following chart.

It can be noticed that, with slight variations, all three groups have recognized the following as the key problems: problems in connection with the market, such as to severe competition, and insufficient demand for products and services. The difficulties regarding collection of claims were not identified within the five biggest problems by “new” entrepreneurs, which can partially be a consequence of them being mostly concentrated in the sector of classical services, where these collections are done directly after the service has been realized. Unfavourable position of small companies on the market is affecting entrepreneurs more than managers, while the price of business offices, equipment and material is affecting “new” entrepreneurs and managers more. Apart from that, “new” entrepreneurs pointed out insufficient availability of state development programs as a problem, while the managers noted the problem of the monopolized market.

RANKINGS OF 5 MOST COMMONLY IMPORTANT PROBLEMS

„old“ entrep.		„new“ entrep.		managers	
Problem	%	Problem	%	Problem	%
Too strong competition	30.0	Price of business premises, facilities, equipment	52.6	Too strong competition	54.3
Payment difficulties	29.7	Too strong competition	46.5	Payment difficulties	46.8
Weak position of small companies on the market	28.7	Weak position of small companies on the market	23.7	Monopolistic market	20.2
Low demand	28.4	Low demand	22.8	Low demand	20.2
Complicated procedures	27.1	Availability of state support programmes	20.2	Price of business premises, facilities, equipment	19.1

The respondents consider that the state can instigate women entrepreneurship primarily by improving various forms of financial aids. This was pointed out by 54% of the respondents. The other proposals included: incentives in the form of trainings and seminars, increase in awareness and information, positive media presentation of business women, etc.

### 4.5.3. PROGRAMS OF SUPPORT

During the past 5 years 131 respondent took part in an application for some program of support. In that way 63.4% of them applied at the National Employment Service for the self-employment program, 27.5% applied for the start-up loans of the Development Fund, 6.1% applied for the Support to SME Development in Serbia program conducted by NARD, 5.3% applied for the The Enterprise Development Program, and 3.6% applied for the program for promotion of export with SIEPA.

In 85 cases the respondents have gained support. Among them, 63.5% participated in self-employment programs of the National Employment Service, 27.1% received the start-up loans from the Development Fund, 7% received support from the National Agency for Regional Development through various programs, and 1% received incentives for development from SIEPA.

The most common reason, among the respondents who did not apply for the support programs, for not applying for support was an estimate that the funds from the support programs are not required (24.5%). However, not a small proportion of the respondents stated that they did not know that these programs exist (21%), as well as those who did not apply on account of a preconceived belief that they will not receive the support (16%). Apart from that, 17% estimated that the support was not provided for the activities of their company, and 14% that the procedures for applying are discouragingly complicated, while 7% stated that they did not know how to apply.

### 4.5.4. PLANS FOR THE FUTURE OF THE COMPANY

Having in mind such perception of the business climate and the key problems, it is no wonder that concerning future plans most of the women entrepreneurs (61%) primarily stresses the survival of the company. As opposed to them, the managers were more directed towards various forms of development for their companies.

#### STRATEGIC PLANS FOR THE FUTURE OF THE COMPANY

Objectives	„old“ entrep.	„new“ entrep.	managers
Survival of enterprise	62.1	59.8	35.7
Increase of number of employees	7.9	12.8	15.3
Entering new markets	6.0	4.3	15.3
Expansion of activity	16.1	18.8	28.6
Other	7.9	14.3	5.1
Total	100	100	100

In case the profit of the company would rise in the following two years the respondents in all three categories have stated that the increase would be used for investments in employing additional workforce, and after that for productions lines (new products or services).

An overwhelming majority of the respondents (84.3%) considers that education is important for sustainability and development of the company. During the research they pointed out the needs for educational programs in the areas of: technology and standards, advertising, making business plans or strategic planning, financial aspects of business and general knowledge of various relevant regulations.

Being informed represents a significant precondition for sustainability and successful business. The research has shown that the respondents are using various sources of information. Internet represents one of the most significant means of obtaining information, for 73% of respondents. The web pages of relevant Ministries (Ministry of Economy, Ministry of Finance, Ministry of Labour, Employment, Veteran and Social Issues) are most commonly visited as sources of information, alongside with the web sites of the National Employment Service, web sites of development agencies, web sites which advertise jobs, etc.

The business climate is still perceived as unfavourable. Most of the respondents has evaluated that it is hard to initiate an independent business in Serbia, on account of unavailable financial capital, as well as complicated administrative procedures. The problems of the market, competition, unfavourable position of the small companies, difficulties in collecting claims, complicated regulations and procedures, and insufficient availability of the state programs for development are mentioned as the most important problems in business.

The respondents are of the opinion that the state can instigate women entrepreneurship primarily by improving various forms of financial aid, but also by support in raising the levels of knowledge and skills of women in business, which could provide them with a better sustainability and greater business success. Almost one fourth of the respondents has applied for some support program, and almost two thirds of them received that support. The number of those who stated that they did not know of the programs or that the procedures for applying were discouraging as reasons for not participating in the application is not negligible.

Regarding the strategic planning of the company's future, women entrepreneurs were more oriented towards survival, and managers towards development.

## 4.6.

### RECONCILIATION OF WORK AND FAMILY

The socio-demographic profile of the respondents revealed that they are mostly family women. That fact imposes a very important question regarding the synchronization of family and professional life. The question is significant for simultaneous understanding of their work behaviour and inner family relations, providing social functions within the so called reproductive economy, which is disproportionately conducted by women. The relationship between the professional and private life is important also from the standpoint of individual life styles, that is the quality of life led by women entrepreneurs, independently of the care for other people they live with.

Therefore this chapter will be dedicated to characteristics of reconciliation between entrepreneurial career, and family and private life. Aimed at observing what consequences are shaped in that interaction and in what way support can be provided to the entrepreneurs to facilitate the synchronization of these different spheres of life. Consequently the presentation will be thematically directed at the characteristics of the households where they live, the patterns of employment in the households, work and responsibility division in the households and subjective perceptions of conflicts, alongside with the satisfaction with their careers and life.

As it has been stated earlier, 66% of women from the sample live with their husband or unmarried partner, and 72% has children. The research from 2011 (Babovic, 2012) has concluded that the position of women entrepreneurs in the household is a bit more equal than is the case with the general population

of women in Serbia. They are greatly contributing to the household budget, alongside with contributions to establishing / maintaining the standard of living for their families, they have bigger power in making decisions on spending money, and also they share household chores and family obligations with their husbands or other household members more. However, value orientations of women point to a hybrid mixture of liberal and patriarchal attitudes, which are also reflected through real behaviours. In that way the sphere of synchronizing professional and family life actually reveals some of these contradictions, which are manifested in the fact that in some aspects the respondents have gained the autonomy and increased their power, while in others they have kept a relatively prominent patriarchal values and patterns of behaviour.

Value orientations have been researched through sets of attitudes and it is possible to see, from the following chart, that there is considerable consent with certain attitudes that measure patriarchy.

#### GENDER ROLES ATTITUDES

Attitude	% of agree answers
1. If only one spouse is employed, it is more natural that it is the man.	36.7
2. Most household jobs are more suited for women.	59.9
3. It is good that the men and the women are equal in marriage, but it is usually better that the man has the last word.	26.6
4. Family life suffers if the woman is employed.	28.2
5. Being a housewife can fulfil a woman as much as being employed.	31.2
6. Family-needs are more important than personal ambitions of the woman.	67.3
7. It is good that the men and the women are equal in marriage, but it is usually better that the man has the last word.	57.1

Information from the research 2014 one more time confirms the findings on making decisions about money in the household and division of household labour, which were obtained through the previous research. Namely, households of women entrepreneurs still predominantly have centralized household budgets, which are mostly managed by the respondents on the level of daily consumption (in 54.3% of the cases). Nonetheless, in one fourth of the cases (25%) they do it together with their husbands/partners, while on the level of strategic decision making, in 40% of the cases they make decisions together with the husbands and in 34% of the cases they do it alone.

#### THE TYPE OF HOUSEHOLD BUDGET OF WOMEN ENTREPRENEURS

Type of household budget	%
Centralized	67.7
Partly centralized	8.6
Independent budgets	19.8
Other	4.0
Total	100

When it comes to doing household work and taking care of the family, from the following chart can be noticed that these jobs are predominantly done by the respondents in all cases, except in the case of caring for young children, which obviously includes other members of the family and hired help.

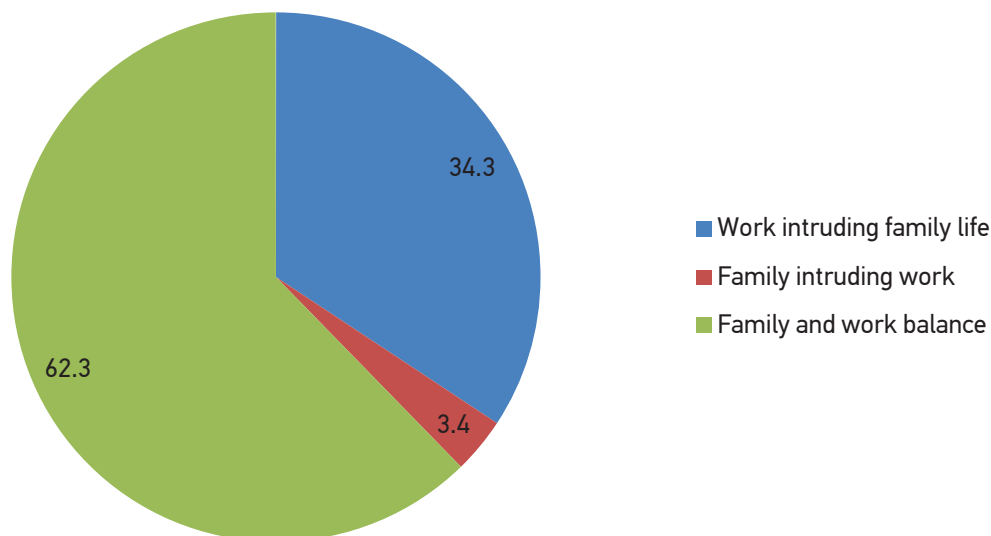
## DIVISION OF UNPAID HOUSEHOLD LABOUR

Type of work	% of respondents who mostly do the work in their household
Cooking	76.4
Washing dishes	68.9
Washing laundry	76.5
Ironing	76.3
Cleaning	64.3
Care for little children (0-6)	46.2
Care for school tasks of children	60.5
Care for elderly	55.3

This burden from household obligations and taking care of the family opens a question of a double workload of women entrepreneurs and managers. Especially when we have in mind that their work day lasts on average 10.16 hours per day and working week 6.7 days, according to the findings of the research.

In these conditions the time confrontation between job, family, contacts with friends and personal free time is exposed. However, most women from the sample considers their business and family aspects to be in balance. Still, almost 40% of the respondents states that there is a conflict between these two spheres of life, and that the conflict in most of the cases manifests as time infiltration of the business sphere in the other spheres, on account of which they have a feeling that they are not sufficiently committed to the family, friends, and especially their own leisure time.

## PERCEPTION OF CONFLICT BETWEEN PROFESSIONAL AND PRIVATE LIFE



This conflict of the key spheres of life is manifested not only as time conflict, but also in the sense of overload, at which point business is again the most frequent cause of disruption of house and family obligations, but the family obligations are also obstructing a more efficient and quality wise performance at work.

## PROBLEMS DUE TO THE IMBALANCE OF FAMILY AND WORK LIFE

Frequency	Problem			
	She came home from work too tired to do household chores that need to be done	It was hard to fulfil some family obligations because I had to be at work	It was hard to concentrate at work because of family responsibilities/ obligations	It was hard to concentrate on family conversations and activities because I was thinking about work
Often	51.0	37,8	12.8	20.7
Sometimes	30.8	35.8	30.4	27.6
Rarely	10.8	16,1	31.5	26.3
Never	5,8	8.2	22.7	23,3
Cannot estimate	1.7	2.0	2.6	2.2
Total	100	100	100	100

However, 61.6% of the respondents is satisfied with the reconciliation of their family and business life, and 19.8% is not. Two thirds of the respondents is satisfied with the fact that they have a career of a woman entrepreneur, and one third would now want to be able to chose another career. The reasons for that are different, and among them are better earnings, more free time or more preferable occupation.

Business women are predominantly also family women who are everyday faced with the problems of reconciling business, family and individual aspects of life. Their family profile reveals that they mostly live in medium sized households, with partners and have children. For the majority of women this means that apart from business, they conduct various other roles of caring about the family. They work longer than the normal work hours on average.

In such conditions, the time conflict between the job, family, contacts with friends and personal leisure time is present and for most of the women it is manifested as time intrusion of the business sphere in other spheres, on account of which women have a feeling that they do commit enough to their family, friends, and especially their leisure time. This conflict of the key spheres of life is manifested not only as a time conflict, but also in the sense of overload, when business is again the most frequent disturbance for performing household and family obligations, while on the other hand family obligations themselves are obstructing a more efficient quality performance of the job.

However, most of the respondents considers that they managed to establish a balance between business and family life and are in principle satisfied with this balance. A smaller share of women entrepreneurs are not satisfied with the way how professional and private life are synchronized and because of that they feel frustrated.

Two thirds of the respondents are content with the fact that they maintain a career of a women entrepreneur, and one third would today like to have a possibility to chose another career. The reason for that are different, and among them are better earnings, more free time or an occupation which is more preferable.



## 5.

## FAILED ENTREPRENEURIAL ATTEMPTS

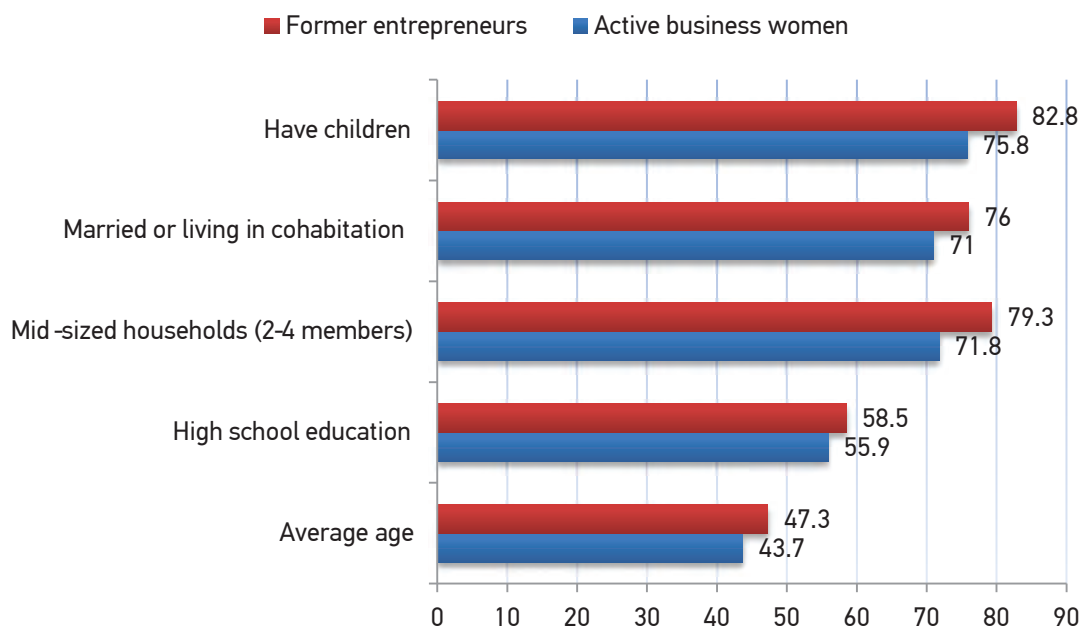
The analysis of failed entrepreneurial attempts is important for a complete understanding of sustainability and success of entrepreneurial ventures of women. In order to provide information on the characteristics and problems presented before the women entrepreneurs who were forced to terminate their company, the research has included 50 of the former women entrepreneurs. Most of them (42) were interviewed during the previous cycle of research, in 2011, in the role of active women entrepreneurs, but only three years later their companies were no longer functioning. The continuance of this chapter will present an analysis directed at their characteristics, or socio-demographic and former entrepreneurial profile, possession of resources and motivation for entrepreneurship, the reasons for terminating the companies and a general evaluation of satisfaction with life in the context of change of the economic role. Their experiences may represent valuable lessons on the basis of which support programs need to be profiled, in order to enable a more sustainable and successful women entrepreneurship.

## 5.1.

### THE CHARACTERISTICS OF THE FAILED ENTREPRENEURIAL ATTEMPTS

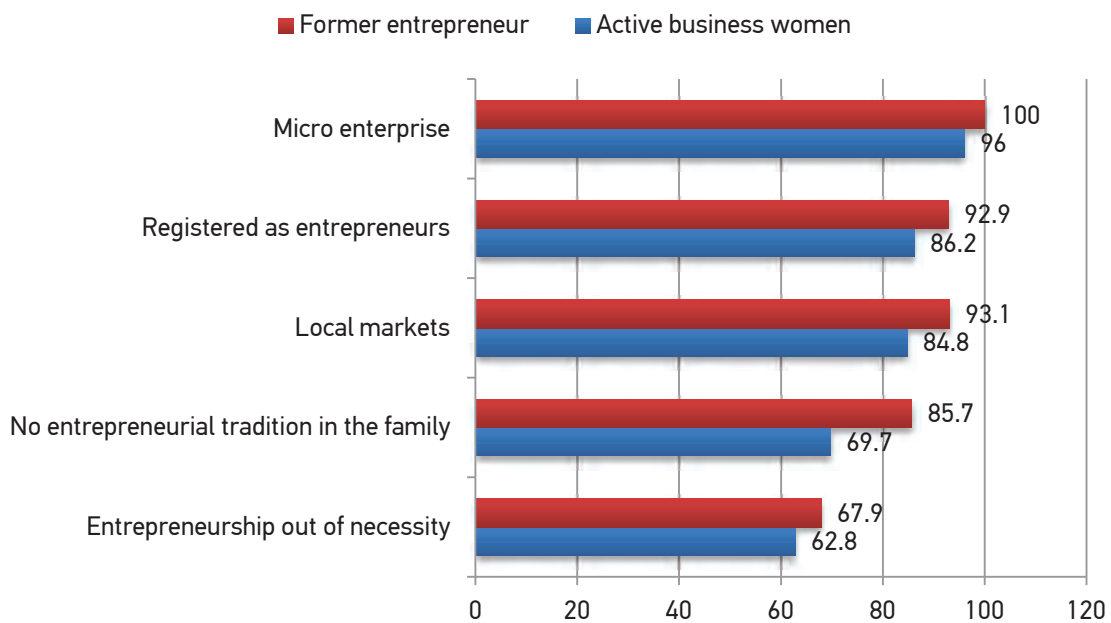
In order to spot the particularities in connection with the former women entrepreneurs, the data will be shown comparatively for this category of respondents and active women entrepreneurs. In this case the category of active entrepreneurs includes a whole subsample, including both “old” and “new” entrepreneurs. Comparative information on socio-demographic profile shows that former women entrepreneurs are on average older than the current entrepreneurs and in accordance with that, somewhat more outstanding “family” women.

SOCIO-DEMOGRAPHIC PROFILE OF FORMER ENTREPRENEUR AND ACTIVE BUSINESS WOMEN



On the other hand, when entrepreneurial profile is in question, it can be noticed, from the information presented in the following figure, that former women entrepreneurs had exactly the business characteristics that were connected with vulnerable businesses more expressed. Namely, in all of the cases they were leading micro companies; a very small number of entrepreneurial ventures was registered in a form of a business entity, because in almost 93% of the cases they were registered as women entrepreneurs; more frequently than the current women entrepreneurs they were connected to local market regarding their business activity, and less often they had entrepreneurial family background and they entered entrepreneurship more frequently out of necessity, or in order to solve the problem of unemployment.

#### BUSINESS PROFILE OF FORMER ENTREPRENEUR AND ACTIVE BUSINESS WOMEN



Most of the companies of former women entrepreneurs conducted business in the area of services, most of all trade and classical services.

#### CLOSED ENTERPRISES ACCORDING TO INDUSTRY

Industry	%
Agriculture, forestry, fishery	4.2
Manufacturing	8.3
Construction	4.2
Trade	33.3
Transport and storage	4.2
Hotels and restaurants	4.2
Administrative and support services	12.5
Art, entertainment, recreation	4.2
Personal and other traditional services	25.0
Total	100

However, it would be wrong to consider that they started entrepreneurship as the only solution for the problem of unemployment. The following chart presents that they entered entrepreneurship to achieve certain business ideas and use business opportunities even more often than current women entrepreneurs. Also, it can be noticed that they were more frequently motivated by business challenges, although, the data from the chart certainly point out to a larger share of those who were motivated by necessity to provide themselves with employment above all.

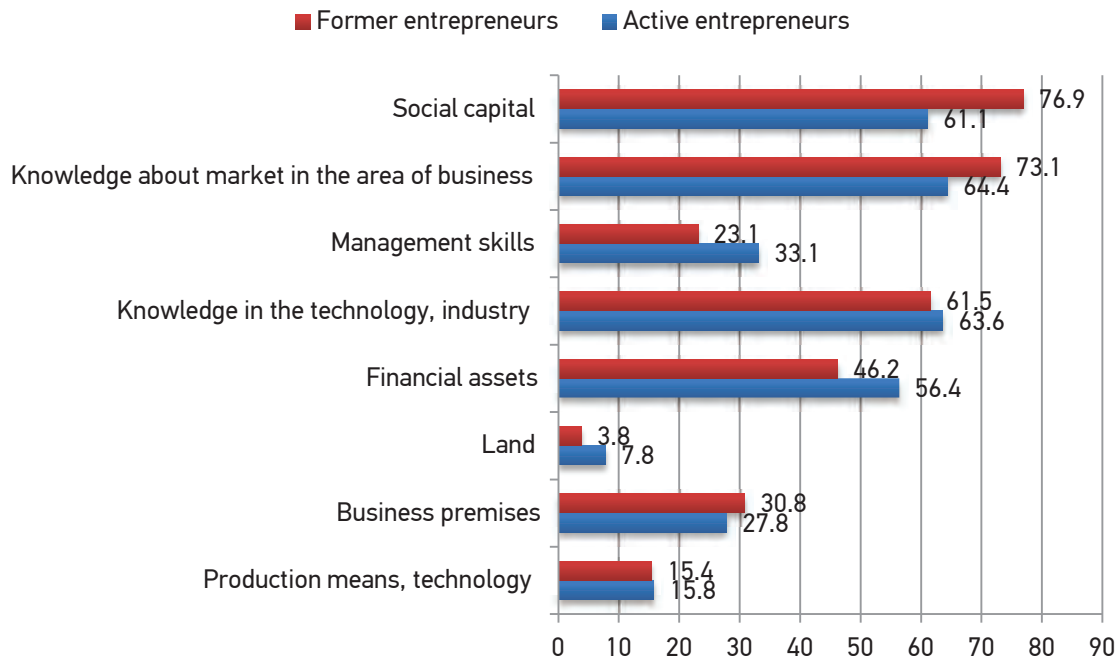
#### MOTIVATION FOR ENTREPRENEURSHIP

Motivation	% <sup>39</sup>	
	Active entrepreneurs	Former entrepreneurs
Good business idea, business opportunity	44.7	58.6
Desire to export	1.6	3.4
Opportunity to become supplier of previous employer	2.2	0
Desire to face new challenges	24.3	34.5
Desire to become independent	62.8	62.1
Desire to develop business out of hobby	12.9	3.4
Desire to continue family tradition	10.8	6.9
Desire to better reconcile career and family	14.3	17.2
Desire to return to work after raising children	9.4	17.2
Desire to provide higher incomes	39.6	34.5
To solve problem of unemployment	14.8	44.8
To escape poor working conditions at previous employment	9.2	6.9
It was the only way to work in basic profession	3.5	0

The difference between the current and former women entrepreneurs is manifested in regards of resources they had when they were conducting their own business. This access to resources is important, because good resource foundation increases chances for sustainability of the company. The following figure presents that former women entrepreneurs had more than the current entrepreneurs, when considering knowledge of the market and business contacts, while the current entrepreneurs had more specific knowledge from the areas of management and financial resources at their disposal. It is important to notice that former entrepreneurs, when asked to select the most important resource from the mentioned ones, precisely chose monetary resources (in 26.9% of the cases), then knowledge of the market (23.1%), expert knowledge regarding technology (19.2%), useful contacts (19.2%), business offices (7.7%), and at the end means for production (3.8%).

<sup>39</sup> The total percentage is over 100% in both groups as respondents could have given up to three motivation reasons.

POSSESSION OF VARIOUS RESOURCES WHEN INITIATING INDEPENDENT WORK (% ACTIVE AND FORMER WOMEN ENTREPRENEURS WHO HAD THE STATED RESOURCE)



## 5.2. THE REASONS FOR CLOSING A COMPANY

In most of the cases (52.2%) the companies of former women entrepreneurs were erased from the registry by the decision of the founders, while in 26% of the cases the company went through a liquidation process on the initiative of the founders, also in 22% of the cases the company was closed in some other way. Looking at the reasons for closing a company we can notice that the biggest category of former women entrepreneurs claims that that they closed their company because they could not settle their obligations. We were interested if the reasons for closing companies are the same as in the case of unsuccessful women entrepreneurs that were interviewed during the research in 2011. Comparative data, offered in the following chart, points to the fact that the entrepreneurs who were managing the companies closed before 2011 most commonly closed their companies in situations when the companies were not lucrative. Women entrepreneurs who closed their companies after this period most often did it because the companies could not compensate for their obligations, and less often because they were not lucrative. Furthermore, greater part also belongs to the respondents who retired at this point.

### MAIN REASON FOR CLOSING THE ENTERPRISE

Reason	%	
	Former entrepreneurs in 2011 survey	Former entrepreneurs in 2014 survey
Enterprise did not bring any profit	42.6	25.0
Enterprise was in debt	21.3	42.9
She found better employment opportunity	17.0	3.6
She closed for family reasons	4.3	7.1
She retired	14.9	21.4
Total	100	100

This information shows that in the period of the crisis, which lasts for a number of years, the reasons for closing become more drastic as well. However, closing a company is not something to be taken lightly. In the periods of the crisis, 23% of former women entrepreneurs have invested less in various innovations. Additionally, former entrepreneurs have invested less in the trainings of their employees. In the period of two years before the closing of the company in only 14% of the cases they invested in the development of human resources, while the current women entrepreneurs did it in 27% of the cases.

#### INVESTING IN INNOVATION

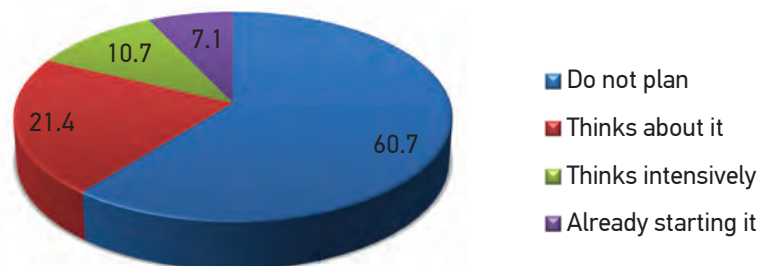
Type of innovation	%	
	Active entrepreneurs	Former entrepreneurs
Innovation of products/services	50.4	53.6
Innovations of technology	25.7	21.4
Innovation of organization	29.4	17.9
Marketing innovation	33.0	28.6

One more important difference could be spotted between former and current women entrepreneurs. Namely, former entrepreneurs were characterized by a significantly higher concentration in personal and classical services (25% as opposed to 16%).

### 5.3. PLANS TO RESTART THE BUSINESS

It is important to notice that these unsuccessful attempts did not entirely discourage the respondents. Thus, almost 40% of them is considering a start of a new entrepreneurial venture. However, only 7% is taking concrete steps in that direction. Current business climate might represent an obstacle for the rest of them who are thinking about this course of action and a new entrepreneurial undertaking. The information shows that their perception of the business climate is not positive. Namely, 84% considers that currently it is harder to women entrepreneurs then it was at the time when they were active entrepreneurs.

#### PLANS TO STAR NEW ENTERPRISE



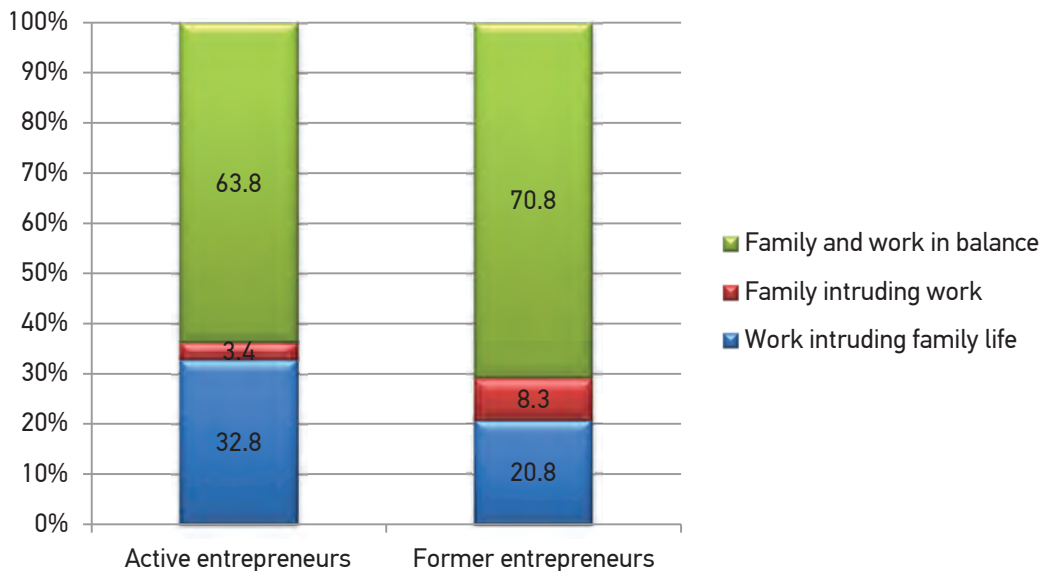
The attitudes of former women entrepreneurs on what the state should do in order to instigate greater sustainability and success rate of entrepreneurial ventures of women, were investigated during the research as well. According to the opinion of the respondents whose entrepreneurial attempts

were closed, the state should, above all, improve various forms of financial aids, to provide a bigger encouragement to women entrepreneurship in form of trainings, seminars and to simplify the procedures for establishing a company.

## 5.4. RECONCILIATION OF BUSINESS AND PRIVATE LIFE

Finally, the effects of closing companies to the life style of women entrepreneurs were questioned. Leaving entrepreneurship leads to reducing conflicts between the business and private life on aggregate level. The following figure shows that the share of those respondents who are stating some type of conflict is significantly smaller than the one present for current entrepreneurs.

PERCEPTION OF CONFLICT BETWEEN PROFESSIONAL AND PRIVATE LIFE



Most of the former entrepreneurs (89%) states that now they have more time for themselves and the family, when compared to the time they were leading their own company. Nonetheless, 45% of them were satisfied with their life while they had their own company, while 21% is more satisfied today, and 32% do not know.

Women entrepreneurs whose business endeavours were unsuccessful differ in certain characteristics from entrepreneurs who were active in the time of the research: they are somewhat older on average, and in accordance with that more often family women, their companies were exclusively micro companies, most commonly in the area of trade and personal and classical services. Former women entrepreneurs most often became that out of necessity, and they usually closed their companies on their own by erasing them from the Serbian Registers Agency registry, at the moment when they could not settle their debts. Their perception of the business climate in Serbia is extremely unfavourable, but despite that, a set, not insignificant number, is thinking of a new entrepreneurial undertaking. Today, they have a less exposed conflict between the professional and private life, but still, almost half of them states that they were happier when they had their own company.

## 6.

## THE PORTRAITS OF BUSINESS WOMEN

Apart from the conducted survey, a qualitative research has been done as well, during which in-depth interviews were conducted with business women of various profiles to deeply consider the circumstances under which they led their business ventures. Their specific experiences, problems, perceptions, are to present illustrations of those tendencies we considered on the basis of the quantitative data. Women of the following profiles are presented in the continuance:

- Woman entrepreneur with two companies
- Woman entrepreneur of opportunity
- Woman entrepreneur of necessity
- Woman entrepreneur who inherited a company
- Informal woman entrepreneur
- Roma woman entrepreneur
- Woman manager in marketing

The names of the business women that have their profiles shown have been changed for the sake of anonymity, and their biographical stories should be taken as personal illustrations that show how, in certain cases, various circumstances, such as: environment, personal factors and resources, can be combined in creating a distinctive case. Their experiences, although similar with other business women, should not be generalized, because we need to keep in mind that this material has been received from a qualitative research aimed at deeper consideration of specific features, processes, perceptions and conditions, and not to measure the distribution of their characteristics.



## 6.1.

**MARINA – ENTREPRENEUR WITH TWO COMPANIES****THE BEGINNING OF AN ENTREPRENEURIAL CAREER**

Marina Jakovljević is an executive manager of two active companies from a town in Vojvodina. She is also the sole owner of both of the companies. One company is an agency for accountancy, bookkeeping, auditing activities and tax consultancy with 5 employees. The other company is registered in the form of a Limited Liability Company. The main activity of this company, which employs 7 persons are services of welding and forklifts.

Marina is a women entrepreneur with high education. She has an University degree from the Faculty of Economy, Department of Marketing, and the knowledge she gained during her undergraduate studies was of great use on various work places where she worked during her career, but also for initiating her independent business. She was employed in a number of public companies. She worked in a factory, conducting work as a bookkeeper, and all the knowledge she gained during her career she used to initiate her independent work, which she started in 1999. During her work in various companies she realized that she has excellent managerial skills and she wanted to use them and prove that she can be a successful entrepreneur.

I WANTED TO PROVE MYSELF AS A WOMEN IN THE PRIVATE SECTOR. I HAVE MADE THE DECISION MYSELF, ALTHOUGH IN THAT MOMENT I HAD SUPPORT FROM MY HUSBAND. HE WORKED IN A PUBLIC COMPANY AND I SIMPLY HAD SOME SECURITY. HE RECEIVED REGULAR INCOME AND I COULD AFFORD TO GET INTO THIS BECAUSE I DID NOT FEAR FAILURE. WE WILL HAVE SOMETHING TO LIVE FROM, AND GOD BE PRAISED, I HAD COURAGE AND LUCK, AND I MADE IT.

The greatest motivation for initiation of her own business was her good business idea and the knowledge of the market from that area. However, at the beginning she encountered a number of difficulties. As the most important she mentioned obstacles of financial nature, of which there were many. Nevertheless, she was patient and persistent, with the idea that every business venture should be led and develop gradually, and that this is the only way to be certain of success.

**COMPANY'S BUSINESS TODAY**

Both companies belonging to Marina are doing well in business. She says that the place where the companies are stationed is a small community, where it is quickly discovered who is good in business, and also that she received an excellent help with the recommendations which she received from her fellow citizens, but also from the colleagues she cooperated with. Establishing of the second company was greatly helped by the recommendations she had received, as well as the contacts acquired in the first company. Out of that reason she now has a big number of clients and manages to lead both of the companies with success.

**PROBLEMS:**

Marina states that despite a large number of clients she encounters obstacles while conducting her business even today.

WHEN YOU ARE COOPERATING WITH PEOPLE THERE ARE ALWAYS PROBLEMS BECAUSE THERE ARE A LOT OF OBSTACLES. SOME ARE VARIOUS CIRCUMSTANCES THAT OCCUR, NEW COMPANIES, NEW CLIENTS, IT ALL NEEDS TO BE CHECKED. A LOT OF WORK NEEDS TO BE DONE, AND TO PROVE YOURSELF IN IT, THEN IT BECOMES EASY.

## EXPANDING BUSINESS:

While conducting business of her companies, she often came to the idea to expand her business. She wanted to expand the company to the territory of the neighbouring town, a bigger regional centre, and consequently increase the number of employees, but the dedication to her family prevented her in that.

I WANTED TO WITNESS THE GROWING UP OF MY CHILDREN AND TO BE CLOSE TO THEM.

Marina considers this to be the time for expanding business, because the children have grown up, and she is working on that. However, in order to expand her business she needs a lot of resources. She thinks that it is difficult to invest in new equipment and new business offices from her existing income, because it all demands a great deal of resources. Furthermore, apart from those investments she needs to make sure that the existing companies function, because she does not want to threaten one or both of the companies by expanding her business.

The state should, according to Marina's opinion, contribute a great deal, and she sees the role of the state in various areas. Apart from monetary funds, which would help her a lot to realize her ideas, she would need help in equipment, various trainings for employees organized, as well as financial encouragements of financial nature in the form of reductions of taxes and contributions for new employees.

## THE BALANCE BETWEEN PRIVATE AND BUSINESS LIFE

When talking about the coordination of private and business life, Marina is satisfied with the way she managed to coordinate both of those aspects. At the time when the company was established she was married and had two children. It was hard at the beginning, but she had great support from her husband. When she started the work, her husband was working in a factory, and could not take many obligations on himself, but the grandparents helped a lot at that moment. At the very beginning a large portion of work in the household she did herself.

THAT IS THE REASON I STAYED HERE IN . . . WITH THE JOB, IN ORDER TO TAKE THEM TO THE KINDERGARTEN AT 8, AND AT 2 TO GO TO PICK THEM UP. I WAS ABLE TO COORDINATE MY OBLIGATIONS. BUT WITHOUT HELP FROM ALL THE OTHERS, THIS WOULD HARDLY FUNCTION.

As she says, family obligations were not hard for her, because she loved to spend time with her children and she made maximum efforts to dedicate herself to them. On the other hand she had a lot of obligations regarding her work.

THAT WAS A HARD SITUATION . . . TODAY I SAY THAT I CANNOT DO ANYTHING, COMMON PLEASE DO EVERYTHING BECAUSE I CANNOT DO ANYTHING. AND THEN HE SAYS – OK, TODAY WE WILL GO FOR LUNCH HERE OR THERE, OR TO SUPPER, OR WE WILL GO TO GRANDMOTHER'S PLACE. LITERALLY THERE WERE SITUATIONS WHEN I DID NOT DO ANY WORK IN THE HOUSE FOR A COUPLE OF DAYS, DEPENDING ON HOW MUCH I HAD BEEN ENGAGED AT WORK.

## GENDER DISCRIMINATION:

Marina points out that she did not feel discriminated against, nor that she was looked at differently by her colleagues. Considering the fact that the activity of one of the companies is known as "male" activity, many have wondered why she chose this type of work, but she states that she neither had problems in finding clients, nor did she experience a different treatment in the so called "male business".

## 6.2.

**DANICA – ENTREPRENEUR OF OPPORTUNITY**

„I LIKE IT BEST WHEN I GO TO WORK, HOLD CLASSES, THAT IS NOT WORK FOR ME AT ALL, THAT IS PLEASURE, REST, THAT IS THE ONLY PART OF THE DAY WHEN I KNOW WHERE I WILL BE AND WHAT WILL I BE DOING AND THAT IS MY ONLY CONSTANT, THE REST OF THE THINGS I DO ON THE WAY.“

**THE BEGINNING OF AN ENTREPRENEURIAL CAREER**

Danica is an owner and manager of a foreign language school opened in 1999. However, Danica bought the school in 2001 from the previous owner for 2500 German marks, used in that time. Apart from that, Danica was employed in that school, and also worked in 2 public schools as well (a high-school and a primary school).

„...THAT WAS SIMPLY NOT ENOUGH SATISFACTION FOR ME. WHEN I STARTED I HAD A TOTALLY DIFFERENT VISION HOW MY CLASSES WILL LOOK LIKE, WHICH I DID NOT SEE IN THE SCHOOLS WHERE I WORKED, THERE WERE SIMPLY SO MANY THINGS HOLDING YOU DOWN. FORM MATERIAL THINGS, YOU HAD TO ASK EVERYONE FOR EVERYTHING, WHATEVER YOU DO THERE IS ALWAYS SOMEONE WHO WILL CRITICISE IT, AND THAT DID NOT SUIT ME AT ALL, I DID NOT SEE MYSELF THERE SO WHEN THE WOMAN PROPOSED THAT I SHOULD TRANSFER TO HER PLACE WITH FULL WORKING HOURS, AND TO WORK ONLY FOR HER I SAID THAT I WOULD LIKE TO DO THAT AND THAT WAS THE FIRST SHOCK IN MY ENVIRONMENT. EVERYBODY SAID, YOU ARE LEAVING A JOB IN A PUBLIC SCHOOL IN ORDER TO GO AND WORK PRIVATELY FOR SOMEONE, ARE YOU CRAZY, YOU GOT WORK FOR AN INDEFINITE PERIOD, WHAT DO YOU WANT, THAT IS A DREAM JOB FOR EVERY PROFESSOR. I SAID, IF I DON'T RISK IT NOW I WILL NOT DO IT . . . WITH 23 YEARS OF AGE. AND THAT'S HOW IT STARTED, ONE BY ONE.“

Before she bought the school she already decided to open her own school, because her own pupils asked her why she does not open her own school, considering that she did everything herself and that the previous owner did not deal with it at all. Notwithstanding that the conditions at that moment were not suitable to risk an independent work, she still made the decision to open/buy the school, because she actually did all the work, and all that just for an income. The only thing which was holding her down was the lack of material resources. When she had an opportunity to buy the school where she already worked, she had to borrow money from a number of people, because the amount was too high for her. At that time she could not take a loan from the bank, so she had to borrow from friends, acquaintances and relatives, by taking small amounts, in order to gather the whole sum.

**COMPANY'S BUSINESS TODAY**

When she took over the company it was the only foreign language school in that town. Today there is another foreign language school and 2-3 more that have all kinds of activities including language courses. She thinks that she was able to survive all these years because she maintains quality, has a good team of professor working there, puts efforts to use contemporary methods and, all in all, to provide the best possible service.

When she took over the school it had 40 students, and the number of students was soon doubled and continued to grow. Today, the school has its maximum capacities filled with about 200 students,

which is estimated to be the optimal number. In one period she even had a bigger number of students, but that was overburdening the capacities of the school and threatened to reduce the quality of the lectures. Consequently she decided to maintain the scope of business activities to a number of 200 students, because she evaluated that this was the optimal volume.

„THE MORE PEOPLE THERE ARE, THE BIGGER THE STRESS AND MORE PROBLEMS AND MORE PROFESSORS, I HAD SIMPLY REALIZED THAT I DO NOT HAVE MUCH BIGGER INCOME OUT OF IT, I ONLY HAVE PROBLEMS, SO I REDUCED IT TO A NORMAL LEVEL TO INTRODUCE QUALITY.“

When income is in question, she mentions that she was doing business for a long time on “positive zero”. There was no chance to get a loan. She rented a space for 5 years and considered that she should buy her own business offices in order to provide adequate offices for classrooms. She found an adequate space in the city centre. She tried to get a loan in every possible way in order to be able to purchase the business offices, but she could not. The loan came from her husband at the end, and it is charged on his own salary, and it is still being repaid. Many persons from her immediate surroundings thought that she was making a mistake by borrowing.

„EVERYBODY ASKED ME WHY I WAS TAKING A LOAN AND NOT BUYING MYSELF A HOUSE OR AN APARTMENT, BUT INVESTING IN BUSINESS INSTEAD, ALL THOSE THINGS WERE SUPPOSEDLY NOT NORMAL, I SAID THAT THE MONEY COMES AND GOES EITHER WAY . . . AND IN THIS WAY I HOPE THAT IT WILL BE MINE ONE DAY, THAT WAS THE SPIRIT OF THE TIME, LOANS JUST STARTING, NOBODY KNEW ANYTHING . . . BUT HERE IT IS, FUNCTIONING FOR 8, ALMOST 9 YEARS“.

## PROBLEMS

A large number of other entrepreneurs is stated as the biggest problem, alongside with collection of claims. She especially points out that in a smaller town it can be rather unpleasant, because the community is small she can neither expel a student nor threaten to do so, because she thinks that it would be the end of her career as nobody would approve of that in her town.

Another problem are taxes. She pays flat tax and in December she received a decision from the tax office according to which she needs to pay the difference in taxes amounting 120 thousand dinars, all at once. After half a year the amount required for tax has been raised again and she again received a decision according to which she needs to pay the difference of some 40 thousand dinars. She thinks that such burdens are suppressing entrepreneurial initiatives, but for the time being she still manages to have a positive balance with all those burdens paid.

At the same time she thinks that the problem is in the fact that she cannot raise the price of the service in today's conditions. She points out that rising of the price for only 500 dinars would represent a problem for the users although there are discounts for old students. Therefore she did not raise the prices of services during the last 3 years although only the heating costs are three times more expensive.

Although she pays flat tax she has a bookkeeper who calculates the salaries, monitors the taxes and takes care that she does not make a mistake. She often thought that she should employ a personal assistant but she would not be able to sustain it financially in the current conditions, and also, she does not dare to employ someone who will have a complete insight in her finances.

## EXPANDING BUSINESS:

She started a course for pre-school children when she realized that they are all going somewhere else, but are her future students and she is losing them. For now the important thing for her is for this component to sustain itself, for the income to cover the expenses, and in return she got potential future students.

## THE BALANCE BETWEEN PRIVATE AND BUSINESS LIFE

Balancing of family life with running a school is not easy at all. Danica gave birth to two children while she managed the school and mentions that it was a very stressful time.

„IT IS ALL A GREAT STRESS AND ALL OF THAT WAS OK UNTIL I GOT THE CHILDREN, IT ALL FUNCTIONED BACK THEN, I WAS WORKING ALL DAY LONG, FROM MORNING TILL NIGHT AND THAT WAS COMPLETELY NORMAL. HOWEVER, IT ALL CHANGED NOW, I SIMPLY HAVE A HUNDRED OTHER THINGS TO WORRY ABOUT. RECENTLY I READ SOMEWHERE . . . AND I WILL POST IT SOMEWHERE AS WELL, IT SAYS: BEHIND EVERY SUCCESSFUL WOMEN THERE IS A MOTHER WHO TAKES CARE OF THE CHILDREN, THAT IS, IN FACT, THE POINT OF BEING A SUCCESSFUL BUSINESS WOMAN!...

### 6.3.

## GABRIJELA – ENTREPRENEUR OF NECESSITY

### THE BEGINNING OF AN ENTREPRENEURIAL CAREER

Gabrijela is an owner and chief manager of a Limited Liability Company, with international transport as the principal activity. She is the only employee in her company.

Gabrijela completed the Higher School of Economics. At the beginning of her working career she worked as a bookkeeper in one public company, but on account of the company's needs she got transferred to another sector, where she had an opportunity to deal with international transport. The company was closed, Gabrijela was left without a job and in order to solve her employment problem she decided to establish her own company. She mentioned that she would never initiate her own business if it wasn't for the collapse of the company she worked in.

IT IS MUCH EASIER TO WORK IN A PUBLIC COMPANY OR ANY OTHER COMPANY THEN DEALING WITH YOUR OWN BUSINESS.

She was motivated by the lack of financial means, as well as the knowledge she possessed regarding the market in the field of her company to make the decision for establishing her own company. During the beginnings of initiating her independent business Gabrijela claims that she did not find any obstacles regarding administration. When talking about financial obstacles, she states that the financial situation in the country was very good in the period when she established her company (in 2002) and that she had no problem to find clients.

## COMPANY'S BUSINESS TODAY

Since 2010 the financial situation in the country got worse and Gabrijela's job has encountered a crisis. The scope of demand for the services her company offers declined, while at the same time big

problems regarding the collection of claims had appeared. She mentions that today her company is in very bad position and that she faces numerous problems.

### **PROBLEMS:**

When she speaks about obstacles she encounters now she is predominantly pointing out that the market has become insusceptible to classic forms of marketing and communication.

EVERYBODY IS CLOSED. YOU CAN WRITE AN EMAIL, OFFER TO ANYONE, AND NO ONE WILL ANSWER YOU AT ALL, IT IS AS IF YOU ARE MADE OF AIR. YOU MAY ASK ANYONE FOR WORK, TO SEND EMAILS, OFFER SERVICES, AND YOU CANNOT REACH ANYONE. EVERYTHING IS CLOSED, COMPLETELY CLOSED MARKET.

Apart from the problems regarding the market she mentions problems connected with the collection of claims.

HE PROMISES YOU THAT HE WILL PAY WITHIN 30 DAYS. WHO SHOULD YOU SUE LATER? YOU PAY THE FEES, PAY THE LAWSUITS AND WHEN IT COMES TO EXECUTION, YOU RECEIVE AN EXECUTIVE JUDGMENT, YOU CANNOT COLLECT, BOTH PRIVATELY AND FOR BUSINESSES. THE COURT IS NOT PERFORMING ITS DUTIES, THE ENFORCEMENT OFFICERS ARE NOT DOING THEIRS AND IT IS VERY HARD. ONE MUST TAKE CARE ABOUT ONE'S CLIENTS AND WHETHER IT WILL BE POSSIBLE TO COLLECT YOUR EARNINGS AT ALL. BECAUSE THE STATE IS ASKING FROM YOU TO PAY YOUR MONTHLY CONTRIBUTIONS AND NO ONE CARES WHETHER YOU HAD DONE SOMETHING OR NOT, YOU HAVE TO PAY THE CONTRIBUTIONS TO THEM, AND WHETHER OR NOT YOU ARE GOING TO RECEIVE YOUR SALARY, WILL YOU HAVE ANYTHING TO LIVE FROM – THE STATE IS NOT CONCERNED WITH IT AT ALL, THAT'S WHY IT IS SO HARD. THIS IMPLIES THAT NO ONE WILL COME TO YOU, NO ONE WILL ASK TO HELP YOU, NO ONE. EVERYBODY IS SIMPLY LOOKING TO CHARGE THEIR EARNINGS AND HAVE BIG SALARIES, TRAVELS, DEFICITS IN THE BUDGET, THEY ARE WORKING ON THEIR OWN AND THEY DO NOT CARE HOW MUCH I WORKED AND HOW MANY INVOICES I SEND ON A MONTHLY BASIS AND WHETHER I WILL BE ABLE TO COLLECT. IT IS VERY HARD AND I WOULD NOT RECOMMEND ANYONE TO START THEIR OWN BUSINESS, EXCEPT IF THEY HAVE SOMEONE TO SIMPLY SERVE THEM THE WORK.

### **EXPANDING BUSINESS:**

Gabrijela does not plan to expand her business, because she cannot employ even one worker, on account of the fact that she does not know if she will be able to pay the contributions for the employees. Although she had ambitions to develop the company in various aspects, the financial situation of today and the business climate in the country are not allowing her to do that.

Gabrijela thinks that the state cannot help neither her company nor the other companies.

WELL, IT CANNOT, FIRST OF ALL EVERY BIG BUSINESSPERSON DOES NOT PAY VAT. EVERY DAY THE NEWSPAPERS WRITE ABOUT THE SIZE OF THE THEFTS, AND IF THEY THEMSELVES WOULD PAY IT BACK, THEN THE STATE WOULD FLOURISH . . . ME NOW, AS A PRIVATE ENTREPRENEUR, IF I WENT TO A BANK TO ASK FOR A LOAN, I DON'T KNOW WHAT WOULD I HAVE TO MORTGAGE IN ORDER TO RECEIVE THAT LOAN . . . THE STATE IS THE ONE WITHOUT MONEY FOR ANYTHING.

## THE BALANCE BETWEEN PRIVATE AND BUSINESS LIFE

When she was starting her own business her family was a great support, because everybody lived from her salary. Although she had more obligations with her company she continued to do the household work because she wanted so, and she says: “ . . . *I did not have to, but I taught them that way.*” Her husband did not take the new obligations to himself, and so Gabrijela did all the work in the household. She thinks that she managed to bring the balance in the family and professional life and she that she was not in a situation where family had to suffer on account of her job, or job on account of her family.

## DISCRIMINATION

During her entrepreneurial career Gabrijela claims that she did not feel a different treatment in regards to her male colleagues, although the field of work she does is considered to be a “male activity”. When she was starting the practice there was a great deal of fellowship, financial situation in the country was excellent, there was a great demand for services she was offering and the clients did not mind that she is a woman.

6.4.

## MINA – ENTREPRENEUR BY INHERITANCE

### THE BEGINNING OF AN ENTREPRENEURIAL CAREER

The business was initiated exactly half a century ago, because it was a family company. Mina's father is the founder of the company and she spent her whole life and a lot of time in the company being very interested in the work. It was somehow natural that she desired to continue the work together with her sister, with whom she shares the ownership of the company. They took over the business about 10 years ago and since then they manage the company independently. She describes the partnership with her sister as a very good one, and states that they are never apart, they even sit in one office and get along well.

## COMPANY'S BUSINESS TODAY

The company deals with servicing electronic appliances, mainly has contracts with the producers and is a warranty service provider. The company is middle sized with some 40 employees, and the partners are mostly companies from abroad.

„IT IS NOT EASY TO INHERIT A COMPANY THAT EXISTS FOR SO LONG WITH ALL THOSE PEOPLE, WITH ALL THOSE PRODUCTS, WITH ALL THOSE PROCESSES . . . “

The business is facing problems since the outbreak of the economic crises. At the time when the research was made, the company was moving – from business offices with 1000m<sup>2</sup> it transferred to half of a building and twice as less office space in order to cut expenses. At the same time, a new business space was rented in another part of town, because she considers that this will increase the competitiveness of the company and a greater outreach at the local market.

Mina states that business is burdened with various fees and charges, including the one for playing music. She feels responsible to maintain the company and also on account of the 40 employees she cares about. During the difficult periods she was thinking of selling or closing the company, but she could not, because emotions always interfere, because of her father, the family tradition, and because everybody knows about that company. In earlier times the company was very successful, it conducted business on



the whole territory of former Yugoslavia. She feels very sorry because a great deal of energy was invested in it, and apart from that she states that she is a fighter and that she does not want to give up.

Special stress is the first day of the month when she has to give salaries to her employees.

„WHEN FIRST IN MONTH COMES, IT IS VERY SCARY, FOR PEOPLE WHO ARE IN BUSINESS, I NEED TO TEACH MYSELF IN ORDER TO PRESERVE MYSELF THAT THIS IS BUSINESS, AND THAT I AM DOING EVERYTHING IN MY POWER IN A VERY STRANGE COUNTRY, SUCH AS SERBIA. AND THAT IS VERY BRAVE ON MY PART, AND ON MY SISTER'S PART AS WELL, AND I AM AWARE OF IT. BUT I STILL CANNOT, MAYBE I WILL NEVER LEARN NOT TO CARE, NOT IN THE BAD SENSE, IT IS ONLY THAT I CANNOT SLEEP AND THAT INFLUENCES ME COMPLETELY.“

She says that it would be much easier for her if she could let off at least 5-6 workers, which would be great cost savings on annual level, but she cannot do that because she feels responsible for the lives of those workers.

### PROBLEMS:

The following problems in business are pointed out: lack of recognition for the quality of work, unfair struggle at the market, oversized administration.

„AS EMPLOYERS WE ARE NOT PROTECTED, WE GIVE ALL THAT MONEY, THOSE ARE IMPOSSIBLE AMOUNTS, AND YOU DON'T HAVE SUPPORT FROM THE STATE“.

### THE BALANCE BETWEEN PRIVATE AND BUSINESS LIFE

Mina states that is not at all easy to coordinate family life and career of woman entrepreneur. This is especially the case when women entrepreneur has to dedicate herself to motherhood as well.

„I DID NOT BALANCE IT AT ALL, I WORKED ALL THE TIME . . . IN MY SECOND PREGNANCY I LITERALLY WORKED UNTIL MY 9TH MONTH AND CAME BACK TO THE COMPANY WHEN MY DAUGHTER WAS 3 MONTHS OLD BECAUSE I HAD NO CHOICE . . . WHEN YOU HAVE YOUR OWN COMPANY, THERE IS NO PREGNANCY, VACATION, NONE OF THAT . . . IT IS AN ENCHANTED CIRCLE, YOU WORK DAY AND NIGHT BECAUSE YOU HAVE TO WORK, AND YOU HAVE TO WORK AND TO MAKE INCOME BECAUSE WHEN YOU WORK SOMEONE HAS TO BABYSIT YOUR CHILDREN. THAT IS ONE SUPREME ORGANIZATION THAT IS USUALLY VALID.“

She had support from her father and now husband. Especially she emphasizes the husband who has understanding and says that it partially comes from him not growing up here. He is also an entrepreneur, who works a lot and fights for survival, as he says.

### DISCRIMINATION

Mina says that she and her sister as women, experience discrimination every day, even in contacts with the final clients.

„A FURIOUS CLIENT WANTS TO SEE THE MANAGER AND THE MANAGER COMES OUT AND HE STILL WANTS TO SEE THE MANAGER, BECAUSE HE DOES NOT WANT TO SPEAK TO A WOMAN AT ALL, HE CANNOT COMPREHEND THAT I AM THE MANAGER, AND ON TOP OF THAT IF I AM A WOMAN WHO MAYBE HAS A YOUTHFUL APPEARANCE OR IF I AM NOT WEARING MAKEUP THAT DAY OR SOMETHING HAPPENED IN HIS UNDERSTANDING OF ME AT THAT POINT. AND THEN HE PERSISTS TO STILL SEE THE MANAGER AND I AM VERY OFTEN FORCED TO SAY: “MILAN, PLEASE COME HERE, THERE IS A MAN LOOKING FOR YOU.” AND GO TO MY OFFICE. BY THE WAY, MILAN IS ONE OF MY EMPLOYEES, WHO IS NOT A MANGER, BUT IS A MAN“.

**She also points out discrimination by partners, especially companies from Asia.**

„AND SO I GO TO SOME MEETINGS WHICH CAN BE VERY SERIOUS, WITH SOME TWENTY PEOPLE PRESENT, AND THEN A PRESENTATION, I AM NOT CERTAIN BECAUSE ALL THESE PEOPLE ARE AROUND ME, SOME WITH MUSTACHIOS, FIRST OF ALL, THOSE ARE ALL MEN, SECONDLY, IN THOSE LARGE COMPANIES THERE IS A GREAT DEAL OF CARE TO MAKE YOU VERY SCARED, EVEN WITH THE INTERIORS WITH THE GREAT BIG TABLES, SPRAYING MONEY TO SHOW POWER . . . AND THEN AFTER THAT WHEN I SIT IN SOME OTHER SITUATION WITH THOSE SAME PEOPLE I REALIZE THAT I AM A QUEEN COMPARED TO THEM, I THINK THAT I CAN EAT THEM FOR BREAKFAST. FOR 70% OF THE PEOPLE I MEET I AM A TOP EXPERT, I JUST HAVE TO WORK A LITTLE ON MY SELF-PROMOTION.“

**She points out that her sister and herself are the only women in Serbia who actually do this line of business. She also thinks that there are maybe others that are owners of such companies on paper, but states that they do not really run those companies.**

**As far as the relationship with the employees is in question, she points out that she has a “more than wonderful relationship” with them, so she does not feel any discrimination on that side. Nevertheless, she says that she loves to work with women, that it suits her although the service workers are there as well, who are mostly men.**

„HOW TO SAY IT, I KNOW THIS WORK, ALL RIGHT, I DON'T KNOW HOW TO FIX, DON'T KNOW TO SOLDER SOMETHING UP, BUT I UNDERSTAND THIS WORK AND WITH OUR KNOWLEDGE WE HAVE PROVEN THAT THERE ARE NO REASONS TO WORRY AND NO REASON FOR CONFRONTATIONS, WE REALLY DESERVE THAT PLACE.“

## PROGRAMS OF SUPPORT

**Mina thinks that the state should support women entrepreneurs with a more careful policy on taxes and contributions.**

„THE STATE WOULD HAVE TO **REDUCE THOSE TAXES AND CONTRIBUTIONS** . . . THAT IS VERY EXPENSIVE, BECAUSE THE STATE FORCES YOU, AT EACH CORNER, TO WORK IN SOME GRAY AND BLACK ZONES. UNFORTUNATELY I DON'T DO THOSE THINGS AND THAT IS THE REASON WHY I HAVE SUCH BAD EXPERIENCES, BUT THE SYSTEM THEY HAVE CONCEIVED IS NOT SUSTAINABLE.“

**She also points out the need for Serbia to join EU on account of easier cooperation with foreign companies, because she says that she had many problems to adjust the administration of large corporations with Serbian administration, to explain to them that we have customs because we are not in the EU.**

6.5.

**ZORA – ROMA WOMAN ENTREPRENEUR****THE BEGINNING OF AN ENTREPRENEURIAL CAREER**

Zora is the owner and manager of the company for purchase and selling livestock. It is a family company left to her by her father-in-law. The company currently employs 3 formally employed workers and 5 informally employed ones.

Zora has finished only primary school. She married very early, right after she finished school. In the company she worked on administrative jobs. At the beginning she helped her father-in-law with the business he started, working as an accountant in the shops they had at the time, alongside with working with the livestock trade. Currently the shops are managed by her brother-in-law, while she and her husband deal with purchase and selling of livestock. When her father-in-law transferred the company to her she continued to do administrative part of the business, while her husband is in charge to deal with the clients. He buys merchandise from the supplier and negotiates with them, and then the merchandise gets sold. Zora takes care of the administrative part of the transactions. Earlier Zora with her family lived in the centre of the town, and later they have moved to the outskirts, because there was the land where they kept the livestock. They sold their flat and built a new house on that land.

**BUSINESS AND PROBLEMS**

Zora thinks that they have more work since they moved to the property. She thinks that they would have much more work if the collection of claims was not bothering them, that is why they conduct business only with clients they already know or have had positive experiences with. They had bad experiences with big slaughterhouses.

As one of the biggest problems she encounters Zora has mentioned the problem of collecting from big clients.

WHEN WE STARTED WORKING WITH . . . (THE NAME OF THE COMPANY) MY HUSBAND WAS VERY HAPPY. WE ENTERED A GOOD COMPANY, BIG COMPANY, SERIOUS COMPANY. I TOLD HIM, I JUST WOULD NOT LIKE TO SEE THEM GOOD ONLY IN THE GRACE PERIOD, AND THEN . . . (TO STOP PAYMENTS, INTERVIEWER'S REMARK) . . . AND SO IT WAS, IT WAS NICE IN THE START, HOWEVER, WHEN THEY STOPPED, THEY STOPPED COMPLETELY (WITH PAYMENTS). THERE ARE COMPANIES THAT ARE ESTABLISHED ONLY TO MAKE HUGE TURN OVER'S, AND THEN THEY GET ONTO DEBT, CLOSE THE COMPANY, ESPECIALLY LIMITED LIABILITY COMPANIES.

**EXPANDING BUSINESS**

When they started to work their idea was to deal with export of horse meat. They have done it until the law on certain standards was not enforced, and they are able to meet those standards, but when they meet the standards for export (to EU countries), that export is not lucrative for them at all. They are the only ones in the country who have a facility that passed inspection for those standards. Currently they are not exporting anywhere, but sell only in Serbia and only to small slaughterhouses on account of safer payments.

FOR THOSE 6 MONTHS SPENT IN THAT EXPORT FACILITY, A HORSE EATS HIMSELF TWO TIMES (THE VALUE SPENT ON FOOD IS TWO TIMES HIGHER THAN THE VALUE OF THE HORSE ITSELF). SO WHERE IS THE GAIN? THERE IS NO CHANCE WE WILL PAY THAT PRICE FOR THE EXPORT.

They also sell meat. As a service the slaughterhouses slaughter the animals and distribute the meat to the selling points.

WE HAD AN IDEA TO OPEN UP A SLAUGHTERHOUSE, BUT FOR THE TIME BEING IT IS VERY EXPENSIVE. I DO NOT SAY THAT TOMORROW, OR THE DAY AFTER THAT WE WILL NOT DO THAT, BUT FOR NOW WE ONLY DO THE PROCESSING. I SEE MYSELF MORE IN THE PROCESSING, PROFIT IS BIGGER THERE.

Zora is certain that for some time she will stay with processing, because they are planning to join with a company from Italy, in order to export processed horse meat to Russia according to their formula.

According to Zora's opinion, the state should enable export and prosecute those who do not fulfil their obligations in a timely manner.

## THE BALANCE BETWEEN PRIVATE AND BUSINESS LIFE

In the case of coordinating private and business life, Zora is satisfied with the way she organized her time and the time of her household members. With a cup of coffee she gathers all of the household member and workers at 8AM, and at that moment they are making a work plan for that day. That "morning coffee" is for her very important, and she is proud that she managed to organize her family and business obligations in that way. Considering that her company was close to home, and considering that it is a family company, she did not have any problems with the children while they were young.

As she says about herself, apart from a manager, she is also a hygienist and a cook, because she cleans, cooks and does the laundry. Zora connects her family and business life and treats her workers as family.

I TREAT MY WORKERS AS IF THEY ARE MY KIN. ALL THAT LEFT, LEFT FOR A GOOD REASON, AND NOT BECAUSE THEY WERE MAD. I SAW ONE OF THEM OFF AS MY OWN DAUGHTER.

## DISCRIMINATION:

During the interview Zora pointed out that she did not feel discriminated against, nor that somebody was looking at her differently. She says herself that she discriminates women in a positive way, because, as she says, she "only registers women" (pays taxes and contributions).

6.6.

## TIJANA – MARKETING MANAGER

Tijana is working in a company for PR services with 53 employees. She is a manager of operations and has 23 subordinates. The only superior to her is the managing director. Tijana's position includes management in two aspects – financial and organizational. The financial aspect includes providing the highest possible profit for the least resources, while the organizational aspect of work includes the quality of the work itself and the business of the company. She has been on this position since March, 2014.

## ARRIVAL TO MANAGERIAL POSITION

Tijana started working as a student in a big marketing company, and the company she works in now had separated from it later on. She entered the company as a beginner and gradually advanced to her current managerial position. She received her first managerial function in the company after 5 years of work. During her career she was on several managerial positions: account manager (manages 5 people), group account manager (11 subordinated employees), client service director (she managed

a team of 15 people). Immediately before her current position she was a client service director. The position demanded working with clients and her superiors were the executive and general director. When the restructuring of the company took place, in March 2014, she was transferred to a higher – current position.

Tijana thinks that it is her selfless attitude what contributed to her advancement in the company. In the period when she started to work, the PR department was very young, there was a big overload of work, and her youth, communication skills, energy and hunger for knowledge enabled her to advance and come to her current job position.

During her working career Tijana met with many hardships regarding advancement in the company. That “tripping” was connected for the working environment itself, that is to say, for the fact that there is 90% of women in the company.

She thinks that it is very hard to advance in such an environment and states that women are much more ambitious than men, and that they are all forthcoming, communicative, want more, considering that the work is connected with big clients and that the stakes are high, so it is important to prove yourself. She also considers that a majority of obstacles have appeared on account of the ambitions of other women.

You have a great deal of disloyal competition within any company. And especially when you come young to some positions, whatever, they hold you down as much as they can, they simply won't let you advance. That is in fact their 5 minutes in the position, and when you come to a higher position, there is more responsibility and there are other stones to stumble over.

The relationship with the superiors is very fair. It happened that they have different opinion, but each side defended its arguments through a conversation, in order to reach a solution which is best. Tijana makes a difference between superior men and women. She considers that women are more analytical in making the estimates of the employee's work, they are more careful, they stall some things and hold an employee for long in one position, analyse all, and the decision making process itself is much slower with women. On the other hand, according to her estimate, men are practical, and they do not have a deep look at things. The business is the most important thing, they have their goal, they are fast in everything because they have a lot of work, and want some things at once, there is no time to measure. At the end she concludes that men and women superiors, both of the categories, have their bad and good sides alike.

## PREVIOUS CAREER

When it comes to some key moments in career, Tijana points out that she never asked for advancements, and that her entire progress was spontaneous, because the superiors have recognized her efforts and work. She thinks that one turning point in her career was the moment then she came back from her maternity leave and the superiors gave her a promotion, although she did not expect it. Another important moment was the period of the economic crisis, when there were a lot of lay-offs of workers and many people were noticed, and so was she. She got new obligations, apart from the managerial she took over certain operational parts of the work, she proved herself and advanced.

Tijana claims that she did not have any difficulties in her advancements in the company because she is a woman. On the contrary, she considers it to be a mitigating circumstance. She thinks that, in cooperation with the journalists, her female charm and social skills came as great help.

THIS JOB IS DONE BETTER AND EASIER BY WOMEN. WOMEN ARE MULTIPRACTIC, AS THEY SAY IN THE HOUSE . . . THEY CAN DO MANY JOBS AT ONCE, THEIR BRAIN FUNCTIONS ON FIVE SIDES.

Tijana worked very hard during the period when she did not have any children and her private life was subordinated to her work. Today that has changed, because she has one child and another one is coming. She is well organized and has balanced her family and business life in such way that she is happy. Although she does not have the help of her wider family, she shares her obligations with her husband, and if she has various obligations around work, she will complete them either when the child is asleep, or the husband will be with the child while she is working. Considering the fact that the nature of her work demands her presence on a variety of events during the weekends, or working day in evening hours, her husband takes care of the child. In that way she can be undisturbed to perform her business obligations.

Regarding her relationship with the clients she thinks that a bigger problem for her was when she was young than because she is a woman.

WHEN PEOPLE SEE YOU THEY EXPECT EITHER SOMEONE MUCH OLDER OR A MAN.

She thinks that the managerial positions in Serbia are still occupied by men, and that they lead the negotiations, as is with her company where a man – the director is doing the negotiating. She also states that at some points she did encounter humiliation, but from women and within the company of the client with whom she cooperates.

## CURRENT FUNCTION

The company where Tijana works today is working not as good as in previous years. She thinks that the reason lies in the fact that there is a bad economic situation in the country, and it has nothing to do with the functioning of the company. She thinks that the company is sustainable, but that they will have to introduce new services. Namely, many companies got their budgets cut for PR and marketing and they need a new service which will be offered to the clients. Apart from that she emphasizes the crisis of the media. She mentions the problem of the very existence of the media on account of the economic crisis. Since Tijana is in her current position, the company has not received any support from the state.

## THE MESSAGE TO YOUNG WOMEN WHO WISH TO BE COMPANY MANAGERS

THEY HAVE TO WORK A LOT AND ALWAYS TO WORK ON THEMSELVES, ABOVE ALL. TO HAVE EMPATHY FOR OTHER PEOPLE. AND NOT TO BE ONLY FOCUSED ON THEMSELVES, ON THEIR GOAL . . . OK, I WANT TO BECOME A MANAGER, BUT YOU SHOULD NOT STEP OVER OTHER PEOPLE AROUND YOU TO MAKE IT HAPPEN, BECAUSE THERE ARE MANY OTHER WAYS TO BECOME THAT. IN CASE YOU MANAGE TO DO IT WITH YOUR OWN WORK IT IS MUCH MORE SUSTAINABLE AND LUCRATIVE IN THE LONG RUN, THAN OTHERWISE.

## 7.

## CONCLUSIONS AND RECOMMENDATIONS

Conclusions and recommendations are grouped in several key areas: institutional framework of significance for the status of women in business, socio-economic conditions and the business climate, profile of women in business, entrepreneurial/managerial beginnings, sustainability and success of business, potentials and obstacles.

### 7.1. CONCLUSIONS

#### INSTITUTIONAL FRAMEWORK OF SIGNIFICANCE FOR THE STATUS OF WOMEN IN BUSINESS

***The institutional framework for entrepreneurship in Serbia has developed significantly in that past years. A complex legal framework and a network of institutions are important for regulating and instigating business and the status of women in business, but they can also represent burdens in conditions of great complexity and diffusion of the framework.***

- The development of the institutional framework is established through setting and improving various institutions, which are in charge of regulating the business environment or entrepreneurship and direct business, institutions which provide various forms of support, or integrate measures and policies regarding entrepreneurship into other areas for instigating development and improving the conditions of life for certain social groups.
- The development is also established through multiplying laws and regulations which regulate the areas such as: registration, business, conditions for performing various transactions, cooperation and contractual relations, settling obligations to the state, employees, respecting the rights of the employees and regulating social duties, as well as a large number of conditions regarding standards and conditions in the community. The development is, finally, established over various strategic and action plans, which are used to operationalize the policies directed at the development of entrepreneurship as the key initiator of the economic development.
- Multiplication of legal and other regulations may represent a significant burden for women entrepreneurs, who are, in most of the cases, leading micro companies and in that sense do not have the possibility to rely on the rest of the employees in administrative aspects of business.
- The gender perspective is not sufficiently integrated in the regulations and policies that are directly targeting the regulation and development of entrepreneurship, thus these regulations and policies neither recognize some specific problems and needs of women in business, nor do they enable specific forms of support. The institutional framework does not hold services that would be directly in charge and programs that would be specifically directed at women entrepreneurship. Apart from that, although Serbia has made a significant progress in the development of the functional framework for providing support to entrepreneurship, the realization of that support is not coherent, sufficiently integrated and there is no adequate financing from the budget funds.



## SOCIO-ECONOMIC CONDITIONS AND THE BUSINESS CLIMATE

***Socio-economic conditions for women entrepreneurship are not favourable, as is the case with their perceptions of the business climate. However, it seems that almost two decades of unstable socio-economic conditions and large problems with the unemployment of women, resulted in women entrepreneurs in Serbia being less afraid of the risks than women in more ordered European countries.***

- The economic crises that started in 2008 and which still affects the economy of Serbia, does not represent a favourable environment for development of small and medium enterprises (companies), and especially for businesses managed by women, which can be concluded from a higher rate of closed companies headed by women entrepreneurs. The status of women on the labour market is less favourable than the status of men, and in the situation when conditions for conducting business for small companies are not favourable, their business ventures are also exposed to higher risks.
- The perception of the business climate among women from the research sample is in its essence adverse. Respondents evaluated that educational institutions do not give enough encouragement for entrepreneurship, that the image of entrepreneurs in our society is not favourable, that there are difficulties in initiating independent work, that the administrative and financial burdens are too great, etc.

## THE GAP BETWEEN WOMEN AND MEN IN THE BUSINESS SECTOR

***The gap between women and men in the business sector is manifested manifold: women make just above one fourth of all entrepreneurs in Serbia, their companies are most often registered as workshops, they are focused more on trade activities and providing classical services, and their businesses are destined to be closed more likely. At the tops of big companies, among the top-managers there are only a few women, and in that respect Serbia shares the destiny of a large number of countries with unfavourable conditions in this area.***

- The gender gap in entrepreneurship is very emphasized – the scope of entrepreneurship among women is significantly smaller than among men, and in the general population of entrepreneurs women make just about one fourth.
- The data shows that the companies with women at their leading positions are harder to sustain, meaning that they have a higher rate of closing.
- The gender gap is also present in respect of the sector structure of entrepreneurship of women and men – women are more turning towards trade and the sector of services, and men towards sector or transport and construction. The higher rates of women participating in the business areas of information technologies, finances and real estate, are owing to a high participation of accounting and bookkeeping services.
- Regional differences are shown in several aspects: men and women entrepreneurs outside of Belgrade are significantly less prone to establish their entrepreneurial ventures through legal forms of business entities than their counterparts from Belgrade; women outside Belgrade reach managerial positions in business entities even harder, and the sector structure of entrepreneurial ventures of women considerably differs between Belgrade and other regions, because women entrepreneurs outside Belgrade are somewhat more inclined to do business in the field of industry, still more concentrating on businesses in the area of trade, while women from Belgrade are more inclined to do business in the area of information technologies and quaternary services.
- When it comes to comparative data, according to which the conditions in Serbia can be compared to conditions in other countries, the findings are counter-intuitive. The gender gap for distribution of entrepreneurship was the most pronounced in Serbia in 2007, than it was in all observed countries,

while the presence of women at the highest decision making positions in companies is, according to certain indicators, above (the share among chairmen of the board of directors), and according to other indicators below the EU average (the share among the members of the boards of directors).

## PROFILE OF WOMEN IN BUSINESS

***Women in the business sector do not represent a homogenous category. Considerable differences are shown between the ones that are entrepreneurs, or who have ownership of the company and manage it, and the managers who only manage a company without the founding capital.*** Although their basic socio-demographic profile is similar, because they are middle aged women, mainly family women, the differences among them are seen in their education and business profile:

- Women entrepreneurs are most commonly women with secondary education, managers are usually with high education.
- Women managers manage companies that are on average bigger than the companies of women entrepreneurs.
- The companies of women managers are slightly less concentrated in the sector of services and a slightly more in the production sector, than the companies of women entrepreneurs.
- The companies of women managers are more often dealing with markets wider than local than the companies of women entrepreneurs.

Certain regional differences are also noticed regarding the structure of the companies according to branch of activities:

- Trade is slightly less present among business women in the Belgrade region, and at the same time we have a higher portion of companies providing administrative, social services in this region.
- Companies conducting business in the sector of personal and classical services are mostly present in the region of Šumadija and Western Serbia.

## ENTREPRENEURIAL BEGINNINGS

***Entrepreneurial beginnings are marked with a strong necessity motivation, modest resources of importance for initiating an independent business, higher role of support from informal networks than from expert official services and a significant previous work experience in a large number of cases.***

- In most of the cases women entrepreneurs have founded their current companies on their own, most commonly after some previous work experience (mainly for some other employer), thus a considerable number possesses not only previous work experience in the respective activity, but managerial experience as well.
- Although in most of the cases entrepreneurship was motivated by necessity to provide employment, a great role in initiating an independent business was played by desire for independence in work, the need to realize some business ideas, etc.
- During the initiation of the independent business women entrepreneurs have engaged various resources at their disposal, and the most important ones are those they had in the form of knowledge, especially in connection with the technology of work, alongside with financial funds. This last resource most commonly came from private means whether in the form of family or personal savings.
- The resources from informal networks were prevailing support in initiating a business, as well as informal sources of information and business support in the beginnings, because women entrepreneurs were more keen to rely on acquaintances and friends with similar experiences than relevant state services.
- Difficulties regarding financial resources and complicated administrative procedures were mentioned as the biggest problems when initiating an independent work.

## MANAGERIAL BEGINNINGS

***Managerial ascent of women is marked by significant previous work experience, various systems of evaluation and channels of promotion through which they move to executive positions, but also a number of obstacles mostly being represented by examples of gender discrimination. The chances of advancement to managerial positions are larger in companies that employ more female workforce.***

- Women managers have, similarly to women entrepreneurs, reached the managerial positions after previous experiences.
- The channels of recruitment were different and led to lower positions at the same company, but also to managerial and non-managerial positions in other companies.
- Most women managers were “evaluated” during their previous work roles, so the promotion to higher positions happened as a “natural” consequence.
- Despite high education and previous experience, a significant number of women managers pointed out that they felt insecure at the beginning of their current position, and that they lacked certain knowledge, experience and self-confidence.
- Most women managers stated that, during the rise to managerial positions, they have encountered obstacles that can be labelled as gender discrimination. They had to prove themselves more than their male colleagues, they were not equally rewarded and they were facing lack of trust, sometimes even humiliation outside and inside the company. However, we should keep in mind that most of the interviewed women managers are at the head of companies that employ a majority of female workforce, which only confirms the thesis that it is far more difficult for women to reach managerial positions in a company in conditions when they are not (co)owners.

## SUSTAINABILITY AND SUCCESS OF BUSINESS

***The picture of women entrepreneurship is a picture of small, predominantly micro-entrepreneurship, conducting business in the sector of services on the local market, with half the companies stagnating or facing difficulties in business and survival. The picture of business ventures of women managers indicates somewhat larger companies, with a bit more production companies. However, for them as well the largest number of companies conducts businesses in the area of services. The impression is that the companies of women managers are slightly more sustainable and successful.***

- Women entrepreneurs almost completely have micro companies, while women managers manage somewhat larger companies on average.
- The companies of women entrepreneurs and most often women managers as well, employ a majority of female workforce, which indicates that in conditions of small chances for advancement of women to managerial positions, when they do not have ownership over the company, the chances are still slightly higher in case the company employs more female workforce in general.
- The data shows that regarding the period when the company of a woman entrepreneur was founded, or, since women managers came to their current managerial position, the number of small companies has increased. This is undoubtedly a good trend regarding women entrepreneurs, because the increase in the number of small companies (although not on a massive scale) had occurred on expense of the reduction of the category of micro companies, which indicates an overall but still very slight trend of company growth. When women managers are concerned however, the growth of the category of small companies is a consequence of contradictory trends of growth of micro companies and reduction of medium companies.
- Gender discrimination is present in business. Women entrepreneurs, and especially women managers, have met various of its forms during their careers. One form of gender discrimination is lack of trust of the business environment, sometimes even refusal to conduct business with a woman. The other form is more often manifested within the organization, and women managers

are often facing it, in situations when they face obstacles for advancement, when they are not equally rewarded, or when their colleagues and subordinates “are not taking them seriously” because they are women, humiliating not only their competencies and capabilities but also their personality.

- When it comes to financial indicators of business, the differences are noticeable between women entrepreneurs and managers. While the former have highlighted trends of decrease in turnover, income and profit, managers most commonly notice positive evaluation of financial performances. The category of respondents that marked the last year as “good” is significantly more present with them, and the share of the category that evaluated the profit as “excellent” is not negligible either.
- Judging according to the data from research, companies of women from the sample are not connected enough with other organizations. Women entrepreneurs are most commonly connected with suppliers of raw materials and semi-finished products, then with companies they share information with, while other forms of connections are present in a smaller number of cases. When companies of women managers are in question, one can notice a higher presence of connections with clients, with other companies they sell raw materials, products or services to, alongside with the previous two forms of connections, which are present with women entrepreneurs as well.
- Both women entrepreneurs and managers are most commonly innovating products and services, and a tendency of “new” entrepreneurs and managers to innovate marketing aspects of business much more frequently than “old” entrepreneurs has also been noted. Women entrepreneurs are investing significantly less in trainings of their staff than women managers.
- The information on success of the company on the panel subsample of women entrepreneurs show certain positive shifts. The share of the category of entrepreneurs whose companies business is very unsuccessful has been reduced, while the share of the category of very successful companies has risen.
- The analyses of the success factors has shown that significant factors are the size of the company (small companies have ten times bigger chances to be successful when compared to micro companies ), investment in knowledge and skills of the entrepreneurs, cooperation with other companies primarily in the form of stable relationships with the client and innovations of products and services.
- Regarding the strategic planning of the future of the company, women entrepreneurs were more oriented towards survival, while managers towards development.
- Women entrepreneurs with unsuccessful business ventures differ in certain characteristics from entrepreneurs who were active in the time of the research: they are somewhat older on average, and in accordance with that more often family women, their companies were exclusively micro companies, most frequently in the area of trade and personal and classical services. Former women entrepreneurs most commonly became that out of necessity, and they closed their own companies in most of the cases, by erasing them from the registry of the Serbian Business Registers Agency when they could no longer settle their obligations. Their perception of the business climate in Serbia is extremely unfavourable, but despite that, a certain, not negligible number, is thinking about a new entrepreneurial venture. Today they have a less highlighted conflict between professional and private life, but still, almost half of them claims that they were satisfied when they had their own company.

## POTENTIALS AND OBSTACLES

***The potentials of women entrepreneurship are shown through highly expressed desire for autonomy in work, independent business ventures, readiness to take risks, not to give up easily, after the first try, to implement valuable previous experience and resources at their disposal in their independent work. The main weaknesses are represented through frequent initiating entrepreneurship out of sheer pressure of economic necessity, and without sufficiently developed***

***business ideas, while the obstacles are represented in unfavourable resources for start-ups, especially a lack of financial capital, big competition in restrictive economic conditions after the crises, vulnerable status of small companies, hardships in collecting claims, as well as obstacles connected with gender discrimination.***

- The business climate is still being perceived as unfavourable. Most of the respondent has evaluated that it is hard to initiate independent business in Serbia on account of unavailability of financial capital, as well as complicated administrative procedures.
- As the biggest obstacles for sustainability and development of a company were identified the problems of the market, competition, adverse status of small companies, hardships in collecting claims, complicated regulations and procedures, insufficient availability of state development programs.
- The respondents are of the opinion that the state can instigate women entrepreneurship primarily by improving various forms of financial aid, but also by providing support in raising the level of knowledge and skills of women in business, which can provide a better sustainability and greater business successes.

## BALANCING OF PRIVATE AND PROFESSIONAL LIFE

***Business women are usually family women as well, who face problems of balancing business, family and individual aspects of life every day. In a large number of cases they have a prominent conflict between business and family obligations, but most commonly they are not frustrated with that. On the contrary, they feel that they are managing well in coordinating those two spheres of life.***

- Family profile of business women shows that they predominantly live in households of medium size, with partners and have children. Apart from that, they work longer than normal working hours, on average, which for most of the women means doing various family roles, apart from the business ones, which gives them two times bigger burden.
- The time conflict between job, family, contacts with friend and personal leisure time is present and for most of the women it is manifested as a time intrusion of the business sphere in other spheres, on account of which women have a feeling that they are not dedicated enough to their families, friends, and especially their own leisure time. This conflict of the key spheres of life is manifested not only as a time conflict, but also in the sense of a burden, when again we have business that is disturbing performance of their household and family obligations, but family obligations also interfere with efficient and quality work performance.
- Most of the respondents still believes that they have managed to establish an equilibrium between business and family life and is in general satisfied with that balance. A small number of women entrepreneurs is not satisfied with the way they balanced professional and private life and because of that they feel frustrated.
- Two thirds of the respondents is satisfied with the fact that they have a career of an entrepreneur, and one third would today choose a different career. The reasons for that are different, and among them are better income, more free time or an occupation which is more desirable.

## 7.2 RECOMMENDATIONS

It is also required to mention that a large number of recommendations for advancement of women entrepreneurship is given in the publication *The most important findings and recommendations from the study on women entrepreneurship in Serbia and gender analyses of selected state measures for entrepreneurship support* (Avlijaš, Babović, Vladislavljević, Popović-Pantić, 2012) which was a result of the analyses that SeConS and FREN conducted with the help of UN Women and during the research of women entrepreneurship and



their approach to support measures in 2011. Having that in mind there were no significant changes in women entrepreneurship after that period, the recommendations regarding women entrepreneurship are in a great deal overlapping with the previously stated recommendations. However, taking into account that the target group in this study was wider, including women managers as well, the recommendations encompassed certain proposals of measures that would be more applicable to such a target group.

The recommendations are presented according to aspects of the status of women in the business sector in the way in which they were analysed in the study. It was done in order to follow the recommendations better, through their connections with the most important findings and recognized problems and potentials. Considering the fact that certain recommendations include initiatives of individual institutions or other relevant actors, while others encompass simultaneous activities of various actors, the key bearers of proposed changes have been presented in individual recommendations. Furthermore, we should bear in mind that the status of women entrepreneurs and managers is considerably different in certain aspects (primarily in the area of proprietary aspects, responsibilities, initiating business, establishing a company and similar), but in many key aspects there are no significant differences (ways to improve business operations of a company, combating gender discrimination in business and similar), in places where it was not specifically stated to which category that recommendation refers, it should be taken to refer to both women entrepreneur and managers.

## INSTITUTIONAL FRAMEWORK FOR WOMEN ENTREPRENEURSHIP NEEDS TO BE FURTHER IMPROVED

1. It is necessary to systematically and strategically approach the advancement of women in the business sector. That is possible to achieve in several ways: through integrating gender perspective in the development strategies for entrepreneurship or development strategies for various economy sectors (development strategies of industrial production, regional development and similar), but also through defining of specific strategies directed at instigating women entrepreneurship. On central level these initiatives should be undertaken by the relevant ministries, such as: Ministry of Economy, Ministry of Labour, Employment, Veteran and Social Issues which has been charged with issues of gender equality, Ministry of Trade, Tourism and Telecommunications, and others. In order to make the strategic approach to advancement of the status of women in business systematic and consistent it is required to improve the intersectoral collaboration among the relevant ministries. Ministry of Economy could be the coordinator of such initiatives. Similar strategic initiatives are required to be conducted on a local level as well, which implies that the development of women entrepreneurship and creating better opportunities for women to act in positions of managers should be integral components of local development strategies and local strategies for improving gender equality.
2. It is necessary to review the existing support programs from the standpoint of specific needs and problems of the women entrepreneurs, to adjust those measures and programs to their specificities. This process of improvement of measures should be participatory and should take place with the participation of associations that advocate the interests of women entrepreneurs. The steps in this direction should be taken by the relevant Ministry of Economy, as well as institutions which conduct the support programs (National Employment Service, National Agency for Regional Development, SIEPA, FZR).
3. It is necessary to find an opportunity, within the existing institutions (Regional Development Agency, Chamber of Commerce, local offices of economic development), for establishing local or regional centres for support to women entrepreneurs, which would provide support in the field of mastering complex legal regulations, provide counselling, information and educational services.
4. It is necessary to simplify the legal procedures (fewer regulations, fewer required documents, shorter deadlines for performing administrative jobs, fulfilling obligations, smaller expenses and similar), which are significant for various aspects and phases of business activities. This should be done within a structured dialogue between Ministry of Economy and associations of business women,

and with an occasional participation of the Chambers of Commerce, other relevant ministries, representatives of financial organizations, judicial authorities and others. This structured dialogue should be used to thoroughly review the existing regulations in the following areas: establishing a company, financial activities, labour regulations, regulations regarding obligations of the company towards the community (ecological, communal and similar), regulations regarding the access to support programs, financial markets, realization of transactions and obligations towards other business entities, etc. The whole process of improving the legal framework should be conducted in accordance with the principles of the policy of entrepreneurship in EU, stated in the Charter on Small and Medium Enterprises and other documents.

### IT IS NECESSARY TO REDUCE THE GAP BETWEEN WOMEN AND MEN IN THE BUSINESS SECTOR

1. Although it is not possible to prescribe the “quota” for women entrepreneurship as is the case with political parties and government representatives, it might be possible to increase the share of women by measures of positive discrimination in the coverage of the start-up programs, with an aim to increase their share in the overall entrepreneurship.
2. Regarding women managers, there are more than several incentive measures at disposal for companies or obligations to reduce gender gap. One of such measures can be the obligation of large companies to periodically conduct gender revision, a process of evaluation their status in connection with gender relations, which would include the possibility for advancement to the highest decision making positions. That would intensify the compliance with the provisions of the Law on Gender Equality.
3. Sector segregation should be reduced by special programs of support to the sector where women are rarely seen in the roles of entrepreneurs.
4. It is also possible to improve the mentoring programs for entrepreneurs in the sector of business with an aim to encourage the entry of women in those sectors.
5. In order to reduce the rate of closing women companies, it would be necessary to provide special support programs (mentoring, counselling, information) for women companies until they reach an age exceeding 42 months.

### IT IS NECESSARY TO IMPROVE THE BUSINESS CLIMATE

1. In order to improve the business climate it is necessary to promote a positive picture of entrepreneurs and entrepreneurship. To this end, it is necessary to introduce appropriate contents in the educational programs, which would be used to instigate both the development of motivation and culture of achievement, especially entrepreneurial ones. It is necessary to create a positive picture of the entrepreneurs themselves, as actors who create economic values and instigate development, and provide young people with positive examples as opposed to the negative ones, which bring about negative perceptions of entrepreneurs as persons who think solely of their own profit, who abuse the workforce, manipulate state resources, who are corrupted, etc. These initiatives should be conducted in collaboration with the Ministry of Education, Science and Technological Development and Ministry of Economy.
2. It is necessary to improve informing on opportunities and procedures for establishing a company, especially in less developed municipalities and districts. This can be done through various media – internet presentation, brochures available in employment institutions, chambers of commerce, local self-governments. The bearers of such activities could be regional development agencies, chambers of commerce, local offices of economic development, or other bodies in local self-governments.
3. It is necessary to improve the legal environment (important economy, tax, but above all judicial institutions, procedures and processes) where business takes place, and also reduce the problems that appear as a consequence of disrespect to contractual obligations, debts and



similar, such as reduced liquidity of a company, difficulties in settling various financial obligations, payment of contributions, reduced capacities to innovate various aspects of business and thus reduce the chances for survival and success. This initiative should be conducted in coordination with the relevant ministries (Ministry of Economy, Ministry of Finance, Ministry of Justice) but with participation of the stakeholders (above all associations of business women).

4. It is necessary to promote women managers in public, to show the significance of creating greater opportunities for advancement of women to decision making positions in business sector, to show positive examples of successful women managers and thus increase aspirations and self confidence of other women who would be able to develop their careers in that direction. The bearers of those activities could be various institutions for encouraging economic development, such as chambers of commerce, development agencies, but also associations of business women, accompanied by the support from the state.

### **IT IS NECESSARY TO IMPROVE SUPPORT WHILE ENTERING ENTREPRENEURSHIP AND AT THE VERY BEGINNING**

1. Trainings for entrepreneurship should encompass a larger number of women who decided to initiate their own business. The basic package of trainings can be delivered to a number of participants larger than the number of beneficiaries who receive financial means for the start-up. Ministry of Economy and Ministry of Labour, Employment, Veteran and Social Issues should consider the possibilities for such intervention.
2. It is also necessary to provide financial forms of support for newly founded women companies, the ones that exist only a couple of months. This is a critical period and the programs are available either during the establishing period or after a certain period of conducting business, so the first 6 months become critical for availability of financial support. The Ministry of Economy should be in charge of this initiative.
3. It is necessary to especially encourage establishing of companies, as well as sustainability and development of companies with women as owners and managers, and which do business in branches of activities where women are otherwise less present, such as production, information technologies, construction, transport, etc. The Ministry of Economy, Ministry of Labour, Employment, Veteran and Social Issues should be in charge of such measures, but can be initiated and realized by regional development agencies, chambers of commerce, as well as local self-governments.
4. The programs of various forms of support for establishment of companies are necessary to be directed towards employed women who want to initiate their own business and who have good business ideas. Ministry of Economy and Ministry of Labour, Employment, Veteran and Social Issues should be the initiators of such programs.

### **IT IS NECESSARY TO PROVIDE SUPPORT TO WOMEN ENTREPRENEURS WHO ARE FACING DIFFICULTIES IN BUSINESS**

1. The existence of centres that could provide individualized forms of support, shaped according to concrete needs and situations, could significantly increase the capacities of women in the business sector and facilitate dealing with difficulties. Appropriate forms of support would be mentoring, counselling regarding business plans, business strategies, solving crises situations, etc. Some forms of support could be provided even over the phone, email, which would enable women from remote areas to reach that type of support. These initiatives would best be realized by various associations of business women, with the support of the state with appropriate resources.
2. It is necessary to enable support programs for repeated beginnings, in the form of new trainings, mentoring, which would enable individual review of mistakes during the previous attempt, as well as new means of support. Initiation of such measures should be charged to Ministry of Economy and Ministry of Labour, Employment, Veteran and Social Issues.

3. It is necessary to consider opportunities for tax reductions in certain time periods when the company is facing financial difficulties (lack of turnover, problem with payments due), with certain protection procedures that could reduce abuse. These measures should be considered by Ministry of Economy and Ministry of Finance.
4. It is necessary to consistently implement the Anti-Discrimination Law and design or make more efficient the mechanisms through which women entrepreneurs and managers can seek support in cases when they are subjected to discrimination. The bearers of such initiative should be three relevant ministries: Ministry of Economy, Ministry of Justice and Ministry of Labour, Employment, Veteran and Social Issues.

### **IT IS NECESSARY TO PROVIDE SUPPORT FOR DEVELOPMENT OF WOMEN COMPANIES**

1. It is necessary to improve the educational programs for training women entrepreneurs and managers in such way that they can receive a more precise knowledge and skills that are more appropriate for their needs. Thus, for example, it is necessary to make specific educational programs designed for women entrepreneurs and managers of companies focused on growth, export, technology-intensive activities, for the ones focused on using franchising as a business model, specific programs for family companies, etc. Ministry of Economy can give guidelines and support to organizations and institutions that offer educational programs for entrepreneurship and business.
2. It is necessary get the counselling services gender sensitized in order for them to provide more adequate support to women entrepreneurs. This should be the task for the sector for gender equality within the Ministry of Labour, Employment, Veteran and Social Issues.
3. It is necessary to give attention to the development of non-financial forms of support in the area of export. From providing information, over various forms of technical support, forming and supporting business clusters.
4. It is necessary to encourage further pooling of women entrepreneurs, because their direct exchange of experiences and mutual informing represent a special form of social capital which can strengthen their business. It can be done through organizing seminars, workshops, fairs. It is also necessary to improve regional connecting of women entrepreneurs, both within Serbia, and in the wider region of Balkans and South East Europe. A great contribution to that can be given by the Regional Cooperation Council in South East Europe, but also the Network of associations of business women, regional development institutions, chambers of commerce within their initiatives for regional cooperation, etc.
5. It is necessary to improve access of financial markets to women. That is possible to do by establishing special and agreeable credit lines, instruments for guarantees and alternative sources of financing women entrepreneurship. It is especially necessary to provide means, parts of funds for risk capital intended for innovative projects of women. It is possible to provide microcredit programs based on collective guarantee model. Feasibility and sustainability of these various financial models of support should be discussed in a constant dialogue with associations of women entrepreneurs.

### **IT IS NECESSARY TO FACILITATE BALANCING OF FAMILY AND PROFESSIONAL LIFE FOR WOMEN ENTREPRENEURS**

It is necessary to improve the services for family care, which would allow child care for preschool and school children in lower grades of primary school, in such way to make them more aligned with the working hours of women entrepreneurs. That can be done in different ways. For instance, it is possible to subsidize using kindergarten for unemployed mothers who are included in the program of self-employment from the NES, or for the ones in the process of establishing a company. It is possible to organize trainings for entrepreneurs who want to initiate a business venture in the area of childcare.

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## APPENDIX 1: THE FACTOR OF SUCCESS FOR WOMEN ENTREPRENEURS

Dependent variables: "indexuspehadummy"

Very unsuccessful, unsuccessful and stagnant companies = 0

Successful and very successful companies = 1

Independent variables:

1. the size of the company: micro (1-9 employed) (referent), small (10-49 employed) (the size of the company 1), medium (50-249 employed) (the size of the company 2)<sup>40</sup>
2. attending courses: attending courses (did not attend – referent), attending courses 1 (attended the courses)
3. cooperation with client of company: cooperation with client of company (no cooperation) (referent), cooperation with client of company (1) (cooperate with other companies which are their clients)
4. v104.1: v104.1 (innovate products services – referent), v104.1(1) not innovate products or services

	B	Stand. error	Wald	Degrees of freedom	p	Quotient of probability
Size of company			8.727	2	0.013	
Size of company (1)	2.382	0.806	8.727	1	0.003	10.825
Size of company (2)	20.443	40192.970	0.000	1	1.000	7.552E8
Attending courses(1)	0.789	0.256	9.510	1	0.002	2.201
Cooperation with client of company (1)	0.769	0.350	4.815	1	0.028	2.157
V104.1(1)	-0.910	0.247	13.531	1	0.000	0.402
Constant	-0.797	0.377	4.4369	1	0.035	0.451

<sup>40</sup> There were no large companies in the sample of women entrepreneurs.

