



Women's  
Entrepreneurship  
in Serbia

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**10**  
years later

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COVID-19  
AND WOMEN'S  
ENTREPRENEURSHIP





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MARCH, 2023

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ENTREPRENEURSHIP

**SeConS**  
development Initiative group

## SeConS Expert Team

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# 1 INTRODUCTION

This report was created based on the study *Women's Entrepreneurship in Serbia – ten years later*. The report presents data from the study related to the impact of the COVID-19 pandemic on the business of female entrepreneurs and the impact of the measures of the Government of the Republic of Serbia that were adopted to mitigate the negative consequences of the pandemic and thereby help female entrepreneurship. The data were obtained by applying mixed research methods – by analyzing secondary sources (desk analysis) and conducting original research that included two key components:

## SURVEY RESEARCH

conducted on a representative sample of 559 active female entrepreneurs, derived from the Serbian Business Registers Agency (SBRA) database on the criteria that women are registered entrepreneurs or that they are simultaneously (co)owners and directors of a registered company, and

## QUALITATIVE RESEARCH

in-depth interviews with 15 selected respondents of different profiles from the same survey research sample formed based on the SBRA database.

## Background and purpose

The first study on women's entrepreneurship in Serbia was published in 2012 based on research conducted by SeConS, an organization for applied research and policy analysis, at the initiative of the then Ministry of Economy and Regional Development of the Republic of Serbia, with the support of UN Women. The baseline study<sup>1</sup> also contained a large number of recommendations aimed at informing the policies to encourage the development of women's entrepreneurship and close the gender gap in entrepreneurship and beyond, in economic participation or employment. In 2021, the Ministry of Economy of the Republic of Serbia launched a new initiative to review the state of women's entrepreneurship after a little more than ten years and to identify changes, achievements, challenges, and the potential of women's entrepreneurship that future policies should focus on. This new research was carried out by the organization SeConS with the support of UN Women as part of the project *Key steps to gender equality*, to provide the Ministry of Economy with the findings necessary for the formulation of policies focused on encouraging women's entrepreneurship.

1 Babović, M. (2012). *Polazna studija o preduzetništvu žena u Srbiji*. Beograd: UN Women. Available at: <https://secons.net/wp-content/uploads/2022/01/87-publication.pdf>

The design of the methodology of the new research was largely developed in complementarity with the methodology of the *Baseline Study on Women's Entrepreneurship in Serbia* from 2012, to ensure comparability in key aspects. However, the COVID-19 pandemic, which was declared in March 2020, influenced the new research to include a module on the impact of this pandemic on the business of female entrepreneurs and thereby examine the resilience of women's businesses to this and similar crises.

## 1.1 The impact of the COVID-19 pandemic on the economic activity of women and the position of women – an analysis of secondary sources

Analysis of secondary sources has shown, among other things, that gender inequalities are one of the fundamental social inequalities that have manifested themselves during the COVID-19 virus pandemic.

**Studies that investigated the impact of the pandemic on different segments of people's lives in Serbia showed that the activities, risks, and burdens of women and men during the pandemic (were) not only different but also that they influenced some of the existing inequalities to become even stronger.**

The pandemic has affected both the disproportionate involvement of women and men in daily household and family care strategies, as well as an increased gender imbalance in the labor market.

Thus, for example, research<sup>2</sup> has shown gender-specific differences in exposure to the risks of job

loss during the pandemic, where self-employed women and those employed in private companies and with simple occupations (such as hygienists and manual workers) were most exposed to these risks. In addition, more women than men went to jobs with an increased risk of infection due to contact with a larger number of people (employees in healthcare, trade, processing industry), and in those jobs were more burdened by the workload than was the case among men (the sectors in question are exposed to a greater burden in the conditions of the pandemic). On the other hand, more women switched to working from home, which was largely due to their greater concentration in sectors where this measure could be applied (education, administrative activities, state administration). However, women more often expressed dissatisfaction with the inadequate conditions of working from home, citing the lack of adequate space for work, disruption of work by family members, etc. as reasons. Finally, traditionally burdened with the role of those who take care of the children/family and housework, as well as due to the traditionally weaker access to resources such as having a driver's license and a car, women are in the newly emerging conditions of the pandemic and the introduced restrictive measures to combat the virus (closure of schools and kindergartens or the suspension of public transport due to a state of emergency), in a higher percentage than men were unable to go to work, and a certain number of them were forced to completely give up their professional activities.<sup>3</sup>

**Research on the impact of the COVID-19 pandemic on female entrepreneurs,<sup>4</sup> conducted during the state of emergency in 2020, showed that female entrepreneurs were most concerned about economic survival, in contrast to employed respondents who were concerned about health first.**

<sup>2</sup> SeConS. (2020a). *Uticao COVID-19 pandemije i mera za njeno sprečavanje na zaposlenost i uslove rada žena i muškaraca u Srbiji*. Beograd: UN Women. Available at: <https://secons.net/wp-content/uploads/2022/01/Uticao-COVID-19-pandemije-i-mera-za-njeno-sprecavanje-na-zaposlenost-i-uslove-rada-zena-i-muskaraca-u-Srbiji.pdf>

<sup>3</sup> Ibid.

<sup>4</sup> SeConS. (2020b). *Uticao COVID-19 pandemije i mera za njeno sprečavanje na preduzetnice u Srbiji*. Beograd: UN Women. Available at: <https://secons.net/publikacija/uticao-covid-19-pandemije-i-mera-za-njeno-sprecavanje-na-preduzetnice-u-srbiji/>

The pandemic had a great impact on the business of female entrepreneurs who, to survive in the market, had to quickly adapt their way of doing business to the new situation. Most often, they had to reduce the scope of the company's activities, due to difficult access to raw materials or raw materials, as well as clients (especially those engaged in catering, trade, processing industry, etc.). The measures introduced by the Government have largely influenced entrepreneurs who provide catering or other personal services (hairdressing/beauty salons, etc.) to temporarily suspend or significantly reduce the volume of business because they were not able to organize their work following the foreseen measure of physical distancing. Research has also shown that the challenges of the crisis were more successfully overcome by those entrepreneurs who, with the transition to working from home, simultaneously established a new business model, invested more in marketing and acquiring new knowledge, changing the way of selling and distributing products, etc.<sup>5</sup>

**A gender analysis of the response to COVID-19 showed that most female entrepreneurs remained in debt after the state of emergency (due to accumulated unpaid rents, salaries and contributions to employees, loan installments, etc.), and they managed to survive economically thanks to savings or loans from friends and cousin.**

The measures of the Government of the Republic of Serbia addressed to business entities to remedy the economic consequences of the pandemic were helpful to many female entrepreneurs; however, given that the measures created were not gender-sensitive, the assistance was not sufficient to protect women entrepreneurs in the long term from the damage caused to their business by the pandemic. Such observations were highlighted by women from the catering, tourism, and service industries and women providing consulting services.<sup>7</sup>

**Of the available state aid measures that were offered on two occasions, female entrepreneurs made the most of the payment of three minimum wages + two times 60% of the minimum wage, then deferring the payment of taxes and contributions to wages until 2021, as well as the possibility of loan moratorium.**

On the other hand, female entrepreneurs rarely used the guarantee scheme to support the economy in the conditions of the COVID-19 crisis (intended for entrepreneurs, micro, small and medium-sized enterprises, and agricultural farms, through commercial banks), as well as the state loan to preserve liquidity and overcome difficulties in business. In addition, female entrepreneurs were not to a significant extent beneficiaries of aid measures in their local governments. For example, only a small number of female entrepreneurs used the possibility of being exempted from paying the lease of office space.<sup>8</sup> Finally, the analysis of gender-responsive budgeting during the pandemic<sup>9</sup> indicated that the measures did not take into account the specific position of entrepreneurs from vulnerable groups, as well as women engaged in informal business initiatives. It was noted that the measures that set a strict percentage criterion for preventing the reduction of the number of employees were particularly restrictive.

<sup>5</sup> Srdić, M. (2021). *Podrška preduzetnicama tokom pandemije COVID-19*. Beograd: OEBS Misija u Srbiji. Available at: <https://www.osce.org/files/f/documents/2/7/513133.pdf>

<sup>6</sup> Pajvančić, M. et al. (2020). *Rodna analiza odgovora na COVID-19 u Republici Srbiji*. Beograd: OEBS Misija u Srbiji. Available at: <https://www.osce.org/files/f/documents/3/9/459391.pdf>.

<sup>7</sup> Ibid.

<sup>8</sup> Srdić, M. (2021). *Podrška preduzetnicama tokom pandemije COVID-19*. Beograd: OEBS Misija u Srbiji. Available at: <https://www.osce.org/files/f/documents/2/7/513133.pdf>

<sup>9</sup> UN Women. (2021). *Rodna ravnopravnost i budžetiranje u doba pandemije: usporavanje napretka ili zatvaranje jaza?* Beograd: UN Women. Available at: [https://serbia.un.org/sites/default/files/2021-06/RR%20i%20budžetiranje%20u%20doba%20pandemije\\_SRB.pdf](https://serbia.un.org/sites/default/files/2021-06/RR%20i%20budžetiranje%20u%20doba%20pandemije_SRB.pdf).



# 2

## THE IMPACT OF THE COVID-19 PANDEMIC ON BUSINESS AND THE EFFECTS OF GOVERNMENT MEASURES – RESEARCH FINDINGS

### KEY FINDINGS

- The COVID-19 pandemic was a test of the resilience of women entrepreneurship, and women entrepreneurs passed that test. More than a fifth did not even feel the impact of the pandemic on business, while the rest temporarily experienced a deterioration in business in the sense of temporary closure, reduction in the volume of work, more difficult access to clients, suppliers, etc., but they successfully overcame that period.
- The findings of the research are confirmed by the SBRA data, which do not show a jump in the rate of closure of women's businesses in the period of the pandemic crisis.
- There is a very small percentage of those who had to lay off employees or send them on forced leave.
- Nevertheless, it was difficult for a quarter of women entrepreneurs to settle their tax obligations and pay social contributions to employees.
- Two measures of the government were evaluated positively by the majority – the payment of non-reimbursable funds and the deferred payment of taxes and contributions on wages and fringe benefits.

### 2.1 The impact of the pandemic on business

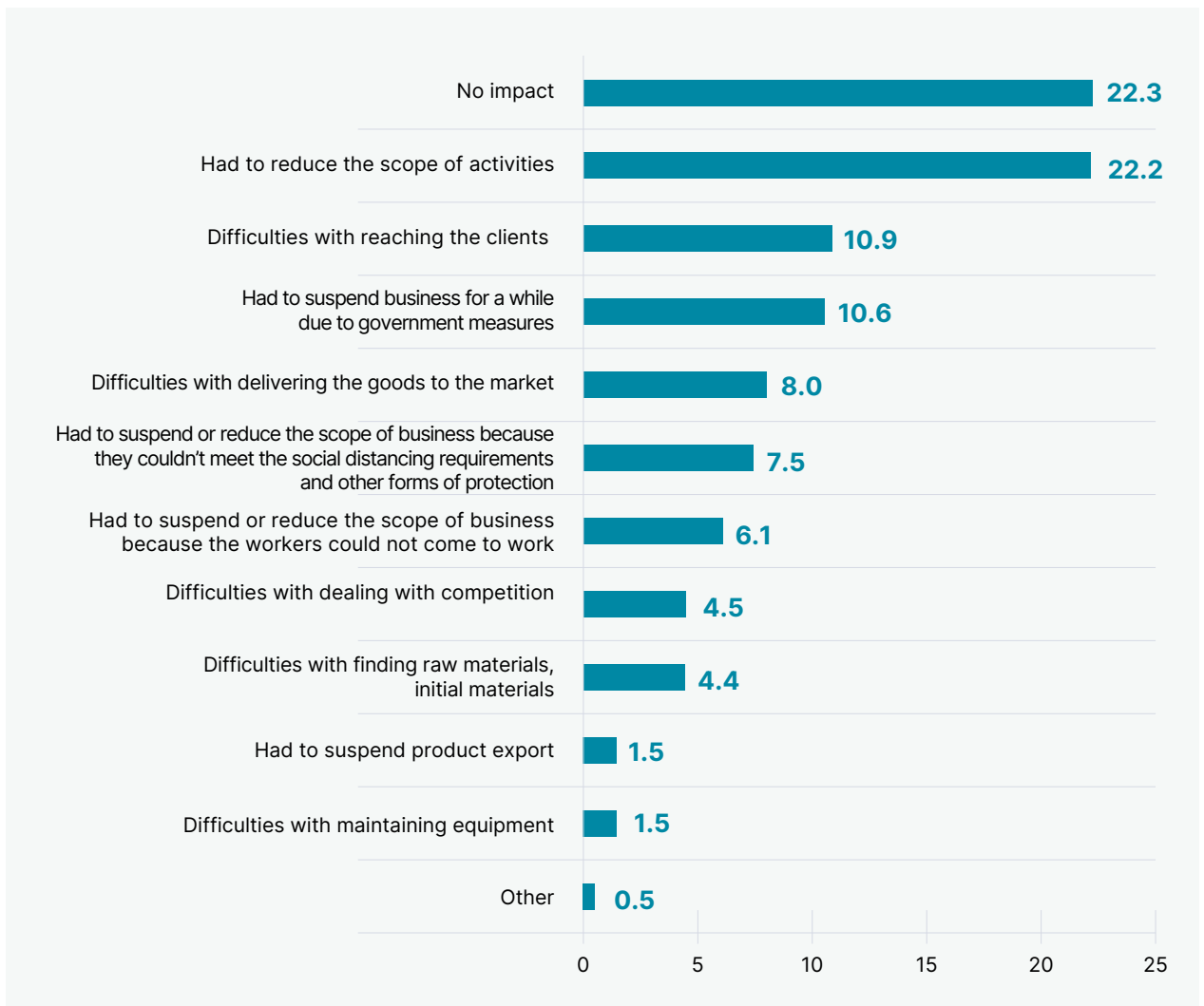
The COVID-19 pandemic was declared in March 2020, and in the research period, the entrepreneurship of the women in the sample had already been affected by the pandemic and government measures, as well as international measures, for two years. During the pandemic, several rapid assessments of the effects of the pandemic on entrepreneurship and especially on women's entrepreneurship were carried out, which pointed to several difficulties faced by women entrepreneurs, especially during the state of emergency and the phases when various restrictions were introduced.<sup>10</sup>

<sup>10</sup> SeConS. (2020). *Uticaj COVID-19 pandemije i mera za njeno sprečavanje na preduzetnice u Srbiji*. UN Women: Beograd. Available at: <https://secons.net/wp-content/uploads/2022/01/118-publication.pdf>  
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The findings of the research carried out in the spring of 2022 indicate that despite all the challenges and difficulties, women entrepreneurs showed significant resilience and that this was supported by the measures of the government, which were rated positively by a large percentage. Slightly more than a fifth of women entrepreneurs pointed out that the pandemic did not affect their business in any way. The same percentage of respondents said that they were forced to reduce the volume of business, one in ten was forced to temporarily suspend business due to government measures, and the same number of respondents said that they faced difficulties in reaching clients. Other difficulties, such as problems with delivering goods to the market, reduction or suspension of activities because they could not

meet the conditions of physical distancing or other forms of protection, or because employees were unable to come to work, etc., were mentioned in a smaller percentage (**Chart 1**).

**There is a very small percentage of those who had to lay off a part of their employees (2.6%), reduce their salaries (6.2%), send part of their employees on forced leave (14.6%), but almost a quarter pointed out that they were unable to pay taxes and contributions for employees (23.4%).**



**Chart 1:** Impact of the COVID-19 pandemic on business (%)

In 81% of the companies from the sample, there was no change in work arrangements regarding the place of work, while in 12.3% of cases, all employees switched to working from home, and in 6.6% of cases a certain part of the employees switched to working from home. Working from home posed various challenges to women entrepreneurs, so in 19% of cases it was difficult to supervise the work of employees, in 16% of cases women entrepreneurs noticed that employees are less productive when they work from home, in 11% of cases the problem arose in the unavailability of appropriate equipment for work and 3% of cases it was more difficult to explain work tasks to employees.

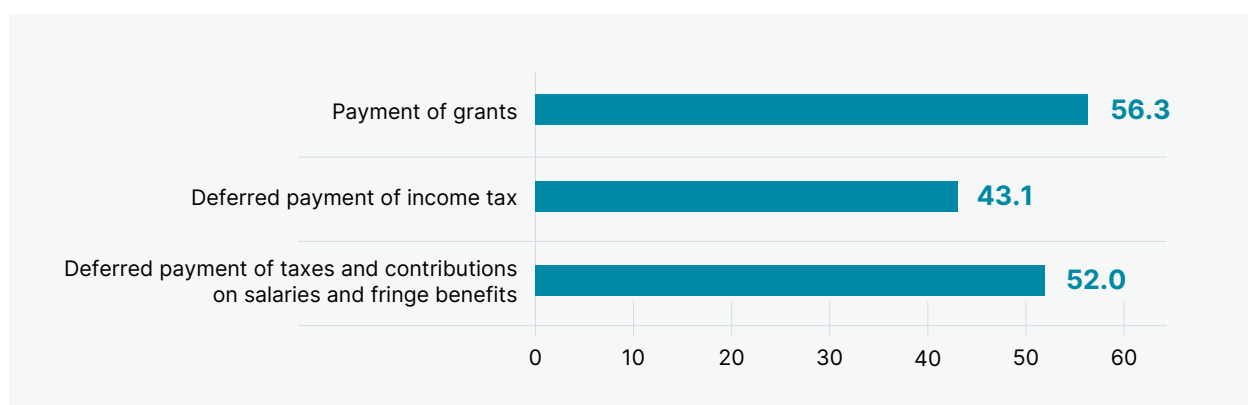
**The advantages of working from home include better healthcare for employees in 56.6% of cases, less stress among employees due to difficulties in organizing transport, taking care of children at times when educational institutions were closed, as well as greater dedication of employees to work in 7.5% of cases, their greater initiative in 3.8% of cases.**

In addition, some women entrepreneurs (9.4%) noticed that, unlike those who noticed a drop in employee productivity when working from home, their employees actually increased productivity in home working conditions. However, only 12% of women entrepreneurs think that in the future they could offer their employees a work arrangement that includes working from home in some form.

## 2.2 Evaluation of government measures

Women entrepreneurs had the opportunity to evaluate the three government measures that have been implemented to mitigate the negative consequences of the pandemic: deferred payment of taxes and contributions on wages and fringe benefits until the 4th of March 2021, deferred advance payments of corporate income tax until the submission of the final tax return for corporate income tax for 2020 and payment of grants. As can be seen from the following chart, two measures were rated positively by the majority of women entrepreneurs: the payment of grants and the deferred payment of taxes and contributions on wages and benefits.

Women entrepreneurs had the opportunity to propose support measures that would suit their needs after two years of the pandemic crisis. They mostly mentioned measures that were already offered during the pandemic crisis: more than a fifth of women entrepreneurs (21.5%) mentioned a reduction or postponement of tax and contribution payments, 17% non-refundable financial assistance, but they also mentioned some other measures such as favourable loans with extended repayment period and grace period (7%), subsidies for equipment (7%), support during maternity and pregnancy leave (8%), grants for employment of workers (3%) and others.



**Chart 2:** The percentage of women entrepreneurs who positively evaluated the government measures for the support of entrepreneurs due to the impact of the COVID-19 pandemic (answers “helped a lot” and “helped”)

# 3

## ENTREPRENEUR STORY

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The qualitative component of the research recorded the life stories of female entrepreneurs, which, from an individual perspective and personal experiences, show how female entrepreneurship functioned during the COVID-19 pandemic. The presented story of an entrepreneur, in an illustrative way, shows a good example of business resilience and a successful model of adapting to a new crisis.

### 3.1 Transformation with business coaching

**Form of business:** LLC (the respondent has 100% ownership and is the legal representative)

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**Year of establishment of the company:** 2018 (in 2013 she founded a dance school that is still active, the school is registered as a citizens' association)

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**Registered office:** Belgrade

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**Activity:** digital marketing and event management

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**Respondent's age:** 31 years

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Ana is 31 years old, lives in Belgrade, and is a lawyer by education. At a very young age, when she was 18, she started working as a dance instructor for children in an art school. Ana's main motive at that moment was to contribute financially to the household shared with her mother. At the age of 22, she decided to open her dance school. After a few years, Ana also started a business in the field of event organization. She developed this business intensively and successfully for several years. However, the outbreak of the coronavirus pandemic made an unplanned change in Ana's entrepreneurial career. The introduction of restrictive epidemiological measures prevented any form of celebrations and public gatherings, and therefore directly (negatively) affected Ana's previous job.

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“ Everything stopped, I didn't have a single client for 6 months. Nobody had money, now, what, where, how, and I wasn't afraid of that at all. It was stressful for me, but I had no fear, I had no intention of giving up.”

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At the very beginning of the state of emergency, Ana decided to seek advice from a person who engages in business coaching, to get through the difficult period more easily and get guidance for further business decisions, which she assessed as the best move she could have made at that moment.

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“ Basically, the corona came, I had 3 employed girls then, no, 4, they are all like (they thought), well, it will last only a short time... At that moment, I called this woman (business coach)... I said, well, look, I need help, I didn't hesitate to say, I need help, I will go crazy on the seventh day inside the house, it was the first week, can we organize a little bit of business, this coaching, can you guide me a little bit?”

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With the help of this kind of support, Ana soon concluded that she could redirect her work to a different activity – digital marketing. She and her team used the first few months of the pandemic to learn about digital marketing and perfect the skills necessary to work in a new industry. During this period, Ana's team of employees has decreased, and she currently works with two other colleagues.

Ana believes that she has achieved great success in the last two years, primarily because she did not give up in the face of all the obstacles and changes that happened. Also, for this period, she managed to achieve cooperation with several clients that is sufficient to maintain the company but also provides the opportunity for further advancement.

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“ For me, success is first of all the fact that I'm still here, it's just that a very difficult period had come and when a young company starts to crumble, the success is to persevere. My first success, which I am really happy about, is that I was not afraid of change, I accepted it. So, it just has to be like that, and let's move on.”

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# 4 CONCLUSION AND RECOMMENDATIONS

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**The COVID-19 pandemic represented a kind of test of the resilience of female entrepreneurship. Despite the numerous business challenges they faced, especially during the state of emergency, female entrepreneurs managed to show a high degree of resilience and business skills to overcome this (and some other similar) crisis.**

More than a fifth of the respondents did not even feel the impact of the pandemic on their business, while the rest experienced a temporary deterioration in the sense of temporary closure, reduction in the volume of work, difficulty in reaching clients, suppliers, etc., but they successfully overcame that period. There is a very small percentage of those who had to fire their employees or send them on forced leave. Measures of state aid and support were certainly of great importance to all entrepreneurs who participated in the research, and two measures stood out as particularly important – the payment of non-refundable funds and the possibility of deferred tax payments and contributions to wages and salary compensation.

Various business experiences of female entrepreneurs during the COVID-19 pandemic have pointed to certain weaknesses that should be the area of future interventions:

- State aid and support measures should be designed so that (in some future crises) they meet the needs of different categories of female entrepreneurs, especially those female entrepreneurs who are in vulnerable categories.
- Preventive work should be done to encourage female entrepreneurs to continuously expand their knowledge and acquire new business skills (in various fields) so that in emergencies or periods of crisis they are more resilient and ready to adapt to the new situation as successfully as possible and overcome business challenges.

# LITERATURE

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