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# Women's entrepreneurship between production and reproduction

## Report on the ethnographic work carried out in Bosnia and Herzegovina, Croatia, Kosovo, and Serbia

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## Introduction

According to the *Library briefing of the European Parliament*. „Female entrepreneurship is important to the European Union (EU) for both gender equality and economic growth. Yet, while women are catching up on labour markets, the gender gap in entrepreneurship is still wide “ (Library briefing of the European Parliament, 30. 4. 2013.). The latter conclusion on the gender gap in entrepreneurship is the result of research by an international research program Global Entrepreneurship Monitor (GEM, 2010), which in 2012 concluded „that female entrepreneurs are not adequately empowered and supported for the creation new business start-ups. There are numerous reasons, but the key ones globally are cultural and societal attitudes and access to resources and opportunities “ (Ferk 2013: 51).

Despite these generally witnessed economic and social obstacles for women entrepreneurship, the European measures aimed at the employment of women in the South-East European countries, aside from the introduction of women' s quotas as a basic predisposition of gender equality, are focused on women' s entrepreneurship and self-employment as a salutary solution to the economic position of women in an area which is characterized by women' s unemployment, unequal pay, lack of social integration, lack of inclusion in the economic processes, unpaid home labor, etc.<sup>1</sup> In that regard, numerous studies, as well as national strategies, have already resulted in a string of established EU policies, which are aimed at correcting the three types of obstacles:

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1 „(...) the women' s employment rates in the Western Balkan countries are lower than in the EU and the policies to support equal opportunities are key for the economic and social development. According to the Western Balkans Investment Framework (2012), the gender employment gap in some of the Western Balkan countries is very large: the employment rate of females in Kosovo was 67% below that of the males, 41% in BiH, and above 30% in the Former Yugoslav Republic of Macedonia and Albania. There is a need for the governments to implement measures for reducing the gender pay gap and, as a consequence, the gender pension gap. In the region the female entrepreneurs are discriminated against when trying to secure loans or credit for their businesses, and still often face barriers based on gender stereotypes. There is also a need for the countries in the region to consider the creation of mentoring schemes and support programmes “ (Ferk 2013: 51).

- a) contextual (women' s educational choices; women' s horizontal and vertical segregation in employment; science and technology, innovation and inventions are concepts mostly associated with men; stereotypes about women; traditional views about the role of women in society),
- b) economic (innovation sector requiring substantial investment and women being seen as less financially credible than men), and
- c) the so-called soft obstacles (access to technical, scientific and general business networks, lack of business training, lack of personal/entrepreneurship skills) for the establishment of an entrepreneurial, and especially innovative, model of women employment policies (*Evaluation on policy: Promotion of women innovators and entrepreneurship, 2008*).

The attempt of implementation of these measures, or, rather, the reality check, points to a „lack of consistency and a good combination and correlation of bottom-up and top-down initiatives “ with further recommendations being limited to measures which do not „require significant national and/or EU funding “, such as encouraging the establishment of mentorship networks, etc. (Ferk 2013: 55). 2

In that view, ethnographic research on the production of gaps, which led to informal practices of women entrepreneurship in South-East Europe, must take into consideration that most of those are actually meta-gaps, i.e. the result of absence or partial implementation of EU policy recommendations. Regarding the latter, most of the EU suggestions are aimed back “at the outpost “, through the calls to national governments for the full implementation of the measures suggested. This claim is supported by numerous documents, which promote women' s entrepreneurship in the countries of South-East Europe,

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2 European Commission supports several tools such as networks and an e-platform: WEgate-platform, The European Community of Women Business Angels and women entrepreneurs, The European network to promote women's entrepreneurship (WES), The European network of female entrepreneurship ambassadors, The European Network of Mentors for Women Entrepreneurs ([http://ec.europa.eu/growth/smes/promoting-entrepreneurship/we-work-for/women/support-networks\\_en](http://ec.europa.eu/growth/smes/promoting-entrepreneurship/we-work-for/women/support-networks_en)).

such as national strategies on women's entrepreneurship, or their incorporation into the strategies of the development of entrepreneurship in general, gender-sensitive statistics tracking, the making of the women's entrepreneurship database, etc. The greater number of women's entrepreneur associations, their increased networking and cooperation, especially among the ex-Yugoslavian countries is noticeable, as well as a series of projects financed by the EU or the governments of EU members.<sup>3</sup> It is to be expected that, in such circumstances, the problems of women's self-employment and entrepreneurship in South-East Europe are to be primarily found in the obstinate socio-cultural predispositions of the (post)transitional societies, be it the corruptive behaviours which constitute one of the basic obstructions of the „normalization “ of the economic processes, or the characteristics of the social and cultural context which pose additional challenges to women in the processes of reaching economic independence through „entrepreneurial behaviour “ which is traditionally related to male characteristics (such as recognizing opportunities, visionary intelligence, risk-taking, etc.). In addition, women are, in the circumstances delineated by systemic discontinuities and perpetuation of crises which enhance the elements of social re-traditionalization, still or all the more chained to their roles of mothers, wives and homemakers, which may be defined as an additional obstacle for the starting of their own jobs and careers, as a part of the usual performance of „entrepreneurship” .

Taking into account these predispositions, it seems that exactly the traditional „Balkan” conceptions of women's skills, competence and strategies somehow happen to be supportive of certain forms of female entrepreneurship. It refers to a large span of activities and behaviours in the service of empowering the family economy, or, in a wider sense of social reproduction, from knowledge linked to traditional women's jobs - the making of objects,

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<sup>3</sup> An example of such international project is “Women Entrepreneurship - A Job Creation Engine for SEE” (<http://www.gtf.hr/en/activities-projects/past-projects/women-entrepreneurship/>).

child-rearing, care for the elderly, etc. - to the strategies of rational economization in the times of scarcity or the uncertain legal framework.

Such positioning of women in the economic segment is part of the practice of survival linked to lower classes in times of crises in most of the Balkan societies, but the question remains to what extent it can be identified in the standard terms of entrepreneurship, and how much are they a mere product of necessity and the economy of scarcity.<sup>4</sup>

## Methodology

The research was undertaken in four countries: Bosnia and Herzegovina (BiH), Serbia, Kosovo and Croatia. On the basis of a common body of questions, through semi-structured and unstructured interviews the researchers aimed to examine the individual attitudes of women entrepreneurs in small and medium-sized enterprises (SME) regarding their status, motivation for entrepreneurship, expectations regarding their work, obstacles and advantages of self-employment, networks or help they use, and especially in the context of informal practices in formal and informal business. The research encompassed women who perform their business activity in both of formal and informal<sup>5</sup> business sectors. The questionnaire<sup>6</sup>, which was used in the interviews, is divided into five parts: Personal and business profile, Networks, Life/work balance, Formal rules and informal practices and Leadership. Each part was elaborated in a series of questions which were aimed at gaining in-depth

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4 One should bear in mind that the concept of entrepreneurship is primarily widened in its patriarchal meaning, which covers everything from multi-million businesses to the basically precarious workforce. In that view, the „female “ widening of the term is not a novelty, but it inscribes itself into the existing pattern within all of its neoliberal deviations.

5 „The international definitions on informal sector, adopted in 1993, include small and unregistered enterprises, paid and unpaid workers in these enterprises and casual workers without fixed employers “ (Esim 2001). Informal economy, according to the experts' assessment, comprises three quarters of the total economic activities in the world. In our research, formal sector encompasses all registered business activities, while informal are all unregistered activities within the grey economy.

6 The questionnaire, together with the table of interviewees is to be found in an annex to this article.

insight into the experience of women' s entrepreneurship, the business and private everyday lives of women, formal and informal models of business-making, and the gendered differences they noticed along the way.

In order to avoid the methodological dilemmas linked to the broad definition of the term “women' s entrepreneurship” we included in our research the experiences of entrepreneurial activities of women who belong to middle and higher classes, and also to the more standard concept of business success, which imply earnings and profit, and which bear stronger links to the concept of women' s financial independence and emancipation. Such a concept is compatible with the policies of empowering of women' s entrepreneurship and women' s rights which are derived from EU initiatives. The qualitative perspective of ethnographic research approaches each life story as unique and it enables the interviewees to model their own narrative of their activity as entrepreneurs, to determine the criteria of success (or unsuccessfulness), to describe the context in which they work and acquire home earnings, and also to define the „female principle “ of the economy. While the subjects of the economy and economic relationships have a long history within ethnographic research, „ethnography of gender as an entrepreneurial practice and of entrepreneurship as a gender practice (or in other words a ‘thick description’ of the processes that position people as ‘men’ and ‘women’ within business practices and as ‘entrepreneurs’ within gender practices) is an approach still little used in the literature “ (Bruni et al. 2005: 62). We tried to examine, through an ethnographic approach, the attitudes of our interviewees regarding gender capture in formal and informal institutions and practices related to entrepreneurship. We were interested in how much gender roles, even in the statistically ever-growing percentage of women entrepreneurs, change, or, to what extent are they a consequence of gender biases which emerge „from social norms based on accepted ideas about masculinity and femininity, for example, associating masculinity with rationality, power, boundary setting and control, and conversely associating femininity with its opposite—passivity, care, emotion and irrationality“ (Waylen 2013: 4).

This study is based on ethnographic work with twenty-four women entrepreneurs from BiH, Croatia, Kosovo and Serbia. The research took place over the period between April and August 2017, and involved formal in-depth interviews, non-formal conversation and participant observation. Six of the interviewed women entrepreneurs are involved in different economic activities that we categorize as an undeclared (informal) work. These interviews were conducted in central and eastern BiH (Sarajevo, Ilijas, Srebrenica, three in total) and southern Serbia (Nis, three in total). The BiH subsample included a hairdresser, a producer of handmade crafts, and a cosmetics seller, while the Serbian subsample included a psychotherapist, a masseuse turned psychotherapist and a beautician.

The second set of interviews was implemented with women entrepreneurs who formalised their businesses. This sample included women in BiH, Serbia, Croatia and Kosovo. The participants included two cake producers (one in BiH and one in Serbia), one bookkeeper (from Serbia), one co-owner of a translation agency (from BiH), one lawyer, one psychiatrist, one farmer who are also a politician (all from BiH). Six women entrepreneurs were from Zadar and Pula, the cities located in the coastal areas of Croatia, in Dalmatia and Istria respectively. These entrepreneurs are involved in the tourism sector, covering a range of businesses from a teacher who rents apartments to a co-owner of a hotel. The participant cohort also included women-led enterprises who have recently formalized their economic activity in the fruit cultivating industry in Kosovo, or more precisely three in the fruit cultivating industry, one in decorative tree production/cultivation, and one in dairy farming. These enterprises are located in rural areas of the municipalities of Gjakovë/Djakovica and Malishevë/Malisevo, in the south-western part of Kosovo, Kamenicë/Kamenica in the east, and Vushtrri/ Vučitrn in central Kosovo.

We also examined secondary resources, such as statistical data, national strategies on women's entrepreneurship, various EU policies, and research from the Global Entrepreneurship Monitor.

## A brief overview: Gender and Institutional framework

In each country included in our ethnographic research study, the process of harmonisation with EU requirements has led to modification in its legal framework primarily with respect to the promotion and guarantee of women's and/or gender rights, policies related to (self)employment of women and development of platforms for women's entrepreneurship. Thus, women entrepreneurs act within different institutional frameworks. While Croatia and Serbia already have either a separate strategy for the development of women's entrepreneurship or a separate chapter on women's entrepreneurship within the general strategy of entrepreneurship development, Kosovo and BiH have yet to develop such strategies. This difference may also imply a significant difference in the status that women entrepreneurs hold in the region. However, gender-sensitive strategies have not been shown to guarantee overcoming the gaps detected in them. Although the countries in our study are at different stages of accession to EU – from Croatia being an EU member country to Serbia holding a candidate status to BiH and Kosovo as potential candidate countries for EU membership – GEM studies indicate that they are at a similar level when it comes to the status of women entrepreneurs. According to the statistical data, these countries are efficiency-driven economies, and the numbers on entrepreneurial activity of women reflect the regional average (GEM – Women's special report, 2015).

Entrepreneurship profiles of economies covered in the GEM report show that women's entrepreneurship "activity in Bosnia and Herzegovina is low across all phases, but in line with averages for the Europe Efficiency- Driven region. Although women in this country exhibit an average level of capability perceptions and lower fear of failure compared to the region overall, they have low opportunity perceptions. Proportionately, Efficiency-Driven European entrepreneurs tend to exhibit high impact; however, Bosnia and Herzegovina shows low levels on all of these indicators" (GEM 2015: 91). "Croatia has low

TEA<sup>7</sup> and established business activity among women, but not much lower than the average for the region. Low opportunity perceptions may explain this — at little more than half the regional average. Where Croatian women entrepreneurs shine, however, is in their potential impact. While they are less likely to be innovative, they are internationally oriented and have high job expectations. Many compete in the business services sector” (GEM 2015: 92).

“Activity rates among women in Kosovo are low, including intentions, TEA and established business activity. This is despite opportunity perceptions registering twice the regional average, capability perceptions being 50% higher than average, and low fear of failure. Female entrepreneurs show low participation in business services, but job expectation, innovation, and international sales levels are among the highest in the factor and efficiency driven group” (GEM 2015: 96). According to the GEM data in 2007 in Serbia 7.9% women were entrepreneurs. According to the basic socio-demographic characteristics, women entrepreneurs were mainly middle-aged women, mostly from urban areas, with secondary education, who were married and living in mid-sized families and households with children (Babović 2012a: 5). Women mainly engage in trade and services.

## Life-Work balance and the emergence of caring entrepreneurship

According to Bruni et al., “when men and women set up as entrepreneurs” , they do not divide between “doing gender” and “doing business” , but they “reproduce the normative meaning of what it is to be a male or female entrepreneur in a single cultural model framed by a cultural as well as an economic context” (2005: 1).

Apart from the entry barriers, which may be, at the first glance, regarded as gender-neutral, women entrepreneurs are under additional pressure because,

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7 Total Early-Stage Entrepreneurship Activity.

within the patriarchal order, they are expected to combine family and business obligations. Most of our interviewees point out that in that equation it is the family that suffers because of the business.

In this chapter, we will primarily discuss women who are heterosexual and who have children, although in our research we also had women who do not have kids or whose grandchildren are already grown. We bear in mind that the problems faced by members of LGBT community and other minorities may be exacerbated because of issues related to intersectionality.

## Life-work balance

Life-work balance is where one of the widest gaps opens up in women entrepreneurship. This gap is partially bridged by traditional practices of intergenerational and gender solidarity, or (under)paid female work force. While some of the interviewees are solely responsible for household chores and taking care of the children, others reply that they share this responsibility with their husbands or that they hire the help of other women. Another common practice is for grandmothers to take care of the grandchildren while parents are working. It is implicitly clear from the interviews that women are still those who take the responsibility for the organization of domestic life, and also, that it is nearly impossible to achieve the work-life balance within the presently dominant model of entrepreneurship: long working hours, incessant availability, etc. As one of the interviewees said, something always has to suffer.

I took my work to the maternity hospital and everybody laughed afterwards that I was not... In my head I was not on maternity leave. That is me! So, again, if I were not like that I would not be that. So, again, personally and primarily the family was the biggest support because I have the most understanding from my family and that is why I love them so much and I am so relaxed regarding the job. (CRO 1, director of an apartment complex)

I mean, I say, I managed in such way that my laptop went with me everywhere (...). I think that it may be because of that reason that women choose professions which enable and give enough space so you can raise a child. (...) I don't believe that there are I don't know how many women who are the owners

of big, strong firms, and with a pack of children around them. As much as we try and impose on ourselves to be successful at both, I think it is very hard. (CRO 3, owner of a tourist agency)

As Naila Kabeer points out, 'competing stories about the household have always implicitly been about competing stories of gender relations within the household and have differed according to whether the storytellers viewed the household as a site of altruism or power' (Kabeer 2000: 103). In the same vein, Nancy Folbre argues that while the ideals of family life offer a model of social co-operation, in real life it has been governed by strict legal rules, economic practices, and cultural norms, giving men authority over their wives and children (Folbre 1993: 98). What comprises the "female side of the story" is the traditional link between a woman and household chores, care for the elderly and children, as well as prejudices against women "in business" , outside of traditionally female vocations and roles (Badget and Folbre 2012).

The data from our research drives home these points. Women entrepreneurs demonstrate the 'double burden' and the tension between production and reproduction. Whilst running a business they also take care of the family. This juggling of paid work and home care is very much present in the lives of the participants in the research – and even more so when their business activity is close to home. They all run a business as well as having the primary responsibility for the household chores and, in several instances, caring for the elderly. They all state that they have long workdays. This is noticeable in the following quote:

My working day is long. I wake up before sunrise and go back to sleep late at night. With one hand I run the business and at the same time I keep an eye on the family and do all the work at home - cooking, cleaning, ironing. As the saying goes, a woman's work is never done, I live by this proverb even more intensely, as I do paid and unpaid work at the same time. (KOS 1)

Domestic work is undervalued in economic terms. Moreover, domestic work worldwide is unregulated and relegated to the informal sector. As a consequence, domestic work is both unmonitored and unpaid. This has far-

reaching consequences for gender equality and on the broader economic level. Unpaid care work has an impact on women's educational achievement, labor force participation, mobility, as well as political participation and representation.<sup>8</sup> As Hila Keren points out: "It is also important to recognize that despite the common belief that female entrepreneurship (including mompreneurship) represents women's freedom of choice and autonomy, for some women this hard work is more a product of limited choices and heightened vulnerability " (Keren 2016: 107). As is evident from the data in Global Entrepreneurship Monitor, in contemporary Europe, the difference between men and women in the so-called TEA-rates (or, Total early-stage Entrepreneurial Activity) is the least in countries which have high unemployment rates, such as Spain or Bulgaria.

To undo the gender gaps, the state should enact policies on the redistribution of care work and also expand the availability of care services (KWN 2016: 8) for relying on institutional solutions is becoming ever more difficult for these women: kindergarten working hours are inadequate, there is no before or after school care and not enough nursing homes for the elderly. As the old, socialist infrastructure is continuously decaying, women are pushed toward bridging the gap through some traditional practices, such as intergenerational and women's solidarity. Apart from the already-mentioned grandmothers who take care of the children, intergenerational solidarity works the other way around as well, as women take care of the elderly.

Another, positive, although rare bridging the gap we encountered in the research is the more egalitarian distribution of housework between spouses, although it is implicitly clear from the interviews that even when husbands are overtaking more responsibilities in the household, the organization of the unpaid work at home remains the woman's prime responsibility.

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<sup>8</sup> According to the data compiled by the OECD<sup>8</sup>, in Southern European countries such as Portugal or Italy women still perform more than 70 percent of the unpaid work. Unpaid work maintains the gender gaps in the economy both at the macro and micro levels.

The traditional type of bridging the gaps which includes the support of the family and immediate social surrounding, as a way of a good informal practice which is culturally nested, could be applied as a successful model of entrepreneurial development in South-East Europe in general. Formalization of such a model of help provision correlates with the strategic solutions used by women to combine their professional and private lives, should include subventions for babysitting and taking care of the elderly or helping with domestic chores. Still, the formalization of this practice would make sense only if applied within the general strategies for development of entrepreneurship, which do not include gender stereotyping of household activities and family obligations, and contrary to the neoliberal agenda according to which the welfare states rely on women's informal care.

But, it is also possible to search for solutions by turning the argument upside down and questioning the dominant, "male" model of entrepreneurship, which seems to require unlimited working hours and, thereby, inevitable sacrificing of the private life.

I have often pondered how it would have been for me to work elsewhere. To have a clear division between paid work and home, to work 8 hours outside the home environment. My work is not an 8 am to 4 pm job, but 7 am to 7 pm. It would have been easier perhaps to have had a job outside my home, so I would not have to move constantly between work and household chores. (KOS 2)

Some of the interviewees reported that they were discriminated against in the patriarchal surrounding in which they work, in which they were sometimes treated as sexual objects, not taken into account as equal subjects of conversation or, as in the following example, unwelcome in the "boy's club" culture in which they work.

There are surroundings in which you come and talk and you feel that he considers you, only because you are a woman, and he does not know you, that what you are saying is of no importance to him, because what's the point of a woman's opinion. This is what used to happen to me. (...) That is an extremely patriarchal, or, way of leading the firm. Because if after the meeting you go for a beer without women and there you finalize the deal concerning a certain

business, and I am the boss, but I am not there, I am not invited, that means that you can never be on the same level as men. (CRO 5, co-owner of an agency for cultural tourism)

A trait which seems to be in line with the dominant paradigm of entrepreneurship is women's great endurance, patience and persistence despite difficulties. A number of interviewees themselves recognized these characteristics as being crucially influential to their success.

You can choose – whether you want to try this as well; I got divorced and had to do everything myself. I even had some offers to go to Canada and Australia. I didn't want to go and take care of kangaroos. That was my choice. I was sure that if you worked here day and night, and worked smartly, you had to succeed, and I was right. (SRB 5, bookkeeper)

Nothing in life comes easy, I believe. In school, I studied hard. I have always strived to gain everything based on merit. Many people think that success sometimes comes with luck or some push from friends and family. I don't subscribe to that. For me succeeding requires hard work and dedication. Hard work is always rewarding. It makes me happy and I feel fulfilled. I also want to be an example for my children, so that they see that hard work never gets lost, and that in the long run, it always pays off. (KOS 2)

At first, I was concerned about how I will manage to run a business. I have no formal education in business and entrepreneurship. Paper work was totally unknown to me. I slowly started to acquire more and more information. I have learned by doing. I have been persistent and worked hard. I have familiarized myself with the rules and regulations. I study everything thoroughly. I seek assistance when I need it, and I learn something new every single day. This is so exciting. (KOS 4)

Still, considering the toll that entrepreneurship takes on the private lives of women, it is not surprising that one of the findings of this study is that women seem to enter entrepreneurship not only because of the opportunity, but also because of necessity. Because they were, for example, the only financial supporters of their families left, because they were laid off elsewhere, or they could not live a decent life with the low income earned by their male spouses.

In many of the examples examined, the women were pushed to sacrifice their time which was earlier devoted to the family, the children or parents, to make progress. They were not completely happy with their financial independence since they were forced to fight for self- sustainability. They actually worked very hard because they had to work, or because of a lack of male support.

## Caring Entrepreneurship

Economic literature recognizes some peculiarities of women's entrepreneurship in comparison to the „male models“, such as greater security of job posts, increased care for the employed, quality of interpersonal relationships, greater investments into the education of the employed, willingness to team work, flexible working hours, longer maternity leaves for the employees, carefulness when taking a loan. Also, women enter service trades such as tourism because of their supposed social sensibility and also because it requires less initial capital (Turk 1999). Although these value-laden conclusions are prone to critiques on the ground of gender stereotyping, our interviewees did define their style of female leadership in that view. Therefore, it may be justifiable to pose the question of the possibility of interpellation of such caring entrepreneurship in the economy and entrepreneurship in general.

If I am on a position of a director, I believe it is by my example and through my work I can motivate my workers to work, and not through my ordering, directing and such. So, I am a kind of a person if needed, I will help in the room, the bedmaker, and enter the room. The last year, when we had problems with the chef I was the first one in the kitchen and helped (...), I believe that in that way and solely in that way I can make this principle work. (CRO 1, director of an apartment complex)

I believe so, there are differences because I look at the person as a whole and that is why my husband sometimes reproaches me because I enter the depth of the problem and everybody has their own family problems and financial and who know what. Well... I believe I drain myself a bit too much in that part in which you try to help them settle this and that. To their accommodation (...) even outside the job, it is not solely that, but people cherish that, as well. (CRO 2, hotel owner)

Caring entrepreneurship does not only refer to leadership in the workplace, it also refers to the ways in which business is reflected in the private lives of women, as in the following example of a co-owner of an agency for cultural tourism from Croatia.

It was the will to develop something on your own, in a way you believe is the best, we wanted to go back because of the children, for them to grow in a smaller place, so that we have more time for them, which we really do. I believe that in Zagreb we could never give them the first three years they got here (...) because this is still tourism so that the business is intense let's say, from March until October, but if you set the business right than it functions after a while (...). Of course, it is sometimes psychologically challenging because it is a burden for the people and the salaries, will it be successful (...) but in principle, I am satisfied. (CRO 5, co-owner of an agency for cultural tourism)

There is a shared understanding among women entrepreneurs that leadership has been associated with men. Yet, they perceive women's leadership to be different from that of men, and rather in line with the stereotypical female images of caring mothers and sisters and obedient wives. Consider this series of examples:

In such situations you have to be soft, flexible, you have to know how to listen, you have to know how to react. Now, from experience, women were shown to react better, they are, how to say, less... Simply, more ready to listen. (CRO3, owner of a tourist agency)

Women make better leaders. A woman leader pays attention to different needs, as women have learned this from being mothers, wives and sisters. Girls are socialized to pay attention to the needs of family members, to support mothers, and be more attentive to the family's needs. Later in life, women as mothers and wives take on the role of the guardian of the home and family affairs. They always keep asking the family members how to do something, what to cook, what they like, etc., and this extends into leadership too. I refer this to myself but also to the other women in my network. (KOS 1)

Women are responsible and caring. They have been socialized to think about the family and show compassion to those closest to them. If a mother works

outside the home, her daughters take on some of her work at home. Boys can continue their everyday life without being troubled by housework when the mother is at work. This is part of the culture and gender division of roles. Women are expected to be responsible and to care for family members and participate in the household chores. This has a lasting impact throughout women' s lives. (KOS 3)

Women in business show more interest, dedication and respect for rules. They also consider many sides and seek wider participation in decision-making. Women are not encouraged to take risks as men often are. I think that at the back of her mind every woman knows that women are judged more harshly for every step they take in life and business. They won' t take chances; they don' t want to be put under scrutiny, and the last thing any woman would want is to be ascribed any blame for misconduct. (KOS 4)

Women are not only ambitious and diligent in work. They are also supportive to the co-workers and family. If a women co-worker is pregnant or has little children at home, a woman leader knows how that feels, and thus she can be more supportive and understanding. Not only regarding women' s specific issues and conditions that make women good leaders, but also because of the care they provide to the family. (KOS 5)

What these quotes indicate is that women ascribe different qualities in women' s leadership styles in business. According to them, women express leadership styles that are caring, supportive, democratic and inclusive, and respectful of formal rules. Women' s visions on leadership, even though embedded in essentialist views of femininity, may offer us a model of business premised on ethics and accountability. Not all of it is positive, though. We have encountered women who are reluctant to hire men, who are prejudiced towards men as workers. They believe that they cannot communicate with them as successfully as with women. Also, some women do not want to avoid employing relatives and friends so as not to get into conflicts and ruin relationships.

In general, women entrepreneurs are independent from the "ideology" of the entrepreneurial spirit or the female conquering of the "male" territory, their

stories are very much grounded. Women introduce different values into the performance of the concept of entrepreneurship, and the grand narrative of entrepreneurship is reduced and rationalized to real outcomes and reachable ends. Thus, one of the most important gaps opens up between the dominant understanding of entrepreneurship as a competitive, ever-growing and conquering activity and its female performances, which are more directed towards solidarity, empathy and everyday life, which includes family obligations. The examples of bridging this gap point in the direction of an entrepreneurship which is taking less risks, is more considerate of work-life balance, one which is more concerned with keeping jobs than expansion, as is already acknowledged in the literature, but insufficiently accepted and recognized as an equally valid economic behaviour. Without systemic economic and social support for caring entrepreneurship, women are left to devise their own, small-scale, everyday solutions, which sometimes draw upon the socialist legacy of emancipatory social infrastructure, such as affordable and accessible daycare and retirement homes, extensive and secure maternity leaves, strong and accessible social state, and legacy of women's rights, and, at other times, upon the more traditional, South-East European intergenerational solidarity and general reliance upon close social relationships.

## Women's entrepreneurship: Between formal rules and informal practices

This research into women entrepreneurs on the territory of the South-East Europe is characterized by its focus on the relation between formal and informal practices in the region. This focus enables us to include the population of informal women entrepreneurs, who were previously excluded from such research precisely because of the lack of formal requirements. Previously conducted research, i.e. in Serbia, has mainly excluded women who have not registered their shops and thus were not positioned within the circle of entrepreneurs (Babović 2012b; Popović Pantić 2014), even though they are those who often provide sustenance for their families and themselves through their activities.

Our research attempts to shed some light on the relation in question, and to show why certain women remain in their businesses outside of the formal frameworks, why they are not able to register their activities and perform them in accordance with the legal regulations, while other women manage to do so, and to find out whether this problem has anything to do with the gender dimension.

Moreover, in the observed region, women were generally less involved in the public and formal private sectors (Halilovich 2014). The post-socialism in this region, at the end of the last century, with a newly imposed system and new 'rules of the game' for society changed the formal sector, indirectly supporting the traditional informal practices on the ground. Many women, in order to be capable to contribute to the household budget, were more often restricted to the informal sector of the economy, connected mainly to customs and traditions inherited from the past. Within these informal activities women generated additional income by knitting, embroidering, growing vegetables, renting spare rooms, cooking, and very often looking after children and elderly persons of other families.

Some of the interviewees who today perform their activities legally testify that they had to operate in the "grey zone" in their beginning, or that they still use certain informal activities from time to time in their work. It is important to note that in almost all of the interviews the respondents underline the importance of formalizing their business. To those who operate informally it is important to get out of the grey zone, while to those who manage a registered business it is important to act through informal channels to the least possible extent.

## Formal pressures which lead to informality

In this research we have detected both formal and informal pressures, gender-related and general obstacles, which may lead the women entrepreneurs to informality in business. As some of the women declared, the system in the countries observed is set up in a way which favors "connections". If you have

proper connections, the auditors will not pay attention to you even if you do work illegally. Those entrepreneurs who work in formal settings find such a business context compromising.

It's just that the majority doesn't have anything registered, they work illegally and nobody bothers them. While we who are official, legal, as soon as you put "Agency" on the door, here they come rummaging through your stuff... looking whether you can smoke or not. For example, I can't smoke, and still I do; do you have a doormat, do you have an umbrella, that thing for umbrellas, and then they write you up. And the guy working illegally just locks himself, draws the curtains and it's as if nothing happened. I know some colleagues who got their clients by joining a party and the tax office sending five clients to them. (SRB 5, bookkeeper)

Although some of the countries in question have made certain efforts to improve women's entrepreneurship, the majority of interviewees have said that they have had unsatisfactory experiences with obtaining bank loans, projects, grants, etc. Even when the entrepreneurs did receive some financial support from the state or municipality, as they did in cases from Croatia and Kosovo, these women said that the procedure of getting non-refundable funds or loans, including EU grants, was too complicated. This finding is in line with previous research, which documents a significant gender gap in the distribution of financial resources, such as bank loans or credits, for women entrepreneurs (cf. Ferik 2013).

According to another interviewee, "connections" were important in obtaining a grant provided by the state for starting one's own business. In order to have a greater chance of receiving the grant, she relocated her company fictively to another place, since she had better connections there. In this way, the informality in formal procedures led to an informal, basically unlawful practice.

Through certain connections, naturally. Bojnik is a small place, there are a lot of friends, some of them in that Bureau as well. So our shop was registered in Bojnik then. We deregistered from Niš and registered again in Bojnik so that we could be registered as having a shop there. So, if auditors came, we could say that our shop was registered in Bojnik, and that this here was only our

beautician and hairdressing branch, while the proper shop was in Bojnik. (SRB 4, beautician)

The female entrepreneurs enumerated a series of other general obstacles, such as high taxes, numerous para-fiscal charges, „red tape “ – an official routine or procedure with excessive complexity, collection of receivables, and, especially, unclear and ever-changing regulation, which opens up the space for arbitrary decisions of various institutions in charge of inspection.

We meet such strange para-fiscal charges, strange procedures, too extensive procedures, many times I have thought about what is the worst in the life of an entrepreneur and it is that insecurity so that you do not know if you caught it all, will tomorrow someone come from this inspection or the second or the third (...) we are still, I think, legally unsure (...) If we give a bonus, if we give the prize, and we are giving because we want to reward good work, then we give money under the table. (CRO 5, co-owner of an agency for cultural tourism)

Simply, look, there are rules which are at odds with each other, laws which are at odds and because of that sole reason you cannot work by the book because if you respect one you violate the other. (CRO3, owner of a tourist agency)

One of our interviewees is a business owner whose company offers translation from several world languages.

The procedure of registering a job is horrible. It takes a lot of time, patience and money. Apart of that, there are a lot of prejudices and assumptions that women are weaker and less reliable entrepreneurs than men. Me and the group of my colleagues who were mostly women, we had to take the initiative, because we all were employed in a firm that was run by a man. That firm went bankrupt due to very poor management. We were left alone but realized that there was still demand for that kind of service on the market and we decided to set up our own business... (BiH 4, interpreter)

## Formal and informal pressures in informal businesses

When it comes to informal businesses, pressures toward informality experienced by our interviewees are even higher and more gender-based.

One of the interviewees is a hairdresser. She worked in a beauty salon before, and after having her baby she could not work formally. But, she was quite happy with her life since her husband could earn enough income for the whole family. As the costs with the baby were increasing, to support and achieve the same or a better standard of living she needed a job to earn some extra income. Finally, she decided to open an improvised informal salon in the basement of her house and to arrange treatments at a time when somebody could look after her children. When she was asked why she did not register her business, she mainly complained about the impossibility of fulfilling the expected working hours:

At this moment, I am not in a position to do such a thing because of my younger child. I would never be able to do 9 AM -5 PM formal working hours, which is a real barrier for me! However, I worked for a woman before having a baby, and that salon is closed now: not just because of my absence, but due to a lack of customers. The owner was a nice and supportive lady, she helped me when I needed help with a job. I owe her. (BiH 1, hairdresser)

Some of the interviewees avoided registering their shops or offices for various reasons, because of unregulated vocational status (for a psychotherapist), an inability to regulate their maternity leave as shop owners, or because of the high taxes.

On the one hand, it' s because I' m not, at this moment, earning enough to cover all my expenses and be able to work and live. On the other, this activity is a bit problematic and can' t be formalized at all. I mean, there is an option of registering psychological counseling. (SRB 2, psychotherapist)

It' s just too much. It' s a lot of money. I mean, you have to earn that money. Only for the contributions, for example, I need more than 30,000 for the two of us; then over a hundred Euros for the rent, then the electricity, it amounts to an expense of some 500-600 Euros. And what about the material and the rest. It' s impossible. So that' s how we decided to do it this way. Since we' re sort of out of the way, where the inspection doesn' t come often, we decided to take a risk. So, if they come, they come, what can you do. (SRB 4, beautician)

What further complicates the entrepreneurship of women with small children, based on the testimony of one of our interviewees from Serbia, is the regulation of the status of a woman who had just given birth in relation to shop ownership, which actually forces her to operate within the informal sphere. Namely, the still valid regulation in Serbia foresees that women entrepreneurs are entitled to maternity benefits only if they dismiss all employees and close their entrepreneurial activity or if the management of the business is entrusted to another person.<sup>9</sup>

I can't, as a women entrepreneur, take maternity leave. But, for example, my husband would have to do it [open the business], who can't do it as well (...) he's already working (...) or find someone else who would open [business] and then hire me. So that simply complicates things further. (SRB 2, psychotherapist)

Another example of a gender-based pressure toward informality is a professor of German who has a formal position in a public school. However, she wants to financially support her parents and so she started selling cosmetics informally.

This is the only way that I can earn some extra money, not a lot, but still enough to help my mother, to buy something for her. She looks after my children, and doesn't want anything in return, but I buy something for her from time to time; recently it is usually medicines. I am lucky because I know a lot of people, otherwise I could not sell anything in this way (through the network). (BiH 2, professor of German)

As already noted above, within the informal business sector, we have also encountered pressures toward formalizing the employment status. In an interview, a housewife, who looked unsuccessfully for a formal job, started to do what she knew best – she started to knit jumpers and other clothes for children and sell them on the market. In the beginning, she advertised her products on Facebook and in a short period of time she attracted a lot of customers. Still, she is not willing to formally register her job because she thinks that she doesn't have enough initial capital to cover all necessary costs of

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<sup>9</sup> <http://centarzamame.rs/blog/2017/02/01/preduzetnice-porodilje-njihova-prava/>

formalizing her growing business. Despite the fact that she is earning some money by meeting the existing demand in the market, she still dreams about the security which exists in the public sector. She said:

I am almost in my fifties and would be happy to have a formal job in a public sector because it will give me a permanent income and social health protection in case that I get sick. (BiH 3, weaver)

Some of our interviews imply that women are using informal practices based on informal networking to substitute for some of the inefficiencies generated by the formal institutional environment. The lack of trust in institutions is so great that one of the entrepreneurs devised an alternative “retirement plan”, in which the state is no longer a necessary subject.

You have to set aside around a hundred euros a month for your pension, and I was setting aside that amount until I saw fit to buy real estate. So, for the first ten years of work I bought my first real estate, then another one for the next ten years, and when I retire, I’m going to rent one and live in the other, while the question remains when and if I would ever be able to retire. (SRB 3, masseuse turned psychotherapist)

### **Motivation to start a business: necessity and opportunity**

Some of the interviewees, who are running formalized businesses, were forced to take on business initiatives because they were either the only financial supporters of their families, or they could not live a decent life with the low income earned by their male members. Very often, women witness that they were pushed to sacrifice their time which was earlier devoted to the family, the children or parents, to make progress.

But, the interviews only partially confirm the findings according to which women are much more likely than men to become entrepreneurs because of necessity, and not opportunity (GEM 2015: 32). Before starting their own businesses, some of our interviewees already had experience in entrepreneurship, either from a family business, or as employees in a larger firm.

The main motive was, I worked very long in big corporations and if you have the support, or you are strong enough and you consider you have knowledge, then in some moment one wants to try something on his own and move away from the strongly structured and set up firm. (CRO 5, co-owner of an agency for cultural tourism)

To be honest, when I look back, if something else were offered to me at the time, something more challenging, say, for example, to work for somebody else I probably would have accepted. But considering that... It did not, I decided to do my own. I would not say that it was some exorbitant wish, but I simply did not see some other, well, possibility, and I had enough self-confidence, I mean, trust in myself that I can earn my own salary. (CRO 3, owner of a tourist agency)

Even when the primary motive is necessity, the motivation and gratification are not solely financial.

So this is how I cover the expenses (...) yes, it is financial, mostly financial, but it simply becomes interesting and joyful, you perform that business with joy, you meet new people, lead interesting conversations with people and so, well, when I have the time I devote myself more to the guests. (CRO 6, apartment rental)

In the following example, a very young woman sells special cookies with very posh and rare recipes and distributes them to some prominent restaurants in the capital city of Bosnia and Herzegovina. She started informally and after having initial success she registered her company, having a vision of a sustainable firm with "serious" partners and good prospects. Her long term ambition is described by this statement:

The only thing that I can do now is to work harder to develop my job and to become more familiar with the market... (BiH 5, cake producer)

One of the interviewee had a one-year contract in the public sector, coming several years after she graduated in law at the University of Sarajevo while waiting for this position. Having in mind that she could stay there without a monthly income after the contract expired, she decided to set up a domestic farm for producing and selling beef, as she lives in a rural area. She registered her business because she wanted to ensure a stable demand at the market, and

permanent customers. She spoke about some possible projects in the future with a lot of ambitions and concerns:

Now we sell our products in the market. That means that we sell meat to the customer who offers a higher price to us. But, at the end of this year, we are planning to get in touch with merchants who will export bigger amounts of beef abroad. For that step, we had to approach the procedure of formalising the job. (BiH 6, farmer and politician)

The business activities are often grounded in the economic field related to the family' s history of economic practices.

My family members had no employment. We did work on our land cultivating crops and cattle, selling products in the local market. This was a small-scale business and the income generated from the agricultural goods enabled our family to carry on without seeking welfare protection. Farming has always provided sustenance for our family. It has given us the means to meet our needs. Therefore, it is business as usual, just that now it involves more people and paper work. (KOS 2)

However, these women entrepreneurs also often have to establish informal practices because of the family-related tasks and gender-related obstacles, since there are no sufficiently developed support institutions in the observed societies.

In sum, the woman is an entrepreneur who has to work the whole day or she is employed and works until 10, 11 PM or the whole night, just as her husband does, in different firms, manual trade and other institutions where workers' rights are being systematically lost. And entrepreneurial infrastructure: the system of daycare, the system of care for the elderly, sick (...) parents is underdeveloped or poorly developed. (CRO 4, president of the Association of Business and Professional Women)

From his side, only his mother is alive and she is great at watching over the kids and everything which is needed because there is less time when those starting begin, and from my side only my mother is alive also, and she helped us

financially a bit, in that first year. (CRO 5, co-owner of an agency for cultural tourism)

As we mentioned earlier, our study included women entrepreneurs who create profit within the formal and informal economy, belong to different social classes and use different forms of informal practices. All these factors determined their motivation to start a business, their expectations, the types of business they run and, finally, the availability of financial support and loans. As shown in our study, the general aspirations of these women are independence and self-sustainable life in the economic sense in a post-socialist society. Still, the reasons may be different. Women engage in independent businesses out of necessity and the need to provide sustenance for their family or children after a divorce; because of the closing down of the company that they used to work at, the inability to find a job or unsatisfactory working conditions; because the business activities are grounded in the economic field related to the family's history of the economic practice; but also because of the challenge and gratification, which are not solely financial. Most commonly, the motivation of these women is associated with the type of business they started and the sector – formal or informal – in which they work. The lower their social class, the more informal work they do, the stronger the inability to transfer to formal sector, and the greater the risk of poverty. In addition, it is noticeable that women from lower social class, in order to survive or increase their family revenues, find employment in traditional gender-specific jobs that usually include providing different types of services and handmade crafts. These women mostly work in the informal sector of economy, using typically informal business practices.

## **Between empowerment and dependence: practicing informal networks and ties**

Irrespective of the development of democratic procedures in decision-making in the countries included in our study, the interviewed women often highlighted the non-transparent allocation of funds for business development, strong rootedness of economic transitional “winners” in political networks,

and state-capture models of “mutual favors” as common practices of the political and economic elite, which all wash over the entire society and cease to be a traditional form of solidarity and support.

Thus, the study shows a strong ambivalence of women entrepreneurs towards the informal networks and their place in establishing and maintaining the formal business practice. Accustomed to understanding personal ties as the one of the most valuable social assets, women were faced with the controversial consequences of such social relationships. Whether it is the reliance on the family in managing social reproduction, or the reliance on colleagues and acquaintances in managing social capital, their working position was marked by the gap between empowerment and dependence. Beyond the established differentiation of the network structures in economy between those providing emotional and motivational support (the “strong” , mostly family-based ties), and those providing new knowledge and information (the “weak” ties with more distant members),<sup>10</sup> our informants were more concerned with the binding dimensions of both levels.

Faced with obstacles and difficulties such as the (un)availability of funding, information, market and education, women entrepreneurs view the “weak” type of networking more as “a necessary strategy to get things done” than a healthy resource of expertise. As one the informants from Croatia put it:

Several years ago I realized how our system is functioning, and that it was better for me to start socializing and networking more to find my own people. I could not progress without them. So, yes. Some informal networks are built. 11

While facing corruption and clientelism, sometimes the clearly politically motivated distribution of projects, funds and opportunities on the institutional level, the engaging of the supposedly supportive ties, and especially the very

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10 (Efendic et al., 2015; cf. Granovetter, 1973; Greve and Salaff, 2003; Wang and Altinay, 2012.)

11 Interviews with entrepreneurs in Croatia implemented by CISAR research team in 2017 as part of the INFORM project.

employing of relatives and friends is considered risky concerning the nature of the relationships.

However, the findings of this study demonstrate that women choose various strategies within the scope of family ties. An interviewee from Serbia, for example, decided not to employ family members and close friends because she is afraid of the possibility of spoiling good relationships (SRB 1, the owner of the cake decorating shop). However, other respondents choose the strategy of keeping the business among the family members, as in the case of a woman who runs fruit and decorative tree industry, and an owner of a dairy farm in Kosovo (KOS 1, KOS 2).

All in all, the participants of research perceived the concept of network quite differently, its meaning ranging from the opportunity to learn, a resource of social solidarity and help, to the sense of owing and commitment in the „chain of favors“ , all the way to the awkward means of dealing with corruption and clientelism. Within such a framework it is understandable why some women view the establishing of social contacts and ties as a predominantly male activity and privilege. Their traditional attachment to the family context, or, at best, the exposure to the mixture of housework and business as „glued together“ in an inextricable body of duties, often result in a feeling of limitation and facing a lot of obstacles in building networks. As one of our interviewees from Croatia said:

Women do not network as well as men do. They do not have the time because they already have two jobs. (CRO 4, president of the Association of Business and Professional Women).

However, there were also examples of establishing businesses in what is considered as more typically “male way” . So, one of our informants, for example, decided to join a political party with a clear intention to rely on the network of its members, and not because of her political orientation or ambitions.

To achieve anything in this city, I mean to find a job or to sell some goods that I produce, I had to be close to politics. Since I did not have anyone there, I decided to involve myself. My friends supported me, and once I got in I immediately noticed its benefits. Today, I know a lot of people and, thanks to these contacts, I can finish many activities fast. E.g. I can sell some products from our farm. (BiH 6, farmer and politician)

## **„Positive informality “: towards the (self)organized forms of informal networks**

A „dignified “ model of social mediation, working as a positive response of the female entrepreneurship to the inefficiencies of the formal institutional environment is, nevertheless, acting through the organized forms of associations, such as non-governmental organizations or professional associations. It seems to be especially important in certain national contexts, such as in Bosnia and Herzegovina or Kosovo. Some of our respondents place importance on that kind of networking and perceive it as a space for sharing skills, business models and practices, as well as leadership visions.

As opposed to this positive formal response, positive informality is reflected in various ways in different periods. After the war in the 1990s, and the rudimentary normalization of the market economy, a number of women got involved in "network marketing" , in which the network of distributors is necessary to build the business, and which was present in the region before the new forms of social networking appeared on the Internet. Others saw an opportunity to initiate certain business activities through micro-credit organizations, and many simply joined different initiatives, without formally establishing non-governmental organizations, but with an intent to preserve the practice of socializing that had decreased with the departure of traditional practices and customs. As women entered the formal market, demand for increased involvement of other women in housework and childcare increased, and it boosted the informal labor sector.

Soon, the social media also gained an important role in creating and expansion of economic affairs. They served as a good way to sell the products for those with no financial means for advertising, and they fitted well in the traditional forms of trade in which the high-quality products represented the basis of maintaining the circle of regular buyers. For women entrepreneurs in the informal sector, selling through social networks provided an opportunity to expand their business network, ensure greater financial means in the long run and thereby it often led to the legalization of women's businesses.

The other opportunity for women was to set up small businesses which were mostly supported by microcredit organizations. Women largely used this possibility for getting initial funding without a need of additional guarantors, only with the contribution of a "feasible" idea. For example, after the war in BiH the returnees have in particular been using this means to build greenhouses, to expand stables, and to set up farms, where they would produce milk and engage in milk-related activities, such as milking cows or producing cheese, which are activities traditionally performed by women.

The example of accommodation of the formerly known practice of networking, such as the well-known form of *direct selling* from the former Yugoslav times, represents the still-present sale of Tupperware plastic dishes in BiH. The presentation of the special plastic dishes has been performed by the authorized representative of Tupperware within traditional-like informal women's gatherings. They would also arrange the following presentation, usually in the house of one of the women being present at the last event, etc. The well-known international brand enables women to easily sign agreements for presenting and selling dishes via such informal networks. Our research discovered that there are women who use the same way of selling their products, but unofficially, within the grey economy.

We also followed the growth of a young woman entrepreneur who makes cakes and sells them to prominent restaurants. She started her business within the informal economy, and the first obstacle she faced was inability to develop her business in collaboration with major firms. In order to get a bank account

she also needed to register the company, which, as the full-time student, she was not capable of doing. So she registered the business in the name of her mother and invested a lot of her time, enthusiasm and energy to make progress. Her long-term ambition is described as follows:

Sometimes I had to wake up early in the morning and start making cakes. I used to make them all day long, and leave the kitchen after midnight. Sometimes I do not have orders for two days and I have to make plan to attract customers. The only thing that I can do now is to work harder to develop my job and to become more familiar with the market... (BiH 5, cake producer)

Two months after the first interview we visited her again and she told us that she did a "great move" by using social networks via the internet for advertising purposes.

The great move we did was using some of the cyber space possibilities. We also took a festival house this summer to get closer to our customers and did some advertising via Facebook. We plan to focus on that segment in our future developing process – to rely more on the internet networking. (BiH 5, cake producer)

The examples from Bosnia and Herzegovina also show how networks frequently get supplies from the diaspora. A professor of German language with a formal position in a public school selling cosmetics informally. She orders the products using her networks from BiH diaspora and a growing domestic network of people to sell them. She did not sign any kind of a contract as she is satisfied with her primary job which she wants to keep.

Even when they have formal established business, women entrepreneurs, for example in Kosovo, often have to seek financial support from family members living abroad, which confirms an earlier finding on the important role of the Kosovo diaspora for small and kinship-based enterprises (FID 2009: 11).

Previously presented general socio-economical indicators, as well as our ethnographic research, show very similar results as other INFORM ethnographic research – "Informal economy and informal practices in the formal economy

of the western Balkans region” 12 - where informal networking “has been identified as important in both the formal and informal economy” . Accordingly, the main finding from our ethnographic research is that informal networking is the most dominant and visible informal practice. Many of our interviewees operate fully informally, hence, everything they do is some sort of informal practice; the majority of those who run formal business inevitably use different informal practices “and rely on informal networking” (de Soto 1989).

Moreover, the growing decline of the social state services – a trend especially significant for the “more developed” post-transitional states, in our case in Croatia – make them more and more dependent on the family network and support. So, paradoxically, we diagnose an even wider gap between the formal and informal institutionalization of women’s entrepreneurship in more developed economic (post-transitional) environments than in those where informality is a kind of a reoccurring theme in operating small female businesses. Accordingly, the unfavorable conditions of women self-employment in countries like Serbia and BiH breed the vital strategies of “start-up” , the small, home- based businesses, through various forms of self-organizing on the crossroads of formal and informal settings. Setting up a company is mostly done by relying on personal informal networks, and once the business is established, this informal practice does not stop, but it evolves instead. Informal networks are then used to either support their business, acting not only as traditional practices of support and solidarity, but as a complementary, or, more often, as a substitute to different formal institutional barriers:

As a doctor, as a psychiatrist to be I can say that our patients are not in a very good social position, so some kind of informal help can be very useful to them: not just bringing food to them on a daily basis, but showing them that they are important to someone. That also can be very important. This good tradition

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<http://www.formal-informal.eu/files/news/2017/Deliverables%20and%20Milestones%202017/CISAR-Report%20on%20formal%20and%20informal%20economy%2028-9-2017.compressed.pdf>

comes from informal practices and it definitely needs to be saved. (BiH 7,  
psychiatrist in training)

## Conclusion

The South-Eastern European countries, which follow European policies, consider entrepreneurship to be a way to improve their economic status and women' s entrepreneurship to be an unexploited resource of new jobs. The main impediment to the realization of this, now strategic, economic goal, which is repeatedly cited in official documents, policy analyses, and scientific articles, is the traditional character of gender roles that prevents women from realizing their economic potential to the full. This impediment also appears in our ethnographic research, but it cannot be boiled down to a problem whose solution would allow for an open and available approach to entrepreneurship. Entrepreneurship is not a gender-neutral field of activity where success depends exclusively on individual abilities. As may be observed from the statements of our participants, a gendered society produces a gendered entrepreneurial world, and the concept of entrepreneurship is determined by the discourse of a competitive and risk-prone entrepreneur.

Furthermore, the flow of work force from periphery to the centre, from the East to the West, establishes the traditional position of women as cheap labour in the service sector, i.e., as predestined to do lower-paid jobs that are gender determined.

If this is the way in which these European strategies of women' s employment, in addition to the situation in transitional societies, favour the paradigm of "necessity entrepreneurship" , then the success stories of women' s entrepreneurship are primarily the result of reproduction of the class paradigm, i.e., predispositions for business success that presuppose having access to initial economic and social capital, i.e., belonging to the middle bourgeois class or the class of transitional female winners who found their way around in today' s globalized capitalism. In this way, every instance of pushing the envelope assumes the use of additional informal mechanisms of social activity, either

within the traditional set of expectations from female and intergenerational roles or in the form of attempts to establish “female entrepreneurial paradigms” . This model of solution is realized in the „gap “ that opens up between a general narrative of entrepreneurship as an emancipatory practice with predominantly male attributes (such as initial vision and idea, recognizing the opportunity, taking risk, competence, information, decision making, pillar of society, economic development, and so on) and micropolitics of women’ s everyday life that is still dominated by the requirement for women to play traditional roles, now additionally burdened by the necessity of earning to support the family economy. Socio-cultural differences in the EU context imply that traditional functions of immediate and extended family play a more important role in South-Eastern European countries and that, logically, independent female earning receives more support from the family. Modernisation processes that have led to a stronger social state, along with various institutions that support the equal position of employed women, become weaker or fade away in the transitional setting. This impediment to modern women’ s entrepreneurship and the general impoverishment of the population, high unemployment rates, deepening of social inequalities, and the “economy of family survival” or “success stories” , lead to the process of re-traditionalization, i.e., forces women into the position of additional gap-bridging through informal practices.

As our research has shown, it is possible to differentiate between positive and negative informal practices, between those which are institutionalized and those which are informally imposed, and all of that regardless of whether our respondents work in formal or informal business.

Positive examples of informal practices are mainly related to building a network of women’ s support, among which are family, friendly, familial and professional networks. These provide a series of unpaid activities such as looking after children, connecting with other women for the purpose of providing services and goods, and providing information to maintain or spread a business. Many of these or similar activities are based on women solidarity

and uncompetitive relationships, especially when it comes to support among women's entrepreneurs.

Negative informal practices recorded in interviews are related to activities which are considered to be unethical or even illegal, but are deeply rooted in the society, and which allow few of our respondents to solve private or business problems on a daily basis. These are, for example, practices where political connections are crucial, i. e. knowing politically influential people or belonging to a political party. Such connections lead to corruption, nepotism and clientelism, and in the business sector they are realized through mutual economy of favors, the so-called "chain of favors". Nevertheless, it is important to note that our respondents warned us against these practices much more often than they used them, and many of our respondents considered them as "male privilege".

The institutionalized informal practices are based on the historical, social and cultural background of the "informal women's economy" in South-East Europe. They are reflected in the types of women's entrepreneurship that are gendered, such as craftwork, child care, care for the elderly and the sick, food processing or making clothes. Women recur to such activities when they are unemployed or when seeking extra work to supplement the inadequate pay, or when they are, simply put, striving for a better life.

In the end, imposed informal practices arise from financial or administrative impossibility of legalizing the business, often due to complicated procedures for obtaining credits or inadequate working hours, etc. They occur when there is insufficient institutional support which would suppress or alleviate the obstacles for women to establishing or maintaining their business.

Nevertheless, our research shows, even the formalization of women's economic activity does not bring change in the non-market work that women perform at home in their daily lives. Subsequently, the gap between formal and informal work leaves untouched the gender order and inequality in the private family domain. As economic activity of women does not lessen the double burden and thus it does not translate into equality in everyday life. This is also a common way to move women away from professional entrepreneurial values

derived from “male” narrative of individuality, independence, and autonomy and to move them again closer to traditional values of “female economy” . This economy expands beyond a strictly business domain and onto the strategies that tend to encompass completely all the conditions of reproduction of one’ s own entrepreneurship, business- and family-related alike. Therefore, women’ s entrepreneurship is often realized as a form of institutionalized informality against the background of formal, state-supported employment, and “informality” is reflected both as a gap and as a possible solution, which should be formalized.

Considering all of the above mentioned, recommendations from this research can be grouped into those that belong to general social values such as:

- the continuous struggle for and the development of the achieved women’ s rights;
- recognition and revalorization of female, caring entrepreneurship as a valid type of economic behavior;
- improvement of gender-sensitive statistics and data collection;
- granting women access to loans and credits;
- more institutional regulation of some traditional informal activities;
- reduction in the political distribution of projects and funds;

or into those which will improve the specific status of women entrepreneurs:

- development of gender-disaggregated business data and analysis and tracking the effects of the conducted projects and measures;
- the political will to achieve the coherence and inter-relatedness of public policies related to SMEs in various sectors;
- institutional promotion of the support programmes for women entrepreneurs initiatives, ensuring the measures to support their sustainability;
- the implementation and monitoring of the existing, gender-based strategy of the development of women entrepreneurship;
- networking and sharing good practices of women entrepreneurs regionally and internationally;

-continuous professional development and training on finance and business advice, marketing, and training on the use of information technology and social media.

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# ANNEX

## Questionnaire

### I. Personal and business profile

1. Biodata of the entrepreneur (family, education; work experience; place of work, etc)
2. Business established? (field, number of employees according to gender; present in the national market, international market, and/or both)
3. Have you had any opportunity for continuous professional development?
4. What made you move into business?
5. How did you enter the business? What have been your main motivations?
6. How do you evaluate your business experience? How do you evaluate your business success?
7. How do you define your business? Women' s business or gender neutral?

### II. Networks

8. Whom do you cooperate with?
9. Networks you are part of?
10. Who do you get the support from?
11. How do you perceive the institutional framework? Is it friendly, unfriendly, professional?
12. Have you ever got support, and from whom (credit, grant, technical expertise)?
13. Who recommends your services?
14. Are you a member of a political Party?
15. Are you a member of an NGO? If yes, please tell us what is the field of the NGO?
16. Are you a member of a women' s NGO? If yes, please tell us what is the field of the NGO?

17. Are you a member of any philanthropist organization? If yes, please tell share with us the issues the organization deals with and the activities it undertakes.
18. Do you cooperate more with men or women? How do you find cooperation with men? How do you find cooperation with women?

### III. Life/work balance

19. Do you think you have been successfully combining family and professional obligations?
20. Who is main financial provider for the family?
21. Who does the most of the work in the house?
22. Did you have family support in starting up the business?

### IV. Formal rules and informal practices

23. What are the conditions for conducting business in (BiH, Croatia, Kosovo, Serbia...)?
24. Is it difficult to pay all duties and taxes?
25. Is there some work that must be done in the gray zone?

### V. Leadership

26. Do you women offer a different model of leadership than men?
27. In what way does women' s management style differ from that of men?
28. As a woman how do you see the business affairs? Is business similarly fair for women and men?

## Table of participants

OCCUPATION	STATE	LOCATION	TYPE OF ECONOMY
hair dresser	BiH	Sarajevo, Novi Grad	informal
professor of German language/sells cosmetics	BiH	Sarajevo, Centar	informal
housewife/produce and sell handmade crafts	BiH	Vogosca	informal
co-owner of a translation agency	BiH	Sarajevo, Stari Grad	formal
producer of cakes	BiH	Sarajevo, Novo Sarajevo	formal
work in the public sector, politician/owner of a farm	BiH	Srebrenica	formal
work in the public sector, psychiatrist	BiH	Sarajevo, Centar	formal
lawyer	BiH	Ilijas	formal
co-owner of an agency for cultural tourism	CRO	Pula	formal
teacher/apartment rental	CRO	Pula	formal
professional associate at university/president of the Association of Business and Professional Women	CRO	Pula	formal

<b>owner of the a tourist agency</b>	<b>CRO</b>	<b>Zadar</b>	<b>formal</b>
<b>director of an apartment complex</b>	<b>CRO</b>	<b>Zadar</b>	<b>formal</b>
<b>co-owner of a hotel</b>	<b>CRO</b>	<b>Zadar</b>	<b>formal</b>
<b>women-led of a firm for fruit cultivation industry</b>	<b>KOS</b>	<b>Gjakovë/Djakovica</b>	<b>formal</b>
<b>women-led of a firm for fruit cultivation industry</b>	<b>KOS</b>	<b>Gjakovë/Djakovica</b>	<b>formal</b>
<b>women-led of a firm for fruit cultivation industry</b>	<b>KOS</b>	<b>Vushtrri/Vučitrn</b>	<b>formal</b>
<b>women-led of a firm for fruit and decorative tree</b>	<b>KOS</b>	<b>Kamenicë/Kamenica</b>	<b>formal</b>
<b>owner of a dairy farm</b>	<b>KOS</b>	<b>Malishevë/Mališevo</b>	<b>formal</b>
<b>owner of a cake decorating shop</b>	<b>SRB</b>	<b>Niš</b>	<b>formal</b>
<b>a psychotherapist with her own practice</b>	<b>SRB</b>	<b>Niš</b>	<b>informal</b>
<b>masseuse turned psychotherapist</b>	<b>SRB</b>	<b>Niš</b>	<b>informal</b>
<b>a beautician</b>	<b>SRB</b>	<b>Niš</b>	<b>informal</b>
<b>owner of the bookkeeper agency</b>	<b>SRB</b>	<b>Niš</b>	<b>formal</b>