

ALBANIA

WOMEN ENTREPRENEURS

April 2021

Overview of Women Entrepreneurs and Entrepreneurship

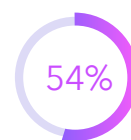
Nearly all enterprises in Albania in 2017 were micro, small, and medium-sized enterprises (MSMES). The World Economic Forum (WEF) Global Economic Competitiveness Index ranks Albania uncompetitive in entrepreneurial culture. Reorganization in the Albanian Government resulted in the closing of several ministries and agencies, especially those involved with start-up promotion, entrepreneurship, and innovation. Despite strategies and action plans for private sector development, a conducive business environment, or an innovative science and technology ecosystem have not been adequately addressed. Due to limited technological preparedness and innovation, Research and Development (R&D) is not sufficiently promoted or funded. Limited numbers of professionals in technical fields and an underdeveloped innovation infrastructure mean that there are few business incubators, accelerators, or opportunities for technology transfer.

Female entrepreneurship is largely a new phenomenon in the Albanian economy, and consequently statistics do not exist to address challenges and inform policies. Women lack the same level as men in terms of access to market information, legal support, and benefits from enterprise development. This unequal access to productive resources plunges women into a cycle of economic marginalisation. The Action Plan for Supporting Entrepreneurial Women 2014–2020 aimed to improve the legal framework related to loans and women's enterprises. An advisory group – which consisted of seven ministries, the Institute of Statistics, and the Bank of Albania – was mandated to coordinate activities for women's entrepreneurship among public, private, and non-governmental institutions. However, the group rarely convened, had no budget, and therefore, no monitoring took place. Some progress has been exhibited through government funds for start-ups and small enterprises, managed by the Albanian Investment and Development Agency from 2014 to 2017, which benefitted 77 women entrepreneurs. The Municipality of Tirana has also run a dedicated fund to support aspiring women entrepreneurs to prepare business plans and hosted annual events that made women entrepreneurs more visible.

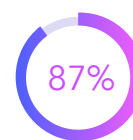
The three main sectors involving women entrepreneurs are agriculture, tourism, and manufacturing. They face many challenges pertaining to the impact of gender norms; patriarchal practices influence the position of women in enterprise development and restrict their access to opportunities, resources, and power. Their unequal access to productive resources makes them less influential and keeps them economically marginalized and hidden in value chains. Furthermore,



women are confined to informal work in the agricultural sector, which employs more than



of all active women in Albania,



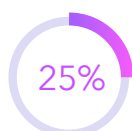
their work is self-subsistence.

They are not covered by basic social, pension and health services. This informal work increases job insecurity, social exclusion, and economic dependence. Women have limited access to credit and subsidy schemes in rural areas, due in part to requirements they cannot meet, like taxpayer identification numbers and land titles. Lack of financial literacy poses challenges for them to deal with the bureaucracy and necessary paperwork for loans and support.

Inadequate dialogue between the Ministry of Economy and relevant non-government organisations (NGOs) for women's entrepreneurship prevents exchanges of experience and identifying policy bottlenecks that inhibit women's broader participation in entrepreneurship. Lastly, the agricultural sectors of the Balkan countries compete against each other and impede progress towards regional economic integration. In general, a lack of political will for regional cooperation, unfair competition, and non-tariff barriers are constraints to the private sector and entrepreneurship.

Women entrepreneurs in Albania: What the data shows

Roughly

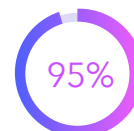


of active enterprises in 2019 were owned or administrated by women,

The majority



of businesses led by women are in urban areas and roughly



of the enterprises led by women have fewer than five workers and are largely in lower value-added production.

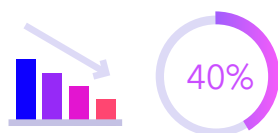
Although more than half of women in Albania are employed in agriculture, only six percent of farms are managed by women. Critical data gaps limit monitoring of women entrepreneurship in Albania, especially in marginalised groups including elders, rural populations, persons with disability, and migrants. The credit registry data of the Bank of Albania show that the number of women taking loans is almost half the number of men, as is the average amount of loan taken

by women compared to men. Data on gender differences in digital skills among Albania's population is also unavailable, along with comprehensive studies on STEM- and ICT-related gendered employment, including in digital entrepreneurship, where women remain under-represented. However, the private sector in Albania is increasingly committing to acting for gender equality: 11 companies have signed the Women's Empowerment Principles since November 2016.

Impact of COVID-19 on women entrepreneurs

Albania was hard hit by the consequences of the 2019 earthquakes and COVID-19 in 2020. The impact is expected to be long-lasting for the Albanian business sector, particularly for women-run business.

Nearly 40 percent of women entrepreneurs reported a decrease of economic activity in their businesses.



The biggest losses in income for women and men were those generated from remittances, family businesses and farming. According to a UN Women study on the impact of COVID-19, as women's economic security was shaken, their share of unpaid care and domestic work increased: 76 percent of women reported increased time spent on unpaid domestic work, compared to 66 percent for men. Women's psychological and mental health was more affected and they experienced more challenges seeking health services.

Opportunities for women entrepreneurs

The Government of Albania renewed the Social Enterprises Fund in the new Medium-Term Budget Planning (MTBP) 2021-2023, which ensures continuity and provides an opportunity for more women to benefit from the fund. A budget rebalance in response to COVID-19 will increase agricultural subsidies. As part of the European Union accession journey, the EU's financing window for Pre-accession Assistance (IPA) III for 2021-2027 is expected to increase funding to the Western Balkans. Focus will be placed on women's employment in

sustainable development programmes, especially in the fields of agriculture and rural development. The World Bank 2019 loan of USD 10 million for Albania will also create opportunities for women to access income-generating activities.

Lastly, a new system for access to finance and the formalisation of women-owned enterprises in the informal sector could significantly advance women entrepreneurs.

Networks, associations and resources for women entrepreneurs in Albania

The Albanian Livestock and Agriculture Foundation;
[The Women's Economic Chamber](#) (Dhoma Ekonomike e Gruas);
[Yunus Social Business](#), a philanthropic venture funds;
[The Association of Business and Artisan Women](#) (SHGPAZ);
[The nonprofit Together for Life](#);
[The Academy for Women Entrepreneurs Albania](#);
[The Network of Albanian Women Entrepreneurs](#) (NAWE);
[The Crimson Finance Fund Albania](#);
[The Protik ICT Resource Center](#);
[Oficina](#);
[GIZ Pro-Seed Program](#).