

# BOSNIA and HERZEGOVINA

## WOMEN ENTREPRENEURS

April 2021

### Overview of Women Entrepreneurs and Entrepreneurship

With only



36%

of women active in the workforce, Bosnia and Herzegovina (BiH) has the lowest number of working women in in Southeast Europe, according to the [World Bank](#).

About



62,6%

of the female workforce is engaged in the service sector.

BiH ranks 134 out of 140 countries for the procedural time it takes to start a business, and 137 out of 140 for its legal efficiency, according to the [World Competitiveness Report](#).

The [Gender Action Plan of BiH 2018-2022](#) sets aim to develop, implement, and monitor programmes for the improvement of gender equality in government institutions. It includes a goal for improving labour, employment, and access to economic resources.

Bosnia and Herzegovina has two Ministries of Entrepreneurship, one in each of the two constituting entities: Federation of Bosnia and Herzegovina (FBiH) and Republika Srpska (RS). They both have specific Strategies for Women Entrepreneurship.

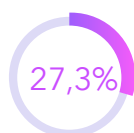
Financial incentives for Small and Medium Enterprises (SMEs) in BiH include grants from the FBiH Ministry of Development, Entrepreneurship and Crafts; loan co-financing; and a special credit line from the FBiH Development Bank.

Financial incentives in the Republika Srpska include favourable credit lines that the Investment and Development Bank places through commercial banks. Local governments also provide support. Other financial and technical support for women entrepreneurs emanate from the Foundation for Socio-Economic Development and the EBRD Women in Business Programme.

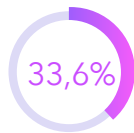
Emerging findings from a UN Women study in 2021 finds that overall, women business owners face financial obstacles, including lack of initial capital and resources for financing start-up and business development. They often receive unfavourable treatment from banks.

### Women entrepreneurs in Bosnia and Herzegovine: What the data shows

Women own

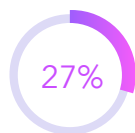


of all businesses in Republika Srpska, which is below the Europe and Central Asian (ECA) average of



of the female workforce is engaged in the service sector.

They own roughly



of businesses in FBiH.

Most women entrepreneurs (70 percent) own their businesses. Over half of the women-owned companies were established between 2011-2018, making them relatively new operations, according to a UN Women study in 2021.

The [Global Entrepreneurship Monitor 2017](#) ranked BiH poorly on most indicators. While entrepreneurship is regarded as a desirable career choice, women and men show little motivation to run an entrepreneurial activity. The reasons include fear of failure, and likely, the lengthy and complicated process to start a business in BiH.

The digital economy has grown in importance and has shown the potential to create jobs and open opportunities for entrepreneurs. However, it has exposed the digital divide and the need for digital literacy. Despite equal access to technologies for girls and boys, girls are less likely to pursue a career in ICT according to a 2016 survey on IT Girls and Boys: Is there a digital gender gap among young people in BiH?.

Women-owned enterprises are mainly in administrative and support services (17 percent); professional, wholesale and retail trade; repair of motor vehicles and motorcycles (17 percent), scientific and technical activities (16 percent), and Information and communication (11 percent).

According to a national survey, approximately 13 percent of women said that their community or relatives had actually talked them out of a career in ICT, while only 6 percent of men declared the same. The attitudes are especially alarming when the country has a deficit of 6,000 IT specialists. To address the digital gender gap in BiH, the UN-supported initiative, IT Girls, is providing girls (13-18) with coding skills, advocating more women in ICT, and fostering economic opportunities for women through private sector partnerships.

[A UN Women survey in 2020 showed that 33 percent of girls in BiH](#) believe that their family would not encourage them to

take up university studies in STEM fields, while 73 percent of teachers believe that female students would be encouraged by their families to pursue non-STEM areas. Over three-quarters of male primary school students would prefer to pursue a career in programming, as opposed to only 54.6 percent of female students.

Five IT companies are the first ones to embark on the path of implementation of Women's Empowerment Principles in Bosnia and Herzegovina. Their individual action plans will be integrated into each company's policies in 2021.

## The impact of COVID-19 on women entrepreneurs

A survey on the impact of the COVID-19 virus on 1,364 businesses and entrepreneurs in BiH revealed that 71 percent of respondents felt the crisis had an extremely negative affect on their income. The crisis has had the greatest negative impact on micro businesses, with 72.4 percent of micro-owners confirming an extremely negative impact of the crisis, and a total of 67.5 percent of small businesses and 57.1 percent of medium-sized businesses confirming to the same situation. When it comes to businesses run by women,

42.8 percent think that they will suffer the economic consequences for as long as a year, and 32.9 percent think that the effects of limited business will be felt for up to 6 months. As much as 76.4 percent of women-run businesses fear that they soon will be forced to close their business. An additional 80.8 percent of women who are sole proprietors believe that they will be forced to close the business in the near future.

## Resource materials on skills development, business growth, funds, and associations available for women entrepreneurs in the country



Organisation	Description
Fondacija 787 (NGO) <a href="http://www.fondacija787.ba">www.fondacija787.ba</a>	The Foundation supports the economic empowerment of women primarily through the development of entrepreneurship for enterprising single mothers.
Udruženje poslovnih žena <a href="https://upzbih.ba/">https://upzbih.ba/</a>	Provides support for women business owners through conferences, round tables and the "Power of Excellence" Award. They also organize Women's Entrepreneurship Fairs and B2B meetings of women entrepreneurs.
Entrepreneurship Development Centre <a href="https://eu4business.ba/en/entrepreneurship/">https://eu4business.ba/en/entrepreneurship/</a>	The Centre supports entrepreneurship development projects throughout the country and produced The Global Entrepreneurship Monitor (GEM) 2012 Women's Report.
Regional Association of Women Entrepreneurs - Business Women (RAP) <a href="http://www.poslovnazena.ba/">http://www.poslovnazena.ba/</a>	The regional association connects women entrepreneurs, businesswomen and leaders in international organizations.
Economic Institute Sarajevo (academia) <a href="http://eis.ba/">http://eis.ba/</a>	The institute's research includes: the UN Women Study on women's economic empowerment in BiH: Overview of key denominators, policy, and programme options. It has also supported entrepreneurial ventures.