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An analysis of Kosovan women entrepreneurs' challenges and needs, with special focus on access to finance and inheritance rights

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CONTENTS

1. INTRODUCTION AND METHODOLOGY

This aim of this report is to provide insights into the obstacles faced by women business owners and to provide recommendations on potential financial products and other services/support for women who want to start or expand their business. A special focus in the analysis is placed in property and inheritance rights, given their importance for accessing finance.

The analysis draws primarily on the results of a survey of 71 women who applied for business loans at TEB Bank in the framework of the intervention "Establishment of embedded services through financial products" implemented by the TEB Bank in collaboration with "Promoting Private Sector Employment" (PPSE) project (March – December 2016). In addition to the survey, the intervention included the subsidy of interest rate for loans for women start-up businesses by PPSE and provision of information related to property rights to applicants by TEB staff (brochure prepared by lawyers association NORMA). The survey was conducted by TEB staff face-to-face at the time of the application, or by TEB and PPSE staff afterwards (by telephone). The results of the survey were further validated and augmented with insights from previous analyses and semi-structured interviews with two women entrepreneurs (also TEB loan applicants), two financial institutions (TEB Bank and KEP micro-finance institution), and several business trainers/consultants and experts with relevant experience in women's entrepreneurship and economic empowerment (hereby referred to as 'expert interviews'). The list of interviewees is provided in Appendix A. The interviewed women entrepreneurs are not excluded from the list in the interest of preserving anonymity.

The rest of this report is organised as follows. Section 2 provides a profile of the loan applicants, followed by further applicant characteristics and their motivations, barriers and enabling factors in their decision to start a business in Section 3. Section 4 provides a short profile of their businesses, to be followed by the challenges these women face in running a business (compared to men), and their financial and non-financial needs in further developing the business (Subsections 5.1, 5.2 and 5.3 respectively). Section 6 focuses on inheritance rights, given their relationship with access of finance, and Section 7 concludes with the key findings and recommendations for potential interventions to support women entrepreneurs.

2. THE PROFILE OF LOAN APPLICANTS

The surveyed loan applicants are typically owners (or both owners and managers) (83 percent) or managers of the business (4 percent)[1]. Almost two-thirds of the applicants are aged between 25 and 44 years (Table 3.1). Around two-thirds of the women in the sample are married (the share increasing from 20 percent among those aged 18-24 to 85 percent among those aged 45-54), and most of the married ones have children. Women who have children have an average of is 3.1 children, and the age of their youngest child tends to be 6-17 years old (49 percent) or 2-6 years old (28 percent).

Table 2.1: Age of applicants

Age	Share (%)
18-24 years	14.1
25-34 years	33.8
35-44 years	29.6
45-54 years	18.3
55 years or older	4.2
Total	100.0

Most of the respondents have completed secondary and tertiary education (roughly 50 and 48 percent, respectively), while only two respondents have lower levels of education. The level of education[2] peaks among those aged 25-34 (at 70 percent), but it is at the lowest at the 35-44 age group (at 30 percent) who completed high school in the 1990s, presumably reflecting difficulties in access to higher education and the overall political situation in the decade leading to the war.

1 The remaining reported 'other' positions or did not respond to this question. In some cases, the missing responses could be due to the businesses not being operational yet.

2 The share of vocational school graduates among secondary education graduates is only around 11 percent, precluding disaggregation of results at this level in the rest of this analysis.

3. STARTING A BUSINESS: MOTIVATION, BARRIERS AND ENABLING FACTORS

In line with previous findings for (women's) entrepreneurship initiatives in Kosovo (BSC Kosovo, 2011; Kelley et al., 2015), a high share of entrepreneurs in the sample seem to be driven by necessity rather than opportunity: the main motivations for starting a business are reported to be aspirations to gain financial independence or to create a job for herself or family members (see Table 3.1). Likely reflecting differences in available employment opportunities, tertiary education graduates are relatively more likely to report fulfilment of career aspirations, whereas those with secondary education are more likely to report achievement of financial independence as their motivation for starting a business.

Table 3.1: Self-reported motivation for starting a business

Motivation	Share (%)
Financial independence	36.8
Creation of job(s) for herself and family members*	33.8
Fulfilment of own career aspirations	22.1
Continuation of family business	7.4
Total	100.0

*Includes one case where job creation for the community was cited

For almost half of the respondents, it took a year or more to start the business from the time they had the idea or willingness to do so (see Table 3.2).

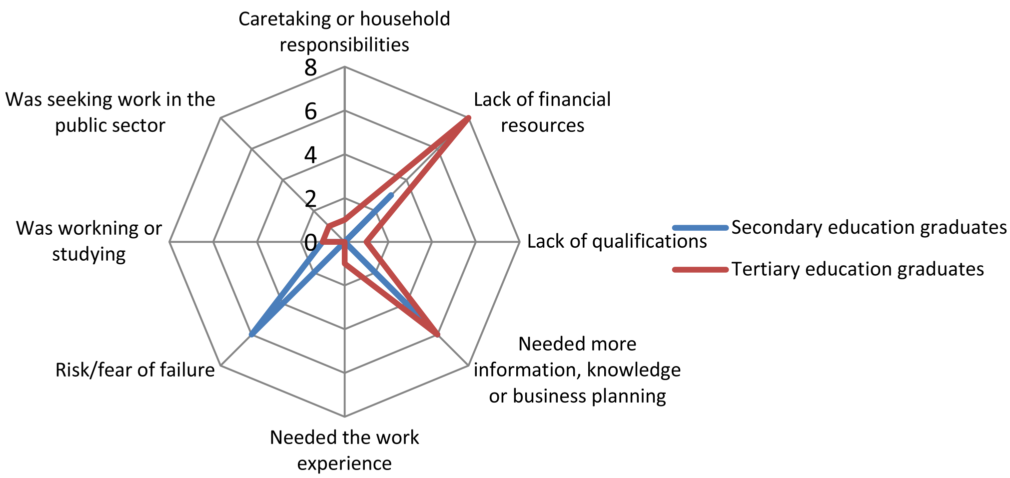
Table 3.2: Time from idea to starting a business

Length of time until start-up	Share (%)
1 month or less	6.6
2-7 months	45.9
1-3 years	34.4
4 years or more	13.1
Total	100.0

Compared to secondary education graduates, tertiary educated women report, on average, a shorter period between the time they had the idea/willingness to start a business and its actual establishment, and they are more likely to cite lack of financial resources as the reason (see Figure 3.1). On the other hand, 'fear of failure' or 'risk of failure' are only cited by secondary education graduates, in line with the argument that education has a positive influence on individual self-efficacy and self-confidence (Kelley et al., 2015)[3]. The need for more information, knowledge and business planning (e.g. 'information', 'market analysis', 'business planning', 'knowledge of starting and operating a business') is a widely cited reason and it seems to be equally important for both groups.

3 Hesitation to express and pursue the idea to start a business, risk aversion and a lack of self-confidence has also been expressed as barriers affecting women start-ups in some expert interviews. This is in line with findings of the Global Entrepreneurship Monitor's special report on women's entrepreneurship that women have a higher likelihood of not pursuing entrepreneurship ideas due to fear of failure, which is interpreted as them being "more risk-averse than men in terms of entrepreneurial behaviour", partly driven by their "generally lower confidence in their own abilities" (Kelley et al., 2015, pp. 45-6). However, in this report, Kosovo is found to be one of the exceptions in this respect, with equal fear of failure rates found among women and men.

Figure 3.1: Reasons for the time it took to start a business



Note: Responses from an open-ended question, grouped by the author

Around three quarters of the survey respondents report they have work experience relevant to the business they operate or intend to start; most report between 2 and 10 years of experience, with an average of 7.6 years[4]. The remaining quarter of respondents have less than a year or no relevant work experience. A further exploration of the data suggests that these tend to be women who have recently undergone business management or entrepreneurship training, but this does not necessarily mean that the decision to start a business was taken hastily: around half of these women report to have had the idea of opening this business for a year or more. In the cases of the two interviewed loan applicants, although neither had relevant work experience, one had many years of experience in managing a business in a different economic sector, and the other reported to have had this business idea for years, but could not implement it due to financial constraints and having a young child.

Over half of the loan applicants report to have received training related to their business, most in the same year or the year before the loan application (i.e. 2016 or 2015)[5]. Tertiary education graduates are more likely to have attended training compared to secondary education graduates, but it is not clear whether this is due to self-selection (i.e. them being more interested to attend trainings) or better access to information on training/business opportunities and training providers' admission criteria. Around 60 percent of those who reported to have attended trainings (or, in a few cases seminars) in entrepreneurship, business management or business management and marketing (see Table 3.3), the provision mostly having been supported

Table 3.3: Types of training attended

Type of training	Share (%)
Entrepreneurship	37.9
Professional	35.1
Business management (and marketing)	21.6
Other generic skills (e.g. project management)	5.4
Total	100.0

4 Differences in years of experience seem to be driven mainly by age differences, while no particular relation is observed between experience and education level.

5 The reported length of training was typically 1-3 weeks or 1-3 months (in 60 percent and 20 percent of cases, respectively).

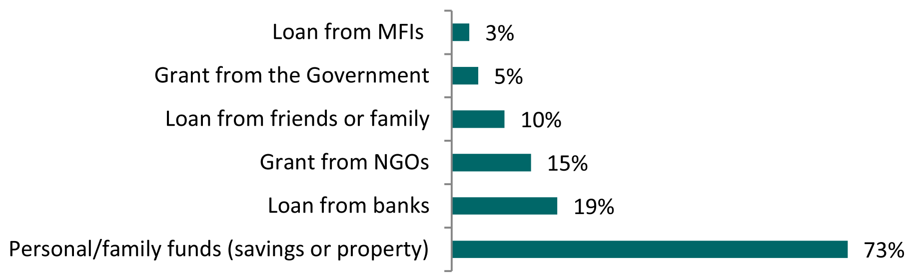
by donors and implemented by organisations such as GIZ, Community Building Mitrovica (CBM), and EBRD and TEB. Another quarter reported to have received some type of professional training, which appears essential /decisive in starting the business in most cases (e.g. esthetician training, tailoring/sewing or bee keeping), but these also include short trainings for lawyers or dentists which are not likely to have been a (decisive) factor for starting the business. As opposed to entrepreneurship, business management and other generic skills training, professional training provision is not always supported by donors, and the providers are a mix of local and international companies, formal training providers and individual trainers/experts.

Grants also seem to have played a significant role in the start-up, with 1 in 5 loan applicants having founded the business relying (partially) on a grant, as discussed next.

Figure 3.2 below presents the prevalence of different sources of start-up funding, as reported by survey respondents. Personal/family funds were used by almost three quarters of respondents, followed by loans from banks and grants from NGOs.

Overall in the sample, 53 percent of the loan applicants started their business relying solely on own/family funds, and another 20 percent used a combination of own/family funds and loans

Figure 3.2: Sources of start-up funding (share of enterprises)



Note: The sum exceeds 100% because the categories are not mutually exclusive

/grants. The shares of entrepreneurs relying solely on loans from financial institutions or grants is 10 percent each, while those relying solely loans from family or friends is negligible (at 3 percent). Although the results are not strictly comparable, some indicative conclusions can be drawn when comparing these to sources of funding for enterprises Kosovo-wide (UNDP, 2013). Among women's businesses in the sample, the share of start-ups relying on grants is higher, while that relying on loans from family and friends is lower compared to enterprises in

Whilst it is beyond the scope of this analysis to assess the effects of different interventions, the results above seem to indicate that trainings, seminars and other interventions targeting women's entrepreneurship, are having an effect in promoting women's start-ups and loan applications[6]. Interviews with entrepreneurs suggest that participation in trainings and seminars is serving not only to develop their skills and identify/develop business ideas, but also to enhance their networks and motivation and confidence to pursue their business ideas.

6 Although there are no statistics, the impression is that around half of the women who have applied for business loans at TEB in recent years are participants in trainings/seminars.

general (at 1 and 10 percent, respectively, in 2011). The share of start-ups relying on banks for start-up capital seems to be similar (at 11 percent Kosovo-wide). The share relying on own funding seems to be lower among women entrepreneurs in the sample, though the extent is difficult to say due to different definitions of the indicators: i.e. among surveyed women entrepreneurs, 53 percent relied solely (and 73 percent partly) on 'own/family funding' compared to the 74 percent of Kosovo-wide enterprises who reported relying mainly on 'own funding'.

Finally, qualitative data suggests that the family seems to play a very important role in encouraging and enabling women to start a business in different ways. Direct support from family members, particularly from male family members who are more likely to be employed and own property (e.g. brothers, fathers or husbands), can be crucial in facilitating access to finance or other resources, e.g. by acting as co-debtors on loans, repaying the business loan, providing the working space, etc. Further, like in most other Kosovan businesses, there is a tendency to rely on family members (e.g. siblings or children) as business partners or employees in the business and the business idea is sometimes developed in a way that draws on the skills and experience of family members and ensures their employment.

7 E.g. in the case of the interviewed loan applicants, the bank asked for a co-debtor, a responsibility which was taken by the brother or father who are salaried employees.

4. ENTERPRISE CHARACTERISTICS

Just over 70 percent of the applicants report to be the sole owners of their business, and a similar share are both managers and owners of their business. The reported co-owners are typically family members (mostly parents, siblings, or other relatives) and friends, rather than professional acquaintances. However, the legal form the enterprise does not always reflect the actual ownership structure, a phenomenon which is common in other enterprises in Kosovo, and is confirmed also by the entrepreneurs and experts interviewed. For instance, some businesses are registered as sole proprietorships in the woman's name simply because this is considered 'easier', even though a partnership or an incorporated business would be more beneficial and/or reflect the actual ownership. The businesses were registered in 2016 or 2015 and some of them had been operating informally before formally registering, for an average of 1.4 years[8].

Similar to the rest of the economy, services dominates among the enterprises in the sample (see Table 4.1). These include healthcare, beauty and cosmetics, legal and IT services, architecture and interior design, event planning, etc. Other sectors include textile/tailoring, agriculture and food processing.

Almost two-thirds of the enterprises employ other employees apart from the owner. Including the owner/manager, the number of full time employees in the enterprise ranges from 1-12, with an average of 2.5[9]. A further 0.4 employees are reported as part time employees. Seventy-one percent of the full time employees and 80 percent of part time employees are women.

Table 4.1: Sector distribution of enterprises

Sector	Share (%)
Services, other	24.2
Healthcare, beauty or cosmetics	16.7
Trade (retail or wholesale)	15.2
Textile/tailoring	13.6
Food products	9.1
Agriculture	7.6
Manufacturing	7.6
Tourism	4.5
Construction	1.5
Total	100.0

8 The average calculated based on 14 cases that reported both dates and excluding one outlier (15 years of informal operation).

9 The number of employees should be interpreted with caution, as these are very young enterprises and employment is expected to be volatile. Also, they could be over-reported in very recent start-ups who have the available staff, but are not yet utilising them (fully) and/or those who employ family members who are not paid (regularly).

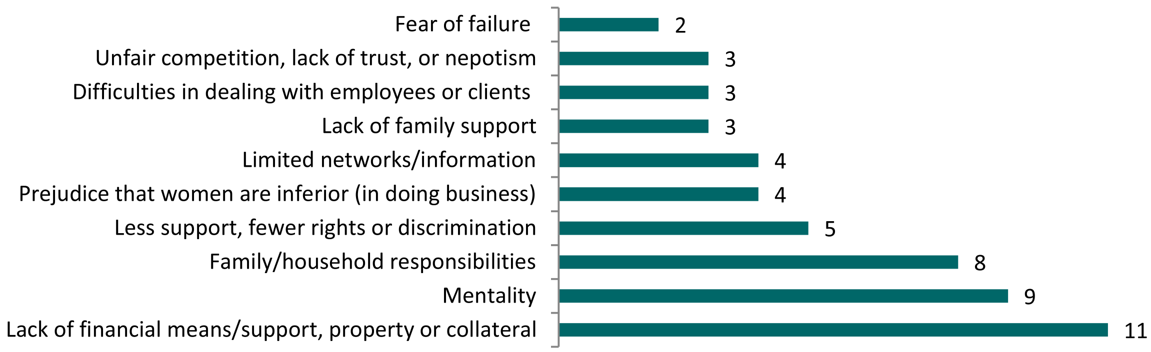
5. OPERATING A BUSINESS

5.1 CHALLENGES FACED BY WOMEN ENTREPRENEURS

Around three-quarters of the respondents believe that, when leading a business, women face more (or stronger) obstacles than men, and the results do not vary with the level of education. The most commonly cited obstacles mentioned in this context are financial-related (lack of financial means/support, or lack of property/collateral) (see Figure 5.1 below). However, when taken together, the obstacles related to (or rooted in) social norms and traditions which are expressed in different ways (e.g. 'mentality', 'prejudice', 'discrimination', 'women are not recognised', 'having to meet clients in cafes or restaurants', or having family/household responsibilities) surpass financial constraints. These findings are than men are cited as factors that put women entrepreneurs at a disadvantage.

Lack of family support is cited by relatively few women, but this factor should be viewed in conjunction with the findings on household /family responsibilities, as best illustrated by an interviewee's statement “in this day and age no one will “stop” a woman from pursuing her career. As long as you can take care of the kids and the household, you are free to study or work… however, it is a challenge to do so because little time is left [to study or work] and one is often too tired in the evening after finishing everything else”.

Figure 5.1: Obstacles faced by women, when compared to men



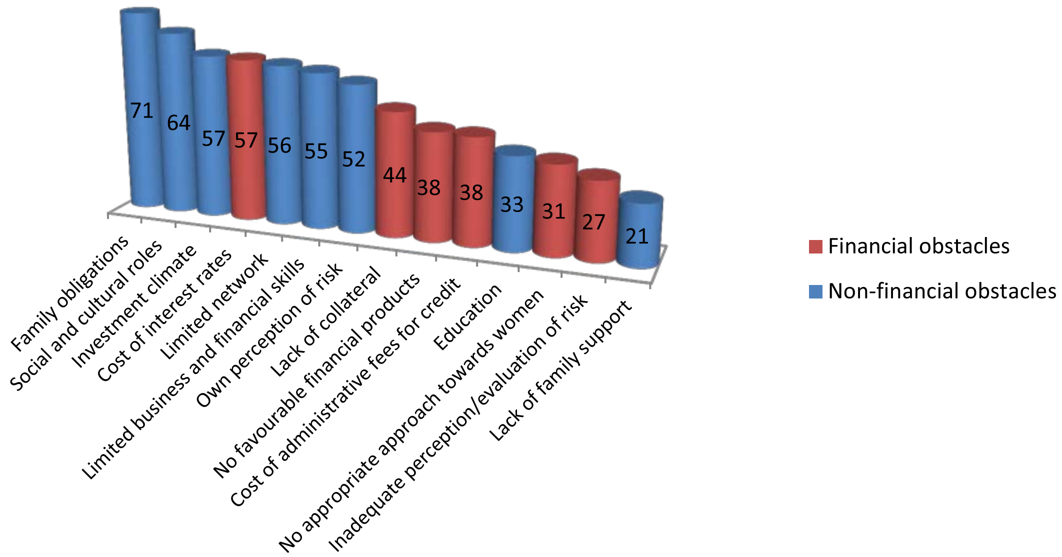
Note: Responses from an open-ended question, grouped by the author

consistent with findings from USAID (2014) on widespread perceptions (among both men and women) that men make better business leaders and that gender stereotypes (e.g. women not having “affinity for business”) are a plausible reason for the lack of women in business.

Also in accordance with perceptions of unequal access to business opportunities and necessary business support found in USAID (2014), having less access to networks, information and support

When asked about the intensity of financial and non-financial challenges/obstacles that have negatively affected the development of their own business, the responses are similar, putting family obligations and social and cultural roles first, followed by investment climate, cost of interest rates, and their own limited networks, business and financial skills, and perception of risk (Figure 5.2).

Figure 5.2: Factors negatively affecting applicant's business (intensity score, out of 100)



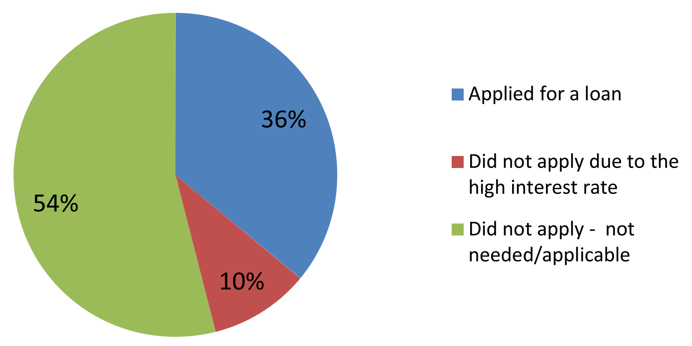
Lack of an appropriate approach/favourable lending policy towards women is ranked low in the list, which is consistent with the views of financial institutions: both TEB and KEP representatives noted that women tend to be more reliable customers in the sense that they are more likely to pay instalments (on time), are more 'careful/committed to paying back debt', 'more likely to use the loan for the stated purpose'. Inadequate perception/evaluation of risk by financial institutions is also ranked among the lowest-intensity barriers by applicants, however interviewees are not under the impression that the evaluation of the business plan was a (significant) factor in the bank's decision to grant a loan.

Interviews reveal further challenges which are generic (i.e. apply for both women and men): (i) lack of market information (e.g. on market potential, competitors, etc.) makes it difficult to plan a business; (ii) the tendency among start-ups to 'follow the crowd' rather than be based on original innovative business ideas makes it difficult for entrepreneurs to compete in the market; (iii) entrepreneurs have limited marketing, financial planning, analysis and management skills.

5.2 NEEDS FOR FINANCIAL PRODUCTS

Thirty-six percent of respondents had applied for a loan before (Figure 5.3)[10]. The rest either did not apply due to the cost of the interest (10 percent), or did not need one or was not applicable (e.g. for those just starting a business), or not did specify a reason (which can be assumed to fall in the same category).

10 Note that this share is significantly higher than that reported under sources of funding for the start-up. This could be due to a number of reasons, e.g. previous loans unrelated to the business, the respondent having applied for loans for business expansion (rather than start-up), or they may be referring to the current application at TEB (for business expansion).



The loan they would need to strengthen their business for almost three quarters of respondents was reported to be up to € 5,000 (Table 5.1). When asked about the purpose of the loan, most reported cited working capital or equipment purchase (35 and 34 percent, respectively), followed by business expansion, construction /infrastructure and refinancing (17, 9 and 5 percent, respectively).

Most respondents prefer a maturity period between one and 3 years (see Table 5.2), and a grace period of up to 6 months (55 percent up to 3 months, and another 35 percent at 6 months). However, despite the preferences for a grace period expressed in the survey, over half of those who took the loans did not make use of the grace period they were entitled to when applying for the loan at TEB. The reasons for this warrant further research, but they could include a combination of factors such as: lack of information among loan applicants about this option, lack of understanding of financial products, or lack of insistence (or importance placed) on having a grace period[11].

Table 5.1: Value of loan needed

Value of loan	Share (%)
Under € 3,000	13.6
€ 3,000	37.9
€ 5,000	21.2
€ 5,001-10,000	16.7
Over € 10,000	10.6
Total	100.0

Note: Calculated based on 66 responses out of 71 total respondents

Table 5.2: Preferred maturity period

Maturity period	Share (%)
Less 12 months	5.3
12 months	21.0
18 months	19.4
24 months	26.3
36 months	21.0
48 months or more	7.0
Total	100.0

11 E.g. One interviewed applicant explained that she did not insist on having a grace period because this would not affect her, as her father offered to repay the loan regardless of how her business fared.

When nominal interest rate they are willing to pay for a loan with one year maturity, a significant share of respondents responded they are not willing to pay any interest[12], while most of those who are willing to do so would only pay up to 5 percent (see Table 5.3). Thus, most respondents are not willing to borrow at the market interest rate (at above 6 percent, on average, for investment loans in March 2017, according to Central Bank, 2017). When asked about the types of collateral they can offer for the loan, 23 percent responded they could provide no collateral, while of those who can provide collateral, the most frequent cited were personal guarantees and own movable assets (40 percent each), followed by own immovable assets (land, real estate, factory), cash deposits, their company's stocked products, or not defined (with shares around 10 percent each).

Table 5.3: Interest rate the respondent is willing to pay

Interest rate	Share (%)
None	27.8
1-4 percent	29.6
5 percent	18.5
6 percent or more	24.1
Total	100.0

Qualitative data shows there is clear orientation towards grants among entrepreneurs and, regardless of the conditions of the loan, for some women hesitate to 'become indebted' per se which stems partially from having no – or little – experience in dealing with loans and financial institutions. Though opinions differ, overall, interviews with experts and the financial sector suggest that, apart from the cost of credit, the following factors are important for women entrepreneurs: (i) maturity, as women consider the value of the monthly instalment to be paid; (ii) For small loans, the speed of approving a loan may be a decisive factor, while for larger ones (above 20,000), the interest rate is more important; (iii) having a longer grace period (e.g. one year) is particularly important start-ups and agriculture and manufacturing enterprises..

Finally, practical considerations for the design and implementation of interventions which target women entrepreneurs, including the requirement for careful selection of beneficiaries and monitoring[13] and the ability to reach women and their informal businesses outside Prishtina, particularly in rural areas.

5.3 NEEDS FOR NON-FINANCIAL SUPPORT

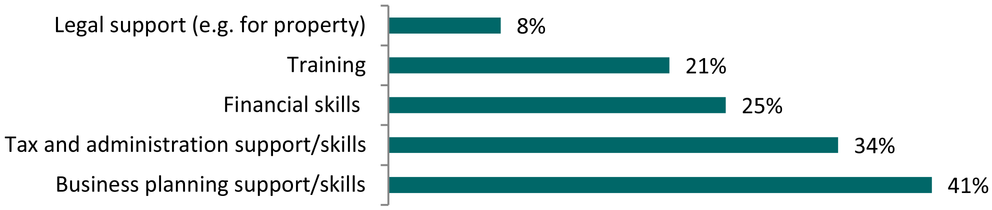
Over 90 percent of respondents reported non-financial support needs (see Figure 5.4). Out of those that require training, around two-thirds need business-related training (e.g. marketing, accounting and finance, were specifically mentioned), while the rest would like to develop their professional skills (e.g. tailoring, agri-culture, education). However, when asked about the price they are willing to pay for such support, few respondents do – the numbers ranging from 2 to 5 respondents, depending on the service[14].

12 This result should be treated with caution as some respondents may have felt inclined to report a zero interest rate if they felt other responses could jeopardise their chances of benefiting from the interest rate subsidy. Also, they are not necessarily a result of any analysis of their own business capacities.

13 The tendency of formally registering businesses in women's name in order to benefits from such interventions, even though they do not play any role in decision-making and daily operations of the business, was mentioned in virtually all expert interviews. This was also cited as the reason for KEP's decision to cease the provision of a financial product targeting women (in 2009).

14 Willingness to pay is broadly proportional to the number of respondents reporting needs. The price they are willing to pay for such a service is typically € 10 per day or € 200-300 per month, however these results should be treated with caution because the mode and length of provision of support can vary greatly.

Figure 5.4: Types of non-financial support needed (as share of total respondents)



Note: Note that the sum does not equal 100% because some respondents need more than one type of support

The interviews with loan applicants and experts confirm the needs above and provide further more detailed insights. Trainings and support are considered important for all women entrepreneurs, though the contents need to be tailored to the needs and skill level of trainees/entrepreneurs: while more basic trainings and support (focusing mainly on development of business ideas) can be used to incentivise start-ups, selected trainees and existing businesses will need more advanced business management trainings and continuous support (in the form of advice, mentoring or, ideally one-to-one coaching or consulting). In some sectors, technical training is also needed to improve productivity and/or quality of products (e.g. agriculture, food processing, tailoring, etc.). Finally, enhancing financial literacy skills would enable better informed decisions, and understanding and negotiation on conditions when using financial products, but also to overcome the apparent aversion to using such products.

15 Marketing (including pricing of products), and financial planning, analysis and management, are areas mostly cited.

16 Interviewees note it is not uncommon for businesses to sign contracts without reading or understanding the conditions, responsibilities and procedures.

6. PROPERTY OWNERSHIP AND INHERITANCE RIGHTS

In accordance with women's self-reported obstacles, interviews with financial institutions and experts suggest that although possession of collateral is not a binding constraint for access to smaller loans (up to €10,000), it is crucial when seeking larger loans. Among the survey respondents, less than 1 in 5 respondents reported they have some property registered in their name, out of which only around half own real estate[17]. The share of those familiar with property and inheritance rights in Kosovo according to current legislation was around 55 percent, but only a quarter reported they 'have asked for' their inheritance rights on property (from parents, spouse or other relatives). Whilst in a few cases the reasons for this response are explained by objective factors (e.g. not needed/applicable as the respondent is the only heiress, or there are no assets in the family), they are often either explicitly related to social norms (e.g. 'other members inherit, not me', 'tradition', or 'social norms') or implicitly so, to the extent that responses imply that respondents do not feel entitled to inheritance (e.g. 'no need for it', 'the family is too big', 'I am not interested to initiate anything', 'it is not important for me'). Finally, a significant share of respondents say they have not thought about this issue yet (e.g. 'not yet time for this', 'I am too young' or 'the family did not deal with this issue yet'), which is perhaps partially related to a general hesitation to discuss the issue.

While tertiary education graduates are more likely to be familiar with property and inheritance rights, they are not more likely to report (plans) to claim inheritance or support to do so. Similarly, qualitative data suggests that the issue of women's rights to inheritance remains to some extent a taboo, with little differences among age groups and (education) background. As one interviewee states: “Of course, it would be very good [if women enjoy equal rights on inheritance]. I am aware of various activities in this regard. However, we are only starting to talk about it now, and it will take time until things actually change…Even women who want to claim inheritance do not know whom to talk to…there is hesitation to do so and they will not know how to find a lawyer...”

When asked whether they need any support in claiming their inheritance rights, less than 1 in 5 said they do, and of those that specified the type of support, 5 stated they need information on their rights and 4 stated they need legal advice or support.

Taken together with the self-reported obstacles of starting and running a business (Sections 4 and 6.1) and insights from interviews with entrepreneurs and experts, these findings suggest that addressing gender equality in property ownership and inheritance rights (and their root causes) is crucial in promoting women's entrepreneurship in the mid- to long-term. However, the scope for addressing these issues in the context of women's entrepreneurship development in the short term is limited to provision of information and possibly legal support in the selected cases.

17 Out of those that reported the type of property, 4 reported real estate, 3 reported vehicles and 1 reported her company's equipment.

7. CONCLUSIONS AND RECOMMENDATIONS

This report has provided analyses of obstacles and needs of women entrepreneurs in Kosovo, with special focus on access to finance and the related issue of property and inheritance rights. The key findings and recommendations, drawing on a survey of 71 women applying for business loans, a literature review and semi-structured interviews with women entrepreneurs and experts, are summarised next.

Starting a business

Almost half of the women reported it took them a year or more to start a business, the main reasons being: lack of financial resources (particularly in the case of tertiary educated women), risk/fear of failure (among secondary educated women), and need for more market information, knowledge and business planning (for both groups). Accordingly, attending training in business management/entrepreneurship or professional trainings (e.g. agriculture, tailoring, esthetician training, etc.), and related interventions to facilitate access to finance (e.g. grants or interest rate subsidy) seem to have played a role in realising the potential for entrepreneurship by providing the necessary skills and financial means, but also motivation, self-confidence and networking.

Accordingly, basic entrepreneurship trainings and seminars which help women to develop their business planning skills, business ideas and networks (including exposure to role models) can be an effective means of identifying and promoting the realisation of entrepreneurial potential. Selected participants showing higher potential, can then be offered more advanced training and other types of continuous support (see also financial and non-financial needs below). Such an approach can ensure better selection of beneficiaries and follow-up and monitoring, which in turn contributes also to ensuring that resources are channelled towards businesses in which women are genuinely involved in decision-making and day-to-day operations. To ensure outreach, particularly in rural areas, initial trainings can be organised in other regions (apart from Prishtina) and can utilise the existing networks of potential partners (depending on the topic/region, e.g., Employment Offices, Vocational Training Centres, MFIs, sector associations, municipalities, etc.).

Operating a business

In line with previous findings, perceptions that women face more (or stronger) barriers when leading a business are widespread, and that the root cause for this lies in social norms. The obstacles that hinder women (compared to men) described by respondents to be family /household responsibilities, or more generally: 'mentality', 'prejudice', etc., which call primarily for systematic and long-term changes through awareness raising, and with relatively limited scope for short- to mid-term interventions promoting of women's economic empowerment and childcare services. Others are more specific – e.g. limited networks and access to information, difficulties in dealing with clients or employees, and fear of failure – which allow for effective interventions in the short- to mid-term through promotion of skills (including negotiation skills) and access to market information and networking opportunities, which would in turn enhance not only business knowledge per se but also motivation, self-efficacy and self-confidence (e.g. Kelley et al., 2015).

Self-reported challenges that have affected their own business negatively are consistent with the general perceptions above: family obligations and social and cultural roles lead, followed by generic external obstacles 'investment climate' and 'cost of interest rate'. Internal obstacles related to own limited networks, business and finance skills and perceptions of risk are also ranked above average – which is in line with the opinions of the interviewed experts who cite lack of market information, lack of original innovative business ideas and limited marketing, financial planning, analysis and management skills, among the top obstacles (not only for women).

Trainings and continuous follow-up and support (e.g. through advice on-demand in a sustainable way through an institution; mentoring; coaching or consulting) is therefore recommended to improve business leadership skills, as well as objective evaluation of risk and self-confidence. Support is needed in all stages of development, starting from developing/refining business ideas; advice in administrative, tax and legal issues (starting with the basics of how to register the enterprise, what legal form, drafting and negotiation of contracts etc.); business planning and management (particularly, marketing and financial management, communication and negotiation skills); and, in some sectors (e.g. agriculture, food processing, apparel), professional trainings to improve product quality and productivity. A review of previous inter-ventions suggests that the success of business trainings depends crucially on the quality of the training, as well as ensuring training attrition among women (Buvinic and O'Donnell, 2017). Accordingly, addressing women's constraints to (regular) attendance, e.g. transport and childcare, can be a key success factor. Improving access to information and networks are also recommended for both prospective and current women entre-preneurs. Trainings and seminars seem to have been successful in playing this role so far, but other means could be B2B meetings and an open platform for sharing information. The channels of information that seem to have been successful so far and are preferred seem to be ads on social media (Facebook primarily) and e-mail. The latter points to the need for a platform/database where not only current, but also prospective entrepreneurs, can subscribe to receive relevant information (e.g. market information, training and other networking or support opportunities). To improve access to information beyond Prishtina and young women (particularly in rural areas), the outreach activities should aim to utilise existing networks of other organisations (e.g. local employment promotion and training providers, municipalities, MFIs, women's/sector associations, etc.).

Access to finance, property ownership and inheritance rights

Women entrepreneurs' reliance on bank loans for start-up capital is low (10 percent as a sole source of funding and another 9 percent as a partial source), but is seems to be on par with other enterprises in Kosovo (11 percent as a main source), though this comparisons should be treated with caution. Reliance on grants from NGOs or Government is significant – virtually at the same level as than on bank loans.

The high interest rate is ranked as the third obstacle (together with investment climate) that women report has affected their business negatively. Other financial obstacles are ranked below average: lack of collateral, followed by lack of favourable/tailor-made financial products, cost of administrative fees for credit, lack of an appropriate approach/favourable lending policy towards women, and inadequate perception /evaluation of risk by financial institutions.

Over a third of the women had applied for a loan before, and another 10 percent specified the reason for not having done so. When asked about their current needs for credit, most women report they would need a loan of up to €5,000, the most frequent purposes cited being: financing equipment purchase, working capital or 'business expansion'. However, a quarter of them are not willing to pay any interest and, of those who would pay interest, most are not willing to pay the market interest rate (for one year maturity loan), i.e. most they are willing to pay only up to 5 percent.

Responses on conditions of the loan they would prefer/need also reveal that there is some discord between their needs and what is provided. Two thirds would prefer a maturity period over 12 months, and 45 percent would prefer a grace period longer than 3 months (typically up to 6), which is longer than what is typically provided in the market.

Although the results cannot be generalised, insights from the two interviewed loan applicants are reveals that the support of male family members who are employed and are willing to be co-debtors are crucial for women (particularly those who are currently unemployed) to access even small start-up loans (e.g. €3000 – €5000), and this seems to be the case regardless of the quality of the business plan. Access to larger loans is even more difficult. Interviews with financial institutions and experts suggest that possession of collateral is crucial constraint for accessing larger loans (above €10,000), while only around 10 percent of the surveyed women report owning real estate, and less than 20 percent have any property registered in their name. These findings indicate that – consistent with self-reported obstacles in this survey and findings of previous analyses – the generic obstacles of access to (affordable) finance which affect all Kosovan businesses have a stronger effect on women, and inheritance rights play a significant role particularly in the case of women who aspire to move beyond micro enterprises.

When women are asked about inheritance rights, there seems to be a hesitation to (attempt to) claim inheritance rights, or even discuss this issue, regardless of education and age, and only 55 percent of respondents report to be familiar with property and inheritance rights in Kosovo according to current legislation. When asked why they have not 'asked for their inheritance rights', most women simply refer to social norms and tradition, and others explain in a way that implicitly suggests feelings of non-entitlement (e.g. 'do not need it', or 'it is not important', or 'I am not interested to initiate this'). Accordingly, the share reporting they need support in claiming their inheritance rights is low (below 20 percent), and those that specify the type of support are split between those stating simply information or legal advice or support.

Taken together, the results above suggest that property ownership and inheritance rights are crucial for improving women's access to finance, but these will require tackling social norms and traditions, which in turn require time and large-scale efforts to raising awareness and improving access to information. The scope for short- to mid-term results in improving access to finance through provision of information and legal support is likely limited to a very small group of current or prospective entrepreneurs.

In the short- to mid- term, access to finance for women's businesses – including overcoming the inherent hesitation to seek credit – can more be effectively facilitated through a combination of:
(I) enhancing financial literacy, focusing particularly on the understanding of the 'economic logic' of taking a loan (under different conditions), understanding of contractual agreements, conditions and procedures of financial institutions, and practical advice on common mistakes made by others. Such training or advice would ideally be provided by independent trainer and experts with banking and business experience.

In order to ensure wide outreach, apart from face-to-face sessions (e.g. seminars, or as part of entrepreneurship/management trainings) and printed information (e.g. to be distributed through education and training providers, banks MFIs, etc.), easier and more attractive media can be used (e.g. short videos online, in social media, on TV, etc.).

However, experience from other countries suggests that, while video-based financial education can lead to better financial awareness, bundling financial education with personalised counselling or to providing 'just in time' financial education tied to specific behaviour is more effective in achieving behavioural changes (e.g. on saving or borrowing) ((Buvinic and O'Donnell, 2017)). (ii) designing/supporting financial products that are suitable to their needs (e.g. longer maturity period and lower instalment, a (longer) grace period and/or in a way that allows women to borrow independently of support from others (e.g. ensuring that risk is evaluated in an individual basis, and not necessarily requiring co-debtors or [immovable] collateral). Apart from the immediate results, research from other countries suggests that the practice of repeated borrowing and access to a grace period can encourage *financial risk taking (and increasing long-run business profits) among women (Buvinic and O'Donnell, 2017). (iii) ensuring that clients have clear understanding of financial products offered to them, and are persistent in obtaining the most favourable conditions possible. This is related to improving women's financial literacy above, but their negotiation skills.*

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APPENDIX A: INTERVIEW LIST

In alphabetical order:		
Arben Ymeraga	Business consultant and trainer	Melita & partners
Fitore Bajraktari	Advisor on Economic Development Promotion	GIZ, Competitiveness of the Private Sector in Rural Areas (COSiRA) project
Hashim Sejdiu	Chief Commercial Officer	KEP Trust
Melita Ymeraga	Business consultant and trainer	Melita & partners
Mirlinda Asllanaj	Women Entrepreneurship Supervisor	TEB Bank
Myesere Hoxha	Business consultant and trainer	Sigma BMC
Vjosa Mullatahiri	Advisor on Active Labour Market Measures	GIZ, Youth, Employment & Skills (YES) project

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