

Vol III Issue VIII Feb 2014

Impact Factor : 2.2052(UIF)

ISSN No :2231-5063

International Multidisciplinary Research Journal

Golden Research Thoughts

Chief Editor
Dr.Tukaram Narayan Shinde

Publisher
Mrs.Laxmi Ashok Yakkaldevi

Associate Editor
Dr.Rajani Dalvi

Honorary
Mr.Ashok Yakkaldevi

IMPACT FACTOR : 2.2052(UIF)

Welcome to GRT

RNI MAHMUL/2011/38595

ISSN No.2231-5063

Golden Research Thoughts Journal is a multidisciplinary research journal, published monthly in English, Hindi & Marathi Language. All research papers submitted to the journal will be double - blind peer reviewed referred by members of the editorial board. Readers will include investigator in universities, research institutes government and industry with research interest in the general subjects.

International Advisory Board

Flávio de São Pedro Filho Federal University of Rondonia, Brazil	Mohammad Hailat Dept. of Mathematical Sciences, University of South Carolina Aiken	Hasan Baktir English Language and Literature Department, Kayseri
Kamani Perera Regional Center For Strategic Studies, Sri Lanka	Abdullah Sabbagh Engineering Studies, Sydney	Ghayoor Abbas Chotana Dept of Chemistry, Lahore University of Management Sciences[PK]
Janaki Sinnasamy Librarian, University of Malaya	Catalina Neculai University of Coventry, UK	Anna Maria Constantinovici AL. I. Cuza University, Romania
Romona Mihaila Spiru Haret University, Romania	Ecaterina Patrascu Spiru Haret University, Bucharest	Horia Patrascu Spiru Haret University, Bucharest,Romania
Delia Serbescu Spiru Haret University, Bucharest, Romania	Loredana Bosca Spiru Haret University, Romania	Ilie Pinteau, Spiru Haret University, Romania
Anurag Misra DBS College, Kanpur	Fabricio Moraes de Almeida Federal University of Rondonia, Brazil	Xiaohua Yang PhD, USA
Titus PopPhD, Partium Christian University, Oradea,Romania	George - Calin SERITAN Faculty of Philosophy and Socio-Political Sciences AL. I. Cuza University, IasiMore

Editorial Board

Pratap Vyamktrao Naikwade ASP College Devrukh,Ratnagiri,MS India	Iresh Swami Ex - VC. Solapur University, Solapur	Rajendra Shendge Director, B.C.U.D. Solapur University, Solapur
R. R. Patil Head Geology Department Solapur University,Solapur	N.S. Dhaygude Ex. Prin. Dayanand College, Solapur	R. R. Yaliker Director Managment Institute, Solapur
Rama Bhosale Prin. and Jt. Director Higher Education, Panvel	Narendra Kadu Jt. Director Higher Education, Pune	Umesh Rajderkar Head Humanities & Social Science YCMOU,Nashik
Salve R. N. Department of Sociology, Shivaji University,Kolhapur	K. M. Bhandarkar Praful Patel College of Education, Gondia	S. R. Pandya Head Education Dept. Mumbai University, Mumbai
Govind P. Shinde Bharati Vidyapeeth School of Distance Education Center, Navi Mumbai	Sonal Singh Vikram University, Ujjain	Alka Darshan Shrivastava Shaskiya Snatkottar Mahavidyalaya, Dhar
Chakane Sanjay Dnyaneshwar Arts, Science & Commerce College, Indapur, Pune	G. P. Patankar S. D. M. Degree College, Honavar, Karnataka	Rahul Shriram Sudke Devi Ahilya Vishwavidyalaya, Indore
Awadhesh Kumar Shirotriya Secretary,Play India Play,Meerut(U.P.)	Maj. S. Bakhtiar Choudhary Director,Hyderabad AP India.	S.KANNAN Annamalai University,TN
	S.Parvathi Devi Ph.D.-University of Allahabad	Satish Kumar Kalhotra Maulana Azad National Urdu University
	Sonal Singh, Vikram University, Ujjain	

**Address:-Ashok Yakkaldevi 258/34, Raviwar Peth, Solapur - 413 005 Maharashtra, India
Cell : 9595 359 435, Ph No: 02172372010 Email: ayisrj@yahoo.in Website: www.aygrt.isrj.net**



WOMEN ENTREPRENEURS IN THE ALBANIAN SOCIO - ECONOMIC CONTEXT

Mirela Cini¹, Frederik Cuclari² and Landi Gushi³

¹Associate Professor, Department of Management, Faculty of Economy, “Fan S. Noli” University, Shetitore “Rilindasit”, Korçe, Albania.

²Associate Professor, Department of Finance, Faculty of Economy, “Fan S. Noli” University, Shetitore “Rilindasit”, Korçe, Albania,

³Korça Regional Council, Bulevard “Republika”, 7001 Korçe, Albania,

Abstract:-Across the world there is an increasingly strong interest on the role of entrepreneurs in the economy. They are key driving force of modern economy. Women entrepreneurs are one of the fastest growing populations of entrepreneurs in the world. Businesses owned by women continue to diversify into all sectors of the economy. In Albania, a woman in business is a phenomenon that began after 1990 with the major changes that have taken place in Albania during its transition from a centrally planned to market-oriented economy. Since 1991, the number of businesses create and run by women continue to grow. Today, women run businesses in different sectors of the economy. Yet, women-owned businesses still have a long way to go to achieve parity with men-owned businesses. This paper aims to assess the intensity of women as entrepreneurs in Albania. The paper includes problems and challenges faced by women entrepreneurs in the Albanian socio-economic context and their prospects for future development.

Keywords:Entrepreneurial activity, Socio-economic development, Women entrepreneurs.

1.INTRODUCTION

A key element of modern economic world is entrepreneurs. Across the world there is an increasingly strong interest on the role of entrepreneurs in the economy. The entrepreneurial spirit manifest itself in the development of new markets, new products, new methods of production and management, the discovery of new inputs and the establishment of new businesses and even new organisational forms (Harper, 2003). Women entrepreneurs are one of the fastest growing entrepreneurial populations in the world, but they remain one understudied group of entrepreneurs (Brush and Cooper, 2012). Women entrepreneurs have an important impact on the economy. According to the 2012 Global Entrepreneurship Monitor (GEM) Women's Report, in 2012, an estimated 126 million women were starting or running new businesses in 67 economies around the world. The businesses owned by women are distributed across all sectors of the economy. But, top sectors for women include: health care (doctors and dentists), education services, social assistance (residential care facilities and child care providers), personal care services (beauty salons and dry cleaners), professional/technical/scientific services (accountants, public relations and human resources development consulting) and retail trade. Studies on women entrepreneurs show that number of women entrepreneurs in sectors such as manufacturing and ICT sector is low compared to other sectors (European Commission, 2013; Niethammer, 2013). The industries (primarily retail, education and other service industries) chosen by women are often perceived as being less important to economic development and growth than high-technology and manufacturing (OECD, 2004).

According to Verheul et al. (2006), entrepreneurship is related to the level of economic development and is embedded in a specific national economic context. In Albania, a woman in business is a phenomenon that began after 1990 with the major changes that have taken place in Albania during its transition from a centrally planned to market-oriented economy. Since 1991, the number of businesses create and run by women continue to grow. Businesses owned by women continue to diversify into all industries. Yet, women-owned businesses still have a long way to go to achieve parity with men-owned businesses.

The aim of this paper is to assess the intensity of women as entrepreneurs in Albania. The paper includes problems and challenges faced by women entrepreneurs in the Albanian socio-economic context and their prospects for future development. The analysis is based on data collected through literature survey; statistics come mainly from Institute of Statistics of Albania (INSTAT), and national surveys on women entrepreneurs in Albania and some empirical studies.

The paper is organized as following: Section 2 explores the questions: why do women become entrepreneurs? Section 3 provides an overview of the Albanian women and their role in national economy. In section 4 highlights the problems and challenges faced by women entrepreneurs in Albania. Finally, this paper will end up with the conclusion.

2. Why do women become entrepreneurs?

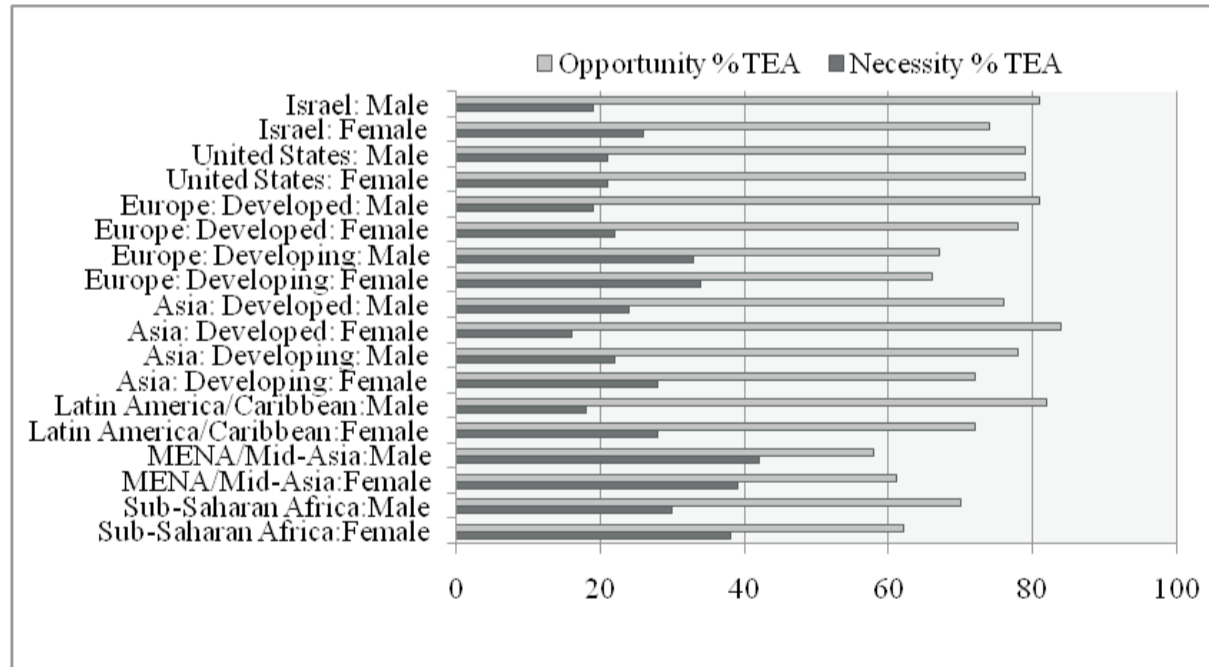
The existing literature on entrepreneurial motivations has predominantly focused on 'push' versus 'pull' factors (Stevenson, 1986; Orhan and Scott, 2001; Schjoedt and Shaver, 2007). Push factors refer to factors that relate to necessity-based entrepreneurship such as unemployment, glass ceiling, redundancy, recession, low family income, dissatisfaction with current job, the need to accommodate work home roles simultaneously. The pull factors are opportunity-based. They may result from need for independence, need for a challenge, improved financial opportunity, need of fulfilling the desire, flexibility for balancing family and work, potential to develop a hobby, personal achievement, and role models and other people's influence (friends and family).

GEM (2013) analysis of women's entrepreneurial motivation, comparing "necessity" and "opportunity" entrepreneurship, is presented in Figure 1. Necessity-driven entrepreneurship, particularly in less developed regions or those experiencing job losses, can help an economy benefit from self-employment initiatives and, in some cases, job creation for others. On the other hand, developed economies typically offer more employment options to attract those that might otherwise become entrepreneurs. Consequently, there are fewer individuals venturing into entrepreneurship, particularly because of necessity motives; those that do start business, though, are more likely motivated by opportunity.

The opportunity motivation is generally more in all regions, indicating that entrepreneurs around the world primarily choose to enter this activity. Opportunity motivation is even more prevalent in the developed economies. Economies with the highest levels of opportunity motivations can be found in Developed Europe. Necessity motivation is relatively more dominant in less developed and developing economies.

The figure 1 reveals gender differences between groups of countries. The Sub-Saharan Africa and Latin America/Caribbean regions show large gender gaps, where necessity motives are higher than they are for men in their own economies. On average, women and men were equally likely to be motivated by necessity in the Developing Europe region and in the U.S.

Figure 1: Necessity and opportunity motives for female and male TEA by Region.



Source: GEM, (2013), p. 28

1. Women in the Albanian economy

In the end of 1989, employment rates were high for women and men (94 per cent for men and 85 per cent for women). The women and men were under the communist regime, supposedly equal in all aspect of society. With the fall of the communist regime structural inequalities between men and women became evident coupled with the challenge to rediscover and learn the function of the market economy (OECD, 2004). During early years of the transition period employment rates changed (50 per cent for men and 60 per cent for women). It was a direct consequence of major changes that have taken place in Albania during its transition from a centrally planned to market-oriented economy in 1991-1992. In the end of 2012, employment rates were 49.6 per cent for women and 63.2 per cent for men (INSTAT, 2013). In the year 1993-1994, it started the privatisation of the state enterprises which gave an impetus to the creation of the private sectors. However, the participation of women in the private sector stands at even lower levels. The national surveys show that female unemployment is characterized by greater difficulty in finding new jobs (Cucllari et al. 2010). On the other hand, many women are not seeking gainful work in waged employment outside the home because of the increase in unemployment that has accompanied the transition period. Another obstacle to the involvement of women is male emigration. Many men, in fact, have gone abroad leaving their womenfolk to look after their families. Women in this position obviously have little or no time for running business, and some may not need another source of income due to the income received from “emigrants' remittances” (Bezhani, 2001).

2. Albanian women in the business world

According to official data obtained by the INSTAT (2013), Albania had 106,837 active enterprises at the end of 2012. The economy of Albania is dominated by micro and small enterprises. Active enterprises run by women constituted 27.4 per cent of the total compared with 72.6 per cent conducted by men. In 2012, 30.1 percent of new enterprises are created and managed from woman. Trade activity is more favourites in decision for a new activity. The distribution of the enterprises run by women according to their economic activity and the number of their employees are as it appears bellow (see table 1).

Table 1. Active enterprises with ownership/administrator woman by economic activity and size (2012)
% on total enterprises

Economic Activity	Total	By the number of employed			
		1-4	5-9	10-49	50+
Total	27.4	28.8	15.9	15.7	14.5
Producers of goods	14.9	16.3	9.9	10.6	14.0
Agriculture & Fishing	6.5	6.6	0.0	4.9	9.1
Industry	19.7	21.3	13.1	12.7	16.0
Construction	7.7	7.6	6.5	8.8	9.4
Producers of services	29.6	30.7	18.6	18.6	14.7
Trade	33.4	34.6	13.5	11.4	12.2
Hotels, Coffee, Restaurants	27.8	28.2	23.3	17.9	18.2
Transport & Communication	8.5	8.4	10.5	15.5	13.6
Other Services	34.0	36.9	24.3	22.6	15.1

Source: INSTAT, (2013)

The above figure indicates that 28.8 per cent of total enterprises run by women are with 1-4 employed, while for the enterprises with 50+ employed the percentage is 14.5. Most women are self-employed. The studies show that women entrepreneurs employ very few workers for two main reasons:

1. High social security contribution rates;
2. Low levels of vocational training attained by job seekers.

Trade and other services activities represent the largest sectors, in terms of number of enterprises.

The following table (see table 2) illustrates the percentage participation of women in six business sectors in eight years (2005-2012).

**Table 2. Active enterprises with ownership/administrator woman by economic activity (2005-2012)
% on total enterprises**

Economic activity	2005	2006	2007	2008	2009	2010	2011	2012
Total	22.9	23.7	24.2	24.8	25.1	26.5	26.9	27.4
Producers of goods	12.2	12.7	12.7	12.9	13.3	14.8	14.7	14.9
Agriculture & Fishing	4.9	5.5	5.2	5.3	5.4	6.4	6.3	6.5
Industry	15.2	16.4	16.8	17.0	17.4	19.5	19.5	19.7
Construction	6.3	6.2	6.1	6.3	6.9	7.2	7.2	7.7
Producers of services	25.0	25.8	26.3	27.0	27.2	28.6	29.2	29.6
Trade	27.4	28.0	28.9	29.8	30.2	32.1	32.9	33.4
Hotels, Coffee, Restaurants	26.7	26.6	26.7	26.8	26.8	27.4	27.5	27.8
Transport & Communication	3.8	4.0	4.4	5.1	5.6	6.9	7.8	8.5
Other Services	30.2	31.7	31.9	32.1	32.3	33.7	34.1	34.0

Source: INSTAT, (2013)

These data show that the structure of women's entrepreneurship tends to change little over the course of time. Women's enterprises can thus be said to be typically in three sectors: trade (wholesalers and retailers); services (dentists, dispensing chemists, lawyers, public notaries, hairdressers, etc.) and industry (this sector mainly comprises women engaged in the processing of milk, publishing houses, textile operations, dressmaking and craftwork).

The data set out in table 3 illustrate the distribution of active enterprises run by woman according to counties and economic activity.

**Table 3. Active enterprises with ownership/administrator woman by counties and economic activity (2012)
% on total enterprises**

Counties	Total	Producers of goods	Agriculture & Fishing	Industry	Construction	Producers of services	Trade	Hotels, Coffee, Restaurants	Transport & Communication	Other Services
Total	27.4	14.9	6.5	19.7	7.7	29.6	33.4	27.8	8.5	34.0
Berat	27.9	16.3	5.0	19.5	6.3	30.2	34.8	29.8	5.0	34.1
Dibër	17.5	8.3	3.0	8.5	9.9	19.6	23.9	22.5	6.2	21.0
Durrës	26.8	14.6	5.5	21.5	5.3	29.4	33.1	23.8	12.4	37.2
Elbasan	24.9	14.7	10.2	17.5	5.9	26.6	31.9	29.7	4.1	28.9
Fier	26.5	13.5	8.9	17.3	5.3	29.0	33.1	30.1	4.5	33.5
Gjirokastrë	23.2	13.2	15.0	15.3	6.4	25.4	28.1	30.8	5.1	25.4
Korçë	25.2	14.6	6.8	17.8	9.6	27.3	32.7	26.2	5.5	30.6
Kukës	14.2	6.6	0.0	8.4	6.5	15.8	19.8	14.2	3.5	13.7
Lezhë	24.7	14.7	10.4	17.1	11.8	27.1	30.1	29.0	5.6	30.7
Shkodër	25.1	14.3	7.5	19.7	7.1	27.2	32.8	19.7	7.9	33.5
Tiranë	30.2	17.7	7.2	23.1	8.9	32.0	34.4	29.7	12.4	36.0
Vlorë	26.6	10.8	3.3	16.8	7.2	30.5	37.1	28.1	6.4	32.7

Source: INSTAT, (2013)

The largest single county, in terms of number of enterprises is Tirana (30.2 per cent are managed from women) while the lowest level is in county Kukes (14.2 per cent are managed from women). Domination of producers of services is an occurrence in all counties.

There are many factors why the percentage of women who manage a business is so low. Some of these factors are:

- Gender division of labour leaves women with less time to engage in business;
- Women have less likely to find relevant information;
- Women have less business experience;
- Women have less freedom to do what they want to do;
- Women are at risk for being exposed to violence (including sexual violence);
- Women have difficulty developing self-confidence;
- Lack of male confidence in women's capabilities;
- Lack of women's willingness to deal with administrative issues of business management.

The importance of each factor is unknown. It is more likely that they act in combination to create a hostile atmosphere in an environment that is mainly dominated by men and unfavourable to women wishing to start a business.

The studies on women entrepreneurs in Albania show that initial capital required to start a business is usually obtained from personal or family savings, or those of relatives. Few women have applied for bank loans (mostly those in the building, manufacturing and wholesale sectors) and only a small proportion have been successful. One of the main obstacles encountered by women entrepreneurs is the lack of financial support both from state and banks, and from institutions, foundations and other funding sources. It is noted that about 50 per cent of women entrepreneurs wish to receive financial backing to expand their firms. Several obstacles facing women in their relationship with the financial system operating in Albania are:

- High interest rates by banks;
- Absence of special loan schemes for women-owned businesses;
- Corruption, low competence levels, and lack of willingness by bank officers to track business progress;
- Women tend to be technically unprepared in their approach to a lending institution.

Problems (related to water, electricity and telephone) and the general consequences of a weak infrastructure, which tends to hamper the growth of their business.

Examination of the reasons why businesses close down throws light on the difficulties facing Albanian women. Among these are:

- Lack of funding;
- External factors, such as divorce, marriage and family life;
- Collapse of finance companies (some firms lost part of their venture capital);
- Women entrepreneurs tend to lack of the self-confidence needed to make new investments decisions;
- Lack of appropriate support and expertise;
- Political instability; etc.

From the brief review of problems for women entrepreneurs, it is clear that women entrepreneurs in Albania are subject to a number of socio-economic and operational barriers that limit their ability and capacity to take their enterprises to the next stage of development. In this respect, for women entrepreneurs who run businesses the main challenges are in dealing with access to term finance and sufficient working capital to meet their needs, high taxes, lack of the self-confidence, need to strengthen their entrepreneurial capabilities, etc.

5.CONCLUSIONS

Women entrepreneurs have an important impact on the economy. The firms owned by women are distributed across all sectors of industry. World over for women the choice to start a new business is often linked to necessities or opportunities. In Albania, a woman in business is a phenomenon that began after 1990 with the major changes that have taken place in Albania during its transition from a centrally planned to market-oriented economy. Since 1991, the number of businesses create and run by women continue to grow. But, women entrepreneurs are a major untapped source of entrepreneurial talent and job creation for themselves and others. A substantial gap exists between women and men in entrepreneurial activity. Women entrepreneur have always been characterized by small company size. The percentage of women who manage a business is low. From the brief review of problems for women entrepreneurs, can be concluded that women entrepreneurs in Albania are subject to a number of barriers that limit their ability and capacity to take their enterprises to the next stage of development. Lack of access to capital is one of the biggest problems, which women entrepreneurs face in Albania. Other main problems included gender-

related problems. Finally, challenge for the future development is to create the opportunities to facilitate business creation and operation for women entrepreneurs in Albania.

REFERENCES

1. Bezhani, M. (2001). Women Entrepreneurs in Albania. Working Paper No. 21. Geneva: ILO.
2. Brush, C. G. & Cooper S. Y. S. Y. (2012). Female entrepreneurship and economic development: An international perspective. *Entrepreneurship & regional development: An international journal*, 24 (1-2), pp.1-6.
3. Cucllari, F., Cini, M. & Gabeta, A. (2010). Labour market and human resources development: An analysis of findings from the Albania survey of human resources development. *European Research Studies Journal*, XIII, (1), pp.119-128.
4. European Commission (2013). Women active in the ICT sector: Luxembourg: Publications Office of the European Union.
5. Harper, D. A. (2003). Foundations of entrepreneurship and economic development: London: Routledge.
6. Institute of Statistics of Albania (INSTAT) (2013). Business Register 2012. Retrieved 28.12.2013 from <http://www.instat.gov.al>
7. Institute of Statistics of Albania (INSTAT) (2013). Main results from the Labour Force Survey 2012. Retrieved 20.12.2013 from http://www.instat.gov.al/media/205275/labour_market_2012_.pdf.
8. Kelley, D. J., Brush, C. G., Greene, P. G. & Litovsky, Y. (2013). GEM 2012 Women's Report: GEM, p.6.
9. Niethammer, C. (2013). Women, entrepreneurship and the opportunity to promote development and business in global economy and development. *Enterprising solutions: The role of the private sector in eradicating global poverty*. p.47. USA: Brookings Institution.
10. OECD (2004). Promoting entrepreneurship and innovative SMEs in a global economy: Towards a more responsible and inclusive globalisation. 2nd OECD Conference of Ministers responsible for small and medium-sized enterprises (SMEs). Istanbul, Turkey. 3-5 June 2004. OECD Publications.
11. Orhan, M. & Scott, D. (2001). Why women enter into entrepreneurship: An exploratory model. *Women in management review*, 16, (5/6), pp.232-244.
12. Schjoedt, L. & Shaver, K.G. (2007). Deciding on an entrepreneurial career: A test of the pull and push hypotheses using the panel study of entrepreneurial dynamics data. *Entrepreneurship: Theory and practice*, 31, (5), pp.733-752.
13. Stevenson, L. (1986). Against all odds: The entrepreneurship of women. *Journal of small business management*, 24, (4), pp.30-36.
14. Verheul, I., Van Stel, A. & Thurik, R. (2006). Explaining female and male entrepreneurship at the country level. *Entrepreneurship & regional development*, 18, pp. 151-83.

Publish Research Article International Level Multidisciplinary Research Journal For All Subjects

Dear Sir/Mam,

We invite unpublished Research Paper, Summary of Research Project, Theses, Books and Book Review for publication, you will be pleased to know that our journals are

Associated and Indexed, India

- * International Scientific Journal Consortium
- * OPEN J-GATE

Associated and Indexed, USA

- EBSCO
- Index Copernicus
- Publication Index
- Academic Journal Database
- Contemporary Research Index
- Academic Paper Database
- Digital Journals Database
- Current Index to Scholarly Journals
- Elite Scientific Journal Archive
- Directory Of Academic Resources
- Scholar Journal Index
- Recent Science Index
- Scientific Resources Database
- Directory Of Research Journal Indexing

Golden Research Thoughts
258/34 Raviwar Peth Solapur-413005, Maharashtra
Contact-9595359435
E-Mail-ayisrj@yahoo.in/ayisrj2011@gmail.com
Website : www.aygrt.isrj.net