

# Market access challenges and opportunities for women-owned and minority-owned businesses in Kosovo



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## List of abbreviations

CDF	Community Development Fund
GAP	Institute for Advanced Studies GAP
GEM	Global Entrepreneurship Monitor
KBRA	Kosovo Business Registration Agency
KCGF	Kosovo Credit Guarantee Fund
KFOR	Kosovo Force
KIESA	Kosovo Investment and Enterprise Support Agency
MIET	Ministry of Industry, Entrepreneurship and Trade
NGO	Non-Governmental Organizations
TAK	Tax Administration of Kosovo
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

## Executive summary

Kosovo's economic landscape is characterized by a diverse array of micro and small businesses, serving as the foundational pillar of the nation's economy. However, women-owned and minority-owned businesses face numerous challenges, including limited access to markets, financial resources, and business support. The Kosovo Government implemented economic stimulus packages in response to COVID-19, but these packages did not entail sufficient measures to specifically target women and/or minority entrepreneurs.

Some of the main findings of this report suggest that the greatest challenge on accessing the market for women-owned and minority-owned businesses is financial constraints. Most women-owned and minority-owned businesses struggle to establish partnerships with large retailers, as they encounter barriers in meeting requirements of those large retailers for large orders, typically in short periods of time and at lower prices. For those businesses that have already established partnerships, they face issues such as delays in payments. Moreover, they face issues in establishing export deals and expanding their operations outside Kosovo through these export partnerships. In terms of competitiveness, businesses believe that distinctive and well-received products ensure sales sustainability, despite adverse competition effects. There is a tendency of women-owned and minority-owned businesses to underestimate the actual number of employees. When it comes to networks, membership fees are often unaffordable for micro and small women-owned businesses. Interview insights suggest that out of about 16 thousand members of the Kosovo Chamber of Commerce, only about 80 members are owned by women.

Most gender stereotypes go by unnoticed, considering that there is a gender divide in some occupations (i.e., businesses operating with retail trade where the main product is traditional food are often associated with women ownership). Due to entrenched patriarchal beliefs, women-owned businesses often face family interferences, which adversely impact their progress. On the other hand, ethnicity does not seem to significantly impact a business's prosperity. There is a significant surge in digital presence, especially following the onset of the pandemic. Yet, there are no sufficient digital marketing trainings provided to women-owned and minority-owned micro and small businesses in Kosovo. The impact of COVID-19 on businesses had multiple dimensions. It challenged the established ones while simultaneously created new opportunities for startups. Many businesses are still in the recovery phase, with the extent of impact varying by sector.

By drawing upon the results of focus groups research, this analysis aims to uncover and assess barriers obstructing market access for women-owned and minority-owned businesses in Kosovo. The analysis concludes with recommendations and policy measures aimed at fostering inclusive economic participation and enabling enhanced market access for women-owned and minority-owned businesses in Kosovo.

# 1. Introduction

Micro and small enterprises in Kosovo face numerous challenges related to market access and value chain integration.<sup>1</sup> Among entrepreneurs, women account for only 18% of business ownership in Kosovo's economy, whereas individuals of ethnic minorities represent a relatively small portion, constituting 5.4% of business ownership, all primarily in the category of micro and small businesses.<sup>2</sup> Globally, women-owned businesses are predominantly active in the consumer-oriented sector, a sector generally characterized by ease of entry but high competitiveness.<sup>3</sup> In Kosovo, women-owned businesses are more concentrated in wholesale and retail trade, service activities, and manufacturing. Similarly, a large number of minority-owned businesses are focused on wholesale and retail, followed by manufacturing, and agriculture, forestry, and fishing.<sup>4</sup> Women-owned businesses are mainly oriented towards sectors characterized by low added value<sup>5</sup> and hire a considerably low number of employees.<sup>6</sup>

Global data show that women-owned businesses are making a difference nationwide and across sectors, fueling growth in industries like manufacturing, retail trade, and construction.<sup>7</sup> These businesses are distinguishing themselves, persevering, and, notably, making a positive impact.<sup>8</sup> Conversely, the majority of micro and small businesses in Kosovo rely on traditional retail and marketing methods, which hinder them from fully unlocking their potential.<sup>9</sup>

The COVID-19 pandemic exacerbated the existing challenges further. According to the Rapid Socio-Economic impact assessment by the United Nations Development Programme (UNDP), in November 2020, the three top challenges for businesses in Kosovo were: a shortage of clients (89%), difficulties with salary payments (39%), and the ability to comply with tax obligations (33%).<sup>10</sup> In response to the economic impact of the pandemic, the Kosovo Government introduced three economic stimulus packages in 2020 and 2021. Some of these measures targeted businesses in a broader sense. One such measure was the second measure of the Economic Recovery Package, designed to alleviate the tax obligations of all businesses in Kosovo with the aim of enhancing their immediate financial liquidity (15 million euros).<sup>11</sup> Nevertheless, government measures in response to the pandemic lacked a gender-specific perspective. The Economic Recovery Package included only one gender-responsive measure, equal to 2 million euros in funding, which was allocated to the Agency for Gender Equality for the purpose of assisting women-owned businesses.<sup>12</sup> The AGE allocated these funds to assist private kindergartens and those operating through public-private partnerships, aimed at addressing caregiving requirements and promoting gender equality.<sup>13</sup>

1 IEEA mapping assessment, March 2023

2 GAP Institute. [Business Profiles: Women and Minority Entrepreneurship in Kosovo](#), 2023.

3 Global Entrepreneurship Monitor. [Women Entrepreneurs in Emerging Economies: Lessons on Segmentation and Care Needs from the 2020–2021 Pandemic](#), 2023.

4 GAP Institute. [Business Profiles: Women and Minority Entrepreneurship in Kosovo](#), 2023.

5 Industries or businesses where the products or services offered do not provide significant differentiation, innovation, or unique value to customers

6 GAP Institute. [Business Profiles: Women and Minority Entrepreneurship in Kosovo](#), 2023

7 U.S. Government. [U.S. Government, Performance.gov team](#), 2020.

8 Ibid.

9 IEEA mapping assessment, March 2023.

10 UNDP. [Socio-Economic impact assessment of COVID-19 in Kosovo](#), 2020.

11 Kosovo Prime Minister's Office, [Recovery Package Implementation Plan](#). Measure 2. 2020

12 Ibid., Measure 10

13 Kosovo Women's Network. "The Pandemic Knows No Gender"? A Gender Fiscal Budget Analysis: The Government of Kosovo's Response to the COVID-19 Epidemic from a Gender Perspective, 2020.

The Law on Gender Equality foresees special measures, including affirmative actions that allow positive discrimination in support of the underrepresented gender.<sup>14</sup> Under this legislation, ministries and municipalities, acting as contracting authorities, can use affirmative actions to encourage women-owned businesses and/or companies with more women employees to apply.<sup>15</sup> As an illustrative case, Ministry of Industry, Entrepreneurship and Trade (MIET, through the Kosovo Investment and Enterprise Support Agency (KIESA), announced a public call for subsidizing micro and small businesses in order to bolster enterprises that have at least 50% co-ownership by women entrepreneurs during the COVID-19 pandemic.<sup>16</sup>

The overarching objectives of this report are to identify and analyze the existing obstacles obstructing market linkages for women-owned and minority-owned businesses in Kosovo; determine the impact of the COVID-19 pandemic on the operational aspects and growth of women-owned and minority-owned businesses in specific municipalities; and put forth recommendations and policy measures towards the central and local level of the government and other local and international organizations. These proposed strategies are designed to infuse a more inclusive and equitable economic environment, fostering the sustainable growth and prosperity of women-owned and minority-owned businesses in Kosovo.

## 2. Methodology

The research was conducted by combining primary and secondary data. Primary data consists of information collected from focus group discussions and interviews, while secondary data is gathered through a comprehensive review of existing global and Kosovo-specific literature and evidence. The focus groups were organized involving representatives from women-owned and minority-owned businesses in six municipalities (Graçanicë/Gračanica, Shtërpcë/Štrpce, Pejë/Peć, Prizren, Mitrovicë/Mitrovica, and Gjilan/Gnjilane). Thirty-five business representatives participated in focus groups, and as a result, this report is limited to the findings from the focus group participants; however, this is a representation of the challenges and prospects related to market access for women-owned and minority-owned businesses in Kosovo. In addition, variations in market conditions towards specific industries or cultural factors of different cities in Kosovo could lead to different challenges and opportunities, which might not be reflected in this report. Most of the participating businesses part of focus groups were based on wholesale and retail trades, services, and manufacturing, corresponding with the previously identified sectors with the highest representation of women-owned businesses.<sup>17</sup>

In addition to focus groups, GAP researchers interviewed key stakeholders with the purpose of offering a deeper and more comprehensive understanding of the challenges encountered by women-owned and minority-owned businesses, as well as enhancing the strategies for assisting them. The interviews were conducted with government officials from KIESA within the Ministry of Industry, Entrepreneurship and Trade; representatives from the municipalities of Gjilan/Gnjilane and Graçanicë/Gračanica; and representatives of the Kosovo Chamber of Commerce.<sup>18</sup>

<sup>14</sup> Law [No. 05/L-020](#) on Gender Equality, Article 6.

<sup>15</sup> Ibid.

<sup>16</sup> MIET. [Administrative Instruction \(MIET\) No. 01/2018](#) on the Distribution of Financial Means from Economic Categories of Subventions and Transfers, 2020.

<sup>17</sup> GAP Institute. [Business Profiles: Women and Minority Entrepreneurship in Kosovo](#), 2023.

<sup>18</sup> Interviewed stakeholders include the following: the Acting General Director of the Kosovo Investment and Enterprise Support Agency (MINT); Gender Equality Officer and the Director for Economic Development from the Municipality of Gjilan/Gnjilane; Director for Economic Development and EU Integrations from the Municipality of Graçanicë/Gračanica, and officials from the Kosovo Chamber of Commerce.

Demographic data were collected for each municipality represented in focus group discussions, providing information on the number of businesses categorized by business type, size, sector, and primary activity. The size of participating businesses was micro (less than 9 employees) and small (10–49 employees).

### 3. Data analysis and discussion

The insights from focus group discussions and interviews, combined with a literature review, were analyzed and synthesized to produce a report on market access for women-owned and minority-owned micro and small businesses in Kosovo.

#### — 3.1. General market access challenges

Focus group insights indicate that women-owned and minority-owned businesses count numerous hurdles when trying to access the market. Namely, most consider financial constraints to be a key impediment. When embarking on a business venture, participants claimed that it is essential to have capital available for acquiring necessary equipment and inventory. This often leads business owners to seek out business loans in order to purchase the essential equipment for establishing their business or for renovating facilities necessary for their business operations. However, the majority of the participants initiated their businesses through self-financing; this due to a combination of factors such as a highly uncertain market and the risk of not being able to pay back the loan in times of low-profit.

Undoubtedly, focus group participants agree that strategic partnerships are a key component for growth and success, however, establishing partnerships with larger businesses is indeed challenging for micro and small businesses. First, they believe that larger businesses do not have an interest in collaborating with them because they do not have the capacity to meet the demand for large orders, and second, large retailers usually seek lower prices, which micro and small businesses cannot provide.

Women-owned and minority-owned businesses in the field of manufacturing/production, state that to get to the final product, a lot of energy and expenses are needed, and sometimes the profit is small or rather insufficient. For businesses in the service sector, partnering with other businesses in the same industry is simpler, as they often share projects that require cooperation. However, this cooperation takes place between individuals and micro businesses, rather than with larger enterprises.

There are women-owned and minority-owned businesses that have over the years expanded their capacities and managed to build partnerships with retailers, however, they claim that issues with late payments are persistent. Attaining contracts with businesses outside Kosovo is challenging to a greater extent. Although, the overall export process has been simplified considerably over the time, the current export requirements and procedures might be a burden of compliance that prevent micro and small businesses from directly exporting outside the local market. Sometimes, intermediary firms are used to make the connection and ease procedures, though, this is discouraging and creates a barrier that hinders women-owned and minority-owned businesses from realizing their maximum potential.

### — 3.2. Understanding market entry

A significant number of businesses participating in focus group discussions claimed that they did not conduct any market entry analysis beforehand. It is mainly a network (family, friends, acquaintances) that triggers individuals to establish businesses. A compelling observation is that many women-owned and minority-owned businesses, particularly in the manufacturing sector, initially operate informally until requirements for loans, subsidies and/or grants oblige them to formally register. For certain businesses that have achieved sustainability and are interested in expanding or establishing partnerships with larger retailers, they conduct a cost-benefit analysis to assess whether the collaboration should proceed further.

Depending on the nature of the business, women and minority individuals who possess the requisite professional qualifications, particularly in the service industry, typically state that market entry is not a formidable challenge. Overall, the participation of family, relatives, and acquaintances plays a substantial role in influencing a person's entry into the market. Simultaneously, training opportunities provide valuable assistance in shaping business plans and strategies for operating within the market.

For women-owned and minority-owned businesses operating in rather small communities, fairs are important for expanding and promoting products to other larger areas. Upon receiving the necessary permit from the local municipality, these businesses display their products to broader audiences, with the aim of growing their profits and thus easing their entry into a more extensive market across Kosovo. Conversely, municipal officials consider that the most significant challenge confronting businesses is the placement of their products in the market, and there is currently no established mechanism to tackle this issue.

### — 3.3. Competitive landscape

Businesses owned by women and minorities agree that competition unquestionably presents difficulties for micro and small businesses seeking to enhance their market presence and efficiency through expansion. Fortunately, there is a belief that as long as their products are distinctive and well-received by consumers, sales sustainability can be achieved, mitigating the adverse effects of competition. In contrast, medium and large businesses hold a significant advantage, leading to greater profits, especially when partnering with major retailers. Nevertheless, such businesses do not perceive competition as a substantial hurdle for their operations as long as demand aligns with their expectations.

Several businesses' representatives that aspire to participate in public procurement processes frequently find themselves disadvantaged compared to larger corporations. This heightened competition significantly reduces their prospects of successfully securing contracts with various institutions and organizations. Apart from this disadvantage, they also do not trust public procurement practices, which affects their willingness to extend their business operations.

### — 3.4. Regulations and compliance

In terms of regulations and compliance, focus group findings indicate that participants believe that the taxation system in Kosovo is simple and cost-effective. Taxes are paid in accordance with income levels, regardless of whether the profit is high or low. Nevertheless, during periods of low profits, i.e., during the winter months for those businesses that primarily operate in the summer, there is still a necessity



to adhere to tax declaration procedures, which involves paying a fixed rate to an accounting professional to handle these responsibilities. In addition, micro and small businesses often declare a single employee, i.e., only the owner of the business, or a few employees, depending on the size and sector of the business. Focus group participants claimed that due to high levels of market/sales uncertainty, they hesitate to hire someone with a long-term contract; thus, they tend to avoid formal employment for their employees. Based on these insights, there is a wide presence of informality in employment leading to a mismatch of the actual number of people involved in the business compared to the number of employees formally registered in Kosovo Business Registration Agency and Tax Administration of Kosovo.

Certain women-owned businesses argue that monthly payments to their employees do not suit their operational model since these payments fluctuate with their profit levels. For instance, some businesses hire seasonal staff during the summer and compensate them informally at the end of each workday. However, the majority of businesses, especially micro businesses with a relatively short history of operation, rely on family members for labor support. Overall, businesses claim to be subject to regular visits from the labor inspectorate. However, businesses do not report any issues or concerns with the inspection process.

### — 3.5. Cultural and language factors

The principal motivators that drive women towards starting a business are the opportunity to provide for additional family income as well as additional flexibility to manage both family and work-related responsibilities. The focus groups findings show that there is a predisposition of a woman's family to intervene in her participation in training, discussions, or roundtables; thus, hindering their entrepreneurial progress. Different beliefs, often patriarchal, present obstacles to women's flexibility, especially considering the lack of work-life balance and women's unpaid care work. When it comes to ethnic factors, diverse regions yield distinct results, leading to the conclusion that in more heterogeneous communities, ethnicity does not appear to have a significant influence on the prosperity of a business (i.e., Prizren).

In addition, insights show that the main activity of the business plays a significant role in gender discrimination. In businesses typically associated with women-ownership, i.e., hairdressing, traditional food production, or flower-shops, they claim that stereotypes either do not exist, or they are not crucial enough to implicate gender differences or discrimination. Nevertheless, there are situations in which women, when interacting with various economic stakeholders, may find it necessary to be accompanied by a male partner to mitigate the risk of potential harassment or undermining solely based on their gender.

Another observation is that women-owned businesses often create relationships with other women-owned businesses. This is often due to meeting in the same environments and networks created specifically for women entrepreneurs.

### — 3.6. Logistical and distribution challenges

Participants from the women-owned and minority-owned businesses focus groups employ diverse distribution methods for their products. While some utilize delivery services to dispatch their goods to customers, with the business often covering the associated costs, others limit delivery to longer distances, with customers opting to collect their purchased products in person for shorter distances. Additionally, there are instances where business owners personally handle deliveries for closer proximity, thereby avoiding the need for external delivery services.



*"When I interact with businesses on my own, I receive inadequate treatment. Therefore, my husband always accompanies me."*

For delicate products like flowers, delivery to remote locations is not an option because transportation can compromise the freshness of the product. Generally, focus group participants argue that they have faced greater challenges related to supply and transport in previous years; however, they note that the situation has improved recently as there are now more distributors available, which has alleviated their logistical difficulties.

### — 3.7. Financial considerations

Focus group findings indicate that the most significant challenges for market access have been associated with financial constraints. The majority of women-owned and minority-owned businesses have launched their operations using personal savings, while a small number have sought loans, primarily for renovation purposes. However, they have encountered certain challenges in securing loans, with one notable issue being that women's limited property ownership hinders their access to capital for starting or expanding businesses. As a result, in order to meet loan approval criteria, they have to seek a co-guarantee. Furthermore, a significant level of uncertainty regarding the business's operations and expansion deters businesses from seeking loans, due to periods of no profit.

Some businesses have achieved sustainability and assert that taking the risk of applying for loans was a successful endeavor. They believe that without this financial support, they would not have had the chance to establish and operate their businesses.

Focus group participants hold that business loans typically provide higher sums of money compared to individual loans, which can be advantageous for those in need of substantial financial assistance. Nonetheless, having lower interest rates, especially for vulnerable businesses that have not yet achieved sustainability, would have been immensely beneficial for their efficiency in the market.

### — 3.8. Digital presence and technology

The results from focus group discussions reveal a significant surge in digital presence, especially following the onset of the pandemic. Most focus group participants use social media as a primary outlet for advertising and selling their products/services. The majority of businesses handle their own social media management, except for some.

Depending on the nature of the business, there are certain success stories that receive media coverage through television interviews and similar platforms, effectively promoting their businesses. Only a few businesses hire individuals to advertise their products or services on social media, due to additional costs. Nevertheless, there is widespread agreement that leveraging social media for promotion is crucial and indispensable for their overall success.

The existence of a social media presence does not diminish the fact that certain businesses continue to use business cards and brochures as part of their advertising strategies. There is unquestionably a demand for training in the field of digital marketing. Insights from focus groups show that the majority of the training sessions they participate in primarily revolve around conducting business and essentially methods for selling/offering their products/services. However, they express a desire for these training sessions to shift towards digital marketing, skills that, when used properly, would ease their access to the market.

### 3.9. Support services and networks

Focus group insights indicate that the primary source of support women-owned and minority-owned businesses receive predominantly comes from non-governmental organizations (national and international). However, membership in associations plays a vital role in keeping women-owned and minority-owned businesses informed about available support opportunities from non-governmental organizations. Apart from certain businesses that operate independently and are not affiliated with any association, most businesses claimed that they are members of NGOs such as: PePeKo (Association of fruits and vegetable processors in Kosovo), Organika, Mjedra e Kosovës, and other associations consisting of representatives of women-owned and minority-owned organizations.

Women-owned and minority-owned businesses claim to have benefited from several organizations, such as USAID Kosovo, Help Kosovo, UNDP, Caritas, KFOR, CDF, and other local non-governmental organizations. Assistance was granted in the form of machinery, financial resources, seedling and greenhouses, or training. For instance, a women-owned business claims to have obtained seedlings for a 12-acre plot of land valued at ten thousand euros, in order to maximize the company's profitability. Others have acquired essential machinery crucial to the operation of their businesses. And a few claim to have benefited from waived membership fees on digital sales platforms through support from NGOs.

With regards to membership in associations like chambers of commerce, the results from the focus group suggest that women-owned and minority-owned businesses tend to refrain from applying due to the high membership fees. Similarly, officials from the Kosovo Chamber of Commerce argue that the membership of women-owned businesses is relatively low, with only 80 members compared to a total membership of around 16 thousand businesses.<sup>19</sup> Even for the limited number of women-owned businesses, their membership has been financially subsidized by either the government or NGOs; otherwise, the application fees would be unaffordable for them.<sup>20</sup>

The Kosovo Chamber of Commerce does not implement any specific strategy or approach targeting exclusively women-owned or minority-owned businesses. Instead, they have a standardized fee structure applicable to all businesses, regardless of ownership. Furthermore, this institution treats all its members equally in terms of access to training programs, meaning that there is no preferential treatment. However, the chamber provides women-owned businesses with the option to establish their own association, as they believe that this approach enables them to better understand and address each other's specific needs. To establish such an association, a minimum of eight members is required as a prerequisite.

### 3.10. Government support and resources

Focus group findings show that institutional support is not sufficient for women-owned and minority-owned business operations. In a limited number of cases, municipalities have provided financial support by paying the interest rates on loans acquired for women-owned businesses.<sup>21</sup> As per the central and local level support, the excessive documentation required by the central level makes the

<sup>19</sup> Data for representatives of minority-owned businesses are unavailable as the Kosovo Chamber of Commerce does not collect information based on ethnicity.

<sup>20</sup> Ibid., base rate of EUR 150 and extra costs for additional services.

<sup>21</sup> This was the case with the Municipality of Mitrovicë/Mitrovica.

process of applying for grants or subsidies considerably more daunting. The act of submitting these documents incurs transportation expenses, which constitute an additional financial burden for businesses that must travel to Prishtina to file their applications. Moreover, businesses harbor concerns about the bureaucratic processes related to grant and subsidy applications at the central level of governance (i.e., they do not trust the selection criteria). Focus group participants are often discouraged to apply for grants/subsidies as they believe that the selected beneficiaries are always the same. In the case of approval, such as the confirmation of grants for purchasing machinery, businesses are obligated to use their own financial resources to procure the machinery before receiving reimbursement. In certain cases, the expense of purchasing machinery is beyond the means of businesses, as such, becoming unaffordable for them. Furthermore, grants are typically applicable to machinery and not to goods or supplies. As a result, businesses that require support for goods or supplies do not have access to central support. Lastly, government support comes with stipulations regarding a minimum number of employees. Given the tendency to maintain low number of employees, the Micro and Small Businesses are in a disadvantaged position and barely qualify for Governmental support or grants.

Some women-owned and minority-owned businesses claim to have received government support in the form of machinery, seedlings, and greenhouses. Nevertheless, there are significantly many businesses, especially those owned by minorities, who have never benefited from any form of government assistance. Participants in focus groups, representing women-owned and minority-owned businesses, state that the government could significantly enhance the operations of these businesses by supplying machines for the hermetic sealing and packaging of their products, including the application of logos. Design and packaging are both costly and essential aspects of their operations. Currently, these promotional efforts have been financed using personal income, with family members often handling these tasks. There is a substantial demand for machines that would greatly streamline these processes.

Conversely, when Municipalities draft policies for economic development, they also frame responsible gender budgeting. In this case, they collect more detailed statistics, focusing on women in general, where they are employed, why they are not active in public life, how much they earn/how much income they have, and similar. The Directorates for Economic Development in Municipalities determine the division of subsidies. They claim they list women's businesses and allocate subsidies accordingly. Nevertheless, Municipality officials explain that municipalities face budgetary constraints that prevent them from providing support to all micro and small businesses in need. As a result, they are committed to identifying alternative sources of funding. They emphasize the importance of seizing opportunities to connect projects with businesses that require assistance.

Municipalities do not have strategies in place or affirmative measures that specifically target women-owned and minority-owned businesses. Instead, subsidies are generally provided to all micro and small businesses without a gender impact assessment and/or ethnicity background. Additionally, some municipal projects focus on providing training to help business owners operate effectively and encourage them to formally register their entities.

Given women's current underrepresentation among all business owners, affirmative measures are needed, in line with the Law on Gender Equality, in the procurement criteria and procedures in order to ensure women have access to these benefits. MIET's grants to women-owned businesses through KIESA



*Graçanicë/  
Gracanica – has  
distributed financial  
means worth EUR  
20,000 towards  
all MSMEs. For  
2024, they plan to  
distribute subsidies  
worth EUR 20,000.*



*Municipality of  
Gjilan/Gnjilane  
(2022) – 12 women  
entrepreneurs  
benefited from  
grant calls worth  
€50,000.*

are an example of good practice. KIESA implements affirmative actions in the criteria, such as the scoring of 10 extra points for women-owned businesses and businesses with women majority employees.<sup>22</sup> Moreover, this institution has a program specifically to support young entrepreneurs and women, which includes the “Women in Business” trade fair, start-up business program, and business internship program which provides a certain number of students and newly graduated students’ two-month internships in the business community by building a communication bridge between the government institutions, universities, and businesses in Kosovo.

### — 3.11. COVID-19

The impact of COVID-19 on businesses is multifaceted. Considering that it has significantly altered methods of operating for many businesses, it has challenged the already established ones, or, on the other way, created new opportunities for start-up businesses. Most focus group participants represent new businesses registered in less than three years; findings indicate that the pandemic has generally created new opportunities for them. To illustrate, micro businesses operating in the traditional food production, claimed that due to the pandemic, they were able to generate more output as they had more available time. Other businesses operating for more than five years (prior to the pandemic), claimed that COVID-19 did affect them to varying degrees, yet, not to pose a threat of business interruption.

Focus group participants assert that businesses engaged in the retail trade experienced a positive impact despite the struggles created from the pandemic. Demand for their products remained consistently high, prompting them to actively ensure an ample supply. However, those businesses which previously used to promote their products in different areas of Kosovo through ‘fairs’, were challenged by lockdown measures and had to pause their operations and wait until the restrictions were lifted to resume their activities.

Municipal officials claim that during the pandemic, municipalities did not offer any measure/stimulus in support of these businesses as they did not have any resources for subsidies. All the support during COVID-19 was mostly initiated by the central level government. As part of the Economic Recovery Package, the Government of Kosovo had planned 10 million euros toward supporting Kosovo municipalities to manage the situation created by the COVID-19 pandemic.<sup>23</sup> However, there is no indication whether these funds were allocated towards supporting women-owned and minority-owned businesses in each municipality.

## 4. Conclusions and Recommendations

Promoting inclusive economic engagement in Kosovo is a critical step toward building a more equitable and prosperous economy. By addressing the unique challenges faced by women-owned and minority-owned micro and small businesses, Kosovo can unlock their untapped potential, generate economic growth and job creation, and greater overall prosperity. The success of these initiatives will not only benefit marginalized groups but also significantly contribute to the broader socio-economic development of Kosovo.

Focus group insights reveal the multitude of obstacles encountered by women-owned and minority-owned businesses in accessing markets. Foremost, among

<sup>22</sup> KIESA interview insights.

<sup>23</sup> Kosovo Prime Minister’s Office, [Recovery Package Implementation Plan](#). Measure 12, 2020

these challenges are limited financial resources and access to finance, struggles in establishing strategic partnerships, informal adherence to regulations, cultural and gender biases, lack of institutional support, lack of institutional strategies to target women-owned and minority-owned businesses, cumbersome bureaucratic processes when seeking grants or subsidies. These observations emphasize the imperative need for tailored assistance aimed at alleviating these obstacles and promoting the growth and success of such businesses in the market.

Drawing from these conclusions, GAP Institute recommends the following:

**Central and local authorities, international and local organizations** should target women-owned and minority owned-businesses by:

- Conducting market analysis to identify sectors where women and minority entrepreneurs can make significant contributions by understanding the emerging trends within sectors.
- Promoting active participation of women and ethnic minority individuals in entrepreneurship.
- Simplifying bureaucratic processes, reducing the burdensome documentation required when applying for grants and/or subsidies, and easing the criteria of co-financing.
- Promoting inclusivity in procurement practices, by encouraging the public and private sector to source products and services from women-owned and minority-owned businesses through affirmative actions /measures.
- Offering opportunities to financial resources, equipment, and various forms of assistance tailored to the specific sector or industry of women-owned and minority-owned businesses.
- Promoting financial literacy and inclusion for women and ethnic minorities by providing targeted funding and investment programs, i.e., ensure cooperation and close collaboration with the Kosovo Credit Guarantee Fund.<sup>24</sup>
- Creating forums and networking events, where women entrepreneurs and ethnic minority entrepreneurs can connect with potential clients and develop strategic partnerships with medium and large businesses
- Developing easily accessible platforms with information on funding opportunities, training programs, and networking events
- Providing guidance on export to access international markets
- Offering training programs in digital marketing and e-commerce, which would provide skills that women-owned and ethnic minority-owned businesses are highly demanding, in order to ease their access to the market
- Assist women-owned and minority-owned businesses with membership fees in business associations and applying preferential treatment (in accordance with the Kosovo legal framework) to ensure greater representation for vulnerable groups of entrepreneurs who require additional support
- Funding research on the specific challenges women and ethnic minorities face in entrepreneurship and use this data to draft informed policies, programs, and strategies.

<sup>24</sup> [The Kosovo Credit Guarantee Fund \(KCGF\)](#) is an institution created to tackle challenges in accessing loans for businesses and help with guarantees for those who do not collateral requirements.

## Appendixes

### • Focus Group Guide

#### General Market Access Challenges:

1. Could you provide insights into how your business operates, including any partnerships you have established and how important these relationships are to your business? *(Note to researcher: Check whether they have a regular contract with any retailer and for how many years)*
2. What are the challenges you've encountered when accessing new markets for the first time?  
Follow-up question: What about the challenges related to finances or access to finance? *(Note to researcher: follow-up about any challenges in borrowing loans and if they were ever refused)*

#### Understanding Market Entry:

3. When researching and planning to enter a new market, what sources of information do you rely on, and how do you identify and analyze the preferences and needs of potential customers in that market?

#### Competitive Landscape:

4. How do you differentiate your product or service from others, and what challenges have you encountered when competing against local or established competitors in a new market? *(Note to researcher: Ask about the strategies they employ and their capacities)*

#### Regulations and Compliance:

5. Have you ever experienced difficulties related to regulatory requirements (legal framework, tax compliance, transport regulations, and others) when attempting to access new markets? *(Note to researcher: Ask about each one separately)*

#### Cultural and Language Factors:

6. Can you share instances where cultural differences, ethnicity, gender, language barriers or any other intersectionality factor posed challenges when entering a new market?

#### Logistical and Distribution Challenges:

7. Have you encountered logistical challenges, such as transporting goods, warehousing, distribution, and supply chain issues, when trying to access new markets, and how do you manage these challenges?

#### Financial Considerations:

8. What financial barriers have you encountered when seeking to enter a new market? (These could include costs associated with market research, marketing, distribution, etc.)

#### Digital Presence and Technology:

9. In today's digital age, how do you manage online platforms and digital marketing to reach and engage with new markets? *(Note to researcher: Do they have someone managing their digital presence? How much do they spend for online marketing?)*
10. Have you experienced any challenge when accessing technology and have you had any help or support?

### Support Services and Networks:

11. Are you part of any networks, such as business associations, chambers of commerce, other organizations or any programs, that assist you with accessing markets, including through B2B events, trainings, mentorships, and/or financial benefits from international or national donors?

### Government Support and Resources:

12. Have you ever benefited from a grant or subsidy from the government? If yes, explain.

### COVID-19:

13. How has your business been impacted by COVID-19, including ongoing effects? Follow up question: Have you received any benefits from government measures like tax breaks or financial stimulus designed to address pandemic-related challenges? If yes, how did this help?
14. How did you manage to overcome the challenges posed by COVID-19; what strategy have you used to do so? *(Note to researcher: Follow-up question: did you fire anyone during the COVID-19 pandemic crisis?)*

### Other:

15. Do you have any suggestions on improving doing business in your sector? How can we overcome any of the challenges that have been mentioned today?
16. Do you have any success stories in your community or any examples from the region?

### • Interview Guide

#### Local and Central Government Institutions (MFLT, MINT/KIESA, municipalities)

1. Could you provide insights into the strategies/programs/policies that your institution employs for women-owned and minority-owned businesses in Kosovo?
2. Are there any affirmative measures that you apply for women-owned and minority-owned businesses?
3. What are the main challenges faced by women-owned and minority-owned businesses when accessing markets?
4. Do you have any information on cultural differences; ethnicity, gender, and language barriers; or any other intersectionality factor that poses challenges for businesses in Kosovo?
5. Do you provide any training, mentorship, financial assistance, or any other benefit specifically tailored for women-owned and minority-owned businesses in Kosovo?
6. Were women and minority-owned businesses subsidized during the COVID-19 pandemic?
7. How did you manage to assist your members in overcoming any challenges posed by COVID-19; what strategy have you used to do so?
8. What are your future plans/interventions regarding the empowerment and revival of women- and minority-owned MSMEs following the COVID-19 pandemic?
9. Do you have any suggestions on how to improve the business environment in Kosovo?



## Chambers of Commerce

1. Could you provide insights into how your organization works and the membership criteria?
2. How many of your members are women-owned and/or minority-owned businesses?
3. What are the main challenges faced by women-owned and minority-owned businesses when accessing markets?
4. Can you share instances where cultural differences, ethnicity, gender, language barriers, or any other intersectionality factor posed challenges for any of your members?
5. What challenges do your members have when accessing technology and digital platforms, and do you provide any help or support?
6. Do you have any strategies/programs that target women-owned and minority-owned businesses to encourage their membership?
7. Do you provide B2B events, trainings, mentorships, or any other benefits for any of the women-owned and minority-owned businesses that you represent?
8. How did you manage to assist your members in overcoming any challenges posed by COVID-19; what strategy have you used to do so?
9. Do you have any suggestions on how to improve the business environment in Kosovo?
10. Do you have any success stories for women or minority-owned businesses related to market access?



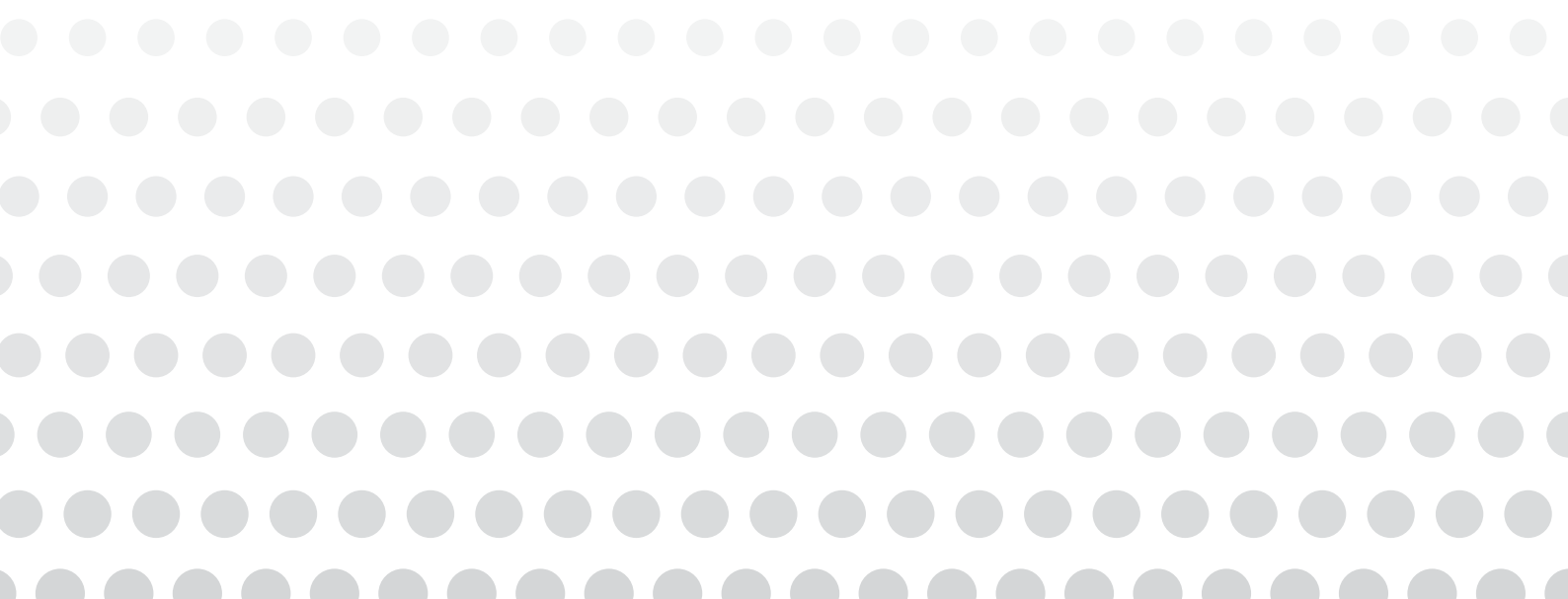
GAP Institute is a Think Tank established in October 2007 in Kosovo. GAP's main goal is to attract professionals to create an environment of professional development and research, as seen in similar institutions in Western countries. This also provides Kosovars with opportunities to research, develop and implement projects in order to advance the Kosovo society. Priority for this Institute is the mobilization of professionals to address the country's economic, political and social challenges. GAP's main goals are to fill the gaps between government and citizens, and between problems and solutions.

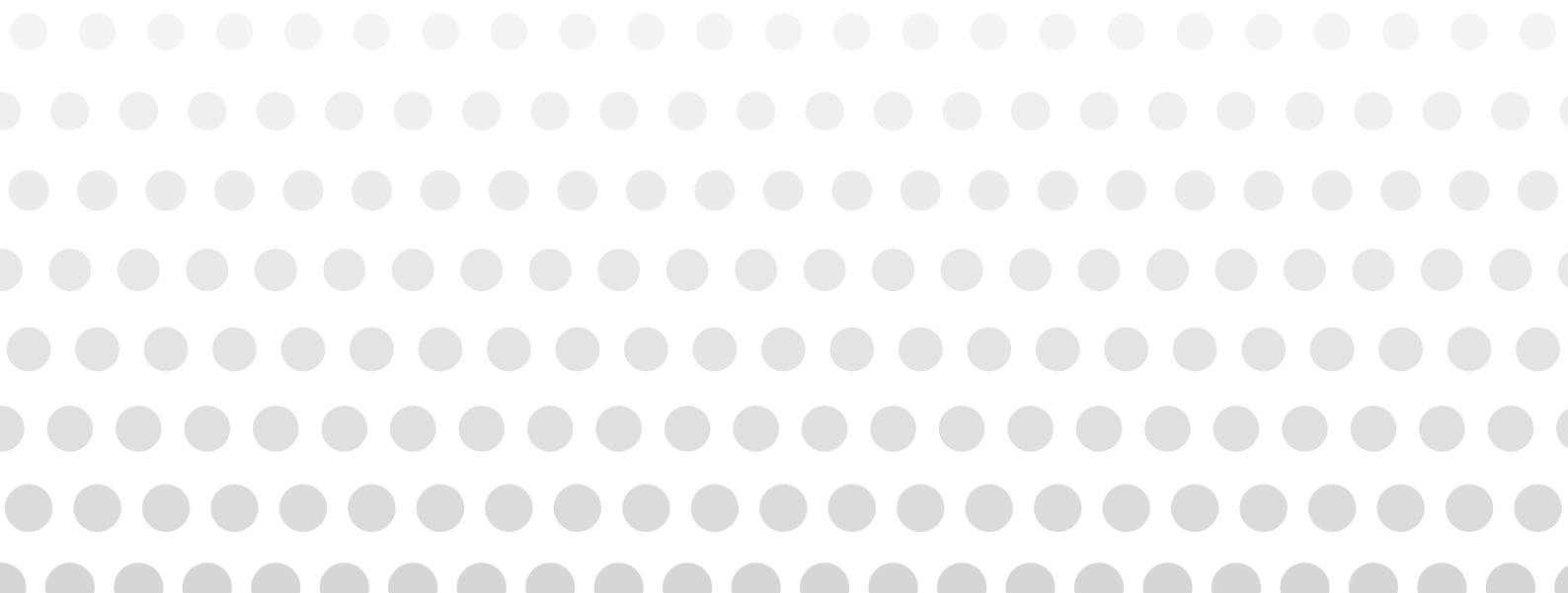
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**Market access challenges  
and opportunities for women-owned  
and minority-owned businesses  
in Kosovo**