



Exchange of good practices on gender equality

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Encouraging Women Entrepreneurship in Slovenia

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1. Introduction

1.1. Policy context

In Slovenia, the women entrepreneurship is the subject of the policy debate, attention and academic research for several years. Wider engagement of women in entrepreneurship began after the Slovenia's independence in 1991. In years after Slovenia's independence the legal basis for business and entrepreneurship development was created. The legal basis for business operations was created and adopted, including the adoption of necessary laws and regulatory frameworks governing the legal field founding and bankruptcy law, real property rights, intellectual property law, labour and tax legislation, and so on. In these circumstances the business environment was not favourable to women entrepreneurs and they were not specially treated. However, the position of Slovenian women entrepreneurs as well as their ways of action differs compared to their male colleagues. Women address the business implementation in a different way than male entrepreneurs, are more intuitively oriented and largely depend on their emotions. Women also much harder separate different roles taken over in their business and personal life, because their roles of mothers, wives and housewives walks hand in hand on their entrepreneurial path.

Political system of Slovenia with an emphasis on market economy and its political and legal framework formed the foundation for entrepreneurial activity of women. Legal basis, which provides a framework for women entrepreneurship constitutes following laws and programs:

- *The Companies Act (CA-1)* adopted in 2006 with all its further amendments, which sets out the fundamental status of incorporation and operation of companies, sole proprietors and independent entrepreneurs, related persons, economic interest groups, branches of foreign companies and their restructuring status.
- *Act Regulating a Supportive Environment for Entrepreneurship (POP-1, 2007)* from 2007, which sets out measures to promote entrepreneurship and organization in this field and procedures for the allocation of funds designed to create a supportive environment for entrepreneurship.
- *The program of measures to promote entrepreneurship and competitiveness for the period 2007-2011* resulting from the four strategic documents: Slovenia's Development Strategy for the period 2007-2013, the Reform Programme for Achieving the Lisbon Strategy, Template concepts of economic and social reforms for increasing the competitiveness of the Slovenian economy and the National Research and Development Programme for the period 2006-2010.

- An updated *Program of measures to promote entrepreneurship and competitiveness for the period 2007-2013* from year 2009.
- The document *Slovenian industrial Policy* for period 2014-2020, adopted in 2013.

Slovenia has not adopted a special law on women entrepreneurship. The legal framework for women entrepreneurship is found in all above listed laws and programs that develop guidance for entrepreneurship as a whole. In doing so, they are also important in some other laws that also in direct or indirect way legally regulate the field of women entrepreneurship. Notable among them are: Employment Relations Act (ERA) 2003, Law on the Prevention of Restriction of Competition Act (Competition Act UPB2) from 2007, Law on Financial Operations, Insolvency Proceedings and Compulsory Dissolution Act (ZFPPIPP) from 2008, and many other laws that are related to the specific activities of the company. The legal framework for entrepreneurship shows that there is no specific intention paid to women in entrepreneurship.

1.2. Economic issue

The involvement of women in entrepreneurial activity differs substantially all over the world. These differences are the reflection of different cultures and customs regarding the involvement of women in the economic activities of individual countries. Despite the fact that women in the developed countries in Europe and in the USA have, on average, equal or even higher education than men, they are far less involved in entrepreneurial activities.

In last ten years (since 2003) the number of women entrepreneurs has grown by 47 % (Eurostat, 2013¹) in Slovenia. The number of women employers has increased by 12 % in Slovenia, while the number of men employers increased by 9 %. There are differences in women entrepreneurs regarding sectors. The highest share of women entrepreneurs are found in sectors other activities, human health and social work activities, education, and accommodation and food service activities while the lowest share is in sector transportation and storage and construction (Eurostat, 2013). More than 40 % of all women entrepreneurs can be found in trade, accommodation and food services, education, administrative services, human health and social services, arts, entertainment and recreation, and in other service activities. In these sectors the average annual growth of value added in volumes is lessening since 2009 (Eurostat, 2012²).

In Slovenia the average education level of women entrepreneurs is higher compared to men. The share of primary, lower secondary and tertiary education level is higher. However, women in Slovenia are lower educated than in EU on average (Eurostat, 2012). Regarding the number of employees, most women (78 %) and men (68 %) have 0 to 1 employee (Eurostat, 2012) in their company.

¹ Eurostat. 2013. Gender equality indicators. Available at: http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_social_policy_equality/equality/indicators_gender

² Eurostat. 2012. Gender equality indicators. Available at: http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_social_policy_equality/equality/indicators_gender

According to the GEM research (Rebernik et al., 2014³), the inglorious record of women participation in early-stage entrepreneurial activity in Slovenia in 2012 (merely one quarter) was improved to just below one third (31 %) in 2013. The countries with even lower women participation rates than Slovenia were, for example, Croatia (30.1 %), Italy (30.01 %), Greece (29 %), Macedonia (28 %) and, interestingly, Norway (28 %). Rather low rates of women early-stage entrepreneurs were also in Korea (28 %), the Czech Republic (28 %) and Iran (26 %). Switzerland reported the highest rate of women early-stage entrepreneurial activity among European countries (49 %), which ranked this country 6th among the 67 analysed countries. The three leading countries in terms of women total early-stage entrepreneurial activity rates were Ghana, Nigeria and Zambia (more than 50 %).

We can thus see the shifts towards a better exploitation of women entrepreneurial potential; however, there are still no signs that this trend is a long-term one. For example, nothing happened in Slovenia in 2013 which would change the actual position of women in the society and alleviate them of the obligations they traditionally take on. The variables which had proven in the past years as the important ones when deciding for an entrepreneurial career remained equally less favourable for women than for men. A comparison of women early-stage entrepreneurial activity in Slovenia against the same women entrepreneurial activity in various groups of countries showed that we fall behind all these groups. As regards the innovation-driven countries and European countries, Slovenia lags behind by approximately four per cent. A similar lag is also evident in the rate of women established business ownership as compared to the above two groups of countries.

1.3. Institutional background

In the framework of supportive environment for entrepreneurship and women entrepreneurship in Slovenia, there are several institutions, which are shortly introduced in the continuation especially regarding the women entrepreneurship.

1. Chamber of Commerce and Industry of Slovenia⁴

The Chamber provides essential services for enterprises operating in Slovenia. It provides the support of more than 100 experts and specialists in a broad range of sectors in Slovenia, from commerce and industry to tourism and services. Within the Chamber operating are sections of women which combine various professions.

The Chamber is active in supporting and promoting women entrepreneurship in various ways. Within the Chamber established is an Economic interest association "Women entrepreneurship". They are very active group, led by Ms. Marta Turk. The Association is involved in several projects and other activities:

- The Institute for the development of family and women's entrepreneurship "META" is a non-profit organization, one of the founders is a non-profit economic interest association, and some other companies. It was established to support small family businesses to better connect, to enforce equal opportunities in business, to make development programs more practical, to enable faster and

³ Rebernik, M, Tominc, P., Crnogaj, K., Širec, K., Bradač Hojnik, B. Rus, M. *Spregladan podjetniški potencial mladih : GEM Slovenija 2013*. Maribor: EPF.

⁴ Available online at: <http://eng.gzs.si/slo/>

more effective linking among small businesses, and their long-term existence. It was established in 2001. They offer online support for women, run several projects within the women entrepreneurship domain, several mentorship programmes etc.

- Regional Council of Business Women at the Chamber of Commerce and Industry of Slovenia.
- Meetings for business women from whole Slovenia (e.g. 500 women entrepreneurs).
- Other mentoring projects, e.g. project Women entrepreneurs for women entrepreneurs to equal opportunities in entrepreneurship etc.

2. Chamber of craft and small business of Slovenia⁵

Similarly to Chamber of Commerce and Industry, the Chamber of Craft and Small Business of Slovenia is an umbrella organisation comprising the craft and small business chamber system jointly with 62 regional chambers of craft and small business. The Chamber and the regional chambers of craft and small business are independent legal entities managed by craftsmen – officials (functionaries) – on a voluntary basis. They are constantly implementing different activities for business women in form of workshops, education, trainings etc. Additionally, they have been involved in projects with women in business as a main theme. Currently, they are a partner organization in a project aimed at analysing the role of women in small and medium-sized enterprises, the creation of two working groups of women and an advisory group of representatives of related ministries and institutions in preparing proposals for possible improvement of the situation, two short training of counsellors and dissemination of results project and support greater visibility of their application.

3. Ministry of economic development and technology⁶

The ministry is responsible also for entrepreneurship as one of its main areas of work. Within the Ministry organized is the Directorate for Entrepreneurship, Competitiveness and Technology which implements programmes and measures aimed at promoting entrepreneurial development, increasing the competitiveness of enterprises and the country and restructuring of enterprises. The Directorate contains three divisions: (1) entrepreneurship division, (2) development incentives division, and (3) innovation division. Four key areas of work of the Directorate for Entrepreneurship, Competitiveness and Technology are:

- Promoting entrepreneurship and entrepreneur-friendly environment,
- Knowledge for business,
- R&D and innovations in companies,
- Promoting small and medium-sized enterprises with equity and debt instruments,
- Restructuring of Slovenian enterprises,

⁵ Available online: <http://www.ozs.si/ozseng/Aboutus.aspx>

⁶ Available online at: http://www.mgrt.gov.si/en/areas_of_work/entrepreneurship_competitiveness_and_technology/

- Promoting technological development of enterprises.

4. Slovene Enterprise Fund⁷

The Public Fund of Republic of Slovenia for Entrepreneurship or shortly The Slovene Enterprise Fund (the Fund or SEF) is established with purpose of improving the access to financial resources for different development – business investments of micro, small and medium-sized enterprises (SMEs) including with financial resources for SMEs start-up and micro financing in the Republic of Slovenia. Every year the Fund is offering proper financial solutions for development – business projects in Slovenian entrepreneurial sector via financial engineering, which is majorly based on financial instruments with refundable means (loans, guarantees for loans, subsidised interest rates, venture capital) which allows combining of financial resources of different financial institutions (financial lever). However, there are no special funds aimed at women in entrepreneurship.

5. SPIRIT Slovenia⁸

At the start of 2013, the Slovenian economic environment became the Public Agency of the Republic of Slovenia for the Promotion of Entrepreneurship, Innovation, Development, Investment and Tourism, or SPIRIT Slovenia for short, which was established by merging three institutions: the Public Agency of the Republic of Slovenia for Entrepreneurship and Foreign Investments, Slovenian Tourist Board and the Public Agency for Technology of the Republic of Slovenia, an agency was created that will provide support to the Slovenian economy in a coordinated, transparent and comprehensive manner in the most important areas of the Slovenian economy:

- Entrepreneurship, innovation, technology development (promotion of entrepreneurship, innovation, technology),
- Internationalization and foreign direct investments (promotion of internationalisation and foreign direct investments),
- Tourism (promotion of Slovenia as a tourist destination).

Its activities are also meant to whole population of entrepreneurs and do not pay special attention to women entrepreneurship.

6. The Ministry of Labour, Family, Social Affairs and Equal Opportunities⁹

Within the Ministry there is established the Department for Equal Opportunities which carries out activities to prepare and implement policies for equal treatment between persons, also for equal treatment in employment and occupation. However, it is mainly oriented to equal treatment women and men in employment and less in entrepreneurship. Although there are implementing or financing some projects aimed at supporting women entrepreneurship.

⁷ Available online at: <http://www.podjetniskisklad.si/>

⁸ Available online at: <http://www.spiritslovenia.si/>

⁹ Available online at: <http://www.mddsz.gov.si/>

2. Policy debate

In spite of various organizations working in the field of supporting and encouraging women entrepreneurship, we can find that the Slovenian environment is still discouraging the development of women entrepreneurship. The same opinion is held by the Ministry of Economy (Pahor, 2005) and by the Association of Entrepreneurs in the Chamber of Commerce and Industry of Slovenia, where they say that in Slovenia there are just several measures to encourage and promote women entrepreneurship. Additionally, in Slovenia, there is no systematic support for women business networks and measures to accelerate the growth of companies established by women.

Research shows that women are often reluctant to realization of business ideas. According to GEM research in Slovenia there are mainly two basic reasons: lack of self-confidence and the dominant model of the role of women in the Slovenian society (mother – wife – housewife) (Rebernik, Tominc, Pušnik, 2007, 12). The fact is that the majority of women entrepreneurs are wives and mothers in their private lives.

The problem that has always been present in the Slovenian society is the situation of women entrepreneurs in it. Women entrepreneurship has no proper place in society compared to man entrepreneurs. Slovenian women entrepreneurs do not want to be seen as a problem but as a competent economic category and then social category (Stermšek 2005). However, the status indicates the opposite: women entrepreneurs are perceived mainly as a social category on the basis of programs to promote self-employment (Basle 2006).

Generally, supporting women entrepreneurs in Slovenia is not satisfactory. This problem has already been pointed out in 1999 (Glas, Drnovšek, 1999). The majority of Slovenian women entrepreneurs operates within a commercial or service activities (Pahor, 2005), which is characterized by lower capital intensity. The greatest difficulties encountered those women entrepreneurs doing business in the traditionally male activities/sectors.

The Slovenian economic environment has no effective regulation, which would be aimed at promoting exclusively women entrepreneurship. The weakness of the economic environment is the lack of quality corporate programs to support business creation and to more effectively support women entrepreneurs. Also inadequate financial programs have restrictive effect on the growth and development of women entrepreneurship.

Women entrepreneurs are more difficult to access the capital required to start a business for various reasons, among which are: the lack of information on the possible forms of financing, women entrepreneurs set up mostly commercial and service companies that are unattractive to investors, and their risk levels are lower.

Slovenia also has not adopted a specific program of subsidies and grants exclusively for the promotion of women entrepreneurship. The Employment service of Slovenia offers a non-reimbursable grant for self-employment in the amount of € 4,500 within the framework of activities to promote entrepreneurship from 2005, to which are entitled mostly unemployed persons who opt for one of the forms of self-employment. Subsidy is not primarily intended to directly promote entrepreneurship, but reducing unemployment. Women who submit an application for a grant under

this title shall be registered as unemployed, but men can also apply. Also other incentives of supportive environment for entrepreneurship are intended to men and women entrepreneurs. After analyzing the supportive environment for women entrepreneurs it can be concluded that there are not enough incentives for women entrepreneurs in Slovenia.

3. Transferability issues

From the Slovenia perspective, the German good practice can be transferred and implemented also in Slovenia. As in Slovenia, there is no special organization for women entrepreneurship; the implementation could be taken over by the Chamber of Commerce and Industry. It can be done for several reasons.

First, the Chamber has organized and established regional chambers all over Slovenia. Regional chamber could promote and disseminate the “roadshow” among Chamber’s members. The information spreading is quite easy among members, including emails, web page, etc.

Second, in the Chamber the women section is quite active and could take over the implementation of the initiative.

Third, the Chamber has some financial sources that could be used for the promotion implementation. As the Chamber is financed by the membership fees, financial resources can be constrain for the measure implementation.

Additionally, the Slovenia is a small country which means that the measure implementation from Germany could be in smaller extent what could also lessen the needed resources. On the other site, the number of participants will be lower than in Germany. But when the meeting “500 women entrepreneurs” was organized, there were present women entrepreneurs from whole Slovenia and the event was a big success. It could serve as an example how to implement the “roadshow” in Slovenia.

According to UK good practice, it is seen that the women entrepreneurship in UK is on much higher developmental level than in Slovenia. The support is more sophisticated and I believe that it will take some time for Slovenia to reach this level of women entrepreneurship support. However, the Women’s Business Council that could advice Slovenian Government on women entrepreneurship could be established also in Slovenia. Actually, it could be a good solution for the Slovenian government to finally show that the women entrepreneurship is a part of entrepreneurship which will be truly supported. By the implementation there has to be carefully selected members of the Council, including only experts without political members to ensure independent support to government.