THE IMPACT OF COVID-19 ON WOMEN-OWNED BUSINESSES IN KOSOVO

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The uncertain economic landscape that coronavirus has created, produced negative results to all businesses and industries across the globe, including those in Kosovo. However, vulnerable groups, such as women-owned businesses have been disproportionally affected due to unequal and unfavorable position in the market prior to the hit of the pandemic. In order to better assess the impact and outcomes of COVID-19 on these businesses and generate recommendations for stakeholders, AmCham has conducted a survey with 166 women business owners from different regions across the country and different industries as well. Participants were mainly concentrated in professional services with 28.92%, manufacturing 17.47%, and retail industries 15.66%. The vast majority, approximately 97%, of surveyed enterprises were small businesses. The research shows worrisome findings on the level of negative impact to women-owned enterprises, but it also offers a perspective on the measures needed to be taken for immediate response and long-term recovery.

More than half of respondents declared that the biggest issue they faced during the pandemic is economic well-being 40%, followed by increased need to undertake more unpaid work (28.19%), such as the need for additional care and attention towards family, which is generally perceived as an added burden to the many other difficulties that women in business face. In addition, the study shows that more than 65% of businesswomen consider that the COVID-19 pandemic has had a very negative impact on their operations, while 28% perceived it as negative. To the contrary, a mere 2% of respondents declared that the pandemic has had a positive impact in their company, while less than 1% stated the impact to have been very positive.

When asked about the operational aspects during the national lockdown phase, a worrisome percentage, namely 64% of respondents have stated that their company has been closed entirely during that period, while 9.35%
stated to have been partially closed. Employee presence at work seem to have been quite a challenge too. Out of those who operated entirely during the pandemic, more than 15% have stated to have worked on limited capacities, while only 1.44% stated to have worked on full capacities.

Data shows that there has been a high percentage of drop in sales roughly 90%, along with 21.83% decreased prices on products and services, offered by surveyed enterprises. As per operational aspects, 18.94% moved their work online, 17.42% reduced employees’ hours, 15.91% have increased their investment in online marketing, 11.36% have changed the production line to respond to the needs of the pandemic.

As per future projections, almost 84% of surveyed women owners plan to increase their presence in the local market, whereas for 35.38% of them, marketing and promotion is seen as crucial area where further investment is needed. An overwhelming majority, (88.98%) are optimistic that amendment of Labor Law would help improve the doing-business environment in the country. 38.89% see unfair competition in the market as another barrier to market entry and business growth.

Although women are faced with specific challenges and obstacles and they tend to be under-represented in C-suite, 35.71%believe that improving the overall doing-business environment would directly increase women’s participation in the market, as various problems in business are common for women and men. Therefore, reforms in the overall doing-business environment are essential not only in building up country’s private sector, but also in ensuring that women’s role in business is made stronger.
Favorable business climate is fundamental to country’s socio-economic prosperity, however, Kosovo’s current business environment is not yet a promising one, though slight improvements have been made in the last few years. Among all fragile groups of business community in the country, more acutely challenged remain women-owned businesses, who have also been severely affected by the current global health crisis, the COVID-19 pandemic. Notably, the pre-existing unfavorable position of women in business has increased the burden and hardships faced during these uncertain times, thus risking the gains made so far.

To better measure the impact of COVID-19 on women-owned businesses in Kosovo, AmCham has conducted a research with women representatives from business community. The paper aims to offer insights on the current trends, forms and level of damages caused by coronavirus, identify key problems faced by women in business during these hectic times, as well as provide recommendations to state institutions which may serve as a base for further drafting of policies and strategies such as the economic recovery package. The research has been quite comprehensive, asking participants to provide feedback on government aid, key challenges faced during these times and normal times, the shift on daily operations, challenges on remote working, employee layoffs, trends on customer behavior, as well as advertising and marketing shifts. In addition, the study provides information on the importance of addressing gender related issues and how that is correlated with country’s economic development in general.

The study finds that economic hardships have been the biggest challenges faced by women-owned businesses amid the COVID-19 outbreak, which further reinforces the idea that private sector is in immediate need for emergent and rapid institutional support. AmCham believes that right
steps can be taken to ensure that women’s role in economy is made stronger, if the specific needs and concerns of women in business are taken into account when developing measures for long-term recovery phase. To spur economic growth and ensure that the recovery is sustainable and effective, the steps presented in this study are of paramount importance.

While there is more that needs to be done, we do believe that this study may at least to some extent explain the negative impact and losses that the pandemic has caused to women-owned businesses in Kosovo. We hope that the findings of this analysis will help government get a better understanding of the business and economic implications that COVID-19 has caused, so that it can better prevent a potential economic catastrophe.
CHAPTER 1 | DOING BUSINESS IN TIMES OF PANDEMIC
Economic shocks created after the outbreak of the COVID-19 pandemic have affected businesses and industries in multiple ways, some of which have been struggling more than the others, such as women-owned businesses. Thus, the progress achieved in having more Kosovo women in business is undoubtedly put on danger by the disruptions caused from the pandemic.

When asked about the biggest challenge that these women faced during these times, as expected, economic well-being with 40.94% prevails among others. Besides economic well-being, women have been particularly challenged with increased need to undertake more unpaid work, such as the need for additional care and attention towards family 28.19%, which is ranked as the second most pressing issue by respondents. This added burden - which is unevenly distributed between women and men even in normal times - has automatically impacted business outcomes, as the increased responsibilities on unpaid care work means less time and energy for business-related activities, thus leading to worsened business performance. To add up to that, almost 13% ranked working from home as their biggest challenge, followed by 6.04% who saw the mental and emotional well-being as a challenge.

The impact of the pandemic has been estimated to be severe, and the survey conducted with women-owned businesses confirms this presumption. Our findings suggest that 66.44% of respondents consider that coronavirus has had a very negative impact in their operations, while 28.77% perceived it as negative. Around 2% have declared that the pandemic has had a positive impact in their business, 0.68% stated the impact to have been very positive, while the rest said that there has been no impact in their business operations.

COVID-19 has affected women-
owned businesses’ operations negatively in many ways, as explained in figure 1.3, where decreased demand for products and services has been perceived by the vast majority that make up 72.03%, as their greatest concern. Considering that the daily consumption of citizens has continued to shrink largely due to rising uncertainties on jobs and incomes, it is no surprise that people have purchased only what they consider as basic or necessary needs and thus the consumption has been inhibited significantly causing heavy losses to companies. Another challenge which posed problem for women in business is that clients have not paid their bills, with 23.08% agreeing with the statement, while absence of employees at work 18.88% and other reasons that make up 13.99%, have been less of a challenge.

COVID-19 has affected women-owned businesses’ operations negatively in many ways, as explained in figure 1.3, where decreased demand for products and services has been perceived by the vast majority that make up 72.03%, as their greatest concern. Considering that the daily consumption of citizens has continued to shrink largely due to rising uncertainties on jobs and incomes, it is no surprise that people have purchased only what they consider as basic or necessary needs and thus the consumption has been inhibited significantly causing heavy losses to companies. Another challenge which posed problem for women in business is that clients have not paid their bills, with 23.24% agreeing with the statement, while absence of employees at work 19.01% and other reasons that make up 14.08%, have been less of a challenge.
The pandemic has prompted enterprises to change the way they operate and adjust to new business models, however, not all of them could adopt in the new normal and thus were forced to stop working either temporarily or in some cases even permanently. A concerning number of respondents, roughly 65% have stated that their company has been closed down during national lockdown, while 9.35% stated to have been partially closed, which has undoubtedly caused sharp decline in revenues, and if the crisis is opted to continue, these enterprises are at risk of closing permanently. If such circumstances occur, then, the already huge gender gap in Kosovo’s business community will undoubtedly worsen. Kosovo’s Government must ensure that swift policy actions are taken to prevent this from happening, as maintaining and increasing women's participation in the labor market is crucial to sustainable economic development.

Many companies have experienced problems with employees’ absence at work, where in some cases employees refused to go physically at work due to safety reasons, on the other hand some companies were forced to furlough workers due to large losses and huge decline in revenues or complete business shutdown. Our analysis indicates that 15.11% of surveyed businesses have worked on limited capacities during these hard times, and only a mere of 1.44% worked on full capacity.

For many women-owned enterprises, working online has been a favorable option, with 9.35% having stated that they switched to online interactions, which probably at some extent has limited the adverse COVID-19 impact.

![FIGURE 1.4 OPERATION DURING THE PANDEMIC](image-url)
Unsure of what the future months will hold, companies made considerable adjustments on their daily operations. Through a series of various questions, participants were asked to share the strategic actions that they have applied to meet the challenges faced following the outbreak of coronavirus, since all businesses around the world were forced to modify the way of doing-business to easier overcome the crisis.

Workers employed in vulnerable businesses and industries, part of which are also women-owned businesses appear to be at risk of layoffs or unemployment. Figure 2.7 illustrates how women-owned businesses have shifted their operations to respond to the pandemic. As explained below, the most common strategy implemented among surveyed businesses has been by temporarily reducing the number of employees within the company, where 21.97% agreed to have acted likewise. 9.85% of respondents declared to have fired some employees’, almost 19% have had to work online, more than 17% of participants reduced employees’ working hours, 15.91% have increased their investment in marketing, mainly by boosting their online presence, almost 12% have changed the production line to respond to the needs of the pandemic, and nearly 10% cut back on payrolls. Policymakers need to ensure that appropriate measures are taken to revive women-owned businesses, boost their incomes and overall resilience.

![Figure 1.5 Strategies Applied to Overcome Crisis]
CHAPTER 2 | SALES DISRUPTION AND CUSTOMER BEHAVIOR
The study also aimed to quantify the disruption in sales, whilst it remains difficult to gauge the exact losses due to rapid change of circumstance, a snapshot of a point in time can be provided. As expected, the huge shift in spending habits has significantly impacted sales worldwide including Kosovo businesses. The majority of survey respondents, almost 90% saw a critical decrease in sales during these hard times. To break down into more details, 37.6% have declared that their sales have decreased to 75-100%, 26.4% stated that their sales have decreased to 50-70%, while the remaining 19.2% saw a 25-50% decrease. On the other hand, only a small percentage of 1.41% reported to have experienced increased sales, whereas this growth ranges from 0-15%, which is a very small percentage compared to the rate of decline. Lastly, 10.56% declared that sales have stayed the same. The results obviously do not represent the ultimate state on the impact of the pandemic on sales, however they do offer a glimpse on the impact for a certain time, which can help guide institutions to better craft economic policies.

**FIGURE 2.1 SALES DISRUPTION**
Considering that raw material plays a key role in composition of a product or a building-material, the study aimed to identify whether raw material prices have changed and how were those changes reflected on the prices of products or services offered by respondents. It was found that the sales on raw material have been fluctuating a bit, with 51.41% of respondents having declared that those prices have stayed the same, followed by 35.92% who said that they have increased, while approximately 13% stated that they have been decreased. However, the situation seems to be different when measuring the prices of products or services offered by surveyed businesses. Overall, the majority, namely 66.90% stated that their prices have decreased, while almost 22% stated that they stayed the same. The remaining 11.27% said that the prices have increased, according to the research.

These findings are no surprise given the huge reductions in spending, change of customer behavior, income losses and employment uncertainties. Such unprecedented challenges have pushed businesses to offer lower prices and do whatever it takes to stay afloat and survive at all cost.
Responding to customer’s demand has come to be seen as another major challenge faced by women business owners during these times. Firms surveyed stated that it has been almost impossible to respond to customer’s demand, with nearly 71.94% agreeing with the statement. While only 28.26% indicated that they could respond to customer’s demand. These concerning results reflect the deep economic disruptions that COVID-19 has caused to the private sector.

Notwithstanding, respondents were split regarding the reasons that have affected the inability of their businesses to respond to customer’s demands. However, of particular concern was the failure to provide online services (44.44%), which as the research indicates it affected their operations directly. One of the reasons why they could not provide online sales could be because women tend to heavily be part of industries where physical presence is crucial for operation such as customer and professional services. In these industries, services are less likely to be delivered remotely.

In addition, 13.13% of businesswomen reported to have faced problems also with lack of sales agents, then 8.08% said that demand for services have been high, while roughly 35% had other reasons why they could not respond to
customers’ demands. Most of respondents in the last category stated that their business has been closed either partially or in some cases entirely, which has impacted their inability to respond to customers’ demand, which consequently diminished revenue collection.

Figure 2.6 Reasons why businesses could not respond to customers’ demand.
CHAPTER 3 | EMERGENCY FISCAL PACKAGE AND ECONOMIC RECOVERY PACKAGE
As explained in previous sections, the shock accompanied with hardships and challenges shows the need for unconditional public and private support in issuing emergency funds and avoiding potential bankruptcies. The low number of women who have benefited from the Emergency Fiscal Package is of particular concern as well. When asked on this matter, only 43.51% stated that they benefited from those measures, while the rest, 56.49%, said they did not benefit from it. Therefore, immediate relief funds should be provided to help these women navigate through the crisis.

Only 10.08% were positive that the emergency fiscal package addressed their needs, while the remaining 89.92% believe that it did not address their business needs.

Measures of the emergency fiscal package have affected business operations in different ways, when asked about their thoughts on the impact that measures have had in business operations, 53.44% stated that they have not alleviated their difficulties at all, followed by 29.01% who believe that it has alleviated their business difficulties a little, and at last 15.27% stated that it somewhat alleviated business difficulties.

Steps can be taken to correct past mistakes; Kosovo’s government needs to ensure that sufficient support has been mobilized towards women in business during
the recovery phase. If the economic reactivation is opted to produce tangible impact, then challenges such as access to finance, institutional support, amendment of labor law and similar issues hindering business growth must be addressed properly. At last, warding off further economic damage with require full implementation of Emergency Fiscal Package, which, the state has failed to deliver in a timely manner. Kosovo’s government has the chance to show support towards private sector, help them better navigate the crisis, avoid the threatened progress achieved so far, and finally help the country recover faster from the shock.

Though it is apparent that increasing women’s engagement in the economy will significantly contribute to country’s economic growth and sustainability, women-led businesses still lack sufficient resources to truly scale up, and it usually comes down to the basic needs that those firms need, for which, AmCham has advocated with the state institutions for a long time, before and after the onset of COVID-19. The pandemic provides for an opportunity to shift towards a more resilient economy. Attention needs to be paid not only to post-COVID-19 phase, but also in crafting long-term solutions which stimulate and consolidate business performance, influence development and incite growth.

All businesses in Kosovo need funding and face challenges to access that funding, however, compared to their men counterparts, women tend to face more difficulties, mostly due to lack of capital which is highly caused by unfair share of property and traditional practices on this matter, where women feel reluctant to claim their inheritances. To that end, specific programs should be put in place to increase women’s presence in the market, as the research
finds, special grants from government would be an ideal measure to rebound women’s businesses, as reported by 74.81%, followed by fiscal incentives such as tax holidays and decreased tax rates with 41.22%.

29.77% agreed that adequate financial support like low-interest credit and credit guarantee is needed for full recovery and strengthening of women-owned businesses following the disruptions caused by the COVID-19 pandemic. In addition, support in broadening network with new clients or customer 22.14%, easing of administrative procedures 12.98%, support in accessing foreign markets 12.21% and legal amendments 3.82% were among measures selected as necessary by participants.

Since the pandemic has caused negative disruptions, almost half of respondents (40%) are unsure of their firms’ prospects, and therefore unable to predict companies’ turnover for the upcoming six months. The inability to predict might be due to volatile times that this pandemic has created and the frequent changes of the restrictive measures that leads to severe economic unpredictability. Nevertheless, positive attitudes remain greater than negative ones, where 22% of women have been more upbeat that the turnover will slightly increase, whereas 17% said that the turnover will greatly be decreased. At last, 8.40% expect a slight decrease on their companies’ turnover, 6.87% believe that sales will greatly increase, and the remaining 3.82% believe that the turnover will stay the same. Indeed, it remains challenging to predict what will happen with business community in the upcoming months as they undoubtedly need time, support and resources to be healing from limited revenues.
FIGURE 3.4. EXPECTATIONS TOWARDS BUSINESSES’ TURNOVER FOR THE UPCOMING SIX MONTHS
Despite many obstacles, Kosovo has made quite a progress over the years in improving the doing-business environment. However, AmCham’s survey respondents were almost evenly divided on this matter, where only 55.81% agree that the doing-business environment has improved since establishment of their businesses. Although combating gender stereotypes in business is a long road ahead, 45.71% believe that social prejudices towards women in business have been reduced, which seems to be one of the greatest hurdles affecting women’s engagement in commerce. In addition, the study finds that 35.71% agree that institutional support has been increased since the establishment of respondents’ businesses. This finding stands, as in recent years Kosovo institutions with the support and pressure coming by local non-governmental, donor and international organizations have launched different programs aimed at empowering women in business, thus leading to a higher engagement of women leaders in the market.

Among those who stated that the doing-business environment has improved, only 10% believe that progress has been made in reducing the administrative burden. Moreover, decreased level of corruption rate 4.29% and decreased rate of informal economy 4.29% which got the same ranking, have seen little improvement.

On the other hand, 44.19% of women-owned businesses believe that the doing business environment has not improved since the establishment of their businesses.

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**FIGURE 4.1 IMPROVEMENT ON THE DOING-BUSINESS ENVIRONMENT SINCE ESTABLISHMENT OF RESPONDENTS’ BUSINESSES**
Legal infrastructure and effective rule of law are key in ensuring an enabling environment for private sector, as sound laws and regulations pave the way for sustainable economic development. Labor law in particular, is of significant importance as it regulates employer-employee relationship, employment contracts, minimum wage, can play a role in increasing economic security, thus providing basis in generating employment, among others. Appropriate labor legislation and implementation is conducive for further economic and social advancements in Kosovo. Over the years, AmCham has voiced its concerns regarding the current Labor Law, which we believe needs to be deeply reviewed and amended. Many provisions are burdensome to private sector and do not equally reflect the needs and interests of employees and employers. Accordingly, AmCham has been constantly advocating to amend the current Labor Law, so that legal foundation for an increased inclusion of women in economy would be ensured.

Likewise, through this survey, we have measured women's perception towards this issue. When asked about the impact that this law has on increasing their participation in the labor market, an overwhelming majority of 88.98% agreed that the law would help do so. Out of those who were optimistic on the impact of Labor Law, 75.89% believe that sharing the financial burden for maternity leave equally between state, business and the individual itself would be a necessary amendment. AmCham is in favor of creating such policy, as this would not only lower the burden on the private sector, but would also create an incentive for
enterprises to employ more women and to avoid discrimination in the labor market. Unfortunately, during the last few years we have heard of cases when a given employer has offered only short-term contracts to its women employees, due to the probability of pregnancy in the future. Only a mere of 1,79% believe that shortening maternity leave would be an option.

More than 18% believe that amendments should also be made in recruitment and dismissal procedures, where more flexibility should be offered in this regard, while the rest 3% said that other legal provisions should be amended. At last, one should keep in mind that the labor legislation should incite productivity and be in line with the dynamics of work in the private sector and that enacting such laws and policies would not only benefit women but also the wider community and stimulate business competitiveness.

**FIGURE 4.3 IMPACT OF LABOR LAW ON WOMEN’S EMPLOYMENT**

**FIGURE 4.4 AMENDMENTS NEEDED IN THE LABOR LAW**
Proper legal framework and stronger rule of law remain vital to business growth, investment and national economic development. Although, as always stated, Kosovo has a solid legislation in place, more work needs to be done for a proper law enforcement. However, the high informality rate, which automatically leads to unfair competition in the market, is a strong indicator of weak rule of law in the country. Research suggests that this barrier has come to be seen as a significant obstacle hindering women’s involvement in business. Indeed, unfair competition is a challenge for businesses of all genders in the country, as it directly damages those who are regular taxpayers. AmCham has long recommended Government and Tax Administration of Kosovo to work towards strengthening inspection capacities by ensuring that all businesses declare their taxes properly, monitor the implementation of laws and regulations and promote electronic transactions, among others.

The second obstacle, which if eradicated would incite women’s involvement in economy is political instability, as reported by 23.02%. Frequent switch of governments creates economic uncertainty and an unpredictable political environment, which in turn deters private investments in economy. The volatility created affects reforms where many laws and regulations are usually kept up hold due to lack of political consensus and since each government has a different policy agenda. In turn, marginalized groups such as women in business are particularly damaged, due to already unfavorable position in the market.

Barriers in access to finance presents another challenge for Kosovo women interested in engaging in business. It should be noted that AmCham has been vocal for establishing women-friendly financial products/instruments. The last barriers that need to be removed are administrative barriers 11.90%, and others 3.97%.

![FIGURE 4.5 DOING-BUSINESS BARRIERS]
Businesswomen believe that improving the overall doing-business environment (35.71%) would be a proper measure in increasing their participation in commerce. Although, as international reports show, progress has been made in improving the doing-business environment, firms in Kosovo are faced with a great number of difficulties when it comes to establishing and running a business, therefore the country has a long way to go to achieve full satisfaction of private sector for an enabling business environment.

Accordingly, it remains clear that gender and cultural roles still limit women’s involvement in the market and as our research shows, an effective tool in ending this underrepresentation is undoubtedly increasing their awareness on economic independence 30.95%. This would also contribute to end gender-based violence as well, as usually hard economic circumstances prevent women from leaving abusive partners and seek out stable livelihoods. Moreover, 25.40% of respondents ranked promoting successful women as a necessary instrument in improving the access of women in the labor market, followed by 7.94% who agreed that increasing the number of women graduates would contribute towards more women involvement in economy. Although lower in percentage, the last measure should be considered as very important, since the number of women who are enrolled at university level in Kosovo has in recent years boosted and has been usually higher than that of men, however, the number of women who drop out of university tends to be higher, leading to low number of women graduates with required qualification for labor market participation and consequently lower involvement of women in economy.

![FIGURE 4.6 MEASURES NEEDED TO INCREASE WOMEN'S PARTICIPATION IN ECONOMY]
The abovementioned gender-based economic hardships, challenges and obstacles call for a gender-specific approach, as repeating past practices and policies will only amplify existing inequalities. At last, growing women-owned businesses will take great efforts in many dimensions, determination and serious active engagement of public and private stakeholders. AmCham remains at institutions’ disposal to provide further insights, advises and detailed recommendations to help achieve the desired impact.
CHAPTER 5  |  FUTURE PROJECTIONS
In addition to measuring the impact of COVID-19 on women-owned businesses’ operations, AmCham aimed to understand future prospects and plans regarding business expansion. Though one might say that we have come a long way in terms of gender inclusion in economy, for women, expanding their presence in the market still comes with great hesitations. Based on the data generated by the research, it seems that Kosovo’s women in business feel reluctant in expanding their business outside their home country. As illustrated in figure 3.2, the overwhelming majority of 83.97% respondents plan to increase their market presence locally. What may hold these women back from their ambitions or interest in expanding, it may be deeply rooted cultural and social constructs and prejudices about women business leaders along with lack of financial resources.

Nonetheless, almost 20% of respondents said that they aim to extend their presence in European market, while 14.50% aim to extend their presence in regional market, 3.82% plan to extend their presence in American market, and the rest 2.29% elsewhere.

**FIGURE 5.1 PLANS ON BUSINESS EXPANSION**
In order to keep up with today’s trends, generate more revenues, develop and grow and expand their presence in the market, it is imperative for businesses owned by both, women and men, to advertise and promote their products or services. Since women in business are underrepresented, by default they are less seen in advertising channels. Thus, what these women deem as necessary is investing more in marketing and promotion which has also been selected by 35.38% of respondents of the survey as the first area that needs investment. Indeed, women themselves along with representatives of public and private institutions need to identify opportunities to promote their products, as gender parity in business and leadership can be achieved only when all genders get the recognition they deserve. One should bear in mind that promoting and marketing women in business contributes to economic growth and social cohesion of the country.

The labor market in Kosovo is oversupplied in a number of professions and falling short in some other. As such, Kosovo’s workforce remains an untapped resource, where graduates lack the skills and competencies needed to meet the labor market demands. This phenomenon poses problem for the entire private sector in Kosovo, including women-owned businesses, which as the research finds tend to also lack skilled workforce. This issue has been ranked as the second most demanding requirement that needs focus and investment in order for those businesses to thrive. AmCham has recommended Kosovo’s government to increase the cooperation dynamics between private sector, chambers of commerce and education institutions to better respond to labor market needs and contribute more efficiently in closing the workforce gap. In addition, policymakers should take action to scale up work experience programs, through structured internship and apprenticeship programs. AmCham has also suggested the Ministry of Education, Science and Technology to cooperate with Municipal Directorates of Education in supporting the establishment and functioning of Career Counseling Centers at each municipality, which would provide students with information about market needs, earnings and orient them in making informed decisions about their careers, consequently this would increase the pool for work-ready individuals.

Survey representatives of women in business have also ranked the
following issues as necessary areas for investment: objects 16.15%, professional trainings 13.08%, professional consultancy 9.23% and networking 6.92%.

**FIGURE 5.2 AREAS WHERE MORE INVESTMENT IS NEEDED**
The biggest challenge for women business owners has been economic well-being 40.94%, followed by increased need to undertake more unpaid work, such as the need for additional care and attention towards family 28.19%.

13% ranked working from home as their biggest challenge, followed by 6.08% mental and emotional well-being.

Our findings show that 66.67% of respondents consider that the COVID-19 pandemic has had a very negative impact in their operations, while 28.57% perceived it as negative, whereas, only 2% have declared that the pandemic has had a positive impact and 0.68% stated the impact to have been very positive.

Decreased demand for products and services has been perceived by the vast majority 72.03% as the greatest concern.

Another challenge which posed problem for women in business is that clients have not paid their bills, with 23.08% agreeing with the statement, while absence of employees at work 18.88% and other reasons 13.99%, have been less of a challenge.

Roughly 65% have stated that their company has been closed down during national lockdown, while 9.35% stated to have been partially closed.

The study indicates that 15.11% of surveyed businesses have worked on limited capacities during these hard times, while only a mere of 1.44% worked on full capacity.

The majority saw a critical decrease 90% on sales during these hard times.

66.67% stated that the prices of products and services offered by their company have stayed the same, while 21.83% stated that they have decreased. The remaining 11.27% said that the prices have increased.

Respondents stated that it has been almost impossible to respond to customers’ demand, with nearly 71.94% agreeing with the statement.
The failure to provide online sales 45% has been particularly concerning, which in turn, it has affected directly businesses’ operations. In addition, women-owners reported to have faced problems also with lack of sales agent 12.24%, and the high demand for services 8.8%.

Regarding the operational aspects; 18.94% have worked online, 17.42% reduced employees' hours, 15.91% increased their investment in marketing, mainly by boosting their online presence, while 11.36% have changed the production line to respond to the needs of the pandemic.

Only 43.51% stated that they have benefited from Emergency Fiscal Package measures.

Special grants from government 74.81% would be a proper instrument to rebound women's businesses, followed by fiscal incentives such as: tax holidays and decreased tax rates 41.22%.

Marketing and promotion 35.38% have been ranked as the first area that needs more focus and investment.

55.81% agree that the doing-business environment has improved since establishment of their own businesses. On the other hand, 44.19% of them believe that the doing business environment has not improved since the establishment of their businesses.

88.98% agreed that amendment of Labor Law would improve the doing-business environment.

Unfair competition is seen by 38.89% as a significant obstacle hindering women’s involvement in business, followed by political instability 23.02%.

35.71% believe that improving the overall doing-business environment would be a proper measure in increasing women’s participation in economy.

30.95% see economic independence as an effective tool in ending women’s underrepresentation in business.
RECOMMENDATIONS
Kosovo’s government needs to ensure that sufficient support has been mobilized towards women in business during the recovery phase.

Gender specific strategies, such as special grants and fiscal incentives (tax holidays and decreased tax rates) should be put in place.

Challenges such as access to finance, institutional support, amendment of labor law and similar issues hindering business growth must be addressed properly.

Kosovo institutions need to ensure that adequate financial support like low-interest credit and credit guarantee is offered to women-owned businesses, in order for them to fully recover from the crisis.

State authorities must ensure that Emergency Fiscal Package is fully implemented.

More support should be mobilized for women in business in broadening network with new clients or customers and accessing foreign markets.

Institutions should ease administrative procedures and remove unnecessary administrative burden.

Kosovo assembly needs to amend the current Labor Law, and regulate especially the provisions related to financial burden for maternity leave which should be shared equally between state, business and the individual itself.

Government and Tax Administration of Kosovo need to work towards strengthening inspection capacities by ensuring that all businesses declare their taxes properly, monitor the implementation of laws and regulations and promote electronic transactions.

Kosovo’s government needs to increase the cooperation dynamics between private sector, chambers of commerce and education institutions to better respond to labor market needs and contribute towards closing the skills gap.