



“European Integrated Business Growth for female owned enterprises”



Italian Chamber of Commerce in Bulgaria

Sofia, 4th February 2010

QUESTIONS FOR FOCUS GROUPS

(adapted from a research done by West Midlands Women’s Centre of Expertise)

1. Enterprise culture:

1.1) What support and delivery organizations are there in your region/province to promote an enterprise culture?

In Bulgaria there are many private associations whose purpose is 'to encourage the development of equal opportunities' and to support women in their career and self-businesses' creation. That these associations provide support for technical assistance and guidance to help women facing the typical problems and main activities in developing new 'business or to address and resolve issues linked to access to employment.

The main women organizations in Bulgaria are:

- Bulgarian Women's Union
- Free Feminist Group
- Network Of East-West Women
- Podkrepa Trade Union-Women's Division
- Women's Alliance of Development, WAD
- Woman's Alliance for Development Resource Centre
- Women's Clubs Federation BSDP
- Bulgarian Women Jurists Association-Institute For State And Law
- Women's Democratic Union
- Women's Studies Centre / New Bulgarian University

1.2) How do they go about building enterprise culture?

Activities undertaken by organizations of which we have just discussed are many but all have a common objective of supporting women in their different activities.

Their mission is to work towards the sustainable development of society and its human resources, by realizing equal opportunities for men and women with regards to rights, responsibilities, access to resources and decision-making.

Those independent organization, working on making more resources available for the establishment and strengthening of women's rights and of non-governmental organizations in Bulgaria, achieving real gender equality in all areas of social life and combating all forms of discrimination. For that, they support the Bulgarian women's organizations working to raise gender awareness of society and recognize women's rights as human rights, strengthen their



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capacity and improve quality of services they provide, increase their knowledge and improve their skills for mobilizing local resources for their sustainable development;

They also support alternative and radical women's initiatives and support independent monitoring of government's obligations and initiatives related to gender equality sector in Bulgaria, support networking between NGOs working on gender equality at national and regional level, to promote a new vision for philanthropy as an instrument for social change and to promote the civil society development in Bulgaria as a precondition for irreversibility of the democratic process.

These NGOs build a large networking and information centres to support potential business women with a large set of services including main important information how to create and to develop a new enterprise.

1.3) Could training and education help?

Education and training is for many NGO that support women on the business a basic tool and one of the keys to help the developing of women business. The thinking in Bulgaria is that when women gain an education they increase their chances of participating in the labor market, improving the health and well-being of their children, increasing financial literacy, and participating in the political system.

The trainings are directed to changing attitudes, improving gender sensibility of the society and overcoming gender differences.

Offered trainings helps for prosperity and stability, and capacity building in the field of organizational, business and civil culture. They are designed for new business women, women enterprises and NGO's staff, for the representatives of the official and local authorities, institutions and political parties.

The training activities are usually planned and implemented according to specific needs of women participants, trying to meet their special learning needs and the knowledge to be transferred. Generally gender issues on the training are:

- Women's Human Rights Civil
- Participation in Decision-making and Politics
- Leadership Skills and Self-confidence
- Environment
- Entrepreneurship

Many organizations provide seminars and training courses for women, in collaboration with Universities and specific sector representative organizations, with the aim of transferring specific thematic and topics according to the needs expressed by the market.

We believe that it is generally agreed that training is a crucial element that can adequately support the development of business and professional women in Bulgaria. Therefore, training should be permanently updated and contextualised to the specific business realities and women should regularly follow specific training courses to upgrade their professional skills.



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1.4) What works in the region/province

Many organizations have made in recent years very important projects to promote women in the labour market or to develop their own 'business. We know with certainty that a particular attention was paid to their training and that the projects have achieved excellent results. Indeed, even official statistics show that in Bulgaria, **the education status** of female entrepreneurship is very high, comparable only to some of the north Europe countries. More than half of women business owners have tertiary education, the other have specialized or standard secondary education.

1.5) Would you class as important to see more training done in:

- Confidence building
- Pre-start training
- Pre- start One-to-one mentoring
- Post- start training
- Ongoing mentoring for existing businesses
- Advice/training on Access to Finance
- Advice/training on contract procurement
- Peer networking events
- Signposting to other services

Indeed, all matters set out above are very important factors for the development of female and are therefore issues that women in Bulgaria in order to successfully develop a new activity should acquire this knowledge very thorough.

We can say that in order of importance the main topics on which to focus its attention in the training activities should be:

- Pre-start training
- Pre- start One-to-one mentoring
- Post- start training
- Ongoing mentoring for existing businesses
- Advice/training on Access to Finance
- Advice/training on contract procurement

The cultural and professional level of women in Bulgaria can certainly be considered very high. Women who want to start a new venture usually already have good knowledge in managerial sector, and therefore those with lower education most need an understanding and focused guidance on the initial start-up phase, the assessment and analysis on how to manage potential risks of financial aspects of business, with particular reference to access to credit, as well as' all those aspects public procurement.

Another important topic is referred to mentoring and gathering feed backs after training session and providing technical support on specific problems of developing a new business (such as access to credit and public procurement procedures).



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2. Start-ups:

2.1) Why are women less likely to start up a business than men?

As in the other EU Member States, women in Bulgaria are more likely than men to be flexible workers, though the difference is relatively tiny. On one hand, women are part-time workers with temporary contracts more often than men and predominate among the most underprivileged group - unpaid family workers. On the other hand, they are seldom self-employed or employed under flexible conditions on the basis of a civil contract or without any contract.

Women’s professional and business development prospects are unsatisfactory because of the missing **clear criteria for career development** in the companies or for start up of a new company.

The existing emphasis on women’s role as mothers, together with the extensive protection provided to women as mothers, tend to perpetuate sex role stereotypes and reduce the father’s role and responsibility in the upbringing of the children. This makes it difficult for the women Government to promote new concepts of men’s and women’s roles without appearing to interfere, once again, with individual choices and desires, this situation reflect the difficulties that women meet to develop their own business.

Then, we think that men strive to realize business ideas in areas, which are far from the sector of their employment or education. Women prefer to go beaten tracks and start up a business in the industry of their working experience.

For years, in Bulgaria there has not been any problem with the low appraisal of women’s entrepreneurial spirit and skills. Women’s self-appraisal of their success against men in managing a business is very high – one fourth of women consider themselves more successful entrepreneurs than men and two thirds are of the opinion that the abilities of the two sexes are equal.

2.2) What support and delivery organisations are there in the region to promote and support start-ups?

There are many different associations and organizations working to support the development of female entrepreneurs, according to their specific business areas, offering different services and supports. In general we could list those most popular services:

- Exchanging information and promoting specific points of view within the network;
- Provide a structured support to speed the development of female entrepreneurship, including the dissemination of "best practices";
- Promote participation in public-private partnerships at local, national and international level
- Promoting the recognition of rights on equal opportunities;
- Provide institutional support to lobbying at all levels;
- Participate with an active role in the construction of corporate social responsibility;
- Encourage better conditions to promote a balance between private and professional life

Another important support is given by the network of business women organizations.



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The aim of the network is, by promoting good experience and practice, to have campaigns organized on a regular basis among women, in particular young ones, to encourage them to become entrepreneurs and start their own business. The basic idea is to encourage women graduates to invest in ideas and enthusiasm for starting up companies of the “knowledge-based economy”.

2.3) What is the role of the private sector (eg banks, accountancy and legal practices)?

Obviously the role of banks, private foundations and other types of private entities is an important one in supporting and developing women's businesses and Mother Houses. In Bulgaria there are foundations that support with financial instruments and specific initiatives the business projects initiated by women, while giving support to groups involved with service delivery. Certainly, a very important and strategic role is that of banks, but at the moment, to our knowledge, no special tools are offered for women entrepreneurs.

2.4) Are there any obvious gaps in the provision of start-up support?

The obstacles encountered by women in developing their intellectual potential are assessed on different categories and we can say that the mains are:

- Stereotypes about science and innovations as “male territory” result in a small number of women seeing their place in this field and making the appropriate education choice;
- Difficulties in accessing finance. The innovations sector requires substantial investments and women entrepreneurs are seen as less credible.
- A problem is the lack of access to innovation, science and business networks, as well as the insufficient knowledge and skills in management, business training, and the absence of role models.

The most important factors, which women entrepreneurs have as threats to the development of their business, include:

- Financial relationships with partners, clients and suppliers – overdue payments from customers, inter-company indebtedness;
- Access to finance;
- Being active in competition;
- Macroeconomic conditions.

We think that it is very important to remark that Female entrepreneurs assess **tax rates** /corporate tax, local taxes and motor vehicle taxes/ as not difficult to pay. There is, rather, more concern about future changes towards higher rates.

The official statistics show that female entrepreneurs have very serious and responsible attitude to the tax system and the payment of taxes. This should be a good incentive for financiers when extending loans and assessing risk.

2.5) How should start up support interface with pre-start support, childcare and growth/sustainability support?

Integrated policies are rather rare until now, because of low attitude of different public bodies in charge for sectoral policies to join and cooperate in implementing integrated projects that can face the complexity of women related phenomena (life work balance approach). Local action plan and public-private pact could be introduced in pilot areas and promote the dissemination of good practices.

2.6) What works in the region and what doesn't?

According to our knowledge, in many different areas of the country were realized many initiatives, in cooperation with municipalities, other associations and public institutions, to encourage the development of new women-owned businesses, while also creating a network to make them available to receive appropriate support during the start up phases.

2.7) How can the effectiveness of this type of support be measured?

A common set of indicators are to be used from the very beginning of the initiatives. A more effective “evaluation culture” could be fostered and shared among transnational partners to enhance the effects of experiences.

2.8) Have you any suggestions for the Leonardo Project?

To build a common frame of evaluation methodologies for policies and projects and to upgrade the capacity of women organizations staff in this field. Evaluation is the base of quality implementation, but related tools and techniques are misunderstood or not used enough.

3. Existing businesses:

3.1) Why do women not grow their businesses?

We are in a society where the role of women in work, career management and in business is increasing and more important. There are objective facts and who bought what, that woman is man's equal and has the same capabilities and business.

And this is ongoing also in Eastern Balkan countries: not only in the political life, but also in SMEs and large enterprises and in state institutions, there are women and senior women leaders/top managers with important roles. Even some countries more developed than in Bulgaria in other areas, however, they are behind on the issue of women emancipation or presence of women in leadership positions at top levels of decision makers, especially in politics. If we consider that a



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developed country as is Switzerland has granted the right to vote to women no more than 20 years ago, very recently. Even in San Marino Republic this occurred. If we go to other countries the situation is worst.

On the one hand, we observe that there are many examples of women chief executives in big company (such as Coca Cola or HP), and Western/Eastern Balkan countries coming from the socialist regime have experimented a very emancipated approach for women that had also real opportunities to fit into key positions and political leadership.

3.2) Is there a higher rate of attrition or do women just get to a “tick over” point and not want to expand their businesses any further?

Women who have the leadership skills, to teach others, anywhere in history have ever managed to penetrate to give her best and be seen as such even in companies typically male and typically male professions. If we start to name but a few, might say Joan of Arc and many more. The example of a recently presented movie telling the story of the first woman scientist and scholar, dealing with astronomy and medicine, defined as the first woman scientist in the history, Epatya from Egypt who lived in the 300 or 400 AD working as the only woman student in Egypt, where usually at that time this profession was typically a male profession.

Perhaps we could also say that if women are high skilled, there is no need for special arrangements for women in business or other areas or because the best ones have all the capabilities of leaders or entrepreneurs and we could make it to the end, because the woman is no different from a man.

Official statistics show clearly that high educated women in Bulgaria are increasingly growing in the development of new business despite the difficulties encountered and continue to engage both entrepreneurial and both managerial and specific niche areas, showing a very dynamic and a strong desire to grow more.

3.3) What can be done to turn short-term/temporary or contract work into sustainable self employment?

The whole network of business support organizations and institutions should take measures to promote the services offered by European programs and institutions in support of female entrepreneurship and should facilitate the access of women entrepreneurs to these services even in the small towns and villages.

Women entrepreneurs, in turn, should be more active and interested in using these organizations as well as the extensive database of European business networks. One reason for the poor uptake of the services of business organizations is the small percentage of branch organization members.



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3.4) What support and delivery organisations are there to promote and support growth?

The various associations and organizations, to our knowledge, already are providing several types of services and supports depending on the specific field of action. In this context, normally, their support is a service that provides for the development along with women who want to strengthen their motivation for self-employment projects for business creation by providing a tax consultancy, accounting, easier access to credit and other services related to business development.

These associations are already working to support and accompany the unemployed women, offer also extensive personal interviews and provide guidance and assistance in finding a job even with the use of pro-active individual action plans and a correct use of information and job opportunities. They also provide training, retraining and vocational courses.

There are other specialized organizations to support existing women-owned businesses providing similar services and much more specialized training for technical or managerial updating, that offer support to access to bank credit and last but not least, assistance for improving commercial business ventures. Furthermore, we think that an important support provided by these associations is the networking and lobbying, both at national and international level.

3.5) What is the role of the private sector (eg banks, accountancy and legal practices)?

As mentioned above, in this case the role of banks and private foundations, offering financial support for women's enterprise development can be considered very important. There are no tools currently existing in Bulgaria to upgrade already existing women's business with capital or any financial operation that can be used as base for growth, other than those that banks normally offer to SMEs.

3.6) Are there any obvious gaps in provision of support?

Comparatively low awareness, of economic conjuncture and market changes and of European programs alike, is a major problem for female entrepreneurship. It is a result first of weak personal initiative and interest as well as of lack of contacts with specialized organizations providing information and business services.

Micro- and small companies in trade and services, which are dominated by women entrepreneurs, lack opportunities to participate in EU-funded programs. Such chances are open to undertakings in manufacturing and some business services.

We think that in Bulgaria, in relation to what just said, still missing from the institutions and organizations provided valuable support to help women-owned businesses that already 'working with some success in their programs and processes for business development and especially the internationalization.



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We recommend that would be very useful to increase access to international networks that can expand opportunities for women-owned businesses, coming in touch with other business where to learn and acquire important knowledge.

As an example, the Bulgarian State Agency for Investments is working with large investors both Bulgarians and foreigners, but not with SMEs. By doing it, we have learned that investors coming from almost all over the world, have in their top management staff no more than 5 % of women directors. It seems to us that there is first of all a psychological expectation on the side of the women itself; when women have the same level of expectations as men, their success as good entrepreneurs depends on the qualities of the person. We observe that the success that a woman attains depends greatly on the time needed to achieve it, which takes twice as long as for a man. Bulgaria may not complain on discriminatory behaviour towards women rather than other European countries, because in Bulgaria women are very well positioned, both in social, economic and business environments, and this point was underlined even when the first time the Americans were really astonished of the good working condition for women. National statistics on entrepreneurship and on jobs are showing that BG has one of the highest rates of female employment in Europe and has almost reached the Lisbon objectives (although in 2009, because of the economic crisis, employment rates are now lower and this because women are the first to be out placed and fired from the official labour market when the crises has up raised and this is a weakness, isn't it?

As members of the Bulgarian Chamber of Commerce there are many companies managed by women, although they don't fight enough to create women networks to ensure concrete opportunities for growth and development. According to the experiences of the National Agency for Investment, for a woman in BG is twice harder than for a man to reach the comparable level in leading a company, and this not because of lack of capacity, but because women have more commitments and responsibilities toward the family, and less chance to access to social services (for family care) and to financial capital to become an entrepreneur. Examples of good practices in this field, the field of new and old type of services dedicated to women entrepreneurs, which seek to make a woman's life easier, could be gathered also this Leonardo Project. Women have no less capacity than men as leaders or entrepreneurs, they need support and facilities when they cover the “double – role” at work and in the family care: then, women can work out miracles in Bulgaria!

The observation presented by the regional directress of INDESIT is that women in Bulgaria do not need special support because they manage well enough and if someone would help to make them do things differently, they would relax and be not more “women ready to fight”. To propose our good practices around would be very interesting for enhancing courage and motivation to fight.



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3.7) How should growth support interface with other areas of business support (eg access to finance, mentoring, pre-start and start-up)?

There are many services and actions that should be offered specifically to promote women's enterprise development and overcome current problems that limit their growth. We say that a strategic direction to this effect would be to first develop new and innovative services that can increase the level of competitiveness of women-owned businesses, such as:

- Providing women students with options for work placements in companies and practical vocational training;
- Increasing the motivation of women students in the secondary education system through awards and official recognition of diplomas for professional qualification in entrepreneurship;
- Offering institutional support in order to facilitate women entrepreneurs' access to finance.
- Supporting with venture capital and other innovative financial services the access to risk equity funds as an important option for start-up or potential high growth rate companies.

3.8) What are the quick fixes, if any?

Using the appropriate and relevant measures in the OP Competitiveness by tendering with special assessment criteria if projects are presented by women business.

3.9) What works in the region and what doesn't?

Many cross border cooperation projects were funded under PHARE assistance for enhancing cooperation among women organizations: a good example of building a network of female entrepreneurship centres was the Bulgaria-Serbia project “Female entrepreneurship centres – a trans - border network for the future”.

The project was implemented by a partnership consortium of: the Berkovitsa branch of the Chamber of Commerce and Industry in Vratsa, the Pernik Chamber of Commerce and Industry and the partners from Serbia – Regional Economic Chambers from Nis, Zaichar, Leskovac and the Women's Research Centre for Training and Communication in Nis.

Project outputs include female entrepreneurship centres set up in Bulgaria and Serbia and training provided to women entrepreneurs.

3.10) How can the effectiveness of this type of support be measured?

As highlighted under point 2. 7, a common set of indicators are to prepared from the very beginning of the initiatives. A more effective “evaluation culture” could be fostered and shared among transnational partners to enhance the effects of experiences.



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3.11) Have you any suggestions for the Leonardo Project?

See 2.8 -

4. Access to finance:

4.1) Is there any evidence of a lack of finance for women’s growth businesses?

A major issue for the stability and development of any business **is the access to finance**. Limited financing at times of economic crisis poses serious difficulties, report interviewed business women. The most part of business women use credit lines for the needs of their business. Small is the share of women resorting to leasing as a funding source while others have used public procurement. Loans from partners and own funds are reported as alternative funding sources. But is important to put attention on the fact that the large part of business women do not use government funding programs, guarantee schemes or international funding programs.

For example the services sector is “disadvantaged” in terms of bank lending and is a very important field where the business women are very strong. Furthermore, limited access to finance and the sectors in which women-owned businesses operate curb investments in technological upgrading, innovations, energy efficiency and environment protection. In the years to come, the negative effect will show itself in narrowing markets and business growth opportunities.

4.2) Are there differences between men and women in terms of the types of businesses they run (and therefore the types of finance they can access)?

Women owners prevail in small and micro companies mainly in services, hotels and restaurants, and trade.

The female entrepreneurship profile – women in active age with high education level – implies exceptional development potential of their business. Combined with the strong desire of girls and young women – school and university students – to start up their own business in Bulgaria or abroad, this calls for a conclusion that the entrepreneurial talent of women, in particular of university graduates, can be encouraged towards the set up of knowledge economy businesses.

The macroeconomic environment in which female entrepreneurship develops is feeling the effects of the economic crisis. While the most part of the business ladies having difficulties, their assessments of the conditions and outlook of doing business gravitate around realism and restrained optimism. The sectors most strongly affected by the crisis – construction, transport, machine-building, are traditionally led by men. The services sector, which is dominated by women-owned companies, registers lower volumes but the micro- and small companies operating therein are flexible and hope to survive with the stabilization of the economic environment.

4.3) If yes, is this a specific regional issue?

No, it isn’t.



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4.4) What evidence is there for this?

No relevant comment.

4.5) What support is there for women’s businesses in accessing finance in the region, either in the public or the private sector?

Bulgaria at present does not precede specific financial instruments dedicated to the support and of female companies. Women's businesses, like other businesses can benefit from the advantages provided by the Structural Funds for SMEs.

The major instruments for direct government financial support to SMEs envisaged in SMEA are as follows:

- Access to public procurement regulated by the Public Procurement Act;
- Foundation of an Encouragement Bank AD for priority lending to SMEs;
- Development and implementation of programmes on SMEs;
- Securing part of the credit risk on credits provided specifically for SMEs;
- Participation of SMEs in the privatisation of state and municipal enterprises (repealed, SG, issue 28/2002) and rental of realties constituting state and municipal property under preferential conditions.

The main reason for failing to use some of these incentives is the lack of awareness on the part of SMEs as far as their rights are concerned and the lack of motivation and/or mechanisms of control over the implementation of these rights by the state administration.

The programmes of the Agriculture Fund represent another channel of direct SMEs funding.

The sustainability of the SME sector is largely dependent on their access to financing. In contrast to the state or privatised enterprises the newly founded SMEs are first of all faced with the problem of financing in order to secure capital as required, extending their operations and acquiring assets whose value exceeds the amount of equity.

Banks are the major source of SME financing since the banking sector is most developed as compared to the other sources of funding, controlling the highest amount of resources. Moreover, banks are “most familiar” to the local entrepreneurs.

The credit lines granted by the Bulgarian Development Bank to commercial banks are another opportunity available to women entrepreneurs for financing of their business. They provide medium-term and long-term investment credits, pre-export funding and financing in support of the absorption of resources from the European funds.



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4.6) What works/doesn't work?

The national banking system and the main authorities' public are developing in recent years, a favourable attitude toward women's businesses, seeking to eliminate any discrimination or limitation on access to credit by women entrepreneurs.

4.7) Where are the obvious gaps in provision of support?

The problems, which women entrepreneurs encounter in the access to finance, are consistent across SMEs. They concentrate in the unequal securing of the different groups – by business sectors, size classes and history. Traditionally the smallest and the newest companies are more often “neglected” by banks and rarely get funding. The core business is also a barrier for entrepreneurs. Services are in a “disadvantaged” position, receiving credit finance only small per cent of enterprises.

4.8) How can the effectiveness of this type of support be measured?

Certainly we think that an appropriate detection tool in this sense can be considered to assess the level or the number of women-owned businesses who can more easily access to bank financing. Development of quantitative parameter of one hand and on the other a test-research that detects the level of satisfaction of women entrepreneurs who wish to apply for financial support could be implemented also in Bulgaria.

4.9) Have you any suggestions for the Leonardo Project?

To underline to decision makers and public bodies how important are financial and technical assistance services for women businesses, presenting experiences of other countries that demonstrate the rate of growth and safety of micro-business against black finance could be enhanced through these services.