



# **Mountain women's entrepreneurship in Slovenian policies and practices**

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## **Summary**

This paper is aimed at providing an insight into the state of entrepreneurship in Slovenia, with a focus on mountain women. It looks at the main characteristics of small enterprise development in the country and explores in detail women's entrepreneurship in the mountains. Due to the limited data available, the findings presented here allow for the first insights into the needs and problems of self-employed mountain women.

Slovenia, a former constituent partner of Yugoslavia, is one of the smallest and youngest countries in Europe, with an area of 20,256 sq.km, which is predominantly mountainous (with the Julian, Karavanke, and Kamnik ranges of the eastern Alps), and a population of two million. Since its independence in 1991, Slovenia has undergone a double transition: the transition into an independent state and the transition from self-management to a market economy. The experience brought to the forefront problems of increasing poverty, deterioration of the social security system, growing unemployment, revival of traditional values and ways of life, and the reduction of already acquired social rights. These changes have further marginalised Slovenian women, especially rural mountain and farm women. In the early 1990s, as Slovenian women faced new barriers in political and managerial careers, many opted for entrepreneurial careers.

Slovenia is a predominately mountainous and rural country. Farmers are, in fact, a minority group in the Slovenian countryside, and agricultural production is mainly geared towards animal husbandry (livestock/dairy farms), crop production, forestry, and horticulture. In the last 25 years, tourism and other supplementary activities have been developed in mountain areas. This

has created jobs and generated an additional source of income for farm and mountain families. Although agriculture accounts for only a small percentage of the GDP, rural areas are very important to Slovenia. Almost half of the Slovenian population lives in rural areas. Today, most of the countryside has a fairly good structure of basic services, including health care; and telephones, radios, televisions, and refrigerators are common goods in rural households.

About 500,000 women are living in Slovenia's countryside. Some data on rural and farm women are available and presumably indicative for mountain women. The heterogeneous group of mountain women consists of factory workers, shopkeepers, teachers, nurses, white collar workers, scholars, women entrepreneurs (self-employed or those that own their own businesses), and farm women, (who are actively involved in agricultural production or are supported by agricultural activities). Farm women represent only 3% of the female rural population, out of which almost one-third have no income of their own and many live in difficult conditions. They are rarely present in any sphere of the country's public and political life at a local or national level. In high-altitude mountain areas, most of the active women are employed on a family farm and rarely seek employment off the farm.

Slovenian women played an important role in the first entrepreneurial wave in Slovenia during the early 1990s. Many women were forced to join the workforce because of low productivity and wages. Hidden discrimination in Slovenia, which frustrated women employed in large companies, pushed women towards entrepreneurial activities. Although the Small Business Development Strategy, developed in 1996, identifies women entrepreneurs as a target group for support, current public policy as well as the professional and business associations fail to provide proper assistance to women entrepreneurs: support is far from enthusiastic and women face difficulties breaking into the old boys' networks in some business sectors. In rural areas, the situation is worse, and although the Slovenian National Action Plan for the integration of rural women in development, among others, has highlighted the problems of the rural woman entrepreneur, not much has been done to implement its recommendations.

Research on Slovenian entrepreneurs reveals that women and men entrepreneurs rank equally with regard to responsibility and enthusiasm. However, women ranked higher in communications, autonomy, ethical values, and endurance. In self-confidence, women ranked lower. Both groups ranked vision, risk-taking, and quick decision-making low in the list. Studies on *role conflict* show that women are torn between what society expects of them (as mothers, wives, and daughters) and their careers, which forces them to choose between the two. Women also fear the negative consequences of success, namely social exclusion, which may partly explain their lower level of achievement.



Studies on the socioeconomic position of women in the labour market show that a *dual labour market*, a clear division of primary, high salary on one hand; and secondary, low salary on the other, exists based on gender, skills, social status, nationality, and age, and allows for limited mobility across sectors. Only the primary sector, in which some women are employed as managers or company owners, usually in typically male industries, enables promotion and high salary benefits and, thus, offers secure employment. In general, however, the prime resources for the secondary sector, in which salaries are low, loss of employment likely, and working conditions poor, are women. Studies also show clear *divisions of sectors* in which women and men are usually employed. Women, including those that are self-employed or own a business, are concentrated in certain sectors, usually in retail trade and service. However, there is a slow increase in the number of women employed in all sectors. The concerns of women entrepreneurs are to gain financial independence, control over the products of their work, exploitation in the labour market, and the lack of employment opportunities.

Slovenian women entrepreneurs are between 30 and 49 years of age. They start their ventures at the age of 32.6 years (average), which compared to other countries, is quite young. About 13.2% of the women entrepreneurs began an entrepreneurial career without any working experience. Interviews with mountain women imply that enterprises are established some time after starting a family. Like women from western Europe, 70% of Slovenian women entrepreneurs are married with two or less children, 7% are single, and 7% are divorced.

The Constitution of the Republic of Slovenia guarantees equal opportunities for education to all its citizens. Primary school is compulsory, and education is free of charge up to university level and subsidised at the post-graduate level. Girls do not have more limited opportunities than boys with regard to education, and the majority of students enrolling in higher education, including university (69%), are women. There are also tendencies towards feminisation of certain types of education. More women than men enroll in the educational programmes for professions in pedagogy, medicine, economics, pharmaceutical work, chemistry, law and social sciences, and the tourism industry.

Data gathered regarding Slovenian women entrepreneurs show that, on average, women entrepreneurs have higher education (51% secondary, and 26% university education) than their male colleagues, although they are employed in traditionally female sectors. The educational level of women entrepreneurs in rural and mountain areas may be lower. Most of the women living in rural areas have primary education (64.6%), almost 30% have completed secondary education, and 4.4% have achieved higher education (university).

Studies in Slovenia reveal that many entrepreneurs, particularly women, started their own business due to barriers in promotion in former jobs. The most common reasons for establishing private business for women is that they see it as a promising opportunity and are dissatisfied with their previous jobs. Unemployment or the existence of a family business constitutes other factors. In a few cases, women entrepreneurs cited dissatisfaction with earnings or job opportunities as reasons for starting a venture. The prevailing motives for choosing an entrepreneurial career are the desire for independence, providing jobs for children, and higher income.

Women entrepreneurs tend to employ family members, often their children. Women-managed businesses tend to concentrate in certain sectors such as wholesaling and retailing, although women have ventured into real estate, financial intermediation, data analysis, and construction. Mountain women preferred to establish micro-businesses; they are self-employed or employ their husbands or some of the children. Often, they continue to work in the sector in which they have previously worked. Since this study was conducted in tourist regions, all women were involved in the tourism and hospitality trade: they were innkeepers, accommodation providers, and travel agents.

The problems encountered by women entrepreneurs include social and cultural constraints, traditional gender roles, barriers to education and training, lack of confidence in women entrepreneurs, lack of management skills, lack of information, lack of access to finance, barriers due to marital status, lack of access to sophisticated technology, and the lack of government support. All small business owners were found to have similar operational problems: marketing, building a customer database, and financing. Although it is generally difficult to relate these problems to gender, women are more likely to encounter problems related to leadership, irregularity of payments, tendency to sell at low prices, assured capital, creating a customer database, and traditional role conflicts.

When ranking business problems, Slovenian women entrepreneurs cited unfavourable and discrepant legal regulations concerning small business, unsatisfactory financial support, and poor business ethics. About 70% of women entrepreneurs reported that their career interferes in their private and family lives. Slovenian women do not face any special problems financing their businesses compared to their male counterparts, although specific problems arise due to the fact that a larger share of women-run businesses are in the less capital-intensive service sector, and that women appear to take less risks when managing growth. Business partners found women trustworthy and stated that bureaucracy and the old boys' network within distribution channels are greater hindering factors than gender. The significant problems were those of bureaucracy, lack of access to information, and the lack of funding. The lack of business knowledge, skills, and opportunities for adult learning were also cited.



When establishing a venture, 70% of Slovenian women entrepreneurs have strong support – financial, psychological, and decision-making – from their spouses or families and relatives. Friends, professional groups, and local authorities are not important support groups, especially at later stages of business development. Mountain entrepreneurs depend on networking for their business. They initiate informal social gatherings and events and see these as opportunities to exchange experiences and ideas.

## Conclusion

The author states that to gain an insight into mountain women's entrepreneurship in Slovenia, gender-sensitive data as well data relating to mountain areas are lacking. One concern of women entrepreneurs is the stereotyping of women's personal characteristics with their entrepreneurial capabilities. Since mountain women are a heterogeneous group, their experiences and problems vary from one mountain region to another, as well as within the sectors they are employed. Given that the general Slovenian business environment is not entrepreneurial and innovative, no specific factors hinder women's entrepreneurship in Slovenia. In rural areas, however, social and economic issues are hindering women's integration in development and their participation in public life.

In spite of the various attempts to enhance the development of small businesses, as well as of rural areas and the integration of women, the lack of coordination at the national level makes it difficult to coordinate and control such developments. For effective and appropriate support and entrepreneurial extension, specific data on mountain women need to be used. The following are important measures.

- Create a database on mountain women entrepreneurs.
- Create an entrepreneurial culture and raise the mountain women's (and general public's) awareness of their contributions to development.
- Disseminate information about access to funds, business opportunities, and projects.
- Train extension workers and extend or improve local advisory and training programmes.
- Promote adult learning programmes, focused on mountain women's needs, and stimulate the younger generation to obtain a higher level of education.
- Increase women's membership in business information centres, business incubators, and other local business infrastructure organisations to facilitate access to start-up capital and business premises.
- Stimulate the development of informal entrepreneurial women's networks in order to increase the level of business opportunities (sharing experiences and resources).

