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## **HUMAN SECURITY AND ECONOMIC EMPOWERMENT. MULTI-ETHNIC WOMEN'S REPRESENTATION IN THE SMALL AND MEDIUM ENTERPRISE SECTOR. SELECTED CASES FROM KOSOVO**

### **Introduction**

Kosovo is going through the difficult times of restructuring the economy after the break up of the former Yugoslavia and during the transition to the free market economy. The focus of this article will be on human security understood as human-centred economic security and the ability of individual actors (in this case women entrepreneurs) to react to new emerging norms in the environment of the free market. The concept of human security will be defined and analysed in light of the personal security and in particular the right to economic development.

The article will argue that women entrepreneurs in Kosovo had become more active economically because their human security had been threatened after the NATO bombing of 1999. Even though the patriarchal structure of their communities still constraints them, they struggle to overcome these barriers mostly through opening small and medium enterprises (SMEs).

This article will utilize the draft survey conducted by consultants, members of the multi-ethnic Business Women Association (BWA) for Mitrovica Region, the most problematic region of Kosovo. The regional center, Mitrovica city, is divided into two parts, South and North, by the Ibar River. South Mitrovica is populated predominantly by Kosovo Albanians and Bosniac minority while Northern Mitrovica is inhabited mostly by Serbs and Roma. In this problematic region, women developed coping strategies and had started to form alliances among themselves and with international organisations in order to build networks and strengthen themselves economically. However, these entrepreneurial activities are still at the "beginners" level. The article analyses barriers to women's economic development and provides recommendations for international organizations that could support women in strengthening their human security.

### Defining human security

The traditional view of security has focused on using the military to ensure the territorial integrity of sovereign states. More recently, scholars had started to emphasize the human security of citizens in a context of a particular country and concentrate on the people-centered aspect. Gary King and Christopher Murray, in their article "Rethinking Human Security,"<sup>1</sup> analyse the concept of human security and note that the international community had moved to combine economic development with military security and other basic human rights to form a new concept of "human security."<sup>2</sup> The argument of human security in the security literature of the 1990s highlighted the view that the focus of security studies had shifted from the state to the human being and started to combine military as well as non-military threats.

In 1994 the United Nations Development Program (UNDP) issued its Human Development Report (HDR) and focused mainly on the topic of human security. It argued that "human security is not a concern with weapons-it is a concern with human life and dignity."<sup>3</sup> The report identified the essential characteristics of human security: ". . . it is universal, its components are interdependent, it is best ensured through prevention, and it is people-centered."<sup>4</sup> Jorge Nef has compiled a number of dimensions of human security and proposed an alternative five-fold classifications system based on his analysis of the elements of the world system: ecology/environment, economy, society, polity and culture.<sup>5</sup> According to this definition, economic security is closely linked with the political, cultural and social environment of the region. Political instability and lack of good governance, patriarchal barriers existing in Kosovo

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1. Gary King and Christopher Murray. "Rethinking Human Security," *Political Science Quarterly*, 116, no. 4 (2001-2002), pp. 585-610.

2. D. F. Dixon, "Environmental Change and Human Security," *Behind the Headlines*, 48 (Spring 1991), pp. 1-17; Lincoln C. Chen, "Human Security: Concepts and Approaches," in Tatsuhiro Matsumae and Lincoln C. Chen, eds., *Common Security in Asia-New Concepts of Human Security* (Tokyo: Tokai Univ. Press, 1995), pp. 137-47.

3. United Nations Development Programme (UNDP), *Human Development Report*, 1994, available at: [www.undp.org](http://www.undp.org)

4. The report also proposed that threats to human security could be grounded in seven categories: economic, food, health, environment, personal, community and political. The UNDP's seven dimensions of human security imply a number of interconnected and overlapping dimensions centred on human dignity. Only the category of economic security highlighted in the Human Development Report will be looked at in this article's analysis of the threat to human security of women in Kosovo after the bombing of 1999. *Ibid.*

5. Jorge Nef, *Human Security and Mutual Vulnerability: The Global Political Economy of Development and Underdevelopment*, 2nd ed. (Ottawa: International Development Center, 1999).

society, cultural barriers that prevent women from going into entrepreneurial activities, all interplay with each other and make women's struggle for economic security more difficult.

The classification scheme of George MacLean states that human security involves the security of the individual in his or her personal surroundings, community and environment. These include personal security for the individual from violence or harm, access to the basic essentials of life, and freedom from violations based on gender.<sup>6</sup> This definition calls for the importance of breaking down the analysis of human security by genders and allows for focusing specifically on women as the most vulnerable members of the society.

The reason why it is important to think about human security in economic terms is because the armed conflict in Kosovo and the wider region had weakened the economic security of women in particular and brought them beyond the poverty line.

Women lack economic security because they are limited in their access to resources, employment opportunities and legal autonomy. Barriers, both legal and traditional, to the realization of their economic aspirations include childcare and household responsibilities, lack of access to support services, lack of education, training and skills, lack of economic opportunities, lack of confidence, male priority in hiring, lack of capital, credit and resources, facing family opposition, as well as lack of awareness of their legal right to property ownership and inheritance.<sup>7</sup> In order to understand current threats to women's economic security, it is vital to provide a brief overview of women's economic situation in Kosovo after 1999.

### **Women in Kosovo**

The last available census on population dates back to 1991. Therefore, in order to estimate current population figures for Kosovo, and in the absence of official figures, we must rely on figures derived from statistics, which can only ever be estimations, and very often vary between different sources.

The population of Kosovo after the 1999 bombing was estimated at about 2 million, of which 88 percent are Albanian, 7 percent Serb and 5 percent other ethnic groups. More than half of the residents are 25 years

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6. George MacMean, "The Changing Perception of Human Security: Coordinating National and Multilateral Responses: The United Nations and the New Security Agenda," *United Nations Associations in Canada*, 1998. Available at [www.unac.org/canada/security/maclean.html](http://www.unac.org/canada/security/maclean.html); accessed on: March 10, 2001.

7. United Nations Development Fund for Women (UNIFEM), United Nations. *Women and Work. The Economic Situation and Opportunities for Women in Kosovo* (Kosovo: Sept. 2000), UNIFEM and DFID.

or younger, and one-third of the population is 15 or younger, while only 6 percent of the population is 65 or older. The changing proportions in the age breakdown of the population can be explained by the fact that there has been a very heavy migration of people in working ages in the recent years from Kosovo to Western Europe and the United States.

The population density of Kosovo is 175 per square kilometre.<sup>8</sup> About half of the population is urban. The shift from rural to urban areas was mostly due to a large number of rural area homes suffering damage during the war and the huge infusion of international organisations that created a labor market that was concentrated in urban areas. Compared with most European countries, households in Kosovo are large. More than 58 percent of households have at least six members.<sup>9</sup> Rural households are larger than urban ones and Kosovo Albanian households are larger than Kosovo Serbs households. More than 92 percent of the heads of households are men. More than 93 percent of male household heads are married. A higher proportion of female household heads are single than their male counterparts. More than 65 percent of female household heads are widows, compared to less than 4 percent of widowed male heads. This is clearly a result of sex-selective mortality. The percentage of widowed female heads is particularly high in urban areas, at 77 percent (see table 1).

**Table 1.**

	Share of population (%)	Life Expectancy at Birth (years)	Adult Literacy Rate (%)	Education Attainment Index (%)	Share of economy. Active population (%)	GDP per capita (USD)
Females	51.2	76.64	89.8	59.3	30.1	428
Males	48.8	71.45	97.7	64.0	69.9	1,400

(Source: Human Development Report-Kosovo 2002 (UNDP) p. 25)

After the NATO bombing was over and prior to establishing the United Nations Mission in Kosovo (UNMIK)-UN Interim Administration, the Kosovo economy was already destroyed by the breakdown in the centrally-planned economy of the former Yugoslavia. Moreover, during the 1990s the oppression of Slobodan Milosevic's government and military led to the creation of Kosovo-Albanian parallel structures, which hampered in particular Albanian women's economic development. At the end of the 1990s less than 3 percent of women were employed. Women were forced to concentrate on domestic duties and they almost completely disappeared from

8. Statistical Office of Kosovo. *Kosovo and its Population*, Sept. 2003, Kosovo.

9. Statistical Office of Kosovo. *Kosovo Demographic and Health Survey 2003. Preliminary Results*. Pristina, Kosovo, April, 2004.

public life in Kosovo. However, they did help in building parallel structures on the level of schools and hospitals.<sup>10</sup> Vjosa Dobruna, an Albanian activist, emphasised that with losing the right to work in the '90s, women started to face such problems as financial dependency, decreased decision-making within the family, and an increase in domestic violence. During these times, a small number of women who had material means or support from their families began to build up private businesses, but they still faced the same State repressions and restrictions which made functioning of these enterprises difficult. However, women continued to be active in the prevention of conflict in Kosovo and were continuing to work in local NGOs that were active in increasing other women's self-awareness, conflict resolution, skills training, working with rural women to help them in their advocacy efforts, and networking with other ethnic groups.<sup>11</sup>

After the conflict, the infusion of donor funding, supplemented by large post-war international presence and the significant remittances from the Diaspora stimulated an unprecedented level of economic activity, resulting in double-digit GDP growth rates (in 2002 the GDP per capita was 1005 euros). In general, the economic sector of Kosovo has been dominated by small enterprises since 1999. At the end of 2002, there were more than 50,000 registered enterprises in Kosovo. Of these, 525 were public and the rest were private. Women own only 6 percent of the enterprises.

According to a World Bank Survey, "Kosovo income levels were still the lowest in Europe. Poverty was widespread. In absolute terms, over half of the population was poor and 12 percent lived in extreme poverty during the year 2000."<sup>12</sup> According to the data obtained from the Statistical Office of Kosovo, "61 percent of the households reported an income less than 200 Euro per month."<sup>13</sup>

Women in Kosovo mostly work in the public sector, often in health and education sectors and therefore remain in traditional women's jobs such as nursing and teaching. However, there is a need to collect more information to be able to present a substantial data about women in occupations that were dominated by men in the former Yugoslavia. In the BWA Survey mentioned in the introduction of this article and conducted in Mitrovica Region of Kosovo, it was also noted that because of high unemployment for both men and women in the Region, women had to become more active

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10. Swedish NGO Kvinna till Kvinna (Women for Women) Report. *Getting it Right? A Gender Approach to UNMIK Administration in Kosovo*, Kosovo, 2001.

11. Vjosa Dobruna, *Women Living in Kosovo, Women and the Politics of Peace. Contribution to a Culture of Women's Resistance* (Zagreb: X-Press, Zagreb, 1997).

12. World Bank, Kosovo, *Living Standards Measurement Survey*, 2001. Collected during September-December 2000).

13. Statistical Office of Kosovo, *Kosovo Demographic and Health Survey 2003. Preliminary Results*. Draft Chapters, Kosovo, April 2004, p. 12.

in order to struggle with poverty and unemployment. As a result, they started to overcome patriarchal barriers constraining their economic freedom. They have started to work as supervisors (mainly for international organizations), private entrepreneurs, representatives of public administration, banks and other institutions. However, the data on this form of employment is almost non-existent.

At the end of 2002 donors started allocating fewer resources to projects in Kosovo because a large number of international organizations had already left and the international administration continued to shrink, as a result of transferring competencies to Kosovo local authorities. The Report prepared by the United Nations Development Fund for Women (UNIFEM) in Kosovo pointed out that withdrawal of international agencies resulted

not only in the lost consumption that has stimulated a whole service industry serving the international presence, but also the loss of a significant number of jobs currently staffed by Kosovar women working for various international organizations. Thus, women were in need to obtain alternative employment to ensure economic security for themselves and their families. Women's economic opportunities for employment as ways to achieve human security point out to the area of micro and small enterprises development. With rising unemployment, women are entering the small and medium enterprise sector due to the lack of other opportunities.<sup>14</sup>

As a result, the expansion of the SME sector and self-organized and income generation initiatives represent a vital economic resource for women's economic development and protection of their economic security in the region.

### **Mitrovica region – case study**

#### *a. Background*

Statistical data available after 1999 often focuses on Kosovo-Albanian women and not on non-Albanian women such as for example Serb and Roma women in Kosovo. The situation for non-Albanian communities and women is more complicated due to, for example, limited freedom of movement and discrimination. The Survey conducted in Mitrovica Region, facilitated by the United Nations Regional Center in Mitrovica, and conducted by members of two local multi-ethnic Business Women's Associations (BWAs), Albanian and Serbian business women, could be a unique

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14. United Nations Development Fund for Women (UNIFEM), The Kosovo Action Plan for the Achievement of the Gender Equality, 2003.

source of reference to indicate how women try to overcome the barriers to economic security and establish successful cooperation among different ethnic groups based on the economic need.

The first BWA was established in 2001 in the Southern part of the Mitrovica where economically active Albanian and Bosniac women had become its members. The second BWA, *Biser*, was formed in 2002 and united Serbian and Roma women entrepreneurs from the North of Mitrovica and neighboring municipalities (Leposavic, Zubin Potok, and Zvecan). Communication between different ethnic groups, especially in an organisational setting, was non-existent prior to the establishment of both BWAs. As members of the core group of the unified BWA, they had started to meet on a regular basis to discuss their common economic problems and ways to overcome them through building networks with other business women in Kosovo and in neighboring countries where women were facing similar problems (in Macedonia, for instance, with its ethnically diverse population).

Albanian, Serbian and other minority women (Roma, Bosniac) had expressed common concerns regarding unemployment, lack of financial resources in order to start businesses, and limitations in getting an access to credit. All women, members of both BWAs, felt insecure mostly because of the lack of economic opportunities for themselves and their families. Both BWAs started to cooperate under the umbrella of the UNMIK-facilitated project “Development of Small and Medium Entrepreneurship Skills among Women in Mitrovica Region and Credit Facilitation,” which was initiated in 2001. Selected representatives of different ethnicities and members of a core group of BWA conducted a survey regarding the status of women entrepreneurs in Mitrovica Region in order to find out what kind of businesses are already in existence and run by women in the region. Another aim of the project was to identify main needs for the facilitation of women’s businesses in the region. Both BWAs aimed at supporting women in achieving human security through the development of the small and medium enterprise sector. I will discuss the main results of the survey and their relationship to strengthening of women’s economic security in Kosovo below.

*b. Economic environment for women entrepreneurship in the urban area (North and South)*

Mitrovica used to be a city enterprise with a developed mining industry. The industrial factory *Trepca* was a main employer in the city. Approximately 20,000 people were employed at the factory prior to the collapse of the former Yugoslavia, and their social benefits were also connected to their work at this city enterprise. When the factory completely stopped

functioning, the problem of unemployment became more severe. According to the Labor Department of Mitrovica, the number of job seekers as of September, 2002, was as follows:

- On the regional level: 53,277. Out of them 22,542, or 42.3 percent were women.
- On the level of Mitrovica Municipality (South): 19,680. Out of them 7,832, or 39.8 percent were women.

The number of businesses registered by women was, however, quite low. Out of 3,170 businesses registered in Mitrovica Region up to September, 2002, only 270, or 8.51 percent were registered by women as owners. Moreover, businesses run by women mainly concentrated on service and trade. Since the bombing of 1999 the number of inhabitants of North Mitrovica increased to approximately 30,000 people. A large number of refugees and internally displaced persons (IDPs) from Serbian enclaves in Kosovo found a refuge there. Women started setting up kiosks and small private trade shops, which changed the economic structure of North Mitrovica. Mitrovica became a city with the potential for the creation of private enterprises because of the need to survive or to preserve economic security. According to the data submitted by UNMIK's Local Center for Business Registration and Development of Small Economy for the year 2002, a total of 375 people registered their businesses in North Mitrovica, out of them 33 percent of business owners were women. Preliminary results of the Survey conducted in the urban centre of Mitrovica highlight the fact that women are becoming more active in registering their businesses and overcoming patriarchal barriers preventing them from showing their creativity and initiative.<sup>15</sup>

*c. Example of rural municipality: The case of Leposavic*

Leposavic municipality is a rural municipality with a predominantly Serbian population on the Kosovo-Serbia border, in the far North part of Kosovo. The territory of Leposavic municipality counts 72 villages that unite seven rural communities. Before the war in Croatia and Bosnia 15,505 inhabitants lived in this municipality, but the number increased to 19,960 when refugees from Croatia and IDPs from Kosovo found their refuge there.

The research conducted on the territory of Leposavic municipality, for the needs of BWA, sheds the light on the position of women in regards to

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15. Survey conducted by Local Consultants for Leposavic Region, Mitrovica Business Women's Association (BWA), Kosovo, UNMIK Project of 2001-2002.

their economic security. It also gives an understanding of their needs as well as their struggle in order to become economically stronger. The research was conducted in three largest communities of Leposavic Region – Socanica, Lesak and Leposavic – as well as in Vracevo village, with predominantly Muslim population, and in 15 surrounding villages. The results of the survey highlights the following:

1. Women mainly work in shops, whose legal owners in 90 percent of cases are their husbands.
2. Approximately 35 percent of surveyed women used to work for firms that stopped operating after the bombing in 1999.
3. The majority of the population of the overall municipality are women.
4. After losing their jobs, women were forced to start some private businesses or to stay at home.

Statistical information obtained from UNMIK's Office for Business Registration in the Regional Office of Leposavic indicates that there are total of 510 registered owners of small and medium private enterprises in Leposavic municipality. Women are owners of 61 enterprises. However, most of these enterprises, while registered, do not in reality function. Of these, 11.96 percent are categorized as women-managers of small and medium enterprises. Out of 61 enterprises led by women 8.19 percent are production businesses. The other 91.81 percent of women exercise their skills in trade and restaurant services.

Based on the research conducted by representatives of BWA of Mitrovica Region, it is possible to identify general barriers to women's entrepreneurship that prevent them from achieving economic security:

- Woman of all ethnicities do not own property.
- Women in production business are at the initial stage of their development and are not able to become strong competitors at the local market.

However, according to the BWA's research, women were able to express their agency by entering into and taking over traditionally male occupations in Leposavic municipality. The research points out:

It is a shift when you can spot men doing trade or working in the restaurant (jobs that women used to deal with, in the city of Leposavic). You can also meet women who had overcome traditional barriers and work in male occupations. Women doing carpentry works with

the same quality as men is not a surprise to anybody any longer. For instance, some women in Leposavic successfully manage their transportation enterprise that deals with the transport for children from villages to their schools and back. The local representatives of the NGO *Maras*, Marina Blagojevic and Radmila Djordjevic have shown that women can deal with the transportation issues. The project *School Child Walking* received 7 vehicles from Belgian non-governmental organization Caritas and British Ministry of Defense.<sup>16</sup>

Implementation of this project enabled transport for 160 children from around 30 surrounding villages to and from 12 village and city schools. Today the project functions as a commercial transport business whose services are mainly used by children, whether to go to school, visit a theatre play, etc. under the management of these two women. During the interview they mentioned that they can successfully cooperate with male drivers, but they plan in the near future to have women drivers as well.<sup>17</sup>

### **Women overcoming economic insecurity through building alliances and networking**

After the bombing was over and the temporary UN government was in place (1999), women started to form networks. Between 1989 and 1998, about 65 NGOs were active in Kosovo. After 1999, the number of registered NGOs increased to approximately 1700. Many NGOs focused on addressing women's concerns. In addition, women formed networks in order to enhance their efforts in promoting gender equality. The most relevant to enhancing women's economic security in Kosovo is the Wide Business Women's Network. This network supports, protects and promotes the interests of businesswomen in Kosovo. It had facilitated training sessions for women, owners of businesses, and for associations of women business owners. Local women also started to form alliances with international organisations interested in the economic empowerment of women. One of the best examples is the successful functioning of the Kosovo Women's Initiative (KWI). The KWI consists of approximately 35 local Albanian and Serbian women's organisations. The establishment of the KWI was facilitated by United Nations High Commissioner for Refugees (UNHCR) and International Rescue Committee (IRC) in 1999, and until 2003 it had funded 350 projects.<sup>18</sup> Members of the KWI were able to form a Local Women's Council which had elected the board to oversee project

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16. *Ibid.*

17. *Ibid.*

18. Kosovo Gender Swedish International Developmental Agency (SIDA) Report, 2004.

implementation based on set criteria for income generating projects. In Mitrovica Regional Council had allocated 35, 000 euros for income generating projects.

Among the most successful cases of businesses run by women in Mitrovica Region and the ones that promise to become sustainable in the future were the following:

- *Time* – a project for food production (making spaghetti), which involved women of different ethnicities (Bosniac, Albanian and Serb). The total cost of the project was 3,167 euros.
- *Vekatorija* – a project for six women, all of them heads of households with a total of 32 members. Women produced traditional handicrafts. After two months the business had become self-financed and continued to function without the funding from the international donors.
- The *NGO Islamic Relief* supported 106 women from the rural municipality of Skenderaj/Srbica (Mitrovica Region) by providing credit for the development of small businesses, mainly in farming (chicken mini-farms, and the production of diary products).

Several projects were implemented in the rural municipality of Zubin Potok with the help of international organizations, such as the International Organization for Migration (IOM), assisted by the local KWI and the international NGO, Mercy Corps. Projects for building green houses, honey production, mushroom cultivation, and opening of the pastry production were implemented and the overall cost was less than 15,000 euros.

A number of women, especially single mothers and widows were forced to start their businesses in cooperation with other women and international NGOs. As a result, they have managed to develop an entrepreneurial spirit. Building alliances and networking with other women helped these vulnerable women both in their economic empowerment and overcoming their economic insecurity.

As the examples of the NGO work highlighted above illustrate, networking of local and international NGOs allow women's groups to move forward in their economic empowerment. They are able to share information and resources in order to implement projects that become sustainable in the future. This also allows them not only to raise the initial capital and register their businesses in their own names, but also to have a sustainable income (in cases where the business develops successfully after the initial support of an international NGO), allowing them to support themselves and their families as well as to become economically secure.

### **Recommendations for intervention**

As this paper pointed out by providing examples from selected rural and urban municipalities of Mitrovica Region, women lack information about the possibility of obtaining micro-credit, as well as initial donor support. However, all successful business women surveyed by BWA were satisfied with accomplishing self-employment and overcoming economic insecurity. Forming a well-functioning Business Association for women of all ethnicities, and the opening of the Business Center for Women, could become major steps in the empowerment of women. For instance, women from Mitrovica Region could turn there for the advice and assistance needed to start new businesses. The most important need is to provide business education to all women regardless of their ethnicity and religion through a number of roundtable discussions, seminars, and training. Women commented that if the training will be conducted in the right way, the fear of taking out loans from banks would disappear.

Based on the analysis highlighted above, the Recommendations for International Agencies and policy could be as follows:

- To use a bottom-up approach and continue strengthening local actors by helping them with the establishment of an efficient Business Center that would assist women entrepreneurs with access to information about micro-credits, host trainers from other regions of Kosovo and outside the region, as well as facilitating better networking with international partners.
- Support local initiatives. The example of inter-ethnic cooperation of business women in Mitrovica demonstrates that it is possible to encourage cooperation based on the common need of all women to obtain economic security.
- Facilitate links between financial institutions and women's NGOs: encourage banks and lending institutions to inform women through the Business Women Association about loans available to them, and the criteria for obtaining them.

International organizations would be able to advance the economic security of women in Kosovo if they were to build on local expertise and listen to local voices. The bottom-up approach would become the key in the establishment of successful cooperation.

### **Conclusion – a long way to go**

Even though Kosovo society and women in particular are active in influencing market institutions, they are still hardly able to accomplish the level of economic development that they are striving for. The example of the Mitrovica survey provided here as a case study shows that the processes of transformation of the economy to a free market can harm a number

of members of society, in particular women. The enormous increase in unemployment, the drop in living standards and the emergence of other socially pathological phenomena undermine their human security and negatively impact their quality of life.

Women, however, are in the process of building networks and overcoming barriers to becoming successful entrepreneurs. They start business activities out of necessity, due to a lack of economic security, and gradually become increasingly active in their work, thereby accomplishing their security as productive individuals. The possibility of looking at human security from the point of view of human-centered economic security allows for the analysis of the individual coping strategies and in-depth analysis of people's mentality in the process of economic development in Kosovo.

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