

Women's Business Associations

**Experiences from Around the World:
Central and Eastern Europe**

Center for International Private Enterprise





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Central and Eastern European Women's Business Associations

Bringing Equality and Prosperity to the Region

Executive Summary

Since the disintegration of the Soviet Union, and the Warsaw Pact 20 years ago, the rights and responsibilities of women have largely followed the varying success of political and economic reform throughout the region. Women and women-owned enterprises have become prominent figures in both business and political circles despite a lingering patriarchal culture. Women's business associations have come to play an increasingly important role in raising the profile of women-owned businesses, breaking social taboos, and providing valuable services to their members.

The lack of independent institutions and a general culture within associations in the post-socialist economies have hindered women's efforts to achieve equitable standing in the business world in the region. While national governments have been primarily concerned with establishing a legal framework for the establishment of associations more broadly, women's business associations have not been given adequate attention by government entities. Nevertheless, many independent women's business associations were incorporated to fill an institutional void left after the collapse of centralized regimes throughout Central and Eastern Europe.

As an example of a successful women's business association, the Association of Businesswomen and Top Managers in Brasov, Romania (AFAFCI) was first formed in 1997 by a group of local women managers

as a way to organize themselves and improve their businesses. AFAFCI has overcome some of the major hurdles to women's business associations, such as reliance on a single personality as the driving force of the organization, a lack of paid staff to meet the demands of member businesses, and the low capacity to implement an advocacy campaign.

Overall, women's business associations across Romania have been successful in promoting women's entrepreneurship via publicity campaigns highlighting successful businesswomen. AFAFCI has begun to change society's perception of women managers through the Femina VIP award. Hundreds of managers and entrepreneurs compete annually to be named businesswoman of the year, which raises the profile of women in business throughout the region. Over the past two decades businesswomen have increased their visibility in the community and brought about a dramatic improvement in how women are viewed and treated in business.

Women's business associations, like AFAFCI, continue to play an instrumental role in raising awareness on women's role in a democratic society. AFAFCI and other business associations have educated many women on the opportunities presented in a free and transparent economy. The number of women entrepreneurs throughout the region is growing steadily, through personal ambition and success. Strong women's business associations help to create new jobs and push forward economic development.

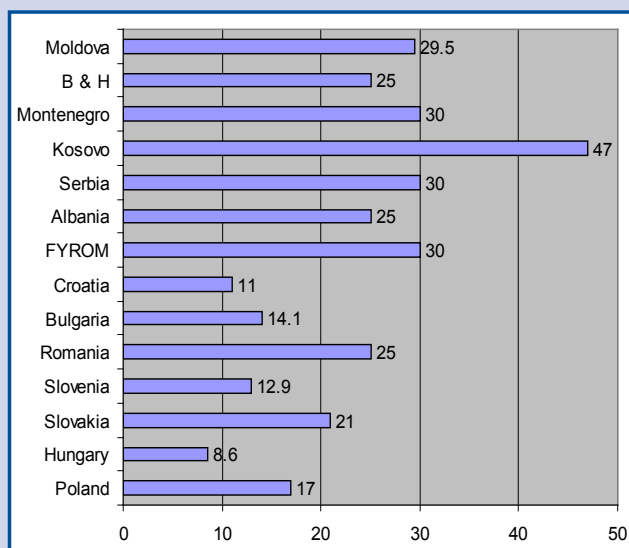
Regional Overview: Women's business associations in Central and Eastern Europe

by Cornelia Rotaru

"Women start careers with the same level of intelligence, education, and commitment as men. Yet comparatively few reach top positions." – Joanna Barch, Susie Cranston, and R.A. Craske, How Talented Women Thrive

The contribution of women's entrepreneurship to economic growth is widely recognized but as the World Economic Forum's 2008 Global Gender Gap Report has underlined, no country in the world has yet reached equality between men and women in terms of economic participation. Addressing the barriers faced by women entrepreneurs is necessary for a country's full economic development and growth. Since the fall of communism in 1989, countries in the Central and Eastern European region have had no historical precedent as they move from communist regimes to multiparty democracies and from a centrally planned economy to a market economy. The transition process, combined with social and ethnic conflicts, generated far-reaching changes and challenges in many fields.

Percent of Population Below Poverty Line



Source: EUROSTAT and National Statistical Offices

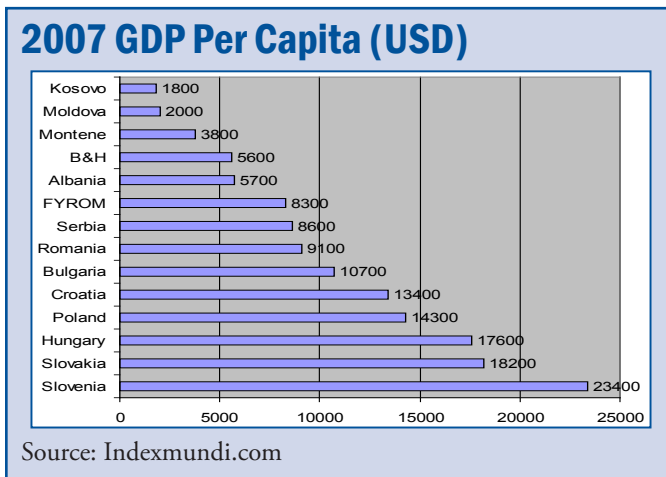
The nearly 54.5 million women living in the region represent over half of the total population (51.56 percent) and constitute an important, underutilized human resource. Women's status has been negatively affected by the economic, political, and social evolution during the post-communist transition. The subsequent gender disparities have reduced the growth potential of many countries in the region. The economic restructuring that occurred throughout the 1990s has brought tangible benefits to only a small number of women.

The business environment throughout the region is generally recognized as a male-dominated one. The development of a private entrepreneurship sector began immediately after political changes were implemented in the 1990s. Although similar legal and economic conditions exist for men and women to enter the private sector, the rate of women participating in business is markedly lower than that of men.

The imbalance between women's percentage of the total population and labor force and their participation in economic and public life is common to countries within the region. The need to represent women's interests or to support different women's activities has led to the establishment of many non-governmental organizations (NGOs) throughout Central and Eastern Europe.

Unfortunately, official statistics on entrepreneurship throughout the region are not based on gender. The majority of data on women's entrepreneurship is based on surveys carried out by international organizations or local NGOs. This assessment was based on desk research, a brief questionnaire-based survey carried out in December 2008, and information gathered during participation in women's regional events.

The main objectives of this assessment were to outline challenges faced by women's business associations, identify the positive impact women have had on economic development and political reform, and develop a set of policy recommendations to improve the effectiveness of women's associations.



Major Changes and Challenges

The reconfiguration of the borders of Central and Eastern Europe after the collapse of Yugoslavia and the Soviet Union may be considered the root of many of the challenges faced by women throughout the region. The process of balkanization in some parts of the region has been marked by violent conflict and ethnic schisms.

A devastating war raged from 1992 to 1995 in the countries of the former Yugoslavia, killing 250,000 people and destroying more than a third of the housing. Meanwhile in Moldova, a bloody guerrilla war raged in the Trans-Dniester region, where Russian troops are still stationed.

A civil war between the Macedonian Government and ethnic Albanian rebels in March-June 2001 ended only with the intervention of a NATO ceasefire monitoring force. Macedonia, however, has been a notable success story in the West Balkans in terms of its progress in transcending ethnic divisions and achieving political consensus over the country's future in the EU. The international community continues to pay attention to all the Balkan countries – where problems are complex and continue to be a potential flash-point for further conflict.

The population of the region varies from large countries, like Poland to very small countries, like Montenegro. The region contains hundreds of different ethnicities, and many conflicts that occurred during the socio-economic transition have been based

along ethnic lines. The region has three predominant religions: Roman Catholicism in Central Europe, and Orthodox Christianity and Islam in Eastern Europe.

Young, newly independent states have faced difficult challenges in building institutions and producing adequate legislative framework while simultaneously undergoing deep social, political, and economic transformations. At the core of the political and economic transformations were the creation of the private sector, the development of a culture of entrepreneurship, and the privatization of the massive state-owned companies.

The transition to a democracy with free and fair elections was fraught with difficulty in all countries of the region. Governments faced violence, social tensions, ethnic conflict, and corruption. Increased quantities of illegal drugs began to move across the Balkan countries and massive money laundering schemes developed in some parts of the region. The underground trade of illegal and semi-legal goods flourished.

During the transition process, one group of countries in the region made rapid social and economic progress. That progress was validated by the entry of Poland, Hungary, Slovakia, and Slovenia into the EU in 2004, followed by Bulgaria and Romania in 2007. Meanwhile other countries, troubled with internal conflicts and failures in governance, are making slower progress towards socio-economic integration with Western Europe. Central and Eastern European countries maintain aspirations for Euro-Atlantic integration and their governments strive to implement reforms according to EU standards. Slovenia, considered a model of economic success and stability for the region, was the first to adopt the Euro in January 2007.

Over the last five years, the Central and Eastern European region has made significant progress in macro-economic stability and in designing and implementing economic reform. The annual GDP growth of the region was consistently over five percent, exceeding the original members of the EU. This economic growth can be attributed to the progress of

market economy, stronger democratic institutions, increased foreign direct investment and restoration of trade relations within the region. However, there is still a great economic gap between countries of the region evidenced by the high variance of GDP per capita. While GDP is growing, the Balkans remain the poorest in Europe.

Throughout the transition, women living in Central and Eastern Europe were more negatively affected than men by poverty, unemployment, social inequality, and the ravages of conflict. The economic restructuring has so far brought benefits to only a small percentage of women. With the end of the war and an absence of effective government, networks of criminals and traffickers became very active and aggressive. The trafficking of women and girls emerged as a major issue throughout the region. Due to the high level of unemployment and poverty, many women with higher education have left the country, leading to a “brain drain.” Highly educated women take on work in Western Europe as servants, sending remissions home to support their families. For women who remain at home, life has become more difficult.

Women's associations' role in the region

With the establishment of women's groups – business and otherwise – the idea of women as a distinct group within society took hold around the region. Many women's associations have been involved in leading social and human rights issues and in the fight against domestic violence and discrimination. The women's organizations have also been important in the political empowerment of women, gaining the trust of decision-makers and establishing credibility.

By reducing poverty and social exclusion, women's business associations have contributed to job creation, advocated for sensible public policy, and started social responsibility initiatives. Business women's organizations are actively engaged in entrepreneurship development, and provide necessary services to women: training in management and marketing, foreign languages, business information and contacts, participation in fairs and exhibitions, and IT support.

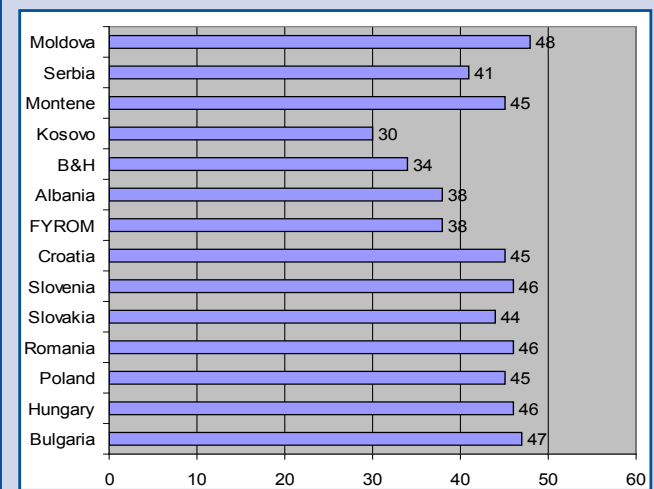
Women's business groups around the region have engaged women in the social or ethnic reconciliation process. Development programs throughout the region have found that women's organizations are more flexible and open to establishing dialogue between ethnic divisions. Women's organizations have cooperated and gained much-needed capacity and technical skills through their work with international organizations, working on the most critical issues of society in their countries.

Demographics and Regional Conditions

The region prides itself on having a highly educated and skilled labor force, with the rate of literacy reaching 94.1 percent in the Republic of Macedonia and 99.8 percent in Poland. In all countries the literacy rate of women is 1-2 percent below that of men except in Kosovo, where the literacy rate is three times lower among women than men.

Women's employment in the region numbers almost 19 million. The employment rate registered by EU member countries and Croatia was between 44 percent for women and 56 percent for men, with gender gap of 8-12 percent in favor of men, equal with the level in the EU overall. Women in Moldova have maintained the high level of employment inherited from the Soviet period. There were high discrepancies in employment by gender in Kosovo (30 percent

Percentage of Women in the Labor Force



Source: EUROSTAT and Croatia National Statistical Offices

for women and 70 percent for men), in Bosnia & Herzegovina (women represent only 32 percent of employment) and in Albania and Macedonia (38 percent).

Women in business

The business environment throughout Central and Eastern Europe is generally recognized as a male dominated sphere. Unfortunately, official government statistics on women's entrepreneurship do not exist, leaving the analysis of gender issues to be based on surveys carried out by international organizations or local NGOs. The lack of information about women in business is an obstacle to reliable research, since a base set of measures cannot be shown to decision-makers.

According to Global Entrepreneurship Monitor's 2007 Global Report, male entrepreneurship was double that of female entrepreneurship in much of the region. A large gap exists between the businesswomen in EU countries and countries of the Balkans where social and ethnic conflicts have delayed the development of the entire private sector.

A common feature of women's firms across the region is their small size. Male enterprises tend to be bigger and better financed, and achieve higher profits.

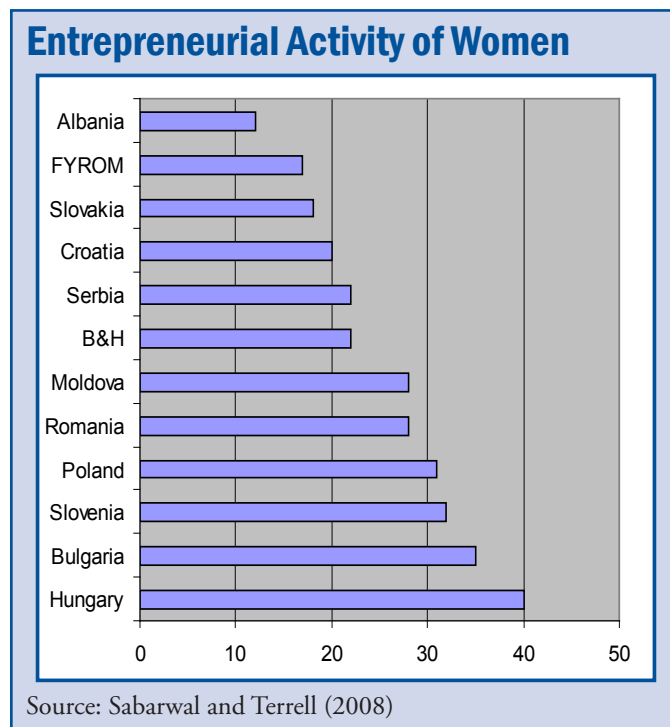
Gender bias, prevalent in the privatization process, strongly affects the role of women managers of firms throughout the region. To this day, the development of women's entrepreneurship throughout the region remains in the shadow of men-owned enterprises. During privatization, women lost the opportunity to lead and manage large enterprises as the majority of formerly state-owned companies – generally large enterprises with skilled human resources and a consolidated market – passed into the hands of powerful local men through opaque transactions.

The main industries where women were able to develop entrepreneurial ventures are in trade, services, textile, ready-made garments, publishing, and handicrafts. Traditionally liberal professional roles – such as lawyers, notary publics, dentists, and pharmacists – are performed by women. A disproportionately small segment of women are economically active in countries throughout the region. For example, in Albania 82.5 percent of all businesses are registered as owned by men.

Recent studies reveal that trends in women's entrepreneurship may be shifting. While only 20 percent of the entrepreneurs in Slovenia are women, the number of young female entrepreneurs in Slovenia has been growing rapidly over the last several years. Bosnian women have expressed an increased interest in starting their own businesses as a source of income, mainly for female-headed households (25 percent of the total households in the country).

Women operate their businesses primarily as sole proprietorships or micro-enterprises. The high cost and limited availability of childcare services in many countries in the region is a primary factor for their choice of business structure. Although there has been some incremental change in gender roles, women are still expected to be the primary caregivers for their children and households. By running businesses from their homes, women are better able to balance their entrepreneurial endeavors and traditional roles.

In Albania, the majority of women are self-employed in their own businesses, which often become a family business when other members of the



family are informally employed. Because labor laws are complex throughout the region, businesswomen often maintain sole-proprietorship status even after they hire additional employees. The main reasons are cost of social insurance paid for employees, and the low professional level of new/young employees. The number of woman-registered sole-proprietorships in Hungary is nearly twice that of men (43 percent to 24 percent), while women-owned small and medium-sized enterprises represent 5.7 percent and 1.4 percent of the total registered, respectively. Regulations would have to be substantially simplified in order for owners to change the legal status of their business.

Economic, political, and social conditions

The transition in the region from a planned to market economy brought an extremely high unemployment rate, which affected female workers more than their male counterparts. The women of the Balkans were more affected than those of Central European countries, due to the pervasive ethnic conflicts and bloodshed. Widespread and relatively equitable access to basic education, health care, and employment is a positive inheritance from the communist past. The inheritance has been eroded, but not entirely destroyed during the transition difficult period to democracy.

The level of unemployment is a severe problem that continues to encourage outward migration. As a result of the region's communist past, unemployment is a relatively new social phenomenon. The massive and ideologically profound restructuring of national economies, the privatization of large and often unprofitable enterprises, the gap between market demand and supply, the low productivity and competitiveness of the products and services available, as well as war and social conflicts, generated a high level of unemployment, which was greater for women and young people. Many women dropped out of the labor market altogether to work in the household and the informal economy.

Economic restructuring has especially affected industries with a large number of women workers. Where there are both male and female employees,

A profile of Albanian businesswomen

- Businesswomen enjoy a high level of education (86–93 percent have a university diploma).
- Marriage status has no significant impact on starting a business.
- Economic reasons and the need for a better social status were the main catalysts for starting a business.
- The initial capital for business usually comes from relatives. The majority of businesses started with less than \$5,000.
- A limited number of women working in construction, production, and large ticket sales have applied for credit from banks.

Source: Ec. Majlinda Hafizi, Female Entrepreneurship in Republic of Albania, Director of Studies and Projects Directorate Ministry of Labor and Social Affairs

women have been laid off before men, in line with well-known discriminatory practices which send women “back to their homes.” In Albania, 80.1 percent of women worked in 1989, while in 1995 the figure dropped to less than 50 percent. In 2000, Kosovo reached its highest level of unemployment with 60 percent for women and 33 percent for men.

An informal economy exists in each country of the region with women participating at a significantly higher rate than men. There are four main categories of informal economic activity:

- Informal dependent activities include people living in poverty who are involved in occasional labor, day work, transport and construction, small handicraft, or street trading for survival purposes.
- Informal supplementary activities include households that aren't poor, but perform economic activities such as farming, qualified trading, professional services or temporary work abroad in exchange for improved living standards.
- Relatively substantial enterprises are either unregistered and avoiding the payment of taxes, or formally registered but employing their workforce informally to evade payment of social insurance and taxes. They are mostly active in work-intense sectors such as trading, professional services (computer operation, accounting, tutoring), and trades that require little investment.

“In your estimation, what percentage of all women’s businesses operate in the informal sector?”

Answer Options	Response %
75 percent or more	0.0
50–74 percent	18.2
26–49 percent	50.0
25 percent or below	31.8

Source: CIPE 2008 Survey of Women Business Organizations.

- Criminal initiatives include theft, drug producing and dealing, and finance criminality.

Poverty remains another major concern for the region’s governments. The gap between rich and poor exists in all countries analyzed but it has reached a different degree. Poverty most strongly affects people with low education and older people, as well as the Roma ethnic minority.

Twelve languages are spoken throughout the region, creating linguistic barriers to doing business with neighboring countries. The languages spoken throughout the region can be divided into three main groups: Slavic-based, Latin-based (Romanian), and Hungarian. A barrier for many foreigners is the Cyrillic alphabet used by Bulgaria and several former Yugoslavian countries. The languages of business throughout the region are English and German; however, small businesses and entrepreneurs generally lack the linguistic skills to expand their businesses internationally.

Regional Overview of Association Trends

Prior to 1989, no independent social associations were allowed in Central and Eastern European countries. The communist regime was afraid of any free association among citizens. One women’s association was allowed in each country under the control and funding of the Communist Party. Because of the heritage of centralization, there was a lack of legislative framework, experience, and trust in the new organizational structure of democracy with the

social and economic movements that started in the 1990s. The need to represent women’s interests and to support different women’s activities led to the establishment of many NGOs. The process was also favored by national policies aimed at the development of a representative and powerful civil society.

In the new conditions created by the pluralism and dynamism during the first years of democracy, the number of NGOs exploded. Some of them had no underlying goals or mission, and were simply established because of donor grants.

In Bosnia and Herzegovina, the number of NGOs (local and international) increased to more than 900 in the years following the Dayton Accords in 1996. Today, the number stands at less than 400. In Romania, according to recent estimates, the number of NGOs reached 11,000 by 2009. Establishing a legal framework for NGOs is a critical step; for example, when the United Nations Mission in Kosovo issued a decree in November 1999 establishing a framework for registering, regulating, and operating NGOs, the number of registered NGOs went from 48 to 400 in just one year. The boom in the number of NGOs was repeated in many countries around the region after the establishment of the legal framework.

Throughout the region there are several prevalent types of women’s associations: business and professional associations, socio-cultural organizations, women’s rights/defense groups, gender equality groups, organizations attached to political parties, and branches of international women’s organizations.

In the immediate aftermath of the collapse of the Soviet Union and the Warsaw Pact in 1989, NGOs were more focused on social issues than economic ones. Particularly after the war in the Balkans, the protection of human rights became, and continues to be, a priority. In Central European countries, women’s NGOs were also more concerned with social issues such as domestic violence, the fight against prostitution and female trafficking, and the support of poor families. Only recently has attention turned to the promotion of women as economic actors through the empowerment of women’s business organizations.

Women's organizations in different countries have adapted themselves to their specific needs like widow's organizations in Bosnia and Herzegovina, refugee women's associations, mixed marriage associations, and Roma minority associations in Serbia. The majority of women's associations strive for significant involvement by addressing varying interests. Romania has over 80 women's business associations, while Bulgaria has about 60 associations dedicated to the advancement of women in business. In Bosnia, many women's NGOs tend to focus exclusively on women's political participation or human rights issues. Few focus on women in the private sector and their potential to contribute to the country's economic development. In Albania there are more than 64 active women's NGOs, of which 16 have facilitated women's participation in business or employment. They operate mainly in the capital and in the main cities of the country, based on the needs of developing small private businesses in those areas. In each country of the region there is at least one well-known women's business association dealing with entrepreneurship development. The territorial distribution of women's associations is unequal, with the majority concentrated in the capital of each country.

Over the last several years, women's business associations in the region note a positive trend with increasing membership, opening branches in other territories, and developing networks of similar organizations both nationally and regionally. Some women's business organizations enter into established global networks, such as the Paris-based Femmes Chefs d'Entreprises Mondiales, to share experience and knowledge while promoting their member's interests in foreign markets.

The development of business organizations that support women continues to be a concern in several countries of the region. Some of the organizations are locally developed, but the majority of them have been created with the initiative and financial support of international organizations, calling into question their long-term sustainability. Many foreign institutions and agencies have provided support to women's businesses, such as the Netherlands Development Organization, the European Commission's Poland

and Hungary: Assistance for Restructuring their Economies (PHARE) program, Deutsche Gesellschaft für Technische Zusammenarbeit's support of women-owned small and medium-sized enterprises, the SOROS Foundation, and the Regional Center for Gender Equality based in Zagreb, Croatia. Additional training programs and conferences sponsored by these and other international donors have had a significant contribution to the strengthening and cooperation of women's business associations across the region, but the sustainability of these initiatives remains an issue.

Formal and Informal Barriers

Legal and Regulatory Barriers

Associations involved in the defense of women's rights and issues of gender equality are more prevalent in the region than any other type. They have more visibility and many of them receive grants from international organizations.

According to the legislation in place in each country, NGOs can have different legal forms: association, foundation, federation, and union or branch of a foreign organization.

After the political changes in the countries of Central and Eastern Europe, the national legislative framework reviewed women's status and rights in order to become compliant with international standards. The national constitutions of each of the countries in the region now explicitly spell out and guarantee equality and prevent any kind of discrimination based on gender. Additionally, all the region's countries ratified the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) – a package of laws devoted to gender issues – and adopted language that supports equal opportunities for women and men among other issues. Any case of gender discrimination or sexual harassment in the workplace is prohibited and may be brought to court.

The national governments of the region have also concentrated a great deal of effort to create an adequate environment for the development of NGOs. The governments started by establishing

registration procedures for NGOs, since dedicated legislation concerning the sector was missing (in the case of new states) or it was too old. Prior to passing these regulations in the early 1990s, NGOs operated in a legal vacuum which posed a significant obstacle to the development of civil society. The international NGO community provided support and professional assistance in the preparation of NGO regulation and in general, the laws adopted accumulated the best practices and experiences of NGO laws abroad.

The laws and regulations of every country in the region do not discriminate against women in business or in the labor market and do not make women's associations difficult to open and operate. However, few countries have adopted policies aimed at stimulating the women's business sector or have provided information to women on how to become an entrepreneur.

Cultural and social barriers

The status of women in Central and Eastern European countries has undoubtedly improved in the last decade, but gender equality is far from a reality, limiting the impact of women in business and the effectiveness of women's business associations. Due to gender barriers and historical, cultural, and social norms, efforts to engage in entrepreneurship have been hindered. The extra obstacles women face in addition to the common barriers to doing business in the region: financing, level of taxation, corruption, bureaucratic red-tape, finding business contacts, a lack of a modern technological infrastructure, an absence of information, and locating qualified personnel.

In general, women in the region do not view entrepreneurial activity as a career path. Young educated women prefer to work in the public sector, which provides low wages but stable employment. Many young women are afraid to take on the risks of opening and operating a private business. Even women who choose to risk starting a business face segregation by status and activity. Surveys reveal a higher concentration of women in trade and services industries, traditionally considered "female" activities, while heavy industry and construction remain male-

The main objectives of women's business associations

- Building an information exchange network for developing their own business.
- Organizing business events (conferences, workshops, business missions, match-making on the local, national, and international level, etc).
- Providing training, business information, professional support and assistance in starting and developing new enterprises.
- Supporting private entrepreneurial initiatives among women.
- Promoting women's success stories and business models.
- Awarding women who achieved significant results through their entrepreneurial spirit.
- Advocating for a better legal environment for business.

Source: *Romanian Businesswomen in the Third Millennium*, Bucharest, March 2001, Survey carried out by Romanian Chamber of Commerce and Industry

dominated. The segregation of women by status is apparent when considering that the majority of women-owned businesses are sole-proprietorships and micro-enterprises.

The social mentality that a women's role is at home and not in business is still present to varying degrees throughout Central and Eastern Europe. This type of thinking concludes that business is the domain of men; the husband should earn money for the family and wives should take care of the household and children. It is considered much more important for men than for women to build successful careers. Patriarchal traditions and customs continue to force women into the traditional role of wife and mother. Established cultural norms have a stronger impact now than they had during the communist regime, where the quota system enabled many women to take on administrative and decision-making positions outside the home. Women experience men's patriarchal attitudes in simple business transactions, when they have direct contact with potential partners, civil servants, or employees of the banking sector.

Due to these social and cultural traditions, men are better positioned to have successful careers and

devote long hours to the development of business skills, since most family tasks are typically fulfilled by women. Women still bear 80 percent of the household tasks and often spend more than twice as much time with their children. If a woman owns her own business or has a time-consuming career, she will face a huge burden in fulfilling both the family and business duties. Reconciling a woman's career choices with her family life will be a long process that will involve shifting cultural mindsets, and should be supplemented by the adoption of public policies to develop additional services for mothers and wives.

The lack of a background in entrepreneurial education for women (especially for women educated before the 1990s) and poor business managerial skills have contributed to a low level of confidence among women in their ability to run a business. Further, the majority of men throughout the region prefer to have male bosses and colleagues, leading to a culture of male solidarity.

Access to finance is a major challenge for women starting a business due to the lack of collateral. The banks' attitude toward women entrepreneurs lacks trust in businesswomen, preferring to invest in men-owned enterprises, resulting in blatant discrimination. Lenders show a certain restraint when lending to young women entrepreneurs or women who choose to start a business in or move their existing businesses to traditionally male sectors of the economy. Lenders have even been known to set higher rates for women who have identical risk ratings as men. Credit Europe Bank (Romania) initiated a program for businesswomen. A diversified range of credit products for current needs, working capital, real-estate, construction, transportation, investment, and health sector, with "zero" commission for credit provision was offered to women-owned or managed enterprises.

In the first years of the transition period, women were marginalized from political life and decision-making positions. A glass ceiling kept more women in lower management functions, with very few reaching top management positions. The media continues to promote a certain model of the successful woman – either a sexual object or a mother. Stereotypes in

“What are the top legal and regulatory barriers that women face in starting and operating their own businesses?”

	Response %
Large start-up capital requirements	63.6
Ineffective/complex business registration procedures	36.4
High and complex taxes	50.0
Poor contract enforcement	22.7
Complicated and costly licensing requirements	27.3
Other	18.2

Source: CIPE 2008 Survey of Women Business Organizations.

advertising, the low visibility of women in serious media outlets, and a lack of promotion of successful women entrepreneurs and managers form a great public bias against woman as professionals.

The women's business and professional association environment is weak and underdeveloped in relation to its needs. The impact of women's business associations in promoting women's entrepreneurship has been insufficient. Both employer and professional organizations tend to be male-dominated with limited participation by women. Women in the private sector remain largely unorganized. They do not have trust and confidence in women's business associations' capacity to change or to influence public policies. Many women in Central and Eastern Europe are reluctant to be singled out as a marginalized group. Many women's business associations do not work closely with local governments and the public administration on a regular basis. However, some associations have had success in shaping local public policies in line with the needs of women entrepreneurs.

Association Structure and Governance

The most serious weaknesses in women's business organizations tend to be organizational, relying too much on a leader's personal capability, connections, and charisma. The lack of well-trained staff with administrative skills is a common issue facing women's business associations due to small budgets that do not

allow for adequate salaries. Most of the roles within associations are voluntarily filled by members, but often the diversity and quality of services provided to members is inadequate. As a result of the relatively weak human capital available to associations, a lack of medium-term strategy and strategic vision weaken many women's associations.

A possible reason for women's low rates of participation in associations may be their many family responsibilities, leaving them with little spare time to volunteer. Usually women's business association members are owners of micro and small enterprises with minimal experience, few connections to decision-makers, and no significant financial resources to support the organization's actions and initiatives.

In contrast, women with more advanced careers do not see a need to enter a businesswomen's association. They already have an organizational structure that performs many of the functions for which they would typically join an association. These businesswomen are looking to increase their visibility in society and prefer to involve themselves in charity and social activities, staying far away from policy advocacy and politics.

“What are the key social and cultural barriers to women in politics?”

- General mentality of the society that women should be good mothers and wives;
- Lack of confidence in women's capacity and political experience;
- Lack of visibility for successful women;
- Professional stereotypes and strong stereotypes against women in politics;
- Sexist attitudes toward women;
- A masculine political society;
- Lack of acceptance for women in politics;
- Traditional way of thinking enforced by the media;
- Some countries do not present women on their party lists.

Source: Survey carried out in December 2008.

Generally women's business associations' advocacy activity throughout the Central and Eastern European region is weak due to a lack of skill, leadership, resources, logistics, and staff time for follow-up

“Sometimes we women feel like we are not being taken seriously. I am trying to break that mode of thinking.” As a female entrepreneur, Ružica has had to fight prejudices. According to her, “even when our business partners know that they should come to me to resolve certain questions, they turn to my husband instead.” Ružica thinks that high unemployment rates among women in the country are due to their limited mobility and their high level of responsibility within the family. “We still need to keep taking care of all the household chores.” – Ružica Jankovic, entrepreneur, Bosnia and Herzegovina

Source: Voice of Women Entrepreneurs in Bosnia & Herzegovina, IFC and MI-BOSPO, May 2008

advocacy campaigns. Due to the severe internal limitations in conducting advocacy campaigns, women's business organizations must partner with other organizations to gain visibility and credibility in the business community.

One conclusion drawn from a recent CIPE survey of women's business organizations in the region was that the associations have general knowledge about advocacy, but need more skill-building in its practical application and tracking the process of advocacy for influencing public policy. A further finding of the same survey was that in many cases influencing public policy is not a major concern of many women's business associations. However, some success has been realized by associations that are willing to wade into the legislative domain. By working with government institutions, women from Albania effectively advocated for increasing women's participation in politics and decision-making by working with government institutions. Their success has become a valuable model that many women's business organizations are now trying to imitate.

Women's business associations often face a lack of resources. Typically, the main sources of association income are membership dues and services. Other sources of revenue are sponsorships, donations, and international donor organizations. According to current legislation NGOs can set up subsidiary companies, clubs, or organizational units.

Impact

Despite the weak points highlighted earlier, women's associations have still played a positive role in raising awareness about the role women must assume in a new democratic society, while educating many women on the opportunities presented by a market economy. The number of women entrepreneurs – and their potential – is growing. Through ambition and prior success, they help create new jobs, increase competitiveness, and encourage economic development.

Women's business associations have managed to amplify the voices of their members and make both their presence in the region and their contribution to the development of their country known. Many associations now offer services that encourage women's entrepreneurship by advocating for a transparent business climate and providing start-up assistance to potential women entrepreneurs. Through training programs delivered by associations, thousands of women have been equipped with the skills necessary to start and manage a business. Women's business associations throughout the region continue to provide new business contacts, new markets, and advocacy for their members.

Women's business organizations are able to partner with public institutions to tackle common goals, while taking on additional responsibilities from international donor organizations to support projects that improve the business climate for women. Additionally, women's associations contributed to the creation and promotion of successful women's business models, as well as presenting international best practices in organizational management to their members. Thanks to the initiatives and efforts of women's business associations, valuable statistical information was gathered throughout the region, including businesswomen's profiles, analysis of opportunities, and previously unreported gender statistics.

A common activity of many women's business organizations is to promote women's entrepreneurship by promoting images of women who have been

Effective Public Private Partnerships

Varna, Bulgaria – Ninety-five percent of all women's issue-based NGOs in Varna are involved in projects financed through the city administration. Women hold 67 percent of all managing positions in the city; as a result, the mayor has paid close attention to the needs of businesswomen. To foster further cooperation, a local Varna-based NGO recently hosted other Bulgarian NGOs in an effort to replicate the city's healthy dialogue between the local government and women's NGOs on a larger scale.

successful in business. In Romania, Femina VIP, a project initiated by the Association of Business Women and Top Managers in Brasov, presents a well known award for successful businesswomen. Following the lead of their Romanian counterparts, the Association of Business Women in Serbia launched a similar project, while in Bulgaria the women's business association in the city of Varna organizes an annual award at the local level, and recently launched a national award for the businesswoman of the year.

Despite the fact that women's business advocacy activity throughout the region was poor, in each country there is a growing trend for women to become more engaged in the public policy debate, particularly at the local level. Women's associations have registered some key victories and best practices are being shared through networks of women's business organizations in the region.

Another achievement was the establishment of the Coalition of Businesswomen Associations in the Balkans. The creation of trans-national networking organizations provides an increased level of maturity of women's business organizations, which recognize the need to be united and have regional representation.

Major hurdles to overcome

The lack of independent institutions and a general culture of associations, combined with the weak promotion of positive women's business activity and entrepreneurship in the media, has hindered women's efforts to achieve more equitable standing throughout the region. The national governments of the region

The Romanian Coalition of Business Women Associations (CAFA)

With CIPE's assistance, nine women's associations established CAFA in January 2004. CAFA centered its activity on advocacy and organized a public debate on salary taxes. More than 60 participants attended the event. Prior to the event, CIPE and CAFA put together a draft comprehensive study on salary taxes and the Romanian Social Insurance System to assess the impact of legislation on the enterprise's results. Participants' opinions were included in a final document and forwarded for analysis to the relevant Ministries.

Source: www.ciperomania.org; www.cafa.ro

have been primarily focused on putting into place an appropriate legal framework for the establishment of associations.

There is a lack of public policies designed to encourage the advancement of women's business associations. While each country in the region already has a Strategy for Equal Opportunities, there is not yet one compiled that touches on the subject of women entrepreneurship. While there is an EU Road Map for equality between women and men (2006-2010), there is not one for the development of women entrepreneurs throughout the region. Further, the countries of the region have not established the mechanisms for including women's business associations in public policy development. This gap has reduced the consistency and effectiveness of the organizations in representing the interest of their members.

Future and Recommendations for Improvement

Political and macro-economic stability is a crucial prerequisite for the sustainable development of all countries in Central and Eastern Europe. The development of the region must be centered on democratic consolidation and economic growth. This challenge is greater in the Western Balkan countries than in EU member states due to their different political, social, and economic levels. Civil society

will need to be strengthened further, and the role of the non-governmental sector in decision-making processes must be further integrated.

There is great concern in the region regarding unemployment and poverty that tend to disproportionately affect the female population. In countries with high levels of poverty, widows, lowly-educated, Roma minority, and single mothers all face extensive social exclusion. Polarization by income and consumption levels has the potential to bring social unrest to the region once again. Potential candidacy for EU membership will be the driving motivational force behind the further expansion of democracy and economic growth.

Increasing women's employment will contribute to women entrepreneurship's development. Addressing gender divide in specific industries such as IT and science is another challenge. Women risk becoming marginalized in the knowledge-based economy, as unemployed and poor women lack the skills to use technology and do not have the resources to invest in their own or their children's education. A first step in avoiding an increase in the digital divide is to increase information literacy through educational programs

A Success for the Albanian Women's Associations Coalition

For the first time in the history of Albania, a quota of 30 percent has been adopted for the participation of women in politics and decision-making, and has been included in the Electoral Code. The coalition of the major women's associations during a three year period lobbied with all political parties. It organized a wide-range of activities and initiatives such as press statements and conferences, national awareness campaigns, and two petitions that have been signed by thousands of people from all over Albania. Also, meetings with the heads of political parties took place in order to guarantee their support for women's issues. This is an achievement that can further guarantee the respect of women's rights in Albania and the coalition feels proud to have been among the first to initiate this process.

Source: www.crca.org.al

NGOs Supporting Women Entrepreneurs in Albania

Between 1995–98, NGOs focused on women's entrepreneurship have organized 187 projects:

- The Independent Women Forum – with 16 branches in different cities – has opened two sewing businesses in two cities.
- The Independent Association of Business and Entrepreneurs Women – with 15 branches and 200 members, 20 percent of whom run a business – has conducted round tables, training for businesswomen, and a national study on businesswomen with the support of GTZ.
- Law and Rights of Rural Women Association – the only organization promoting rural women entrepreneurs – has conducted several training courses on running a business.
- The Association for Promoting Women-Owned Business in Vlora – with branches in four districts – has supported projects to increase the participation of women in business, around 70 training workshops with women funded by international organizations in and outside Albania. It has organized also fairs with artistic handicrafts of women, etc.

Source: Ec. Majlinda Hafizi - Director of Studies and Projects Directorate Ministry of Labour and Social Affairs, "Female Entrepreneurship in Republic of Albania."

already in place. Women's business associations have a role to play in educating their older members on the advances in productivity that improved technology can bring. Women's business organizations have the potential to become more powerful as women continue to increase their participation in the economic lives of their countries. The following policy and organizational recommendations cover four levels: regional, national, local, and organizational.

Regional level

The first priority is the establishment of a central exchange to foster better systems for communication and support. Designing a web-based space for Central and Eastern European regional women's entrepreneurship, including also an online directory of women entrepreneurs' organizations registered in each country will facilitate the communication and

information among them and between countries. Online communication should be followed up by annual or semi-annual summits of women's business associations in the region to encourage further cooperation and establish personal relationships among organizations that fight for women's business across the region.

National level

Each government's strategies and policies should support the growth of women's employment and encourage women entrepreneurs. Public policy should aim to enhance the position of women in the economy, public life, and the decision making process. In order to achieve more equal participation of women in entrepreneurial activities, public policies should be oriented to create a favorable environment for women entering the private sector, by encouraging women's entrepreneurship, increasing women's participation in the privatization process and public procurements, and building a legislative framework for flexible work schedules (part-time and tele-commuting). Particular attention should be paid to the implementation of entrepreneurial education as a basic part of the educational curriculum at all levels.

The governments of Central and Eastern Europe should develop a public-private mechanism for assisting women through all phases of business,

The Association of Business Women of Serbia

During its nine-year existence, the association has implemented more than 50 projects on the economic empowerment of women in Serbia through information, acquisition of new knowledge, contacts and networking at the local and regional levels. The association conducts research on the economic position of women, contributing to the creation of a database on women as an important economic resource. In addition to the current activities, the association focuses on strengthening advocacy activities, which will allow successful women to have an active impact on and improve the business environment and institutional framework for entrepreneurship development.

Source: www.poslovnezene.org.yu

The Coalition of Women Business Associations in the Balkan Region

The coalition was set up as part of a CIPE Romania regional project, with funding from the NED. It creates a network of Balkan women's business associations to foster economic cooperation and promote public policies that would improve the status of women entrepreneurs and the business environment, both at local and regional levels. The countries included in the project were Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Kosovo, Macedonia, Montenegro, Serbia, Romania, Turkey and Hungary (as a mentor in the EU accession process).

A regional conference in Istanbul (December, 2005) and two advocacy seminars (September, 2006 in Belgrade, Serbia and December, 2006 in Sofia, Bulgaria) contributed to finding the common needs and goals. A CD entitled "Women of Success" launched at the Istanbul conference portrays 71 members of the Balkan women's business associations that are perceived as role models in their communities. This CD is also an advocacy tool that women can use to show their success stories and make their views heard with policy makers and the international community.

Seventeen organizations decided to form the Coalition. At the second regional conference (March 30–31, 2007; Bucharest, Romania) these associations established the structure of the Coalition, and the responsibilities of the Board and of the working committees.

Source: www.ciperomania.org

based on open cooperation between institutions, local administration and business associations. Rural women and certain minority groups (especially Roma women) need special attention to promote business support services.

An adequate institutional framework for implementing the economic gender policies needs to be defined. Current state institutions that are primarily concerned with women's rights might be encouraged to develop departments for female entrepreneurship. Advocacy campaigns and training sessions need to be offered to the many women's business organizations of the region that want to influence policy on behalf of their members, but lack the technical capacity

to engage local decision makers. Perhaps most importantly, harmonized gender statistics regarding women's entrepreneurship and business activity is needed to provide a benchmark for improvement. Governmental policies should also be focused on increasing the role of women's business organizations through the development of partnerships between the administration and NGOs. Governmental policies should establish a space for advocacy by women's business organizations.

Local level

At the city level, women's business associations must continue to experiment and launch pilot projects to promote the success of women in business and to create a network of women business leaders in the community. Experimentation and adaptation of models that have worked in other organizations should be encouraged in order to break out of the typical events and service schedules of many business associations. Individual associations must improve the quality of services in order to become sustainable entities. The association should be the center for female business exchange with a focus on mentoring and sharing best practices for women.

The measures and actions at the local level should focus particularly on strengthening existing businesswomen's networks and addressing the gaps in development between urban and rural areas. Training leading executive staff of women's business organizations is necessary to improve their skills and knowledge about advocacy tools and best practices.

Organizational level

Women's business organizations should invest more time and talent into developing an entrepreneurial and associative culture, raising awareness of women's rights and improving activities that provide business support services to members. In addition, women's business organizations must strengthen their own governance structures to become more successful in the competitive marketplace of ideas. Improving communications and information sharing among women entrepreneurs and associations

through the production of regular newsletters, brochures, press-releases and web-sites is another way to strengthen the impact of women in business. A successful information and marketing strategy could be carried out by sharing knowledge and expertise developed with successful organizations in the region.

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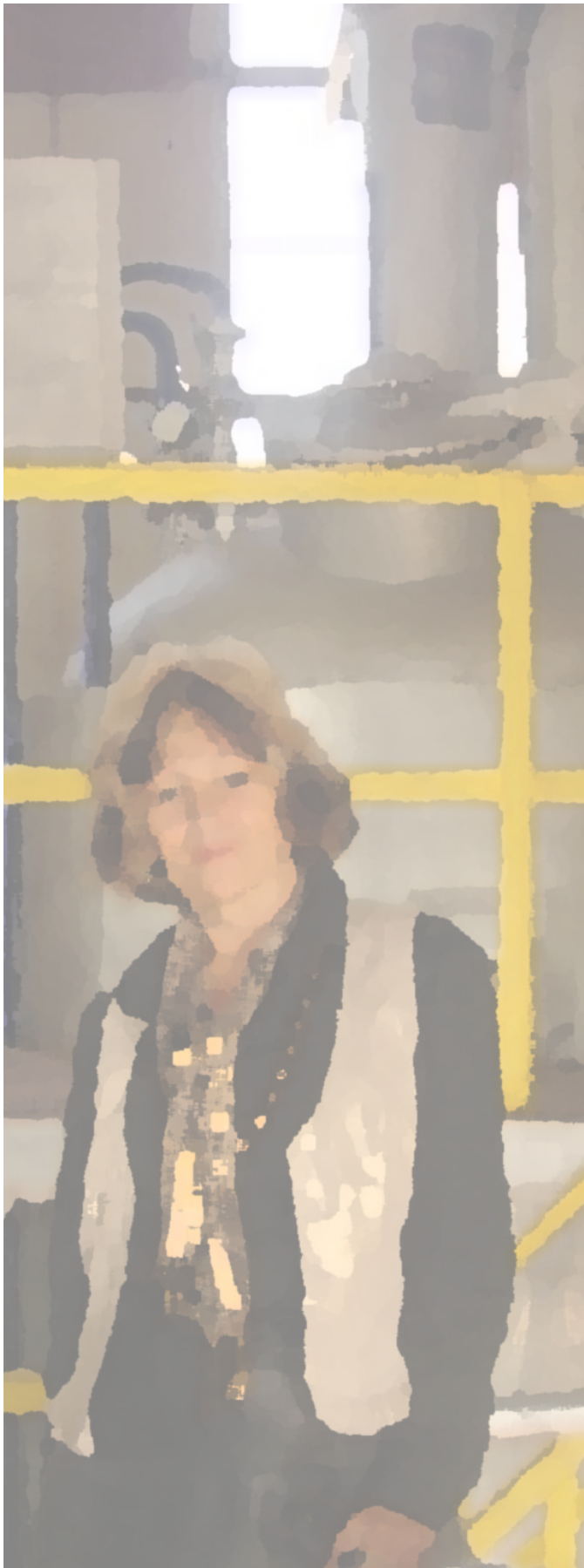
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Case Study: The Association of Businesswomen and Top Managers in Brasov , Romania

by *Cornelia Rotaru*

Following the revolution of 1989, Romania faced the considerable challenge of transforming a communist regime with a centralized economy into a pluralist democracy with a market economy. Over the last five years, the general business climate in Romania has improved dramatically. The GDP has grown more than 6.5 percent annually, inflation has decreased, and the unemployment rate has decreased to just 4.1 percent. In 2007, gross national income per capita registered \$11,418.

Entrepreneurship formed the backbone of this economic transformation, and people's creativity effectively shifted the country away from a centrally planned economy. The small and medium-size enterprise (SME) sector now contributes 60 percent of the GDP, 24.4 percent of total exports, and 50.5 percent of employment.

Government policies and measures undertaken to create a supportive environment for SMEs have contributed to the increase in women entrepreneurship. Women comprise 53 percent of the labor force in Romania, and therefore possess significant economic potential. In 2005, women constituted 35.4 percent of all entrepreneurs.

Brasov County, where women constitute 51.3 percent of the population, lies surrounded by mountains in central Romania. Economic growth in the county is powered by industry, construction, services, and trade. The female employment rate of 35.3 percent in this county is much lower than the average female employment rate of 53 percent in the country overall. Under the communist regime, Brasov functioned as a powerful industrial center. However, the post-communist transition altered the county's economy. The closure of factories prompted the newly unemployed to consider alternate professions. Many such casualties of the economic shift found entrepreneurship to be a viable option. In 2006,

19,517 companies were active in the Brasov economy, including 5,726 (29.3 percent) managed by women.

Despite the promise of these figures, considerable inequalities still exist between women and men. Although 80 percent of public sector employees in Brasov are women, there is not a single city headed by a female mayor in Brasov County. While several factors contribute to the lingering discrimination, deeply ingrained patriarchal structures serve to perpetuate existing gender inequalities. However, over the last several years, the city of Brasov has become home to a significant number of successful businesswomen, who established the Association of Business Women and Top Managers (AFAFCI).

AFAFCI was founded to combat the conventional mentality of gender roles by providing women with models of success outside the home, to demonstrate women's ability to develop and manage enterprises, and to facilitate women's involvement in the development of public policies. The organization became the marquee brand of the Romanian women's movement. The experience and relevant achievements of AFAFCI provide a vivid example of the positive impact a women's organization can have, both politically and economically.

Operating Environment

Romania's accession to the EU in early 2007 illustrates the country's rapid progress during its nearly two decades of economic and political transition. The country still faces significant economic and institutional post-accession reform challenges, including establishing European Union Internal Market conditions in the country. The Development Strategy of Romania for 2007-2013 lists six national priority areas for government policies: increasing economic competitiveness and developing a knowledge economy; developing and modernizing transport infrastructure; protecting and improving the environment; developing human resources, increasing employment, and fighting social exclusion; developing the rural economy; and supporting the balanced development of all regions in the country.

Although this development strategy aims to promote Romanian business, the private sector must increase the competitiveness of its products and services in order to compete on the European market. SMEs consider this process challenging due to the high cost of equipment and technology. Tax policies also remain a competitiveness barrier for entrepreneurs. The high emigration rate to Western European countries has resulted in a truncated workforce, leaving behind an ageing workforce in the domestic market that also presents challenges to building new businesses in the country.

In addition to these challenges, the global downturn has begun to affect the Romanian economy. Many Romanian emigrants are returning from Western European countries affected by the economic crisis. Large companies have reduced production and employment in industries, including automotive, metallurgy, food, and textile as well as manufacturing, such as consumer goods. Many subcontractors have been forced to close their doors. The real estate and construction markets have begun to stagnate, foreshadowing a substantial increase in unemployment. Since conditions for securing bank credit have grown increasingly difficult, the creation and development of SMEs has stalled.

Legal and regulatory environment

The law in Romania considers women and men as equals; Article 4 of the Constitution of Romania sets forth the principle of equality among citizens and therefore precludes gender discrimination. Additionally, a complex legislative framework is devoted to mainstream gender issues, including fostering equal opportunities between women and men, preventing and prohibiting discrimination, preventing domestic violence, reconciling work and family life, advancing family support for raising children, and protecting maternity and parental leave at the workplace.

The central institutional framework in Romania for equality consists of the National Agency for Equal Opportunities (NAEO) and the National Commission for Equal Opportunities (NCEO).

Established as a public administrative body in 2005, the NAEO is responsible for promoting the principle of equal opportunities through gender policies. The NCEO is an inter-ministerial consultative commission, which includes representatives of ministries, employer organizations, and NGOs. At the local level, 42 County Commissions for Equal Opportunities have been created. The National Strategy for Equal Opportunities Between Women and Men, adopted by government decision, establishes six intervention areas: legal framework; institutional capacity; economic life; social life; decision-making processes; and roles and gender stereotypes.

Although reforms are in place, the national context indicates that women entering business or politics face gender barriers. There is a lack of gender-based statistics with which to evaluate the impact of female entrepreneurs. Current government data and statistics lump men and women into the same category. Separate evaluation is impossible. However, collecting and reporting gender-disaggregated data on women entrepreneurs is necessary for NGOs.

Social and cultural customs

In the labor market, health, education and administration represent the feminized, lower-paid job opportunities. Although by law the income of women and men in 2007 was equal pay for equal work, on average men still made 12 percent more.

At the end of June 2006, only 18 percent of the 189,489 beneficiaries of childcare allowance were men. The Opinion Survey on Women Entrepreneurship in Romania, carried out by the National Agency for SMEs and Cooperatives in 2006, sampled 1009 firms and found that 86.7 percent of women entrepreneurs still fulfil their traditional role and responsibilities. Seventy-three percent of respondents declined to become members of any association.

There is a prevalent perception in Romanian society that men should earn money and women should take care of the household and kids, which hinders women's entry into business. In addition to social stereotypes, the professional environment is

not receptive to women. Women are perceived as less credible than men in business. Male business partners lack confidence in women's capabilities and resist subordination to women.

The main obstacles to the development of NGOs focused on women's entrepreneurship are negative or passive attitudes toward involvement in society and community life, lack of dialogue with authorities, immobility, and bureaucracy within the local administration.

Between 2004 and 2008, women held only 10.66 percent of Parliament's seats and just 38 percent of leading positions at the ministerial level. Women are also poorly represented in locally elected bodies. Only one woman has been elected as president of a county council since the fall of the Romanian dictatorship.

Organizational History and Structure of AFAFCI

The first women's organization in the country, established in 1850 by Brasov city women, was called the Romanian Women's Reunion. Almost 150 years later, on May 9, 1997, 17 women entrepreneurs, led by Luana Popa, founded the Brasov branch of the Romanian Women Managers Association. On July 17, 1998, the branch became a legal entity. After six years, members restructured the organization and changed its name, which had become restrictive. In January, 2004, the Association of Business Women and Top Managers (AFAFCI) was established as a continuation of the Brasov branch of the Association of Women Managers.

The history of AFAFCI is closely linked to the evolution of its members. The year 1990 was a turning point for many women's careers. The impulse of change in their lives was prompted by the wish to exceed their limits. Each member of AFAFCI has a story behind her motivation to enter business, and many have faced and overcome obstacles.

One member lost her job as a construction engineer, but cosmetics training revealed her abilities as a beautician. She currently manages a successful

beauty parlor. Another member who graduated from The Oil and Gas University tried to find work in the gas industry; however, due to a preference among employers for male workers, her abilities simply weren't utilized. Consequently, she moved into the software industry.

One member, obliged to raise her child alone, transformed her home into a successful guest house. A teacher at the Economic High School in Brasov developed a confectionery and pastry business based upon traditional recipes well known in the city. Two young families, all engineers, decided to give up their jobs in the state-owned factory and establish a consultancy and service provider for measurement and control devices. A performance sportswoman decided to freelance in bookkeeping and financial auditing, and teach at the university. A woman who had lived in Italy for many years took over her father's nearly bankrupt bakery and turned it into a successful business, specializing in cakes.

Growth

At its inception, members of AFAFCI traveled to different countries in order to obtain and share experiences with other leaders of associations and entrepreneurs. Members participated in economic missions in Italy, Germany, France, Tunisia (the Expofemina fair organized by the Tunisian Women Manager Chamber in 1998), Croatia (the Women Entrepreneurial Conference East-West Cooperation, 1999), Turkey, and Serbia (the advocacy seminar and conference called Women Powered by Business in Novi Sad).

From its establishment, AFAFCI has cultivated relationships and partnerships on the local, national and international levels. AFAFCI considers networking an important tool for development and growth. However, due to a lack of financing, the association was unable to rent a space for its office and design its website until 2002. Prior to 2002, AFAFCI organized "caravans," touring expos of member benefits, in the main towns and villages of Brasov County in order to expand its membership and develop relationships by presenting the activity of

exemplary business organizations and the benefits of association membership.

AFAFCI engages with the Romanian Parliament, as well as with elected bodies like the local council, mayor, and county council. Before local elections, AFAFCI organizes meetings with the candidates for the local office. After elections, the organization's members request meetings with city mayors in order to discuss the projects and programs for the coming years. The president of AFAFCI also holds meetings with the mayor and the president of the county council during the budget process in order to present the needs of the women's business community and projects in various development stages.

In Brasov, AFAFCI's closest relationship is with the Brasov Chamber of Commerce and Industry (BCCI). In January 2006, four members of AFAFCI reached the top level management of the BCCI by being elected to the board of directors after campaigning in a field of 40 candidates for 11 seats. The president of AFAFCI was elected vice-president of the BCCI. Another AFAFCI member was appointed as the chamber's new executive director.

On the national level, AFAFCI develops partnerships with women's associations in various cities. In addition, AFAFCI members participate in regional association meetings. In 2004, AFAFCI helped found the Coalition of Women Business Associations in Romania – an umbrella organization for women's business associations.

AFAFCI representatives also participate in events such as the Advocacy National Forum organized by the U.S. Agency for International Development (USAID), Annual National Conferences of Businesswomen in Romania, the first Central and South East European Investment Forum, and others. AFAFCI also initiated and organized national events held in Brasov, such as a seminar, "Businesswoman's Role in the Local Community," a debate entitled "Women Entrepreneurship – a Force in the Economic Regional Development," the third Annual National Conference of Businesswomen in Romania, and the launching of digital toolkits including, "Women

of Success,” in partnership with the Center for International Private Enterprise (CIPE).

On the international level, AFAFCI focuses its activity on enhancing partnerships with similar organizations in other countries, participating in international events, and strengthening cooperation with international organizations and donors. AFAFCI is a founding member of the Coalition of Balkan Business Women Associations, and recently became a member of The International Alliance for Women, a well-known organization that gives a new opportunity for sharing resources and ideas. In the Regional Conference of Businesswomen in the Balkans, held in Istanbul, the association presented the film *Seven minutes about AFAFCI*. AFAFCI worked with CIPE and USAID to learn from their experts how to develop associations within both business and civil society, and how to advocate with decision makers.

Current Structure

AFAFCI membership is comprised of managers who either run their own companies or run departments of different organizations and private enterprises, freelancers, and individual entrepreneurs. Members work in a range of fields from metal construction to furniture and interior decorating, to financial and accounting services. Seventy percent of members work in an area different from their educational training. There are three membership categories: founding, associate, and honorary.

Leading bodies of AFAFCI are the General Assembly, the board of directors (seven members, all entrepreneurs), the president, the executive director, and the financial auditor. All elected persons serve voluntarily. The members of the board are elected by the General Assembly to a two-year term. The board elects the president and vice-presidents for two years each. The president also fulfills the duties of chief executive manager. The executive director is employed fulltime and draws a salary. The board of directors meets monthly or as needed. The decisions are taken by vote. Minutes are kept during those meetings. Communication with members is carried out by email and the organization's current annual working

AFAFCI Services and Activities

AFAFCI realizes that entrepreneurial activity is a continuous challenge for entrepreneurs who have to face barriers generated by domestic and international factors. AFAFCI provides a package of services, including upgraded information, training, mentoring and networking to assist members in improving their companies' performance. The most important services provided by AFAFCI are:

- Monthly member meetings, which include company presentations and debates of the latest developments and trends in business, finance and legislation;
- Ensuring access to business information and opportunities to develop new affairs. In this respect, AFAFCI acts as an intermediary and multiplier of information between the Chamber of Commerce and Industry, CIPE, other NGOs, and its own members;
- Organizing training courses on entrepreneurial management, access to finance, vertical and horizontal optimization of enterprise, human resources, consumer protection, e-business, time management, structural funds, knowledge of business English and accounting;
- Producing the annual members directory as a promotional tool;
- Organizing the economic mission abroad and participating in different national and international events;
- Supporting young women entrepreneurs by mentoring;
- Facilitating participation of women in European projects;
- Regularly informing members by e-newsletter;
- Advocacy campaign for improving business regulations and for ensuring transparency of local administration policies and projects; and
- Organizing public events related to members (new factory or office, launching of new product or service).

plan is published on the website. Working teams are organized on an ad-hoc project basis.

The annual budget is approved by the General Assembly and reported to the members at the end of each fiscal year. Members support the budget through membership fees and the activities of the organization. Membership fees represent 75 percent of the annual income, with the exception of those years when the Femina VIP project is organized. In those years, the sponsorship and donations generated from Femina VIP represent more than 75 percent of income. The

main expenditures are salaries, hiring fees, utilities, communications, and printing materials.

Assessment of AFAFCI and self-assessment of the members' activities is achieved annually by questionnaire. The members are requested to evaluate the activity of the association and their own activity within the organization. The result of the assessment is published. The financial support of the members as well as their involvement in the organization's activity are included in the annual report.

Strategy and goals

The main goals of AFAFCI, formulated in the Article of Association, are:

- To create the organizational framework for business women and managers in Brasov City and County in order to encourage female entrepreneurship and promote the members and their companies;
- To involve the association in private-public partnership in order to support the interests of the business environment;
- To contribute through its members and activities to the development of the local community and to support grass-roots initiatives.

Recognizing that women entrepreneurs face economic and gender barriers, the Article of Association contains the Statement of Principles. In accordance with these principles, AFAFCI:

- supports members and encourages them to conduct business among themselves;
- supports the improvement of members' business skills;
- aims to build partnerships with Romanian and other international business associations;
- supports women's and young women's enterprise;
- promotes women's initiative, career, creativity and involvement in solving community problems through community projects;
- aims to improve the business environment in Romania.

AFAFCI's strategy aims to meet the needs and requirements of its members. The founding members wanted to demonstrate to the local community, as well as to themselves, that women are able to initiate, develop, and manage business affairs.

At the beginning of the organization's existence, members expected promotion in the local market. In an effort to meet that expectation, AFAFCI began to focus its strategy in two main directions: creating an information framework for members to do business amongst themselves, and promoting the members' enterprises by a diversified range of tools and channels.

A monthly meeting hosted by different members on a rotating basis has proved effective. Strong and fruitful cooperation has developed among members, as evidenced by one member's new business headquarters, which were arranged and furnished by other members working in housing design and building materials trade.

The member-owned printing house has become the print supplier for members. Almost all members are clients of the beauty parlor "Forever Young," owned by an AFAFCI member. Catering needs are met by bakeries belonging to AFAFCI members. By encouraging members to do business with each other, AFAFCI builds solidarity and attracts new members.

AFAFCI leaders developed a friendly relationship with all types of media in an effort to promote its members. Media representatives are invited to attend monthly meetings. Between 2006 and 2007, local media published 44 stories on women's activities, women's success stories, women's projects, and women's hobbies. AFAFCI also produces its own promotional materials, including directories, brochures, leaflets, CDs, movies, and a website.

AFAFCI's third strategic goal was to be an active member in the local community. Four members were nominated for the Corporate Social Responsibility Award, organized by a well-known journal, *Bucharest Business Week*, in 2007. One CSR project, entitled "From Theory to Practice," was initiated by an IT

company manager and was run in partnership with Brasov University. The project aimed to develop entrepreneurial skills among students. The same company developed the project "Competition for Software Solutions" with the Chamber of Commerce and Industry, addressed to young IT graduates.

The owner of a chemical factory developed a project with a secondary school in an attempt to raise awareness among young people for engineering and research activities.

Key Activities and Successes

Building Dialogue

This project, carried out in partnership with Brasov City Hall between 2002 and 2003, aimed to improve the skills and knowledge of public servants. As part of the project, AFAFCI provided the opportunity for its members to meet civil servants and discuss the bureaucratic barriers women face in business.

Promoting Women's Entrepreneurship through Pre-school Educational Services

This project, promoted by Prato authorities in Italy in partnership with the Brasov County Council and AFAFCI during 2004-2005, aimed to design and develop an operational model to promote women's entrepreneurship through developing pre-school educational services. In February 2006, AFAFCI offered a training course for Romanian pre-school educators.

A government sponsored Information Consultancy Office opened in May 2006 to provide legal information regarding the EU, national and local regulations in the field, information and consultancy about types of educational services at the pre-school level (daycares, kindergartens, playing centers, etc), cultural issues, ways to finance, and business plan design, among other things. A press conference presented the local community with the results of the projects and announced the existence of the Information and Consultancy Office.

Femina VIP: "Recognition is a challenge and a stimulant."

Launched in late 2000, the Femina VIP project became a popular event for the local community. Over 350 candidates participated in five annual events. The project aims to change the feelings of discouragement and lack of confidence prevalent among women in the local community. It also strives to increase women's participation in society, stimulate women's contributions in solving major problems in the community, support women's initiatives, change the mentality regarding a woman's place and role in contemporary society, and promote women's achievements in the local community.

Femina VIP is the result of a fruitful partnership between AFAFCI – initiator of the project – and the Brasov County and Local Councils.

Femina VIP is an annual project open to women with remarkable achievements in the economic, social, cultural, artistic, athletic, health, educational, or administrative sector. The Femina VIP Trophy is awarded (one per event), along with several minor awards (diplomas and monetary prizes). Financing of the project is covered by AFAFCI's members, local administration grants, and sponsors' contributions.

All activities are detailed within the "Femina VIP Organizing Rules," published on the organization's website. The project's progress is extensively propagated through press conferences, interviews, events, and media campaigns (TV, radio, newspapers, magazines and website).

The candidates for Femina VIP awards submit applications to AFAFCI, along with photos and documents evidencing relevant personal achievements. The evaluation criteria focuses on candidates' professional development, significant contributions in a given field, the implementation of an initiative for the benefit of the local community, the generation of new jobs, innovation in technology or services, community recognition, and other factors. Specialized juries assess the candidates, and then nominate three with notable achievements in each field of activity.

A sizeable audience (a few hundred invitees), including city officials and media, speaks to the gravity of the competition. A well-known actor, serving as the master of ceremonies, provides entertainment for the attendees. The last event, which took place on November 30, 2007, at the Opera House in Brasov, brought together more than 400 people, including candidates, sponsors, media, representatives of the local government, members of juries, and various guests from around the country, including representatives of about 15 women's associations.

During the Femina VIP Gala, three nominees for each field are announced. A one-minute video presents each nominee and her significant achievements. The Femina VIP project has been replicated by the Serbian Business Women Association. They adapted the Romanian experience to Serbian conditions and two events have been held. The Femina VIP project has many benefits:

- A new tradition for the local community gives AFAFCI a long-term relationship with the community and the media.
- It serves as a partnership model between the members of civil society and the local authorities.
- Each event outlines the creative potential of Brasov women and contributes to developing the spirit of team work within AFAFCI and with outside partners.
- It is an efficient tool for promoting the organization's members and for increasing visibility. Some companies have even sponsored special awards to nominees or sponsored the event.
- It increases AFAFCI membership, as the recipient of the Femina VIP Trophy becomes an honorary member of AFAFCI.
- The information gathered during the five events creates models for different fields of activity. The website (www.feminavip.ro) continuously promotes the concept and achievements of the project as well as the awarded women.
- Femina VIP has established the important role of NGOs in local society. Their voluntary community activity crucially has an impact on the development of democratic society.

Lessons learned

AFAFCI's members started with no experience in business and associative culture, but with a strong desire to enable women to have a positive impact on a conservative and traditional society. AFAFCI presented real models of successful women, with families and without.

One lesson for AFAFCI is that the prevailing mentality of a society can in fact be changed by a business association of women so long as they act consistently and strongly. AFAFCI leadership realized that the force of an organization is comprised not only in number of members but also in their quality, capacity, and competencies and skills for being able to represent their interests in different circumstances. AFAFCI learned that active, interested, and enthusiastic members are the basis of the association's success. Members learned that they have to invest time, talent, and money to reach a common goal.

Another lesson was the necessity to develop an associative culture among members. Accordingly, the members have been trained in organizing an association, using democratic rights, and working together in advocacy efforts. Many women have joined the chamber of commerce and professional associations in an effort to improve their professional knowledge. Some women have even been elected to top-level positions in these associations.

A crucial lesson AFAFCI learned was that power comes from community support. AFAFCI's involvement in different issues the community faced allowed it to earn the respect and support of the citizens. In order to gain this support, individual members and the association as a whole participated in projects and actions for the benefit of the community, such as The Centre for the Homeless, cancer prevention efforts, vaccination campaigns for minority groups in rural areas, and centers for people with special needs.

AFAFCI also recognizes the necessity of participating in public policymaking. In addition to periodic dialogues with local policymakers for solving women's problems, the president of

AFAFCI participates in the meetings of the County Commission for Equal Opportunities where she advocates breaking down gender barriers and finding the appropriate measures to implement equal opportunity in community life. AFAFCI took a public stand in the debate on salary taxes as part of the Strategy for Development of the Brasov metropolitan area. The participation of AFAFCI members in seminars, roundtables or public hearings has elicited a positive response from public and private bodies, and strengthened the image of the organization as a body working for community interests.

AFAFCI learned that transparency of its activity is another key to success. Consequently, leaders of the association focused on building its image as a dynamic association with successful businesswomen closely linked to the community goals. AFAFCI has used press conferences as a tool for transparency and attracting publicity. In 2006, AFAFCI launched the Femina Press award for women journalists.

AFAFCI also learned about the necessity and importance of developing networks with other organizations and being present within NGOs and civil society. From the beginning, AFAFCI developed cooperative relationships with women's organizations acting in the country. As a founding member of two women's coalitions, AFAFCI has brought an important contribution to the process of creating and developing these initiatives.

Future Plans

Overcoming Current Challenges

AFAFCI and women entrepreneurs still face a variety of economic, social, and political challenges. In 10 years, AFAFCI has accumulated significant social and political capital to leverage on behalf of the female business community. Recognized as a powerful and successful organization, well connected to community needs, and supported by the media, AFAFCI can exploit its strengths for further development.

EU requirements, globalization and reorganization of the value chain, liberalization of markets, increased

competition, demographic changes, and gaps between needs and offers on the labor market are some of the challenges facing AFAFCI members. Increasing product and service competitiveness by innovation and technology transfer has become a principal priority for AFAFCI. Women still face problems in preparing their businesses to adopt EU standards, and with the certification of quality management systems, that is essential for market survival.

Primary obstacles continue to be the time-consuming administrative bureaucracy and the lack of transparency among local public administration in public procurement, leading to opportunities for corruption. AFAFCI can be a potent force for combating the bureaucracy of local civil servants and for adopting more efficient and more transparent decision-making.

Supporting women in decision-making positions is another challenge for AFAFCI. It is necessary to improve the advocacy skills of members to share experiences with women politicians. Realizing the necessity and value of women as decision-makers, AFAFCI already initiated a roundtable, "Women and Their Access in Politics," with wide participation from various women's associations, especially members of the Romanian Coalition of Business Women Associations.

The Future of AFAFCI

AFAFCI will persist in advocating for women entrepreneurs in Brasov and creating a better business environment, able to attract more women. Given the share of businesswomen in Brasov, which is lower than the figure in Romania as a whole, the potential for AFAFCI to achieve these goals is high.

AFAFCI is committed to self-improvement by increasing its membership, particularly among young women who will then be mentored by experienced entrepreneurs. The services provided by the association will continue adapting to meet members' continually changing needs.

AFAFCI is looking to address major community

social needs in partnership with the local authorities and to establish a social enterprise to improve living conditions for minority groups. AFAFCI continues to develop social responsibility projects for the benefit of the local community. Of note, there are also deficiencies at the public administration level in ensuring the satisfactory development of services to aid women in taking care of children and households. This matter will be a topic for partnership with local public administration and other NGOs. As an NGO recognized by Romanian authorities, AFAFCI plays a key role in shaping community involvement, ultimately furthering the democratic dialogue, to the benefit of Romania and all those associated with it.

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