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THE ROLE OF SOCIAL ENTREPRENEURSHIP IN EMPOWERMENT OF WOMEN IN RURAL AREAS OF CROATIA

ULOGA DRUŠTVENOG PODUZETNIŠTVA U OSNAŽIVANJU ŽENA U RURALNIM KRAJEVIMA HRVATSKE

ABSTRACT

This paper aims to contribute to better understanding of the role of social entrepreneurship in empowering women in rural areas. Women, and women in rural areas in particular, are one of the most vulnerable social groups exposed to a high risk of poverty and social exclusion. At the same time, findings have shown that women do not lag far behind men regarding generation of business ideas and perceiving and exploiting business opportunities. Although a relatively new concept and phenomenon, social entrepreneurship in Croatia has already shown its potential in addressing the needs of marginalized social groups and has therefore emerged as a model that might contribute to women's empowerment. The important characteristic of social entrepreneurship is its collective nature. Solidarity, mutual support and sharing of risks and responsibilities, which are provided through social entrepreneurship, might encourage women in rural areas to enter and sustain in entrepreneurial activities. To assess the role of social entrepreneurship in empowerment of rural women, the paper will focus on two case studies of social enterprises led by women from two different rural regions of Croatia. By employing focus groups and in-depth interviews with representatives and participants of the chosen social enterprises, the empirical research will focus on the assessment of the role social enterprises might play on various dimensions of women's empowerment in local rural community.

Key words: social entrepreneurship, women from rural areas, empowerment

SAŽETAK

Ovaj rad ima za cilj doprinijeti boljem razumijevanju uloge koju društveno (socijalno) poduzetništvo ima u osnaživanju žena u ruralnim područjima. Žene, a posebice žene iz ruralnih područja, pripadaju jednoj od najranjivijoj društvenih skupina s obzirom da su posebno izložene visokom riziku od siromaštva i socijalne isključenosti. Istodobno, istraživanja su pokazala da žene ne zaostaju daleko iza muškaraca kada je riječ o generiranju ideja, te uočavanju i iskorištavanju poslovnih prilika. Iako relativno nov koncept i fenomen, društveno je poduzetništvo u Hrvatskoj već iskazalo potencijal u poboljšavanju položaja marginaliziranih društvenih skupina i nametnulo se kao model koji može doprinijeti osnaživanju žena. Važno obilježje društvenog poduzetništva je njegova kolektivna priroda. Društveno poduzetništvo omogućava solidarnost i uzajamnu potporu, te dijeljenje rizika i odgovornosti što ženama iz ruralnih krajeva omogućuje da započnu, ali i održe poduzetničke aktivnosti. Kako bi istražio ulogu društvenog poduzetništva u osnaživanju ruralnih žena, ovaj će se rad fokusirati na dva društvena poduzeća iz dvije različite hrvatske ruralne regije kojima upravljaju žene. Koristeći fokus grupe i dubinske intervjue sa ženama uključenima u izabrana društvena poduzeća, empirijsko će istraživanje biti usmjereno na procjenu utjecaja koji društvena poduzeća mogu imati na različite aspekte osnaživanja žena u lokalnoj ruralnoj zajednici.

Ključne riječi: socijalno poduzetništvo, žene iz ruralnih krajeva, osnaživanje

1. Introduction

“When I first came to join Cooperative I was not able to say my name in front of the others. Today, I am much more communicative, I present my opinions easily and I even started standing up for myself and argue if I think someone is wrong.”

Women living in rural areas are among the most marginalized social groups. In large part, they are women with lower levels of education and fewer employment opportunities. Their unfavourable position is further exacerbated by traditional and patriarchal system of values that does not support women as socially and economically independent agents, but perpetuates the notion by which women are primarily seen as housewives and mothers. Social entrepreneurship has been recently identified as a possible solution for many social problems such as poverty, social exclusion and unemployment. As such, social entrepreneurship may have an important role in lives of all the socially marginalised groups, especially women in rural areas.

Notwithstanding some efforts to direct more attention to problems of women in rural areas of Croatia, the results are still far from sufficient. Studies on social entrepreneurship in Croatia are rare, especially those concerning the impact of social entrepreneurship on vulnerable social groups, their employment and social inclusion. The purpose of this paper is, therefore, to examine the ways in which social entrepreneurship may contribute to empowerment of women in Croatian rural areas. The paper will first examine the available data on entrepreneurial activities and status of rural women in Croatia. In the second part, it will present the concept of social entrepreneurship and available research of its impact on women, and rural women in particular. It will then turn to the concept of women empowerment and the ways in which it relates to social entrepreneurship. After discussing the selection of cases and methodological approach, it will present the findings on the role of two social enterprises from rural areas of Croatia and their impact on women empowerment. The conclusion will summarize main findings and argue that social entrepreneurship provides positive contribution to women empowerment.

2. Entrepreneurial activities and socioeconomic status of women in Croatian rural areas

While women make a majority of population in almost any country in the world, they remain at the same time in minority when considering the economic and entrepreneurial activities. The same is

true in Croatia. Although the share of women in total unemployment has been decreasing over period of couple of years, this is not due to rising female unemployment, but rather the increase of male unemployment in the context of the economic crisis of 2008. What is particularly troublesome is that the share of long-term unemployment rates is unproportionally high, with rates in 2012 being 65% overall female unemployment.¹ This potentially may lead to women exiting the labour market all together.

While still relatively small, participation of women in entrepreneurial activities is changing for the better. According to the data of Croatian Association of Businesswomen „Krug“, in 2007 out of the total number of registered companies 22,3% were owned by women². In 2012 the percentage increased to 30%, out of which 23% were companies and 7% crafts. This, however, still ranks Croatia only 28th on the list of 32 European countries.³ Although development of female entrepreneurship is receiving more and more attention of policy makers, overall support still largely depends on level of development of a particular country. According to GEM 2006 Report on Women and Entrepreneurship, low/medium income countries record higher percentage of entrepreneurial activities among women than in high-income countries, especially in early stages of entrepreneurship. The reason for this is that majority of women in low and medium income countries get involved in starting their own business because of necessity – unemployment, poverty or underpayment. Although women do not lag far behind men regarding development of business ideas, in those countries the possibilities of establishing business venture are very limited. This is due to restricted access to financial resources, insufficient support in balancing their work and family life, as well as the deep-rooted prejudice that starting one's own business is not a suitable career path for women (Delić & Perić, 2009).

European Commission's Report, DG Enterprise and Industry⁴, identifies three levels of barriers for female entrepreneurship:

- Contextual – educational choices, horizontal and vertical segregation of women in employment, low recognition of women's inventions and innovations, gender stereotypes supporting views of science and technology as male dominated sectors or traditional views about the role of women in society;
- Economic – difficulties in accessing financial resources;
- Soft – lack of access to relevant technical and scientific networks, lack of business training focused on technical and scientific skills, women's perception that they lack personal/entrepreneurship skills, lack of role models.

GEM research has also found that women have lower perception of opportunities, higher level of fear from failure and lower level of self-confidence about their competencies to start and run a business venture. This indicates that even when faced with same external barriers, these will have a different impact on women than on men.⁵ Furthermore, while these barriers affect both urban and rural women, the later are being more strongly affected, due to their lack of capacities. In their study of female entrepreneurs in rural and urban areas, Savitha, Siddaramaiah and Nataraju (2009, cited in Joo, 2013) found that urban women were more educated, had higher socio-economic status, and higher level of investment than rural women. This is valid in the case of Croatia as well. Due to poverty and lower social status, women in rural areas have limited options in choosing their profession and are less likely to enrol in higher education.⁶ Research conducted by the Croatia's Ministry of Agriculture in 2011 confirms these findings.⁷ Out of 1656 women respondents, majority

¹ The World Bank, 2015.

² Croatian Association of Businesswomen „Krug“, Zagreb, 2010, <http://www.krug.com.hr/UserDocsImages/Projekti/Ostvarenje%20potencijala%20žena.pdf>

³ Organizacija za građanske inicijative (OGI), 2013.

⁴ According to European Commission, 2008.

⁵ CEPOR, 2009.

⁶ Ženska platforma, 2011.

⁷ Ministry of Agriculture, Fishery and Rural Development and ADEPTA, 2011.

were housewives (33.57%), while 23.01% were employed and 26.63% were unemployed. Furthermore, 21.07 % of women had only primary education, 56.4% had secondary and only 4.16% of women held a degree in tertiary education. Although there is a tendency toward lifelong learning, 59.4% of women did not have any possibility for further education. This is mostly due to lack of financial resources, problems of harmonizing family life (e.g. taking care of children and elderly), as well as limited transportation options.

In addition to difficult position in the labor market, the research conducted within GARD project showed that life conditions in rural areas still influence family relations. Most families in rural areas are still traditional ones with large number of children and relatives (grandparents and other members) and with a significant patriarchal background.⁸ According to the already mentioned report of the Ministry of Agriculture, majority of women in rural areas are also exposed to domestic violence – 74.52 % of women have, often or occasionally, experienced domestic violence and almost all of them have declared that they needed help in its prevention. When it comes to their social status, both in family and society in general, 84.24 % of women believed that their work was not appreciated enough and that patriarchy was manifested in division of labor, difference in raising male and female children, promotion of men in the family, politics and media, domestic violence and traditional education. Furthermore, as data of Croatian Bureau of Statistics shows that women in rural areas are not equally participating in local politics and development of strategies, they remain excluded from making decisions that can influence the improvement of their social status.⁹ These report all indicate that rural women prevail largely on the margins of labor market and society as a whole. However, great majority of women (94.85%) think that their status can be improved by encouraging and supporting the development of small and media sized enterprises. Growth of entrepreneurial activities is also seen as a key factor for overall development of rural areas. Therefore, creation of entrepreneurial climate that will enable employment and self-employment is recognized as one of the important stimulus for improving the social status of women from rural areas. Engagement in economic activities is also seen as crucial for building their self-confidence and acknowledging themselves as equals both within their families and a society.

3. The Conceptualization and Impact of Social Entrepreneurship

Social entrepreneurship, initially emerged in the late 1980ies, has become increasingly popular over the last two decades. With growth of numerous social entrepreneurship initiatives and organizations, the social entrepreneurship sector has gained recognition as valuable contributor in addressing social needs and encouraging employment of vulnerable social groups. By combining social goals with economic activities, social entrepreneurship also offers innovative models for socio-economic development in local communities.

Due to its novelty, complexity and hybrid nature, social entrepreneurship is not easily defined. Different approaches to social entrepreneurship emphasize different aspects of the concept and phenomenon. Some of them prioritize addressing the social needs in an innovative way (Johnson, 2003; Mair & Marti, 2005; Peredo & McLean, 2006), while others emphasize social entrepreneurs as change makers and real drivers of social transformation (Dees, 2001; Bornstein, 2004). Some authors primarily see social entrepreneurship as a way for non-profit organizations to earn income (Young & Salamon 2002) and the entrepreneurial skills are seen as the most important factor in achieving that goal (Emerson & Twersky, 1996). Others see important to distinguish social entrepreneurship from commercial (or traditional) entrepreneurship. These authors emphasize the social dimension, expressed in existence of social mission, as main driver of social entrepreneurship, super ordinate to all the others, particularly to the accumulation of profit (Austin et al., 2006; Yunus, 2007).

⁸ OGI, 2013.

⁹ According to Ministry of Agriculture, Fishery and Rural Development and ADEPTA, 2011.

Rather than insisting on the precise definition, it appears to be more beneficial to use EMES¹⁰ approach (Defourny, 2001; Defourny & Nyssens, 2012) and provide main dimensions of social entrepreneurship. These dimensions are meant to serve as a compass offering appropriate guidance through a landmark of social enterprises emerging in different societies. Defourny and Nyssens (2012) presented three sets of indicators which reflect three main dimensions of social entrepreneurship: economic (entrepreneurial), social and participatory governance. Serving as ideal types, these dimensions provide specific characteristics of social enterprises which differs them from both traditional non-profit civil organizations and traditional commercial enterprises. The economic dimension includes indicators such as: continuous economic activity (producing goods and/or selling services), a significant level of economic risk and a minimum amount of paid work. The social dimension means that there is an explicit aim to benefit the community or a specific group of people, that initiative is launched by a group of citizens, civil society organization or cooperative (social enterprises are more often results of collective dynamics than individual initiatives) and that profit distribution is limited (there is often a constraint on the distribution of profit, but surplus may be distributed to a limited extent). Finally, participatory governance means that social enterprise is supposed to demonstrate a high degree of autonomy (both from public authorities and private firms), democratic governance (based on "one member, one vote" principle, regardless of the capital ownership), and representation of multiple stakeholders' interests.

During last two decades, social entrepreneurship demonstrated its ability to effectively address social needs and tackle poverty, unemployment and social exclusion. This was recognized by the European Union which promotes this sector through various policy strategies and documents. Most important are Europe 2020 - A strategy for smart, sustainable and inclusive growth of March 2010, The Commission Commitment Taken Under the Single Market Act With a Special Focus on Key Action 12: Social Cohesion and Social Entrepreneurship and the Social Business Initiative (SBI) of October 2011. Both documents aim at making the European enterprises more responsible and innovative and at building the right ecosystem for social entrepreneurship in Europe¹¹.

Due to its specificities, social entrepreneurship emerges as a model that might contribute to empowering of women in rural areas and improving their socio-economic status. Studies have shown that entrepreneurship helped women overcome their subordination within the family and the society (Ramanigopal, Palaniappan and Mani, 2011). Furthermore, due to its specific nature of collective and participatory activities, social entrepreneurship may be particularly valuable model for smaller communities. These communities are characterized by stronger social capital, closer connections and higher level of solidarity and trust, which may facilitate easier engagement in entrepreneurial activities and risks. The study conducted in India based on the case of women's social cooperative showed that this collective form of entrepreneurship has empowered women in three ways: economic security, development of entrepreneurial behaviour, and increased contributions to the family (Datta & Gailey, 2012). Similar findings are evident in Chauhan's and Sharma's (2011) study, which saw women's participation in cooperatives enhancing their mobility and social interaction, furthermore leading to changes in their decision-making position within household. Collective aspects of social entrepreneurship were found to be the very effective in empowerment of women. Solidarity, cooperation and mutual support expressed in social enterprises, largely contribute in overcoming restrictions of commercial activities (Jones, Smith & Wills, 2012). This is particularly the case with rural women who are lacking individual capacities (knowledge and skills), as well as initial financial capital. They more often recognize the advantage of collective entrepreneurship in ensuring market competitiveness (Babović, 2012: 124). Collective support in social enterprises, in particularly cooperatives, have proved to be more stable for women in terms of productivity and economic wellbeing, compared to individual entrepreneurship that are not members of cooperatives (UNSDN, 2012). Social entrepreneurship not only enables women to achieve better position in market, but also empowers them in social and personal aspects. Studies

¹⁰ EMES International Research Network is active in comparative research of social enterprises since 1990-ies. More information available at: www.emes.net/what-we-do/?no_cache=1

¹¹ See European Commission, 2010; 2011a; 2011b.

showed that women tend to experience higher self-esteem and gain higher number of social contacts (Jones, Smith, Wills, 2012) when being engaged in cooperative. By becoming stronger and more independent in economic and social sense, women may change their position in households too.

4. The Conceptualization of Women Empowerment and its Relation to Social Entrepreneurship

Tracing back to the mid 17th century, the concept of empowerment has much longer history than the concept of social entrepreneurship. However, its use in development discourse, much as the social entrepreneurship itself, emerged only after the 1980ies. Originating in the civil rights movement, the legalistic meaning of the concept of empowerment „to give official authority or legal power “gave way to its modern use with an emphasis on „to promote the self-actualization or influence of”¹². In the 1990ies, such notion of women empowerment became prominent in the development agenda, facilitated by the growing understanding of synergies between feminist goals and official development objectives. In most policy documents of major international development agencies, women empowerment is conceived both as an intrinsic goal and as a way to promote other valuable development priorities, most prominently in the field of fertility planning, children's mortality and welfare, poverty reduction and better governance. This led to attempts to clearly conceptualize and measure women's empowerment, despite the fact that there is still no universally shared definition of women's empowerment. However, *process* and *agency* emerged in most of the accounts as the two key elements that distinguish it from related concepts (Malhotra, Schuler and Boender, 2002). We will briefly discuss these two features, limiting ourselves to the ways in which they connect with the concept of social entrepreneurship and the ways in which they affect the issues of measurement.

Emphasis on the process entails that any notion of empowerment must capture the progression from one state to another. The feature that differentiates the empowerment from such concepts as gender equality or women's autonomy is that the concept of empowerment necessarily and explicitly includes the process of change from the condition of disempowerment (Malhotra, Schuler and Boender, 2002). In that regard, Kabeer (2001) notes that: „People who exercise a great deal of choice in their lives may be very *powerful*, but they are not *empowered* in the sense in which I am using the word, because they were never disempowered in the first place“ (*emphasis of the author*). As such, the notion of empowerment is inextricably bound up and cannot be separated from the condition of disempowerment. As mentioned earlier, social entrepreneurship is also marked by a social mission or an explicit aim to benefit the community or specific group of people. For these reasons, social entrepreneurship may have the advantage over purely economic initiatives to address the needs of disempowered groups and be particularly well suited in advancing the process of empowerment. The growing body of research on the effects of microcredit programmes on women's empowerment, perhaps the most studied of all programmatic interventions, may reflect just such expectations although the evidence remains equivocal (see Kabeer, 1998). Overall, the research on the impact of particular programmes and policy initiatives on women's empowerment, while relatively established in the field, suffer from some common difficulties and shortcomings. Defining the empowerment as a process imply change over time which, as Jejeebhoy (2000) notes, may not be so easily measurable as some of the similar, though more static concepts, such as women's autonomy. Empirical research seems to confirm such reservations. In their review of 45 empirical studies on women's empowerment, Malhotra, Schuler and Boender (2002) found that „only three of the studies ...use data from more than one point in time to asses empowerment, whereas this scope of data and analysis is entirely missing from all the other studies“. This limitation is probably even more pronounced in studies that wish to explore the impact of particular programmatic intervention on women's empowerment.

¹² According to: <http://www.merriam-webster.com/dictionary/empower>, accessed on April 10, 2015.

Agency as the second key element of the concept of empowerment poses additional challenges to empirical research. What qualifies the improvements in the indicators of gender equality to be considered as empowerment is women being the very agents of change rather than its mere recipients. Agency implies the women's ability to define their life goals and act upon them, whether individually or collectively. This is why Kabeer (2001) defines the empowerment as "the expansion in people's ability to make strategic life choices in a context where this ability was previously denied to them." Similarly, Bennett (2002) emphasises the role of agency and working from below when defining the empowerment as "the enhancement of assets and capabilities of diverse individuals and groups to engage, influence and hold accountable the institutions which affect them". Both social dimension of social entrepreneurship and its dimension of participatory governance have the potential to be particularly beneficial for facilitating the process of empowerment if we are to place agency at its core. As initiatives launched by group of people that share well-defined need or mission and where decision-making power is essentially participatory in nature, social enterprises are more in line with bottom-up approaches to development which are set out to bring disempowered groups into defining the goals and managing the development processes. However, strong focus on agency also implies that empowerment is both context specific and subjective process which may pose significant challenges in measurement. Malhotra, Schuler and Boender (2002) rightfully point that "one of the major difficulties in measuring empowerment is that behaviours and attributes that signify empowerment in one context often have different meaning elsewhere." For these reasons, indicators of empowerment need to be tailored for particular context without at the same time falling into the trap of relativism. Also, agency cannot be reduced to making choices or decisions, but is inherently subjective and inextricably linked with self-assessment of one's actions. As Kabeer (2001) puts it: "agency is about more than observable action: it also encompasses the meaning, motivation and purpose which individuals bring to their activity, their *sense* of agency, or 'the power within'.

5. Selection of Cases and Methodological Approach

The above mentioned characteristics of empowerment make it a concept difficult to measure by the regular survey data. Most of the available indicators, rather than capturing agency itself, include proxy measures which focus either on resources enhancing the ability to make choices (eg. employment or education) or the expected outcomes or achievements of exercising agency (eg. life expectancy or political representation). Those that do attempt to capture agency are not routinely collected, but are often just "one-of-a-kind attempts" (Malhotra, Schuler and Boender, 2002). While generally useful, these are of limited value if we are to understand empowerment as a process, rather than an endpoint (Bennet, 2002). Also, quantitative studies can be of limited usefulness in capturing more intangible, subjective processes entailed in the concept of empowerment. For these reasons, qualitative studies have the advantage in capturing the changes in women's lives over time. In-depth group interviews, or focus groups, offer the possibility of retrospective narratives that may contribute significant insights into the very process of empowerment. As Kabeer (2001) warns, indicators such as Gender Empowerment Measure (GEM) "entail the movement away from the criteria of women's choices, or even values of the communities in which they live, to a definition of 'achievement' which represents the values of those who are doing the measuring". Women's own interpretation and self-assessment of their actions are also more readily available in qualitative studies, which makes them better suited in capturing the empowerment as a subjective process. For all these reasons, in order to assess the impact of social entrepreneurship on empowerment of women in rural areas, we have used qualitative studies and focused on two cases of social enterprises from different rural regions of Croatia – Baranja and Lika, both being among Croatia's most underdeveloped areas. Two social enterprises chosen for the study were Social cooperative

"Ruke"¹³ and association "Gačanka". The former is a social cooperative, and the later is non-profit association. Both are led by women who also make up for the most of their membership. Social cooperative "Ruke" is located in Osijek-Baranja County, which is located in easternmost part of Croatia. Osijek-Baranja County is above the average when it comes to important natural resources, such as land, water and forests. Despite these facts, according to Index of Development presented by Ministry of Regional Development and EU Funds¹⁴, Osijek-Baranja County is one of the underdeveloped regions, with a high percentage of unemployed (32.1% at the end of 2013, out of which 54% are women¹⁵). Likewise, the UNDP report on Quality of life in Croatia: Regional Disparities¹⁶ found that Osijek-Baranja County was one of the five counties with poorest quality of life considering happiness and life satisfaction of its inhabitants.

Social cooperative "Ruke" was established as an initiative of the Association Baranja (active since 1994) whose main mission was to develop local rural community and to advance social position of vulnerable groups, such as long term unemployed, women and elderly, through capacity building and inter-sectoral collaboration. In 2007, Association Baranja finished a project financed by the European Union aimed at prevention of violence against women in the region and their economic empowerment. In order to ensure self-sustainability of Association and to continue working on women empowerment, the establishment of social cooperative "Ruke" in 2009 seemed to be logical next step. The Cooperative has no employees and all activities are conducted on a voluntary basis. Most of the volunteers are women that have participated in some of the activities of the Association Baranja. The Cooperative still faces some financial issues and is still largely depended on national and international funding.¹⁷ "Ruke" started their activities with a campaign to raise public awareness about different models of entrepreneurship and with promotion of programs of social cohesion for women. One of its main programmes is to educate unemployed women not only about doing business, but also on ways of motivating themselves and raising their self-esteem, which was and still is one of the main problems facing rural women. Around seventy women participated in different workshops, seminars and meetings, some of which even started their own businesses managing to achieve sales revenues and increase their home budgets.

Association Gačanka is located in Lika- Senj County, one of the largest counties in Croatia, yet least populated (around 1.2% of total population)¹⁸. According to the Development Index, this is one of the least developed regions as well.¹⁹ For the last few decades the County is marked with trends of continuous depopulation (between 1991 and 2001 population decreased for 37%)²⁰, increased aging (30.1% of population is older than 60)²¹ and low ratio of educated population (21.2% of population with second and higher education).²²

"Gačanka" was established in 2004 as an association focused on preserving traditional women's crafts. It gathered local women interested in sewing, wool, crochet, knitting, embroidery and related activities. Their main economic revenue comes from the production and sale of modern goods with traditional patterns (clothes, bags, cap, scarf, etc.) as well as original souvenirs, which are mostly offered to tourists. Furthermore, the association regularly provides education and workshops in traditional crafts, produces showpieces for museums and organizes promotional events for tourists. Association Gačanka also has no employees, but mostly women volunteers. It is facing similar

¹³ Eng. Hands

¹⁴ Ministry of Regional Development and EU Funds, 2015; available at: <http://www.mrrfeu.hr/default.aspx?id=405>, accessed on April 24, 2015.

¹⁵ According to Osječko-baranjska županija, 2014.

¹⁶ According to Japac, Šućur, 2007.

¹⁷ "Ruke" produces vegetables on 400 m² of greenhouse space and hot peppers on about 5000 m² of land. At this point, the yield is still only 1-2% which is not enough for "Ruke" to be self-sustainable.

¹⁸ According to Ličko-senjska županija, 2010.

¹⁹ Ministry of Regional Development and EU Funds, 2015; available at: <http://www.mrrfeu.hr/default.aspx?id=405>, accessed on April 24, 2015.

²⁰ According to Ličko-senjska županija, 2010.

²¹ Ibid.

²² According to Croatian Employment Service, 2013.

problems in ensuring financial sustainability as many others social enterprises in Croatia, and majority of their projects were financed by the EU funds, national and local government. The data on the impact of these two cases of social entrepreneurship was collected by various methods. Two focus groups (one in each organization) were conducted with women who were members or active participants of the organizations, with intention to identify their own perception of engagement in social enterprises and ways in which it has influenced their lives in different aspects. Also, in-depth interviews were conducted with the representatives of the organizations in order to gain background information on social enterprises, their activities, governance and challenges they are facing. Finally, available documents (statutes, reports, web site's materials, etc.) were used for getting additional information for descriptive analysis. In total, the study included 12 participants. The focus groups lasted around ninety minutes, while interviews with representatives lasted around sixty minutes. Majority of women - participants in group interviews were unemployed, and they varied according to their age (from 13 to 70), marriage status (single, married and widowed), level of education (from without school to higher education) and length of engagement in organization (some of them are involved since the establishment of organization, while some are active only few months). Following a modified classification of different dimensions of women empowerment offered by Malhotra, Schuler and Boender (2002: 13), discussion in focus group covered several overlapping thematic areas: economic (access to employment, control over income, contribution to and access to family resources); socio-cultural (freedom of movement, education, participation in extra-familial groups and social networks, participation in public spaces, understanding of gender roles, lack of discrimination against daughters, commitment to education of daughters); political (awareness of and involvement in local politics); familial (participation in domestic decision-making) and psychological (self-esteem, self-efficacy, sense of well-being).

6. Findings

Women expressed different reasons for joining the social enterprise. For majority of participants in social cooperative "Ruke" the common reason was the need to improve the financial status of their families, while gaining income was not the primary goal for women in "Gačanka", who mostly joined for the opportunity to "go outside the house". The need to socialize, learn something new and raise their own self-esteem were among strongly emphasised reasons as well.

In that regard, participants from "Gačanka" noted how income they gain from economic activities of social enterprise is still more symbolic than "life-changing", and it does not significantly improve their financial status.

"We cannot earn much yet. Income is not regular, nor stabile. It's more like pocket money."

Yet, for participants in the study, neither income nor employment were seen as a necessary outcome. Actually, more than a few women, even after finishing different kinds of workshops end up staying housewives or unemployed. However, none of them seems to see this as a misfortune as they became more social, more communicative and experience greater life satisfaction. For others, though, engagement in social enterprise provided valuable resources that enabled them to become economically independent. In both social enterprises, some of the women decided to start their own businesses, after becoming more skilled and confident in their own abilities.

"I saw an opportunity to increase production. I have already worked in my yard planting spicy pepper and I saw this as an ideal opportunity to learn more about what I love doing and to be able to commercialize it".

Gaining access to various skills and education provided through many workshops offered by social enterprise since its establishments seems to be crucial for women's later economic activity. Women

have learned how to make a business plan; they gained basic knowledge of informatics and important entrepreneurial skills such as communications skills, strategic planning, teamwork and conflict resolution. They had possibilities to learn different traditional crafts or became knowledgeable in ecological agriculture. The participants in the study appreciate new knowledge and skills they have gained through educational programs in their organizations. However, most of the women in the focus group (and according to their opinion other members of the Cooperative as well) do not have a tendency toward lifelong learning. Lack of financing and not being able to harmonize their family life are main reasons for low level of enthusiasm towards education. However, they strongly support the education of their children, especially daughters, and their right to make their own decisions on the career path to follow. It is seen as particularly important for daughters get better education and gainful employment in order to ensure their independency, and exit from “housewives lives”.

“Yes, we want them to be able to earn own money. Not that their husbands complain on everything they buy.”

This support does not fade in light of the awareness that by educating children most of them will leave home and rarely come back to the local community. They believe that despite the current unfavourable situation, it will be easier for their children to find employment and have a better life than their parents.

The participants also acknowledged the increased mobility and opportunity to travel and go outside of their own town for themselves. This is especially true for members of “Gačanka”, whose orientation on touristic promotion provides them with relatively frequent visits to other places. Most of all, participants recognise importance of support they receive from other members of social enterprise and collective activities are perceived as fundamental part of the increase in their life satisfaction. With limited options for social life in rural areas, these types of organization were perceived as very important and much needed venues for socializing with other members of the community.

“We feel good. We get together, we work, we create, we help each other...”

When it comes to their social status in local communities, it is perceived that women’s engagement in social enterprises and organisations of civil society may empower women and significantly improve their status in the community.

“What I noticed is that women who work in non-profit organizations are really powerful. Not only in home. And they are equal. They are maybe even bosses.”

Women members of “Ruke”, therefore, emphasized that they have achieved a visibility and that more and more women have become interested in joining the cooperative. They are perceived as hardworking women who managed to raise the awareness of women in rural areas as well as to benefit development of their community. This does not, however, translate neatly to their participation in local politics. While they all agree that cooperation with institutions and organizations at the local level is not bad they see a lot of room for improvement. In both cases the local government sees them, primarily, as a good opportunity for branding their villages. However, participants from both communities believe that their status can become better only if local government supports the development of rural areas more strongly through better regulation, subventions and encouragement of SMEs. While participation in social enterprise raised their awareness of the programs in local communities, none of the women is politically active. The exception is the leader of “Gačanka”, who demonstrated leader’s characteristics and expressed ambitions for engagement in local politics. However, women-leader in rural areas are still the exception rather than the rule. Majority of participants still believe that, although they could contribute to rural development, both local and national government do not have interest in what

women from rural areas have to say. The support they receive, both tangible and intangible is just not sufficient either for the empowerment of women, or, for that matter, development of rural areas in general.

When it comes to their status in families, women participants emphasized that some of their fellow local women wanted to come and join the social enterprise, but their families, mainly husbands, are against it. Furthermore, some of them needed to end their engagement after not receiving support from their husbands or families. Participants perceived it as very traditional and patriarchal attitude that has negative impact on women self-esteem.

"They have to give up, because their husbands said 'Why you need that? It's better for you to stay at home'".

However, for the women included in the study status in the family has significantly changed. Prior to joining social enterprises they were perceived in the first place as the housewives. By becoming more self-aware women have assumed a right to speak up and they have experienced that their family members started to respect their opinion too. Since some of them started to bring more income to the households, they became more of an equal partner in family decision making process.

„Before, everybody would know that the man is the head of the family. He would object all the time mostly by arguing that he is the one who brings home the pay check. But now it is the other way around. Now I make more money and my husband must listen to what I have to say. Of course, I am joking a little bit, but the truth is that I started to be the one who makes decisions in our households, or, at least, we are making them together. In any case, my husband is accepting my suggestions now. “

Almost all of the women expressed to be very satisfied with themselves, especially those that were very previously „invisible“ in their households and their communities. The social enterprises empowered them in a significant way, changed them both personally and professionally and helped them gain the sense of self-efficacy and self-esteem.

"Today I do more things I like."

"Life is different, better. I am more satisfied. With myself. I meet others, my world is broader. It is nice."

Indeed, better self-esteem is recognized as most valuable outcome of their engagement in social enterprise. Even though they still don't have enough time for everything they would like to do, their lives have become better and more fulfilled and they feel proud of themselves because they can contribute.

7. Conclusion and implications for further research

The findings of the study have shown considerable impact of social entrepreneurship on the empowerment of women in Croatian rural areas. Since their engagement in local social enterprises, most of the women have reported significant positive changes in various aspects of their lives: some advances in income and employment opportunities, access to education, widening of social networks, increased mobility, improved visibility and status in local communities, as well as increased awareness of local politics and programs. What is particularly important is that women express commitment to ensuring advancement of opportunities and independence for their daughters by emphasising the need for their education and gainful employment. This shows that social entrepreneurship does not only facilitate the process of empowerment for the present

generation of women, but may equally carry the potential for transformative change in the longer term.

Findings, however, do not suggest equal levels of change in all the dimensions of women empowerment. Economic and political arenas seem to pose the most serious challenges for the women involved. Access to stable employment and source of income is still underdeveloped as is the women's participation in local politics. However, we have to bear in mind inherently subjective nature of the empowerment process and its inextricable link with the self-assessment of one's actions. Significant portion of women largely stated reasons other than employment or income for joining the enterprise. As most clearly pointed by the words of woman quoted at the beginning of the paper, majority of women involved in social enterprises express profound change in their own sense of power and ability to improve their standing in their families and local communities.

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