



Reality

20%

The Significant Gender Gap in Public Contracting

Introduction

Public procurement, particularly public contracts, is a crucial mechanism for spending public funds, enabling institutions to contract for work, goods, and services.

These contracts are vital for many businesses, providing a stable income stream and ensuring financial stability. In Kosovo, public institutions signed 10,183 contracts in 2023, totaling €810,438,403.40, which represents 8.23% of the Gross Domestic Product (GDP).¹

When comparing the distribution of these contracts between men and women-owned businesses, a significant disparity emerges. According to data from the Kosovo Business Registration Agency (KBRA), in 2023, there were 96,995 active businesses in Kosovo: 76,335 (78.7%) were owned by men, 17,459 (18%) were owned by women, 2,231 (2.3%) were co-owned by at least one woman, and the ownership gender was unknown for 970 (1%).² Not only are businesses owned by women considerably less common than those owned by men, but there is also a prevailing perception that many businesses officially registered as women-owned are, in practice, managed by men. However, this paper does not address that issue.³

This research analyzes the participation of women-owned businesses in public contracts during 2023, highlighting the disparity between their prevalence in the economy and their involvement in public procurement.

¹ Report on Public Procurement Activity in Kosovo for 2023. PPRC. Available at: <https://e-prokurimi.rks-gov.net/HOME/Documents/Legislation/Raportet%20Vjetore/shq/Raporti%20Vjetor%202023.pdf>

² Women's and Ethnic Minorities' Entrepreneurship in Kosovo. Gap Institute. 2023. Available at: https://www.institutigap.org/documents/9049_Nd%C3%ABrmarr%C3%ABsia%20e%20grave%20dhe%20Pakicave%20etnike.pdf

³ Businesses Owned by Women but Run by Men Radio Free Europe. 2023. Available at: <https://top-channel.tv/2023/11/06/kosove-bizneset-e-grave-qe-i-udheheqin-burrat/>

Among the 1,424 public contracts signed in 2023 by the seven largest municipalities in Kosovo—the sample for this research—women-owned businesses secured only 104 contracts. Despite representing 18% of all businesses in the country, women-owned enterprises won just 7.3% of public contracts.

The inequality becomes even more pronounced when considering the total value of these contracts. Women-owned businesses received only 2%, or €3,778,108.07, out of a total of €183,751,573.83 in awarded contracts. This stark contrast underscores the significant challenges faced by women-owned businesses in securing public contracts, despite their notable presence in the broader business landscape.

In Kosovo, the Law on Gender Equality provides for special and temporary measures aimed at achieving factual equality between women and men in areas of inequality. These measures include quotas for equal representation, programs to enhance the participation of underrepresented genders, and economic empowerment initiatives to improve women's positions in resource distribution through preferential treatment⁴. This law also explicitly requires that gender equality principles be respected in all financial and budgetary processes. Public procurement processes must also adhere to these principles, ensuring that procurement policies and practices promote equal opportunities for women and men. In practice, this means that when public funds are allocated, they must be managed in a way that actively works toward achieving factual gender equality, ensuring fair access and benefits for both women and men.

Meanwhile, the Public Procurement Law (LPP) in Kosovo, which governs all public contracts, does not define “women-owned business.” Gender equality is mentioned only in one article⁵, which allows contracting authorities to establish specific conditions or obligations during contract execution to promote gender equality or diversity.

However, neither the LPP nor the accompanying legislation clarifies what these conditions and obligations entail, resulting in a lack of affirmative measures for women-owned businesses in practice.

⁴ Official Gazette of the Republic of Kosovo. Law no. 05/L-020 on Gender Equality. Article 6 Available at: <https://gzk.rks-gov.net/ActDetail.aspx?ActID=10923>

⁵ Official Gazette of the Republic of Kosovo. Law no. 04/L-042 on Public Procurement of Kosovo. Article 31, point 2.4. Available at: <https://gzk.rks-gov.net/ActDetail.aspx?ActID=2772>

Methodology

This research focuses on public procurement contracts awarded in 2023 by the seven largest municipalities in Kosovo: Prishtinë/Priština, Prizren, Pejë/Peć, Gjakovë/Đakovica, Mitrovica, Ferizaj/Uroševac, and Gjilan/Gnjilane. These municipalities, acting as contracting authorities, signed a total of 1,424 public contracts worth €183,751,573.37, accounting for over half (50.65%) of all public contracts awarded by municipalities in Kosovo during 2023.⁶

Contract data was sourced from the electronic e-procurement system⁷ and the annual public procurement report for 2023, while business ownership information was obtained from the Kosovo Business Registration Agency (KBRA). Business ownership was determined based on the gender of owners holding more than 50% of the shares.

Contracts involving mixed-ownership businesses were classified as those awarded to businesses with multiple owners, where at least one woman owns 50% or more of the shares, as well as contracts awarded to partnerships involving two or more businesses, with at least one being women-owned.

Participation of Women-Owned Businesses in Public Contracts

The number and participation of women in businesses are relatively low, and women-owned businesses are even less represented in securing public contracts with public institutions.

These businesses often face challenges in accessing capital and human resources⁸, have low representation in many profitable sectors, and tend to have shorter lifespans compared to those owned by men.⁹

Many women-owned businesses may not be fully aware of public tender procedures due to their limited workforce and the lack of qualified staff to handle public procurement bidding. Over 98% of women-owned businesses in Kosovo employ nine or fewer staff members.¹⁰

This small workforce not only affects their ability to navigate the pre-tender phase but also limits their capacity to undertake medium or large contracts, putting them at a disadvantage against larger competitors.

Women-owned businesses are often underrepresented in sectors that dominate public procurement, such as road and building construction, fuel supply, and pharmaceuticals. The most common primary activity among women-owned businesses is retail trade in non-specialized stores, primarily dealing with food, beverages, and tobacco, followed by retail trade in textiles and various service activities.¹¹

⁶ Report on Public Procurement Activity in Kosovo for 2023. PPRC: <https://e-prokurimi.rks.gov.net/HOME/Documents/Legislation/Raportet%20Vjetore/shq/Raporti%20Vjetor%202023.pdf>

⁷ For framework contracts with unit prices, the estimated contract value was utilized.

⁸ In Kosovo, Micro, Small, and Medium Enterprises (MSMEs) comprise 99% of all women-owned businesses (Gap Institute, 2023). 2023. Gap Institute. https://www.institutigap.org/documents/9049_Nd%C3%ABmarr%C3%ABsia%20e%20grave%20dhe%20Pakicave%20etnike.pdf

⁹ The average lifespan of women-owned businesses is 4.36 years, compared to 8.1 years for businesses owned by men. Gap Institute. 2023. https://www.institutigap.org/documents/9049_Nd%C3%ABmarr%C3%ABsia%20e%20grave%20dhe%20Pakicave%20etnike.pdf

¹⁰ Ibid.

¹¹ Ibid.

In terms of contract awards, the Municipality of Gjakovë/Đakovica had the highest participation of women-owned businesses, while Gjilan/Gnjilane had the lowest. The lowest participation rate relative to the total number of contracts awarded was in Prizren (3.2%), while the highest was in Gjakovë/Đakovica (15.7%).

Regarding the value of contracts awarded to women-owned businesses, Gjakovë/Đakovica again leads with €1,225,169.41 awarded in 2023, whereas Gjilan/Gnjilane recorded the lowest value at €82,440.00. As a percentage, the highest value of contracts awarded to women-owned businesses was in Gjakovë/Đakovica (5.7%), while the lowest was in Gjilan/Gnjilane (0.7%).

TABLE 1. Participation of Women-Owned Businesses in Public Contracts during 2023

Municipality	Total Number of Contracts Awarded	Number of Contracts Won by Women-Owned Businesses (percentage)	Total Value of Contracts Awarded (€)	Value of Contracts Won by Women-Owned Businesses (percentage)
Prishtinë/ Priština	295	15 (5%)	47,192,788.63	683,077.99 (1.4%)
Prizren	275	9 (3.2%)	33,642,301.45	317,065.50 (0.9%)
Ferizaj/ Uroševac	171	9 (5.2%)	38,016,120.78	388,337.25 (1%)
Pejë/ Peć	177	13 (7.3%)	16,921,629.03	445,011.52 (2.6%)
Gjilan/ Gnjilane	135	6 (4.4%)	11,547,032.52	82,440.00 (0.7%)
Gjakovë/ Đakovica	197	31 (15.7%)	21,414,319.40	1,225,169.41 (5.7%)
Mitrovicë/ Mitrovica	200	21 (10.5%)	12,150,999.28	209,114.00 (1.7%)

The largest contracts won by women-owned businesses in 2023 were for the physical security of the Municipality of Gjakova's buildings, with a total value of €397,563.71, followed by the contract for the construction of the Llukac riverbed, valued at €387,597.30. Meanwhile, 29 contracts won by women-owned businesses were of minimal value (less than €1,000).

TABLE 2. The Five Largest Contracts Won by Women-Owned Businesses

Municipality	Contract name	Contract Value (€)
Gjakovë/ Đakovica	Physical Security of the Municipality of Gjakova's Buildings	397,563.71
Gjakovë/ Đakovica	Construction of the Llukac Riverbed	387,597.30
Ferizaj/ Uroševac	Provision of Necessary Services to Achieve Property Tax Objectives	250,000.00
Prishtinë/ Priština	Design of the Urban-Architectural Solution Connecting the "Kalabria" Neighborhood with the "Dardania" Neighborhood	218,429.80
Gjakovë/ Đakovica	Supply of a Firefighting Tanker	194,499.00

Mixed-ownership businesses, whether as shareholders within a business or as consortia of several businesses where one business had a woman owner, won fewer contracts (81) compared to businesses solely owned by women. However, the value of these contracts was much higher (€16,300,569.12) than the value of contracts won by women-owned businesses (€3,778,108.07).

GRAPH 1. Comparison of the Value of Contracts Won by Women-Owned Businesses and Mixed-Ownership Businesses

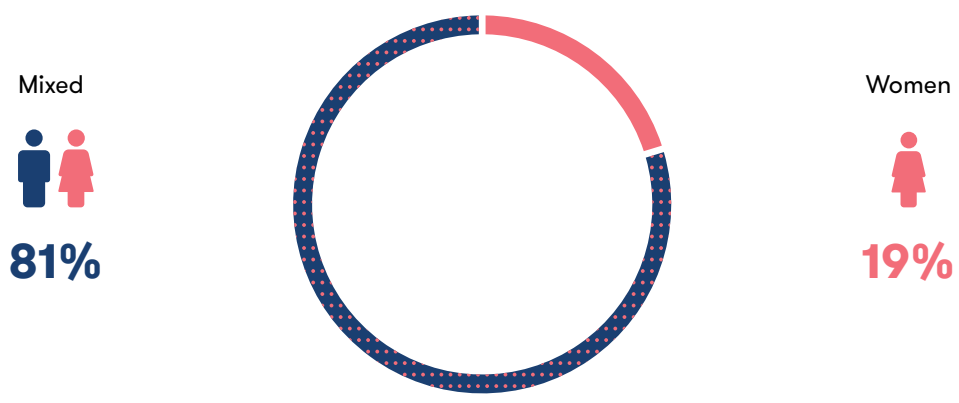
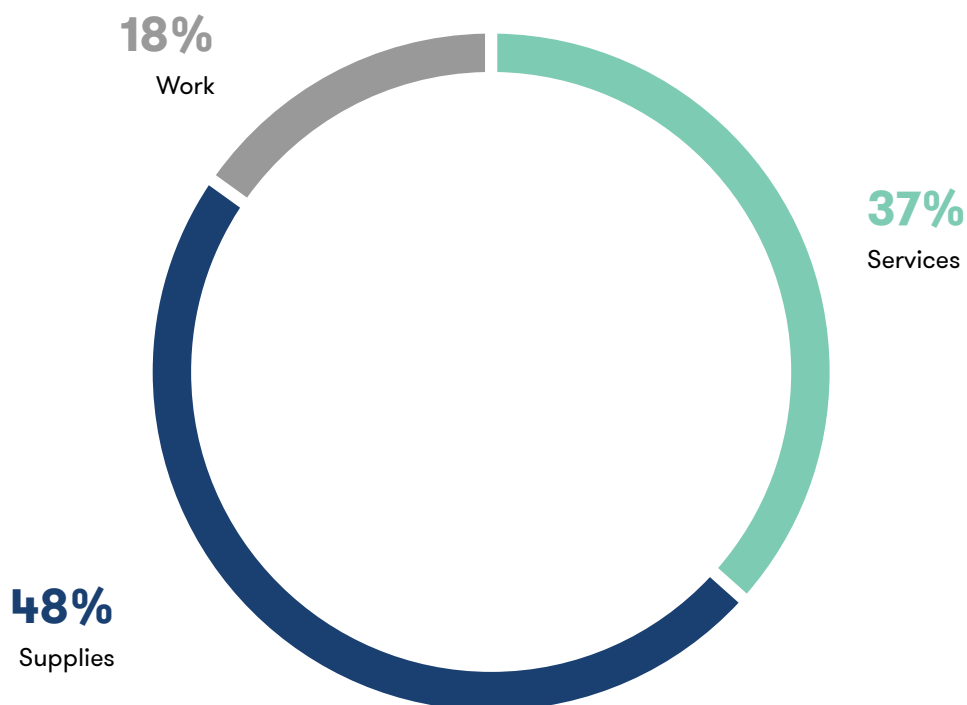


TABELA 3. Participation of Mixed-Ownership Businesses in Public Contracts During 2023

Municipality	Total Number of Contracts Awarded to Mixed-Ownership Businesses	Total Value of Contracts Awarded to Mixed-Ownership Businesses (€)
Prishtinë/ Priština	11	2,421,370.85 Euros
Prizren	13	1,423,551.44 Euros
Ferizaj/ Uroševac	17	4,551,530.70 Euros
Pejë/Peć	13	2,421,370.85 Euros
Gjilan/ Gnjilane	5	1,035,521.00 Euros
Gjakovë/ Đakovica	8	3,263,649.28 Euros
Mitrovicë/ Mitrovica	14	1,183,575.00 Euros

Nearly half (50) of all contracts awarded to women-owned businesses in 2023 were supply contracts, while the fewest were work contracts (16), which are typically medium to high-value contracts.

■ GRAPH 2. Types of Contracts Awarded to Women-Owned Businesses in 2023



CONCLUSIONS

- Women-owned businesses are significantly underrepresented in securing public contracts, winning only 2% of the total value of contracts awarded by the seven largest municipalities in Kosovo in 2023. Although Gender Responsive Budgeting (GRB) is a legal requirement in Kosovo, it is not yet being effectively implemented in public procurement processes.
- The Municipality of Gjakovë/Đakovica awarded the most contracts to women-owned businesses, signing 31 contracts worth a total of €1,225,169.41
- While women-owned businesses secured the most contracts for supplies, they obtained the fewest for construction works.
- Notably, over 30% of all contracts signed by women-owned businesses with seven (7) largest municipalities in 2023 were of minimal value, under €1,000.

RECOMMENDATIONS

- The new Public Procurement Law should incorporate affirmative measures and GRB to enhance the participation of women-owned businesses in public procurement. This includes setting clear targets and guidelines to ensure equitable access and opportunities for women-owned enterprises in the procurement process. Public institutions, as contracting authorities, should establish specific requirements in tender documents that promote gender equality in line with current legislation.
- Following the Law on Gender Equality, special programs and measures-such as gender quotas and preferential treatment-should be implemented to support and increase women's participation in public procurement.
- Public institutions, particularly the PPRC, should develop sustainable mechanisms for monitoring and reporting progress on gender equality in the allocation of public contracts, providing regular and updated data on women's participation in this area.
- Chambers and business associations should offer regular training for women business owners, focusing on enhancing their skills for participating in public tenders. These trainings should cover procurement procedures and the preparation of competitive bids, aiming to improve the capacity of women-owned businesses to successfully compete in public procurement.