

***Natasha Daniloska, PhD***

Institute of Economics  
University Ss. Cyril and Methodius- Skopje  
natasha.daniloska@ek-inst.ukim.edu.mk

***Snezana Kostadinovska-Miloshevska, PhD***

Institute of Economics  
University Ss. Cyril and Methodius- Skopje  
snezana@ek-inst.ukim.edu.mk

**OPPORTUNITIES FOR DEVELOPMENT  
OF WOMEN ENTREPRENEURSHIP IN THE  
REPUBLIC OF MACEDONIA**

Abstract

No doubt that women entrepreneurship is as an important source of economic growth that can create new jobs for the entrepreneurs themselves and others. Additionally, involvement of women into the business also provides society with different solutions to management, organization and business problems. Unfortunately, in the Republic of Macedonia they still represent a minority of all entrepreneurs.

Some traditional societal attitudes and norms in Macedonia, such as gender-based barriers to starting and growing their businesses, discriminatory property, matrimonial and inheritance laws and/or cultural practices; lack of access to formal finance mechanisms; limited mobility and access to information and networks, inhibit many Macedonian women

from even considering starting a business.

This paper is about women entrepreneurship in Macedonia, challenges and opportunities for its development, as well as problems that Macedonian women entrepreneurs are facing. Integral part of this paper is the analysis of the role that government as well as various developmental organizations should have in order to promote women entrepreneurs through various schemes, incentives and promotional measures.

The paper methodology will be largely based on the classical methods of desk-based research of the available literature and data.

**Key words:** women entrepreneurship, economic growth, government promotion, information economy, SMEs development.

## INTRODUCTION

Women entrepreneurship nowadays is recognized as an important source of economic growth worldwide. In general, entrepreneurship is seen as one of the most important solutions to unemployment, poverty and low economic growth, and in this frame, women entrepreneurship is considered its key segment and should therefore be straighten and supported by all stakeholders, at all levels - national, regional and/or global.

Women's entrepreneurship creates jobs, but also engages various opportunities for management and organization of work processes. Thus, it can give a strong contribution to the welfare of families and communities and reduce poverty, as well as to contribute to the achievement of the Millennium Development Goals. Having this facts in mind, it is obvious that the issue of women entrepreneurship is not purely gender issue, but primarily economic.

Yet, the official numbers reveals another reality. Namely, women entrepreneurs are accounting for about one third of total number of entrepreneurs in the world and thereby are a minority. Reasons for this are numerous gender barriers to start up and/or to develop a business. Among most common barriers are listed various property discriminations, laws on marriage and inheritance and other cultural practices, lack of access to financial mechanisms, limited mobility and limited access to information and networks, etc. Therefore, governments around the world, as well as all developmental organizations through various schemes, initiatives and promotional measures, must actively promote women entrepreneurship.

Women in the Republic of Macedonia are also a minority in the total number of entrepreneurs. Namely, in the total number of employers, the share of Macedonian women is roughly  $\frac{1}{4}$ , they represent 40% of the unemployed, and in the total active population in the Republic of Macedonia, 64% are women (State Statistical Office of Republic of Macedonia, Skopje, June 2015). These figures indicate that if promote and activate women in business, tremendous opportunities for acceleration of growth, employment and prosperity in the country can be open. Under these circumstances, it is not exaggerated to say that in order to achieve strong economic growth and high standards, Republic of Macedonia literary needs, women's entrepreneurial revolution.

In order to achieve the above mentioned goal, to the Government of Republic of Macedonia are available countless opportunities, theoretical guidance and good practices that should be translated into policies and measures. So far in this area, despite the ambitious governmental support of entrepreneurship, self-employment and improvement of the macroeconomic environment for business, we must point out that undertaken measures to support Macedonian women entrepreneurship are

quite modest. In addition, we would like to add that the country, as a candidate for full-fledged membership in the European Union, has serious liability regarding the issue of women entrepreneurship.

Within the above elaborated context, this paper pretends to help achieve the goal of developing Macedonian women entrepreneurship. The intention is to analyse current situation through the available data on women entrepreneurship, as well as to elaborate the problems that hinder its development and to indicate the set of measures and steps to be taken by all stakeholders and thus contribute to the development of Macedonian society and help the country to become a prestigious place to live.

## COMPARATIVE FACTS ABOUT THE REPUBLIC OF MACEDONIA AND WOMEN ENTREPRENEURSHIP

It is widely accepted that women entrepreneurs make significant contributions to the economy. In many developed economies, women are starting businesses at a faster rate than men and are making significant contributions to job creation and economic growth. In the United States, for example, women-owned firms are growing at more than double the rate of all other firms (23 percent and 9 percent respectively) and have done so for nearly three decades. They contribute nearly \$3 trillion to the U.S. economy and are directly responsible for 23 million jobs. New data projections also suggest that future job growth in the United States will be created primarily by women-owned small businesses. It is interesting to mention that 24 percent of family businesses are led by female CEO or president, and 31.3 percent of family businesses indicate that the next heir is female. In almost 60 percent of all family businesses, women are in the top management team (Business Insider, 2014). In Canada, women own 47 percent of small enterprises and accounted for 70 percent of new business start-ups in 2004. Women's significant contribution in these developed economies exemplifies what many developing countries can aim to achieve by increasing opportunities for women entrepreneurs.

On world level, with about 8 to 10 million formal women-owned SMEs in emerging markets, as is illustrated in Table 1, (representing 31 to 38 percent of all SMEs in emerging markets), the average growth rate of women's enterprises is significantly lower than the average growth rate for SMEs run by men (International Finance Corporation, 2011).

**Table 1.** *Number of formal SMEs with 1+ woman owners, in million, in 2013*

East Asia	4.8–5.9
Central Asia and Eastern Europe	1.2–1.4
Latin America	1.2–1.4
Sub-Saharan Africa	0.8–1.0
Middle East and North Africa	0.3
South Asia	0.2
Total	8.4–10.3

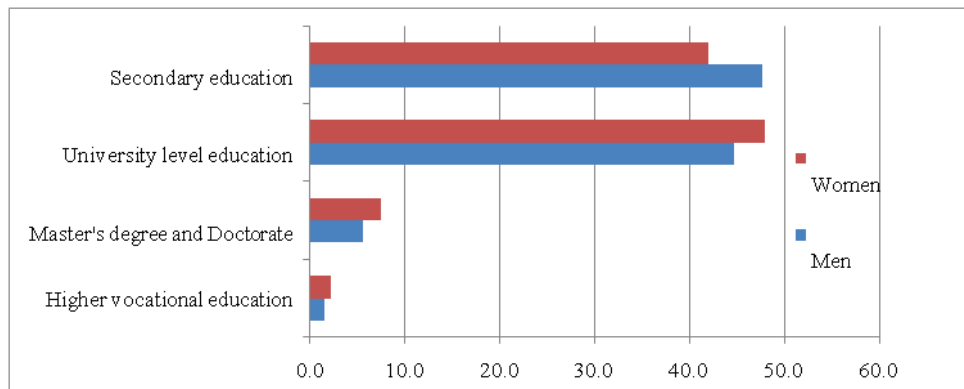
*Source: McKinsey-IFC SME database; Enterprise Survey; ILO, Human Development Report, 2014; team analysis*

In 2012, women made up only 31% of self-employed European citizens, and only 10% of working women are self-employed (Library of the European Parliament, 2013). Entrepreneurship appears to be a rather male occupation, with women believed to be more risk-averse. Moreover, women are seen to be motivated more often by necessity than by opportunity. When women do start businesses, they often do so in less innovative sectors. Monitoring of female entrepreneurship is challenging given a lack of data. However, whilst their companies perform equally, it is often believed that sales in women's companies grow less than in those of their male counterparts.

Having on mind that Republic of Macedonia hasn't tradition for the entrepreneurship, in the last years; Macedonian government has undertaken many measures to promote it. However, the number of the companies is small (71.290 active companies) in which 475.909 individuals were employed, 41% of which are women. As can be seen in Table 2. for the 2013, from total number of working age population, about 50% are women, they are 40% from the total number of labor force, the same percent of total number of employed and unemployed persons and 63,2% from the total inactive population in the country. While the highest (above 70%) is the share of the women inactive population of the age of 25-59 and above 20% of unemployed women of the age of 25-29, which is huge potential for the women entrepreneurship.

Additionally, if we observe the educational structure among the working population in Republic of Macedonia, as can be clearly seen on Graph 1., it is women that have higher level of education. This data again confirm the need to engage this human potential into Macedonian economy.

**Graph 1.** Structure of the working population with regular education, according to the accomplished level of education, in the Republic of Macedonia, in 2014



Source: Labour force survey, 2014, Statistical Review: Population and Social Statistics, SSO, Republic of Macedonia, Skopje, June 2015

Also, as can be seen in Table 2. for the 2014, from total number of working age population, about 50% are women, they are 39,5% from the total number of labor force, the same percent of total number of employed and unemployed persons and 64% from the total inactive population in the country. While the highest (nearly 64%) is share of the women inactive population of the age of 25-59 and above 20% of unemployed women of the age of 25-29, which is huge potential for the women entrepreneurship.

**Table 1. Working age population by economic activity, gender and age, in the Republic of Macedonia, in 2014**

Age	Total		Labour force						Inactive population						
	Total	Men	Total	Employed persons		Unemployed persons		Total	Men	Women					
				Men	Women	Total	Men				Women				
Total	1 673 494	837 232	836 263	958 998	579 906	379 092	690 188	419 589	270 599	268 809	160 316	108 493	714 497	257 326	457 171
15-19	136 580	71 047	65 533	16 232	10 127	6 105	5 926	3 479	2 447	10 306	6 648	3 658	120 347	60 920	59 427
20-24	155 937	80 322	75 615	78 682	49 327	29 355	38 591	25 074	13 516	40 091	24 252	15 839	77 256	30 995	46 260
25-29	164 074	84 053	80 022	130 420	75 651	54 769	79 114	48 017	31 098	51 306	27 634	23 672	33 654	8 402	25 252
30-34	162 461	83 328	79 133	134 721	79 465	55 256	95 849	58 089	37 760	38 873	21 376	17 496	27 739	3 863	23 877
35-39	153 577	78 270	75 307	127 749	74 849	52 900	100 670	58 153	42 517	27 079	16 696	10 383	25 827	3 421	22 406
40-44	146 600	74 008	72 592	118 265	70 099	48 166	93 443	55 983	37 460	24 822	14 116	10 706	28 335	3 909	24 426
45-49	147 411	74 509	72 902	115 840	70 002	45 839	91 895	55 432	36 464	23 945	14 570	9 375	31 570	4 507	27 064
50-54	141 895	71 561	70 335	105 936	63 786	42 150	82 523	49 478	33 046	23 413	14 309	9 104	35 959	7 774	28 185
55-59	135 204	67 829	67 375	88 692	55 833	32 859	69 776	43 478	26 299	18 916	12 355	6 560	46 512	11 996	34 515
60-64	117 432	56 709	60 723	37 358	27 305	10 052	27 645	19 179	8 467	9 712	8 126	1 586	80 075	29 404	50 671
65+	212 324	95 597	116 728	5 102	3 462	1 640	4 755	3 229	1 526	:	:	:	714 497	257 326	457 171

Source: Labour force survey, 2014, Statistical Review: Population and Social Statistics, SSO, Republic of Macedonia, Skopje, June 2015

Situation in 2014 is worse regarding employment by type of ownership of the business entities and by gender. We can see in Table 3. that in total number of employed (without type of ownership of the business entities-private or other) - 690.188, women participated with about 40%, but in private companies that participation is lower.

**Table 3.** *Employed by type of ownership of the business entities and by gender, in the Republic of Macedonia, 2014*

Gender	Ownership of business entities		
	Total	Private	Other <sup>1)</sup>
Total	690 188	530 868	159 320
Men	419 589	328 021	91 569
Women	270 599	202 847	67 752
	Structure by ownership in %		
Total	100,0	76,9	23,1
Men	100,0	78,2	21,8
Women	100,0	75,0	25,0
	Structure by gender in %		
Total	100,0	100,0	100,0
Men	60,8	61,8	57,5
Women	39,2	38,2	42,5

1) *Other (mixed, collective, state, undefined)*

Source: *Labour force survey, 2014, Statistical Review: Population and Social Statistics, SSO, Republic of Macedonia, Skopje, June 2015*

Then, as illustrated in the Table 4., from 26.914 employers, 23% are women, from 96.401 self-employed, 15,6 % are women and from 60.747 unpaid family worker, 61,7% are women. This fact once again confirm our main thesis.



**Table 4.** *Employed by economic status and gender, in the Republic of Macedonia, in 2014*

Gender	Economic status				
	Total	Employed	Employer	Self-employed	Unpaid family worker
Total	690188	506 126	26 914	96 401	60 747
Men	419 589	294 492	20 605	81 337	23 245
Women	270 599	211 723	6 309	15 065	37 502
Structure by gender in %					
Total	100,0	100,0	100,0	100,0	100,0
Men	60,8	58,2	76,6	84,4	38,3
Women	39,2	41,8	23,4	15,6	61,7
Structure by economic status in %					
Total	100,0	73,3	3,9	14,0	8,8
Men	100,0	70,2	4,9	19,4	5,5
Women	100,0	78,2	2,3	5,6	13,9

Source: Labour force survey, 2014, Statistical Review: Population and Social Statistics, SSO, Republic of Macedonia, Skopje, June 2015

Furthermore, as shown in Table 5. in total number of unemployed, 38,5% are women and they wait for work longer than men.

**Table 5.** *Unemployed persons by duration of unemployment and gender, in the Republic of Macedonia, in 2014*

Gender	Total	Duration of unemployment							
		Up to 1 month	2-5 months	6-11 months	12-17 months	18-23 months	2 years	3 years	4 years and longer
Total	269 809	8 845	18 090	17 754	15 935	14 389	2 389	22 752	168 655
Men	106 318	4 981	10 839	10 522	9 003	7 458	1 279	12 560	103 675
Women	108 493	3 865	7 252	7 231	6 933	6 931	1 110	10 191	64 981
Structure by gender in %									
Total	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
Men	59,6	56,3	59,9	59,3	56,5	51,8	53,5	55,2	61,5
Women	40,4	43,7	40,1	40,7	43,5	48,2	46,5	44,8	38,5
Structure by duration of unemployment in %									
Total	100,0	3,3	6,7	6,6	5,9	5,4	0,9	8,5	62,7
Men	100,0	3,1	6,8	6,6	5,6	4,7	0,8	7,8	64,7
Women	100,0	3,6	6,7	6,7	6,4	6,4	1,0	9,4	59,9

Source: Labour force survey, 2014, Statistical Review: Population and Social Statistics, SSO, Republic of Macedonia, Skopje, June 2015

Considering presented statistical analysis, we can conclude that women entrepreneurship in the Republic of Macedonia, according all indicators compared with other country, is lower, and hasn't good tendency, but in the same time, we should consider the effects of large global financial crisis that has gripped deeply, both Europe and the Republic of Macedonia.

Some recent trends point to the fact that a growing number of women decides to start their own business which goes beyond glances past the traditional role of women in the family. However, the results of relevant scientific research in this matter are modest and in fact indicate a greater willingness, perseverance and support for the male population to establish their own business.

### EU REGULATION-OBLIGATIONS AND OPPORTUNITIES FOR DEVELOPMENT OF FEMALE ENTREPRENEURSHIP

Women for Europe represent a pool of potential entrepreneurs. EU initiatives, such as dedicated networks for women, are supplemented by stakeholders' own initiatives, while the European Parliament (EP) has recognised the positive contribution of female entrepreneurship.

According European Commission (European Commission, 2014), when establishing and leading business, women encounter greater difficulties than men. These difficulties are mainly seen in limited access to finance, poor training and networking, as well as daily need for balancing between the business and the family. Therefore, the Commission is actively supporting entrepreneurship and thereby is creating more jobs for women, and in the same time empowers women economically and socially, and is raising their creative and innovative capacities. The main development document binding on Member States, as well as candidates for membership in the EU is the EU's Lisbon Declaration, 2010, which sets out the following obligations:

- Increasing the employment rate for 70%, and
- Increasing the number of women in the work process for more than 60%

In same line with above mentioned targets is the EU Action Plan for Entrepreneurship 2020, which relies on three pillars:

- Entrepreneurship education and training
- Creating an environment where entrepreneurs can develop and grow, and
- Developing role models for certain groups of entrepreneurial potential that can be achieved through traditional programs to support business

In 2009, the Commission has established the European Network of Female Entrepreneurship Ambassadors, which in 2011 was supplemented by the European Network of Mentors for Women Entrepreneurs. In same time with these operational bodies, the Commission impose:

- Effective enforcement of existing regulations on gender equality, in particular Directive 2010/41/EC74 which should further stimulate female entrepreneurship;
- Creation and implementation of a national strategy for women's entrepreneurship that will result in increased participation of women owners/managers of companies;
- Collecting gender-disaggregated data and their annual updating on the status of the national women's entrepreneurship;
- Continuation and expansion of existing networks of Female Entrepreneurship Ambassadors and Mentors for Women Entrepreneurs;
- Implementation of policies that will enable women to act through an appropriate work-life balance by establishing adequate and affordable care for children and elderly dependents, and especially taking into account all the benefits of support from European funds;

So, these are the prerogatives which Macedonia should consider as benchmarks down the route of development and intensification of women entrepreneurship, that will bring the country closer to meeting both its own and EU and development agenda. In same time, when discussing women entrepreneurship in the Republic of Macedonia, one must take into account current macroeconomic environment in the country, which is still relatively risky and inappropriate and is still under the influence of accumulated problems, particularly low level of GDP, lack of investment capital, low level of utilization of capacity, high unemployment and the growth of trade and budget deficits. In contrast, we must bear on mind constant new financing opportunities, that entrepreneurs are not aware of, nor well informed on, on one hand, and the need to resolve the high collateral requirements and deficiencies that occur in the regime of secure transactions in lending to micro, small and medium enterprises, especially start-up, on the other hand. Finally, there are available a number of donor credit lines that are poorly used, from:

- The World Bank
- The European Bank for Reconstruction and Development
- IPA Program,
- Donations received from certain developed countries (Germany, Italy, Switzerland, etc..)

- Loans from FAO
- Direct private investments and more.

All presented opportunities indicate a huge field for active participation of authorities, civil society, science, and the media, which should launch new initiatives and practices of women entrepreneurship in the Republic of Macedonia, following the example of the most successful countries. In this context than beside the obligations set by the European Commission, stated above, Macedonia should use the following proven tools:

- Strategies to support and encourage civil society organizations, initiatives and / or groups whose primary mission is to reduce poverty, analysis of the labor market, training and information in the field of entrepreneurship;
- Support of women's groups in this sense, is also extremely important
- Greater financial support for unemployed women to start their business
- A system of encouraging and supporting entrepreneurship in higher quotas for women's participation
- Series of fiscal measures to support entrepreneurship through tax cuts for business and the introduction of special measures and also lower taxes for those employers who will provide a contract for employment of a women. This should especially apply to regions with high rates of unemployment among women;
- Voucher system for access to facilities for the care of children of those families who are at risk of poverty;
- Introducing work from home in order to provide greater flexibility for women with family responsibilities;
- Establishing Agency for women entrepreneurship and programs for lending to small businesses run by women;
- Providing flexicurity in operation;
- Support media with the introduction of programs of this topic and presenting success stories, etc.

## CONCLUSION

As a general conclusion regarding women entrepreneurship, we can say that although enterprise culture and the status of women in society may differ between the various countries, many of the problems faced by female entrepreneurs are quite similar. Basically, it is important to make women aware of the possibilities they

have today as well as to assist them in establishing necessary business contacts. Women appear to have a different approach towards running a business than men, therefore gender awareness in designing and delivering support measures targeted at women entrepreneurs is essential. In this regard is essential, too, to have in mind women's empowerment through ICTs from the various uses that ICTs have been put to. These include: connectivity and access to information about livelihoods and enterprises; data management and creation of data repositories; linking women producers to global markets; efficient communication for micro-enterprises; opportunities for skill-building and employment; and opportunities for self employment.

Women's entrepreneurship in the Republic of Macedonia can make a particularly strong contribution to the economic growth, well-being of the family and communities, poverty reduction and women's empowerment. Our analysis shows that the high number of unemployed and inactive women, especially between the ages of 20-39 years, together with the low number of women employers and self-employed, as well as the high number of unpaid female labor, indicate unfavorable conditions in this domain.

In order to achieve the Lisbon objectives and sustainable development, except obligations of the EU, Macedonian government should undertake radical measures with strong promotion and support from the government, but and all stakeholders, specially scientists. Stakeholders underline the importance of better data on which to base policies, as well as the reinforcement of support structures for female entrepreneurs such as the provision of information and training, business networks, business support services, and facilitating access to both human and financial capital for women.

### Notes

<sup>1</sup> According to new data projections from the Guardian Life Small Business Research Institute, future job growth in the United States will be created primarily by women-owned small businesses and by 2018 women entrepreneurs will be responsible for creating between 5 million and 5.5 million new jobs. That's more than half of the 9.7 million new jobs the Bureau of Labor Statistics (BIS) expects small businesses to create, and about one-third of the total new jobs the BIS projects will be created in that time frame.

## References

Gurumurthy A, McLaughlin L and Jha M (2014) *Labouring Women, Enterprising States - A Research Study on Women, Information Technology and Narratives of Entrepreneurship*. Miami University, Ohio (United States).

Business Insider (2014) *The 10 Largest Family Businesses in The U.S.* Available at: <http://www.businessinsider.com/the-10-largest-family-businesses-in-america-2011-11?op=1> (accessed on 10.7.2014).

International Finance Corporation (2011) *Strengthening Access to Finance for Women-Owned SMEs in Developing Countries*. Washington DC

ILO, Human Development Report (2014) *McKinsey-IFC SME database; Enterprise Survey*, team analysis.

Kelley D. e.a. (2011) *Global Entrepreneurship Monitor 2010 Women's report*. Babson College and GERA.

Library of the European Parliament (2013) *Library Briefing*.

Mc. Laughlin L (2011) *Women, Information Work, and the corporatization of development*. In Sarikakis K, Shade, L. R.(eds.), *Feminist Interventions in International Communication: Minding the Gap*.

McKinsey-IFC SME database (2014) *Enterprise Survey* ILO, human Development report, team analysis.

OECD (2012) *Gender equality in education, employment and entrepreneurship*, Final report to the MCM, Paris.

Unija poslodavaca Srbije (2013) *Procena okruženja za žensko preduzetništvo u Republici Srbiji*. Beograd.

Sharma K (2011) Small Loans, Big Dreams: Women and Microcredit in a Globalising Economy. In *Economic and Political Weekly*, XLVI (43).

State Statistical Office of the Republic of Macedonia (June 2015) Labour force survey, 2014, Statistical Review: *Population and Social Statistics*.