
CHALLENGES AND OPPORTUNITIES OF FEMALE ENTREPRENEURSHIP DEVELOPMENT IN THE REPUBLIC OF NORTH MACEDONIA

Ceneta Telak Durmishi

International Balkan University, Faculty of Economics and Administrative Sciences, Skopje,
Republic of North Macedonia, telak.ceneta@gmail.com

Snezana Bilic

International Balkan University, Faculty of Economics and Administrative Sciences, Skopje,
Republic of North Macedonia, snezana.bilic@yahoo.com

Abstract: Women entrepreneurship is as an important source of economic growth that can create new jobs for the entrepreneurs themselves and others. Therefore, involvement of women into the business also provides society with different solutions to management, organization and business problems. Unfortunately, in the Republic of North Macedonia, women still represent a minority of all entrepreneurs. This paper is about women entrepreneurship in North Macedonia, challenges and opportunities for its development, as well as problems that Macedonian women entrepreneurs are facing. Some of the main challenges that they face include: funding opportunities, lack of information, and knowledge of how to run and manage business as well as the challenge to balance the work and family engagements.

On the other hand, in the Macedonian economy there is an existence of opportunity gaps that women entrepreneurs can fulfill in many sectors. In accordance to this, the paper will contain a secondary analysis of the sector, based on case studies of existing enterprises that are being run by women. Conclusions and recommendations will be indicated based on the current trends in the country as well as a comparative analysis of the existing companies in different regions and sectors.

Keywords: women entrepreneurship, development, challenges, opportunities, North Macedonia

1. INTRODUCTION

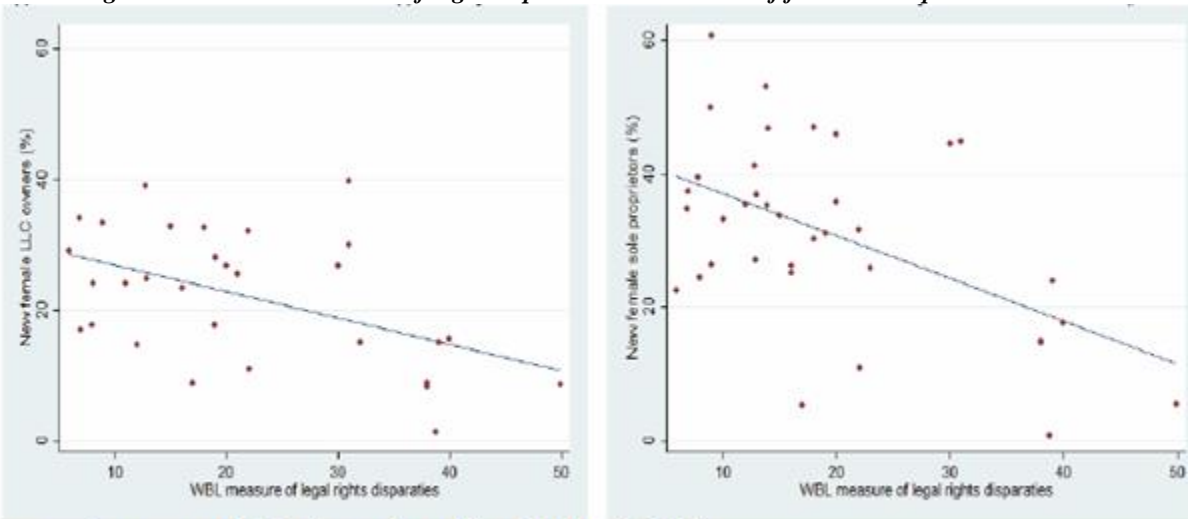
Female entrepreneurs are growing in numbers as is their importance in society and the same in occurring in our country. In the past, entrepreneurship was considered to be a male-dominated sector (Brush, 1992; Berg, 1997). From research conducted in 41 countries during 2003, it was found that men were almost twice as engaged in starting a new business than were Female; TEA [the percentage of adults (18–64), who attempt to start a business or already are owners of small businesses set up earlier than 42 months] of females was 7%, while that of males was 12% (Brush et al., 2006). The Global Entrepreneurship Monitor (2004) reported that Female represented more than one-third of all people involved in entrepreneurial activity. In recent years, female entrepreneurs have attracted increasing attention among researchers (Colette and Johnston 2007; Kariv, 2012). In Republic of Macedonia, more than half of the women (56.2%) are economically inactive, compared to one of the three men (30.8%), and precisely this is the largest gender gap. According to the latest data from the State Statistical Office (SSO), in 2016, two thirds (64%) of the total inactive population over 15 years old are women and one third (36%) are men (State Statistical Office, Labour force survey, 2016). The 2016 Report of the United Nations Secretary-General's High-Level Panel on Women's Economic Empowerment provides strong evidence that women are lagging behind men in terms of the number of female business owners, the size of women-owned businesses, and their access to economic resources. Specifically, women-owned enterprises are smaller and disadvantaged in their access to credit, resources, and assets (UN Secretary-General's High-Level Panel on Women's Economic Empowerment 2016, 2). With data on the existing gender gap in female entrepreneurship sparse, tracking the progress achieved by women in this area becomes more important. Cross-country comparisons are essential for in-depth analysis of the development of female entrepreneurship in different institutional, legal and socio-cultural environments. Measuring women's entrepreneurial activity is critically important for a better understanding of how female entrepreneurs contribute to the economy and society. However, there are few data sets related to female entrepreneurship with comparable cross-country data. To address this issue, the 2017 edition of the World Bank Group's Entrepreneurship Database expanded its scope to collect comparable cross-country data on the number of new female and male LLC owners and sole proprietors. The Global Entrepreneurship Monitor (GEM) was launched in 1999 and is now carried out by more than 400 experts on entrepreneurship from over 100 research and academic institutions (Global Entrepreneurship Research Association 2017). The GEM considers the broad definition of entrepreneurship as "any attempt at new business or new venture creation, such as self-employment, a new business organization, or the expansion of an existing business, by an individual, a team of individuals, or an established business" (Reynolds, Hay, and Camp 1999, 3). This definition of entrepreneurship is not limited to a specific type of legal entity. Since

2004, the Global Entrepreneurship Research Association has published biannual reports on women's entrepreneurship which provide analysis of female entrepreneurs who intend to start and run businesses. The most recent report, for 2015, covers 83 economies. One of the key indicators used is the Total Early-Stage Entrepreneurship Activity (TEA) female and male rates which measure the percentage of the adult population either in the process of starting a business or who have recently started a business (Global Entrepreneurship Research Association 2015, 17). Methodologically, the GEM reports rely heavily on country-level surveys. For the TEA, the GEM collects data with an Adult Population Survey (APS) of at least 2,000 randomly selected adults in each economy.

2. FEMALE ENTREPRENEURIAL ACTIVITIES

The new data on the number of female LLC owners and sole proprietors provide a snapshot of business ownership demographics in various economies. This measure of female entrepreneurship can be analyzed with other indicators that can influence female entrepreneurship. The World Bank's Women, Business, and the Law (WBL) database and the Global Findex database, for example, provide additional information on institutions that help to contextualize the observed variations in the proportion of new female LLC owners and sole proprietors across economies. Gender gaps in female business entry reflect disparities in women's legal rights. In particular, they signal other inequalities in access to institutions, use of property, getting a job, providing incentives to work, going to court, building credit and protecting women from violence. Currently, the Women, Business, and the Law database captures aspects of gender inequality in 190 economies around the world. Using these data, the Women, Business, and the Law database constructs a measure of legal gender disparities. A recent study finds that a high degree of legal gender disparities "is negatively associated with a wide range of outcomes, including years of education of women relative to men, labor force participation rates of women relative to men, proportion of women top managers, proportion of women in parliament, percentage of women that borrowed from a financial institution relative to men and child mortality rates" (Iqbal et al., 21). In addition, the Entrepreneurship Database identifies another important gender outcome of legal disparities across economies. Figure 1 shows that the Women, Business, and the Law measure of legal disparities is negatively correlated with the proportion of new female LLC owners and sole proprietors, implying that such disparities constitute a significant barrier for the development of female entrepreneurship. (Frédéric Meunier, Yulia Krylova, Rita Ramalho, 2017)

Figure 1: The WBL measure of legal disparities and the level of female entrepreneurial activities



Sources: Entrepreneurship Database; adapted from Iqbal et al. (2016).

Despite the obstacles Female face while starting and managing their businesses, more and more women establish their own enterprises. In our research we have recognized some of the obstacles that women are facing while they are trying to enter in the enterpreounal world as a owner:

- Economic obstacles: Female entrepreneurs create jobs for themselves and others in the already known sector. This creation of a jobs is opening a opportunities for new skills and trainings.

- Sociological obstacles: Involving a women in a private sector will give an opportunities to the this gender to manage the balance between the responsibilities and their family and job and also encourage them to be more involved in the society
- Political obstacles: Massive involvement of women in the private sector will come to important results between the gender distribution of jobs in this sector,

In the Republic of North Macedonia there is a lack of official data with respect to Female entrepreneurs, types of businesses owned and managed by them, the contribution to the employment and GDP, etc. Regarding Female, it can be noted that in 2011, Female accounted for about half of the total population in the Republic of Macedonia (1,027,868 out of 2,059,794 total population), and about 44.7% of the total workforce of 940,000. Participation of Female in the total number of employees is lower than the share of men, which appropriately is reflected in the employment rate among the female population. In 2001, Female accounted for 30% of the total number of employees, in 2006 for 27% and in 2011 for 30 (State Statistical Office of Republic of Macedonia, 2012). Regarding the participation of Female in the total workforce of other countries in the region, we see approximately the same situation, except in Kosovo and in Bosnia and Herzegovina where Female participate less in the total work force (Hontz and Rotanu, 2010).

3. ENTREPRENEURSHIP IN REPUBLIC OF MACEDONIA

As a country where EU integration is among the top priorities, the Republic of Macedonia significantly improved the overall business environment in recent years, as Doing Business in its 2013 Report ranked it 23rd out of 185 countries (IBRD/World Bank, 2013). This was as a result of great efforts which were made in this segment by the government. However, in certain segments that make up the overall business environment, major changes are still needed.

In order to encourage entrepreneurial initiatives, the Republic of Macedonia should provide a favourable, friendly business climate which means good protection of property rights, effective execution of contracts, rule of law, qualitative and non-arbitrary regulation, stable and predictable government policy, fight against corruption, elimination of administrative and bureaucratic barriers, favourable tax policy provisions for this type of investment, opportunities for broad absorption power of the market, etc.

In terms of motivation for starting a business they were given the opportunity to choose from multiple choice answers. It can be seen that as the first ranged motive of women entrepreneurs is to have control and freedom in decisionmakingprocess (47.2% of the surveyed respondents), followed by realisation of profitsandwealth creation (45.9%), the third is the motive for self-realisation etc. In thecategory of other motives most frequently mentioned are motives of combining familyand business life and the inability to find a job.

Regardless of the specific motivation, it would appear that, when itcomes to setting up a business, women entrepreneurs are less motivated by profit thantheir male counterparts. Self-employment is often viewed by womenas a more flexible working option when compared to traditional employment,providing more free time and facilitating childcare responsibilities. Furthermore, it has also been suggested that women start a business as aresult of inability to find a job or as a result of a restricted progression opportunities in the workplace.

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Table 1: Motives for having a private business for women entrepreneurs in RNM

Control and the freedom in decision making	47.2%
Profits and wealth creation	45.9 %
Self-realisation	42.4%
In order not to work for others	36.5%
Having faith in the products/services offered in the market	25.1%
Other motives	17.4%.
Social status	14.6%

4. CONCLUSION

Women's entrepreneurship in Macedonia is still underdeveloped and there is a lack of government support into concrete policies. The activities of women entrepreneurship in the country so far encouraged the two sides. On the one hand, measures and programs developed by government bodies are usually implemented through active measures for employment. On the other hand, the number of initiatives with a focus on female entrepreneurship originating from civil society organizations.

Notwithstanding the limitations of this study in terms of sample selection, geographical concentration and methodological restrictions, a number of recommendations may be offered in the light of the findings presented. Women entrepreneurs need special assistance: education, acquisition of specific skills and knowledge, financing, technical assistance, instilling confidence through workshops, practical training and the like. It is necessary to create equal conditions and opportunities for men and women, and to create the conditions for the removal of discrimination against women. Protection of the woman as a mother is very important, which means help them with children raising. In that context many women's organizations and associations could help, especially in the area of women's struggle for economic independence, and thus to its emancipation and full equality with men.

There is a need to have greater involvement of the female population in education and in the economy in R. Macedonia in order to provide educated and more dynamic female entrepreneurs as a part of everyday economic life that will contribute to the creation of the business environment and overall economic policy.

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