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FACTORS THAT CONTROL ENTREPRENEURIAL BEHAVIOR - PERCEPTION OF YOUTH IN REPUBLIC OF NORTH MACEDONIA

Abstract

Taking into account that young people according to their age and interests differ from others, it is the interest of each country to identify those factors that motivate them in order to have a positive impact on the economy. For this purpose, it is important to know the perception of young people about the environmental factors (available resources, skills, opportunities etc.) that can facilitate or even complicate the entrepreneurial behaviour. The paper relates to the theoretical postulates of Theory of Planned Behaviour and provides set of determinants from which young people should recognize those who have the greatest importance for them. The conclusions are based on primary data obtained from empirical research conducted in Republic of North Macedonia among young students aged 18 to 29 years. The paper is also important because of the opportunities it opens for future research aimed at examining the quality of identified factors, opportunities for their improvement, comparative analyzes to other countries etc.

Key words: youth entrepreneurship, entrepreneurial behaviour, Theory of planned behaviour

JEL Classification: L26, A120

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Introduction

There are numerous definitions about the essence of entrepreneurship, contributing factors etc., after all, in general it is usually associated with recognition of business opportunity in environment, risk taking, creativity and innovation, allocation of resources etc.^{3,4,5,6,7} In the past, the entrepreneurial features were considered as something congenital and inherited. The main focus of numerous academic research has been to detect key personality characteristics of an entrepreneur, such as: independence, risk taking, perseverance, flexibility, self-confidence etc.^{8,9,10} Today we constantly talk about entrepreneurial education, and according to Drucker, entrepreneurship is a discipline and like many other disciplines it can be learned.¹¹ That is why there is increasing focus on environmental factors that encourage/hinder the development of entrepreneurship, because it is not enough to just have personal potential, but an appropriate environment for its development is also needed. Why youth entrepreneurship?

- in 1-st quarter of 2023, unemployment rate among people aged 15-29 was 25.7%, only 13.4% aged 15-64
- in the past the most important reason (29.8% of the respondents) for youth unemployment was the lack of available workplaces.
- 77.8% belong to the category of long lasting unemployment¹²

3 Agarwal, R.C. (2023). *Fundamentals of Entrepreneurship for B.com. Sem.-4 (According to NEP-2020)*. SBPD Publishing House, 2-5

4 Fiti T., Hadzi Vasileva-Markovska V. & Bejtmien M. (2007). *Entrepreneurship*, Faculty of Economic, Skopje

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10 Boutillier, S., & Uzunidis, D. (2016). *The entrepreneur: The Economic Function of Free Enterprise*. John Wiley & Sons, 1-20

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12 Elder, S, Novkovska, B & Krsteva, V. (2016). *Crossing the young women and men in the market labor in the Former Yugoslavia Republic of Macedonia*, International Labour Organization, Geneva, p. 24

Figure 7 - Chi square test for independence for H_3

fambiz37 * pol

Crosstab				
Count		pol		Total
		maz	zema	
fambiz37	ne	21	52	73
	da	33	41	74
Total		54	93	147

Chi-Square Tests					
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	3.961 ^a	1	.047		
Continuity Correction ^b	3.309	1	.069		
Likelihood Ratio	3.986	1	.046		
Fisher's Exact Test				.060	.034
Linear-by-Linear Association	3.934	1	.047		
N of Valid Cases	147				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 26.82.

b. Computed only for a 2x2 table

H_3 - There is no dependence between the gender of the respondents and the opinion that *the access to the necessary information for doing business (legal advice, accounting services, market information, etc.)* is important for starting own business.

From the conducted Chi-square test of independence is obtained the value $X^2=0.004$ at level of 1 degree of freedom and the value of $p=0.950$ (probability level 0.900-0.100). Because $0.004 < 3.85$ the hypothesis H_3 is accepted.

Conclusion

The result of this research shows that *Access to finance* is a key and a most influential determinant. But, young people also recognized as necessary: *doing business information, legal advice, accounting services, market information*, and of course the *experience of owning a family business*. For any business venture the financial capital is crucial, which if insufficient can be a reason for not realizing the business idea. The access to finance is pointed out as an obstacle also in many other researches.²⁹

Business is an activity that takes place in certain context. Events and relationships in such a context can have a significant impact on business

29 Elder, S, Novkovska, B & Krsteva, V., loc.cit 4-8

development. *The availability of the necessary information for doing business* as a part of business environment is very important for young people to realize their business idea. Legal advice, accounting services and other information on the market are a priority and improving the quality of these information/ services should be part of state policy.

It's good to know that *not having previous experience* in doing business is not perceived as a disadvantage. The determinant *Lack of experience among young people as an obstacle for doing business* was rated with the lowest value. This is especially important if we know that the subject of this research is youth, who, given their age, most likely have no previous experience in business.

People may also have different experiences according their age, gender, socioeconomic status etc. We considered it important to check the connection of the prominent priorities with the gender of respondents. The analysis of the data showed that there is generally no connection between these two categories. The only difference is in the part of the determinant *Family business as a mitigating circumstance for starting a new business*, where the female population sees the possession of family business as a mitigating circumstance. This background in terms of business tradition and experience, for female population is an important factor that can contribute to the greater business success and affect their self-confidence. The data from this research can be very helpful in creating future measures for the development of youth entrepreneurship. From statistical reports, we have seen that youth is a vulnerable category that largely participates in creating unemployment. This allows a clear distinction to be made in measures aimed at the development of youth entrepreneurship, from those intended for women entrepreneurs or the development of entrepreneurship in general. Young people are often seen as a single entity with similar needs and wants across cultures and borders. In fact they are an incredibly dynamic and diverse group of people. Policymakers should take into account this diversity as well as the local context in order to best serve to the needs of young entrepreneurs.

The paper is also important because of the opportunities it opens for future research aimed at examining the quality of identified factors, opportunities for their improvement, comparative analyzes to other countries etc.

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