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REVIEW OF THE CONDITION OF WOMEN'S ENTREPRENEURSHIP IN THE REPUBLIC OF MACEDONIA

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First academic paper that studies the female experience in the creation of business ownership

Journal of Contemporary Business

1976

Eleanor Schwartz

"Entrepreneurship: A new female frontier"

Table 1 – Gender Inequality Index, 2021

2021	Gender Inequality Index		Labour force participation rate	
	Value	Rank	Female	Male
North Macedonia	0.134	37	42.4	63.4
Bulgaria	0.210	52	49.1	62.6
Albania	0.144	39	50.7	66.2
Greece	0.119	32	43.3	58.1
Bosnia and Herzegovina	0.136	38	32.3	52.4
Serbia	0.131	36	46.6	62.3
Croatia	0.093	26	45.9	58.8
Montenegro	0.119	39	47.8	62.0

Source: UNDP, (2022) *Human Development Report 2021/2022: Uncertain Times, Unsettled Lives: Shaping our Future in a Transforming World*, pp. 291-294

The three countries with the lowest GII value:

1. Denmark in first place with a GII value of 0.013,
2. Norway in second place with a GII value of 0.016 and
3. Switzerland in third place with a GII value of 0.08

Table 2 - The Global Gender Gap Index 2022 rankings

	Global Gender Gap Index		Economic participation and Opportunity	
	Value	Rank	Value	Rank
North Macedonia	0.716	69	0.613	106
Bulgaria	0.740	42	0.737	42
Albania	0.787	18	0.774	23
Greece	0.689	100	0.672	83
Bosnia and Herzegovina	0.710	73	0.589	116
Serbia	0.779	23	0.689	77
Montenegro	0.732	54	0.733	45

Source: World Economic Forum (2022), *Global Gender Gap Report 2022*, Insight Report July 2022, p. 10

The first three places belong to:

1. Iceland GGGI value of 0,908
2. Finland GGGI value of 0,860
3. Norway GGGI value of 0,845

ESTABLISHMENT OF NEW BUSINESSES

Table 3 – Entrepreneurial activity in Republic of Macedonia 2008-2017 (TEA)

TEA	2008	2010	2012	2013	2015	2017
TEA men	20,30	11,70	9,35	9,37	8,6	9,3
TEA women	8,60	4,00	4,54	3,82	3,5	3,7
TEA men/TEA women	2,36	2,93	2,06	2,45	2,46	2,51

Source: Ministry of Economy, (2018), *Strategy for the Development of Women's Entrepreneurship in the Republic of Macedonia, 2019-2023*, Skopje, p. 12

The gender aspect of the TEA index shows that there is a significantly larger gap in entrepreneurial activity between women and men in the country, in contrast to European countries (including 22 EU countries plus Norway and Switzerland). So, if we look at the data in 2015, we will see that there were 2.46 times more active men than women. In contrast to the EU countries, where this ratio is 1.87 times more active men than women. The situation is similar in 2017 when this index shows that men are 2.51 times more active than women in Macedonia



Regarding the gender aspect, the following differences can be determined, which confirm that environmental factors affect both sexes differently, which leads to differences in the motives for starting a business:

- *Recognition of opportunities* - 29% of women are successful in recognizing opportunities in the environment, while for men this percentage is 32%;
- *Fear of failure* - as many as 43% of women have a fear of failure, compared to 36% of men;
- *Networking* – only 24% of women know an entrepreneur in person, compared to 38% of men.

EMPLOYMENT

Table 4 – *Doctors of science, Masters of science and Graduated students, 2021*

2021	MEN	WOMEN	TOTAL
GRADUATES	3.189	4.564	7.753
MSc.	698	1.029	1.727
PhD.	86	115	201

Source: State Statistical Office of Republic of North Macedonia, (2022), *News Release*, No: 2.1.22.15, Year LX, 26.05.2022; State Statistical Office of Republic of North Macedonia, (2022), *News Release*, No: 2.1.22.07, Year LX, 25.03.2022; State Statistical Office of Republic of North Macedonia, (2022), *News Release*, No: 2.1.22.08, Year LX, 25.03.2022

- The number of highly educated women is higher than the number of highly educated men.
- The gender gap in the employment rate among persons aged 20 to 64 is 17.5%.
- Woman with the same qualifications and job position earns 17.9% less than a man, or in other words, she would have to work an additional 65 days to earn the same salary as a man

PARTICIPATION OF THE WOMEN IN OWNERSHIP (MANAGEMENT) ACTIVITIES

- According to the data from 2017, the percentage of women who participated with a founding stake (of over 50%) is 29.39% in the total number of active enterprises
- In management positions in companies, is also a segregation in favor of men, so not only high management positions, but also highly qualified professions, are mostly made up of men. The data for 2020 show that only 21.3% of management positions and corporate board seats belong to women.

This figure varies over the years:

- 2014 (23.6%),
- 2017 (23.0%),
- 2018 (19.7%),
- 2019 (16.7) and
- 2020. (21.3%).

Table 5 – Typical characteristics of a woman – entrepreneur in the Republic of Macedonia

ASPECTS	CHARACTERISTICS
Average age	Middle age (around 40), first starts in the 30s mostly after previous work experience gained working for others
Education	Mostly highly educated
Type of enterprise (small/medium/large)	Usually runs a micro-enterprise
Marital status	Married with children
Business financing	Savings/loan
Main motive	Inability to get a job in the public sector, desire for independence or own income
Commitment	Spends more than 48 hours (usually 60) at the workplace
Most common problems	Access to finance, lack of information and knowledge of business management. The most pronounced problem is to maintain a balance between work and private responsibilities at home
Location	It mostly works locally, in the place of residence
Trainings	Only one third attend trainings (mostly for personal skills) due to lack of time and financial resources
Consulting services	Rarely used
Grants, loans and other types of financial assistance	It rarely uses grants and loans, but there is interest
Membership in professional associations	Rarely, due to lack of time and interest
Challenges, problems, failure	They believe in themselves, are not afraid of failure and are ready for persistent and hard work

Source: Ministry of Economy, (2018), *Strategy for the Development of Women's Entrepreneurship in the Republic of Macedonia, 2019-2023*, Skopje, p. 14-15

NATIONAL PROGRAMS, POLICIES AND MEASURES FOR STRENGTHENING WOMEN'S ENTREPRENEURSHIP

Institutions and associations founded to strengthen women's entrepreneurship: National Council for Women's Entrepreneurship, Association of Business Women, National Platform for Women's Entrepreneurship, Strategy for the development of women's entrepreneurship for the period 2019-2023 has been prepared etc.

The last implemented measures for development of female entrepreneurship are in the following areas:

- **Creating a favorable environment (business climate)**
- **Systemic support for the development of women's entrepreneurship**
- **Creating infrastructure to support and develop women's entrepreneurship**
- **Promotion, networking and advocacy**



Despite continuous efforts in the past decades and the implementation of various government policies and measures for the development of women's entrepreneurship, some issues still lag behind the expected results and require additional efforts to improve them.

EXPERIENCE V.S EVALUATION OF BUSINESS ENVIRONMENT:

- **Women with less than 5 years of business experience:** 66.7% positively evaluated the support from the environment, 33.4% gave a negative answer;
- **Women with 5-10 years of business experience:** 43.5% positively evaluated the support from the environment, 56.5% gave a negative answer;
- **Women with less than 10 years of business experience:** 25% positively evaluated the support from the environment, 66.7% gave a negative answer.



SOURCES THEY USE TO START THEIR OWN BUSINESS:

- their own funds (71.8%),
- loans from family and friends (59.2%) and
- bank loans (49.3%).

SOURCES FOR BUSINESS EXPANSION:

- state support (58%),
- own funds (50.7%) and
- bank loans (34.8%).

The issues that still need to work on:

- **changing the attitudes, convictions and perceptions of the women themselves**
- **business climate and the conditions of the environment**
(women with more experience evaluate the business environment more poorly in terms of the support they receive and the functionality of the measures)
- **improving and adjusting the government measures** (grants, trainings, mentoring, advisory services, etc.) are not enough, or are not properly adapted to the needs.)
- **access to the finances**
- **professional segregation based on gender**
- **the statistical sources are unrelated and unsystematized**
(some issues are not recorded at all)
- **Need for profound research to identify the causes of the detected problems**



Thank you for your attention!!!