

Women Entrepreneurs in
North Macedonia:

Perceptions

and

Obstacles

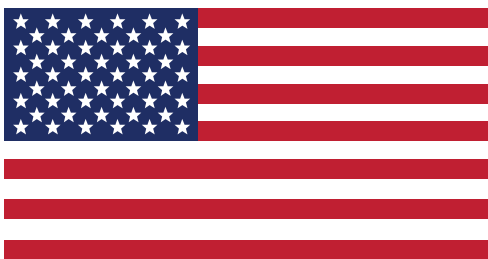
Association for Equal Opportunities - Stella Network, Skopje

*Women Entrepreneurs in North Macedonia:
Perceptions and Obstacles*

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U.S. Embassy Skopje

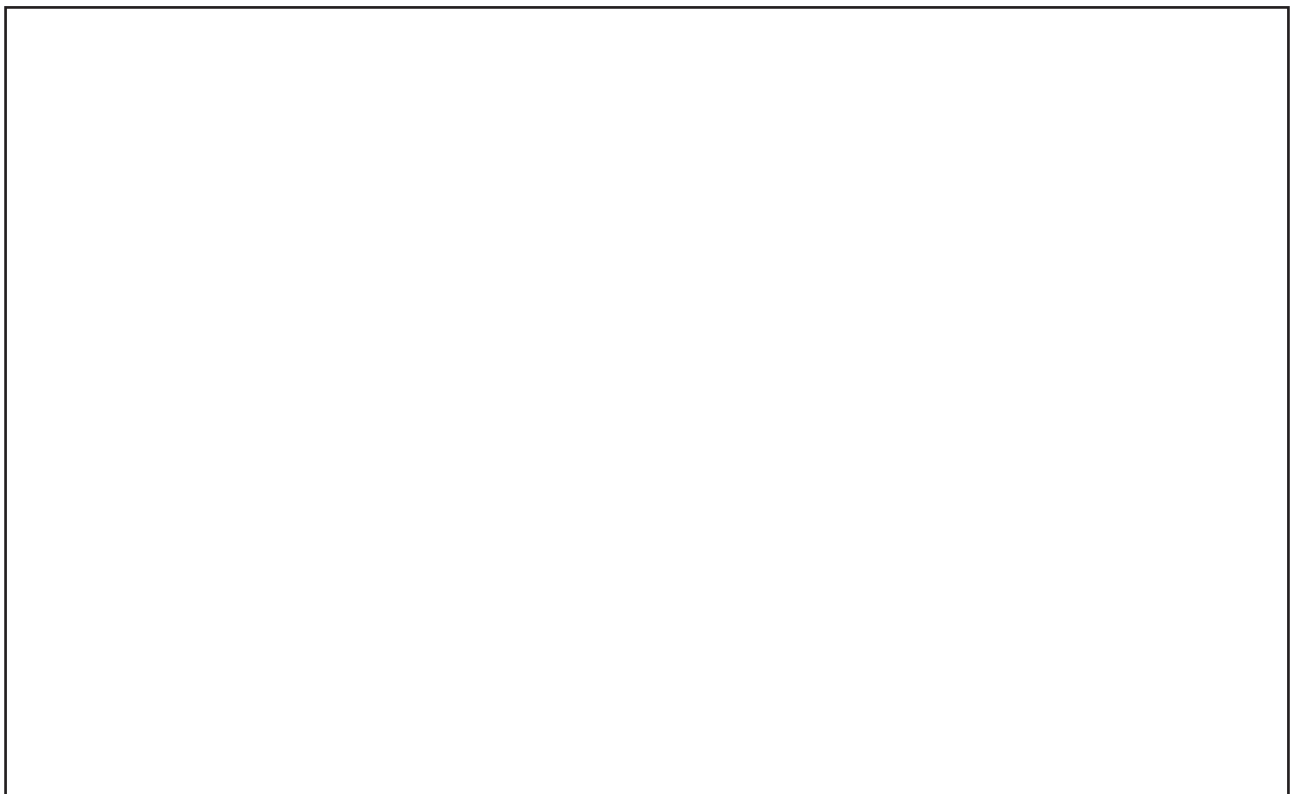


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Executive Summary

This Policy Report seeks to inform policy-makers, the business community, and other interested parties about the current landscape of women entrepreneurship in North Macedonia. Based on original data from 182 survey responses combined with in-depth research of available studies, this Policy Report offers insights about the context, opportunities, and challenges women face. Specifically, information is provided about the level of knowledge women have about available funds, reasons why women do not apply for funding, and why funding is perceived as generally inaccessible or only accessible through a corrupt process. The Policy Report is informative on the societal, financial, and political factors which create barriers of entry for women in business and stresses the importance of systemic reforms that are tailored to encompass the diversity of women.

Main Findings

1. Women entrepreneurs in North Macedonia are active mainly in the personal care services and artisanal endeavours, with some limited presence in professional services such as law and accounting.
2. Financial means and family support are the predominant determinants for entry into business.
3. Perceived main barriers for women entrepreneurs are: *political & institutional*, specifically distrust in the process and the state institutions, lack of information about available funds, discrimination on the basis of gender and/or ethnicity; *societal*, specifically the disparities in care responsibilities, lack of family support, and patriarchal views about women's roles; *financial*, lack of resources, high risk environment, and perceived unfair competition due to favoritism.
4. Intrinsic motivation, self-confidence, and business know-how are by far *not* perceived as hurdles.
5. The majority of respondents are unaware of governmental funds and initiatives for women entrepreneurs, and the vast majority of respondents have never used governmental financial assistance for entrepreneurship.
6. Mentorship is seen as a solution for increasing the number of women entrepreneurs.

7. Most frequent suggested institutional solutions relate to increasing transparency, equal access to government funded programs, and straightforward application process.

Main Recommendations

1. Resources supporting women entrepreneurship should focus on the ecosystem of political, financial and societal factors.
2. An intersectional policy approach is needed to address the specific and diverse barriers that different women in North Macedonia face in their efforts to start a business.
3. Direct financing of women entrepreneurs must increase.
4. Public campaigns are needed to facilitate public awareness about funding opportunities.
5. Transparent and facilitated application procedures for governmental funding are a priority, and policy-makers should consider how municipalities can disseminate information.
6. Mentorship programs should be reinforced; mentors have become indispensable particularly for women lacking any other support system and/or facing family pressures.
7. More investment should be made in caregiving facilities.

Introduction

North Macedonia has a high unemployment rate. Women in particular have a very low participation in the job market, high economic inactivity, and incompatibility between available and required profiles for vacancies. Women-dominated industries are characterized by low wages and do not reflect the high education and skills that women gain. The reasons for this situation are correlated with the unstable economic and social conditions in the country, the incompatibility of the available and necessary job market profiles, and the existing traditional norms. According to data from the State Statistical Office (SSO 2019), 64.5% of women in the country do not seek employment and 22.7% are unemployed, even though a significant number of women pursue and obtain university education. Unemployment is especially widespread among young women in rural parts of the country: 65% of those between the ages of 20-24 are unemployed, while 35.7% between 25-29 (ibid.). Looking specifically at entrepreneurship and starting a business, it is telling that in 2018, for instance, 7,896 new companies opened (4.8% less than in 2017) and 4,029 companies closed (14.8% more than in 2017). The official statistics show that only 2,6% of the existing companies in the country are managed by women (ibid.). This alarmingly low figure, furthermore, might not convey instances in practice of women being registered managers whilst not playing an active in the business.

Women entrepreneurship is increasingly emphasized as a pathway to increase women's paid economic activities. Predominantly the focus is placed on women themselves (through, for instance, trainings on building confidence, on building business plans, etc.) yet without sufficiently building the resources necessary for women to undertake their businesses. As the data set available in this policy paper demonstrates, along with similar research done in the field, resources are still generally limited for women to start their business and the societal context puts pressure on women to primarily focus on family and care-oriented unpaid labor. Indeed, there is a concerning mismatch between lack of resources and the knowledge that is repeatedly confirmed by data that women entrepreneurs create jobs not only for themselves, but also often generate employment opportunities for other women.

Crucially, women entrepreneurship is a positive changing force in society for the long-term because women entrepreneurs have powerful direct and long-lasting effects by modeling entrepreneurship for younger generations of women and by helping to transform deeply rooted gender stereotypes that limit women's options in the job market.

The current ‘movement’ seeking to increase women entrepreneurship however must change its narrative about what may be called the ‘confidence myth’ and move beyond its focus on confidence-related activities if it is to truly attain empowerment of women. First, too often groups working on women entrepreneurship indirectly send a wrong message that women are their own ‘problem’ and if only they work on their confidence and have the ‘right’ business knowledge, they could become successful entrepreneurs. Whilst it is undeniable that self-confidence and self-initiative are important attributes in any profession, even the women with the highest possession of these qualities run into the exact same and manifold barriers of lack of financial resources as well as family and societal pressures to focus on unpaid care-giving labor.

The excessive emphasis on women’s confidence not only misleads us, but it is also a cosmetic change to what are deeply rooted and systemic issues. Second, by focusing resources on training women for more confidence and creating business plans, yet outside the training sessions not shifting structural barriers, the movement runs the risk in the longer-run of actually affirming wrong held beliefs that women are incapable in the field of business, despite having had access to trainings and knowledge. Not only would that be failing to achieve the goal of these trainings in the first place, but they would create long-term harm in how women entrepreneurship is perceived in society.

This Policy Paper brings together detailed data on women entrepreneurship, mapping the context, opportunities, and challenges women face in North Macedonia. It provides an insight to issues that are structural and societal and opens the lens of viewing women entrepreneurship in the broader societal, financial, and political ecosystem in which it operates. We stress that the most pertinent changes –those that could truly achieve the aims of increasing and improving women entrepreneurship– must be reforms that address the ecosystem in a systematic and comprehensive manner.

The Policy Paper is informative for all policy-makers, civil society actors, and public media seeking a fact-based understanding about the level of knowledge women have about available funds, reasons why women do not apply for funding and why funding is perceived as generally inaccessible or only accessible through an unfair, biased, and corrupt process. This kind of data in turn is helpful to re-examine the current strategies and emphasis on entrepreneurship trainings and workshops and question more deeply what societal and structural changes ought to be done.

Methodology

The research informing this paper was organized in three phases. The first phase included desk research focused on reviewing existing policies, statistics, and analyses examining the position of women entrepreneurs in North Macedonia, limited as they may be. In the process, the review also mapped out existing gaps in the analysis, which guided the second phase of the research.

The second, data-gathering phase entailed the development and usage of a survey questionnaire that contained 17 questions, eight of which were demographical questions. The questionnaire was available online, in Macedonian and Albanian, for the period of nearly two months (21 July – 17 September 2020) and received 182 responses. Of those, 58 responses were submitted in Albanian and 124 in Macedonian language. In that sense, while the research is not based on a representative sample of the population, it nevertheless offered some invaluable insights, presented in this paper.

In terms of demographics, the vast majority of respondents were urban-based women, with only 3.2% of the responses in Macedonian and 15.5% of the responses in Albanian by men, and 13.7% of the responses in Macedonian and 24.1% of the responses in Albanian provided by residents of rural areas. The majority of respondents in Albanian were in the age group of 18-29 (53.4%), and 29.3% are in the age group of 30-39, while the majority of respondents in Macedonian were in the 30-39 age group (38.7%), followed closely by the 18-29 age group (35.5%). Additionally, the majority of respondents' families average income in the three months prior to their responses fell in the categories of 20.000-30.000 MKD average (25.9% of responses in Albanian and 12.1% of responses in Macedonian), 30.000-40.000 MKD average (15.5% of responses in Albanian and 16.9% of responses in Macedonian), and of over 50.000 MKD average (24.1% of responses in Albanian and 34.7% of responses in Macedonian). In terms of education, the majority of respondents to the questionnaire had a Master's degree (41.1% of those responding in Albanian and 47.6% of those responding in Macedonian), with additionally 8.6% (in Macedonian) and 4.8% (in Albanian) of respondents with a Doctoral degree.

Importantly, while the majority of the respondents were employed (63.8% of those responding in Albanian and 74.2% of those responding in Macedonian), even if only slightly more than half in permanent contracts with provided benefits, the majority of the respondents were not business owners themselves and did not have an immediate family member who was a business owner.

Of those responding, 15.5 (in Macedonian) - 16.1% (in Albanian) were business owners, generally owning small businesses in the sector of food, artisanry, cosmetics, hairstyling, and some professional services such as accounting, legal office and digital media.

As the data shows, most of the respondents are urban-based and with a stronger economic position. Whilst this may be a limitation in terms of a full range of possible respondents, nevertheless, for purposes of the issue of women entrepreneurship this category of respondents is deeply informative because it is precisely the group that possibly could benefit from efforts of increasing number of women as business owners.

The third phase of the research included data interpretation, comparison of responses in the two languages, returning to the findings from the desk research in phase one, and writing up of results and recommendations.

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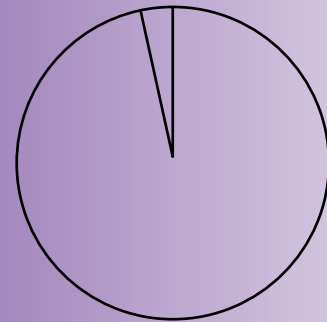
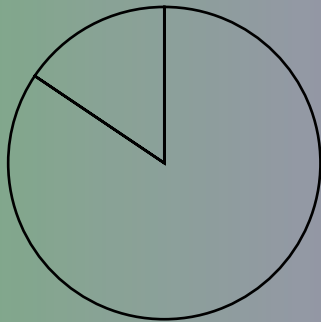
people responded to the questionnaire

58 people answered in Albanian language

124 people answered in Macedonian language

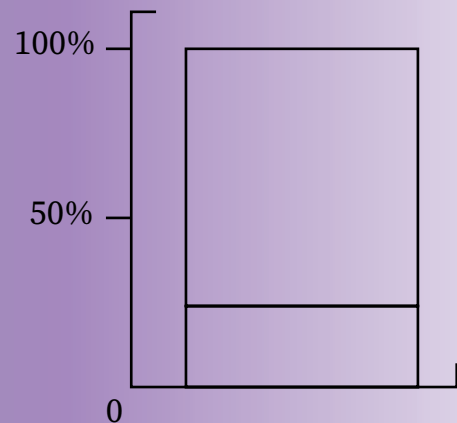
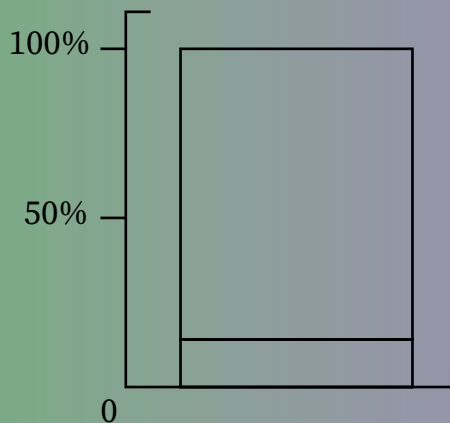
84,5% were female respondents

96,8% were female respondents



15,5% were male respondents

3,2% were male respondents



24,1% were residents of rural areas

13,7% were residents of rural areas

53,4% of the responders were in the age group 18-29

18-29 35,5% of the responders were in the age group

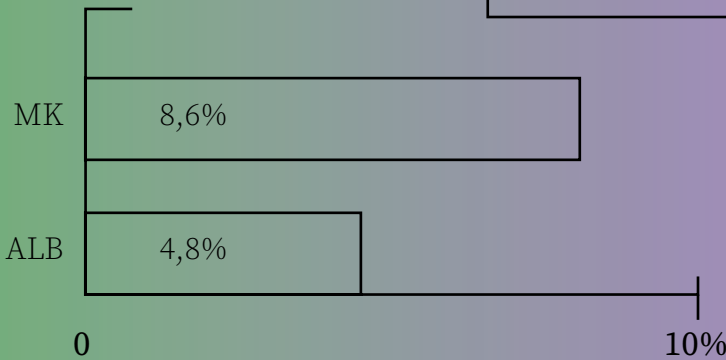
And 29,3% are in the age group 30-39

30-39 And 38,7% are in the age group

3
months

Average income the three months prior to their responses, in Macedonian denars:

	ALB	MK
20.000 - 30.000	25,9%	12,1%
30.000 - 40.000	15,5%	16,9%
over 50.000	24,1%	34,7%

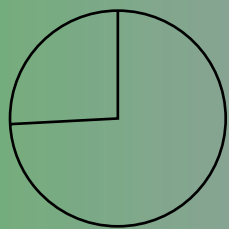
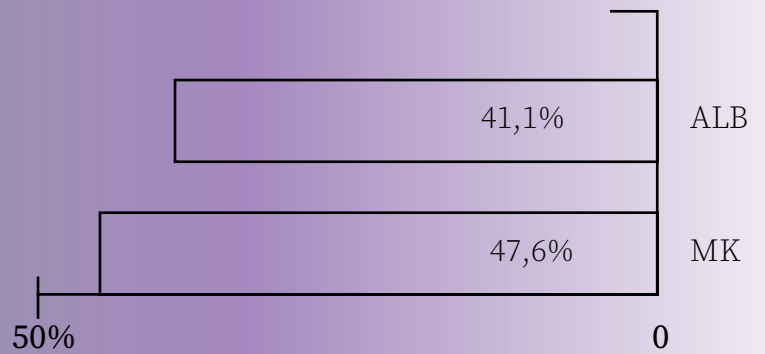


8,6% of the respondents in Macedonian had a Doctoral degree;

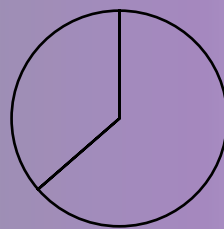
4,8% of the respondents in Albanian had a Doctoral Degree;

41,1% of the respondents in Albanian had a Master's degree;

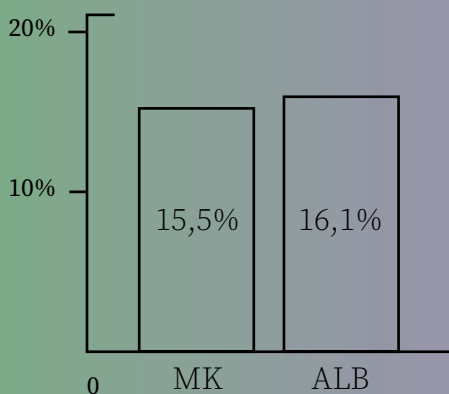
47,6% of the respondents in Macedonian had a Master's degree;



63,8% of the respondents in Albanian were employed



74,2% of the respondents in Macedonian were employed



15,5% of respondents in Macedonian were business owners.

16,1% of respondents in Albanian were business owners.

The respondents generally owned small business in the *food, artisanry, cosmetics, hairstyling*, and some professional services such as *accounting, legal office and digital media*.

Women in business

North Macedonia has been included in the Global Entrepreneurship Monitor (GEM), which is the biggest global research source on entrepreneurship and entrepreneurship ecosystems around the world, carrying out survey-based research and collecting data from individual entrepreneurs (GEM 2021a). As part of its monitoring of entrepreneurial behaviour and attitudes, GEM includes data on so-called Total early-stage Entrepreneurial Activity (TEA) and the gender ratio within TEA. The female/male TEA ratio shows the percentage of female 18-64 population who are new entrepreneurs or owners of new businesses, divided by the equivalent percentage of their male counterparts (*ibid.*). The female/male TEA ratio for North Macedonia in 2019, as the most recent data, was 0.36, compared to 2016 when the ratio was 0.40, the regional average of 0.67, and the global average of 0.71 (GEM 2021b). The ratio in other countries in the region are notably higher, with Bosnia and Herzegovina at 0.53 in 2017, Kosovo at 0.69 in 2014, and Serbia at 0.52 in 2009 as the last available data (GEM 2021a).

According to the data provided by the State Statistical Office in its regular annual publication *Women and Men in North Macedonia*, in 2017, 22.5% of those who had the status of employers were women or to be precise, 7.470, and 77.5% or 22.769 were men (SSO 2019: 65). Of the 7.470 women employers, 5.745 were based in urban areas and only 1.724 in rural areas (*ibid.*: 66). Importantly, an analysis of the employers by sex and size of enterprises, whereby employers are persons who run their own business entity or owners who work in their shops, or owners of an agricultural estate, who employ other people, reveals that all women employers are owners of or run enterprises with 1 to 10 employees, making up 19.5% of the employers in that category (*ibid.*: 67).

In that sense, perhaps it is unsurprising that only a small percentage of the respondents to our survey were business owners. Namely, only 15.5% of those responding in Albanian and 16.1% of those responding in Macedonian identified as business owners. At the same time, nearly $\frac{3}{4}$ of respondents stated that they knew women business owners, or to be precise – 76.6% of the respondents in Macedonian and 70.7% of the respondents in Albanian.

In line with the data from the State Statistical Office mentioned above, according to the responses to our questionnaire, most of the businesses ran or owned by women in North Macedonia remain within confined areas of services and small artisan endeavors.

Among the most frequently mentioned were hairdressers, tailors, cosmeticians, restaurant owners, as well as women working with handcrafted decorations and jewelry. Other professional services such as legal services, accounting, PR, and design were also noted.

The questionnaire further asked those who did have their own business, what they would consider having been the most important factor to have influenced them in starting their business. The predominant factor noted was financial means, followed closely by family support. Other responses also included their desire to create something of their own, the support by friends, the challenge to work in an area where the number of women is small, the impossibility of finding another job, the lack of institutional support for women, and the sufficient pay and consistency in work. It is notable that respondents identified both structural and agentic factors, with the lack of institutional support and the impossibility of finding another job being examples of the former, and family support, as well as the passion to do something of their own being examples of the latter.

When asked what has prevented them in starting their own business, the respondents provided a range of response that could broadly be summarized in several categories: lack of trust in the process and the state institutions, discrimination on the basis of gender, lack of information (which seems to be further emphasized in rural municipalities), lack of interest due to other pressing life obligations and disparities in care responsibilities, discrimination on the basis of ethnicity, as well as lack of courage due to too much uncertainty and high risk.

To the first two reasons, one of the respondents shared a sentiment that was frequently present in other responses too, by stating that

“it is difficult to gain access to such opportunities. I also think that local municipalities should also be involved in supporting entrepreneurs and not only the ministries. Skopje is close for its residents, but it is far for other citizens and not all people have the means... it should be made easier. There should also be a mentor in all of the municipalities.”

Another respondent stated not trusting the system and the fear that if the business is successful, the state will find a way to block it, have been among the main obstacles to considering starting a business. Yet another respondent shared that despite having their own idea, the fear of unfair competition in the country and the workings of family, political, and religious connections have discouraged them. Significantly, most of the reasons given by respondents notably related to broader, systemic challenges women face in starting their own

business and in professional development more broadly.

To that end, the questionnaire also asked the respondents about their perceptions of obstacles that women in their community face in their professional advancement. Being offered the possibility to select multiple answers, 66.9% of those responding in Macedonian and 65.5% of those responding in Albanian identified caretaking obligations at the home and in the family as one of the challenges. The other challenges include existing stereotypes for women, with 70.7% of respondents in Albanian and 63.7% of respondents in Macedonian selecting that factor, lack of financial support, with 69% of respondents in Albanian and 56.5% of respondents in Macedonian identifying that challenge, then lack of institutional support, as selected by 50% of those responding in Macedonian and 51.7% of those responding in Albanian, and finally, lack of adequate positions, with 37.9% of respondents in Albanian and 15.3% of respondents in Macedonian selecting that factor.

When asked to identify challenges they had experienced personally in their own professional development 40.3% of respondents in Macedonian and 37.9% of respondents in Albanian noted the existing patriarchal stereotypes, 25-25.9% of respondents noted the lack of institutional support, 24.1-25.8% - the household duties and caretaking responsibilities, 21.8-24.1% - the lack of financial support, 21.8-22.4% - the lack of mentors, while 10.3% of respondents in Albanian and 4.8% of those responding in Macedonian stated that they had no barriers in their professional and career development.

Some of these challenges have been made ever more evident by the ongoing pandemic. As one respondent notes

“Raising children is a partial obstacle to performing well at work and to progressing professionally. For instance, now during the pandemic, with kindergartens and schools being closed, who will take care of the young children? Especially if the partner is simultaneously employed in the private sector, society will immediately attack the woman that her priority is business and not her family. Another example, who will take over the business during a maternity leave, given that there is no legal possibility for parental leave that a father can take advantage of, it again turns out that women of childbearing age have to choose between starting their own business, advancing in their careers and starting a family, because they cannot have both.”

While not disaggregated per respondents' ethnicity, a closer look at the responses per language in regard to challenges women in the respondents' communities face could also be telling of the intersectional nature of challenges women in the country face. In that sense, while all respondents highlight the

home, as well as the lack of institutional and financial support, the difference in responses is stark when it comes to the perceived availability of adequate positions. This points to the need of further intersectional examination of challenges women of different ethnicities, socio-economic status, age, bodily ability, and location (rural/urban) experience, and corresponding tailored policy responses. To that end, some of our respondents pointed to the impossibility of women of certain age finding a job, when “they all primarily look for young people.” Another one of the open-ended responses also clearly speaks to the intersectional challenges faced:

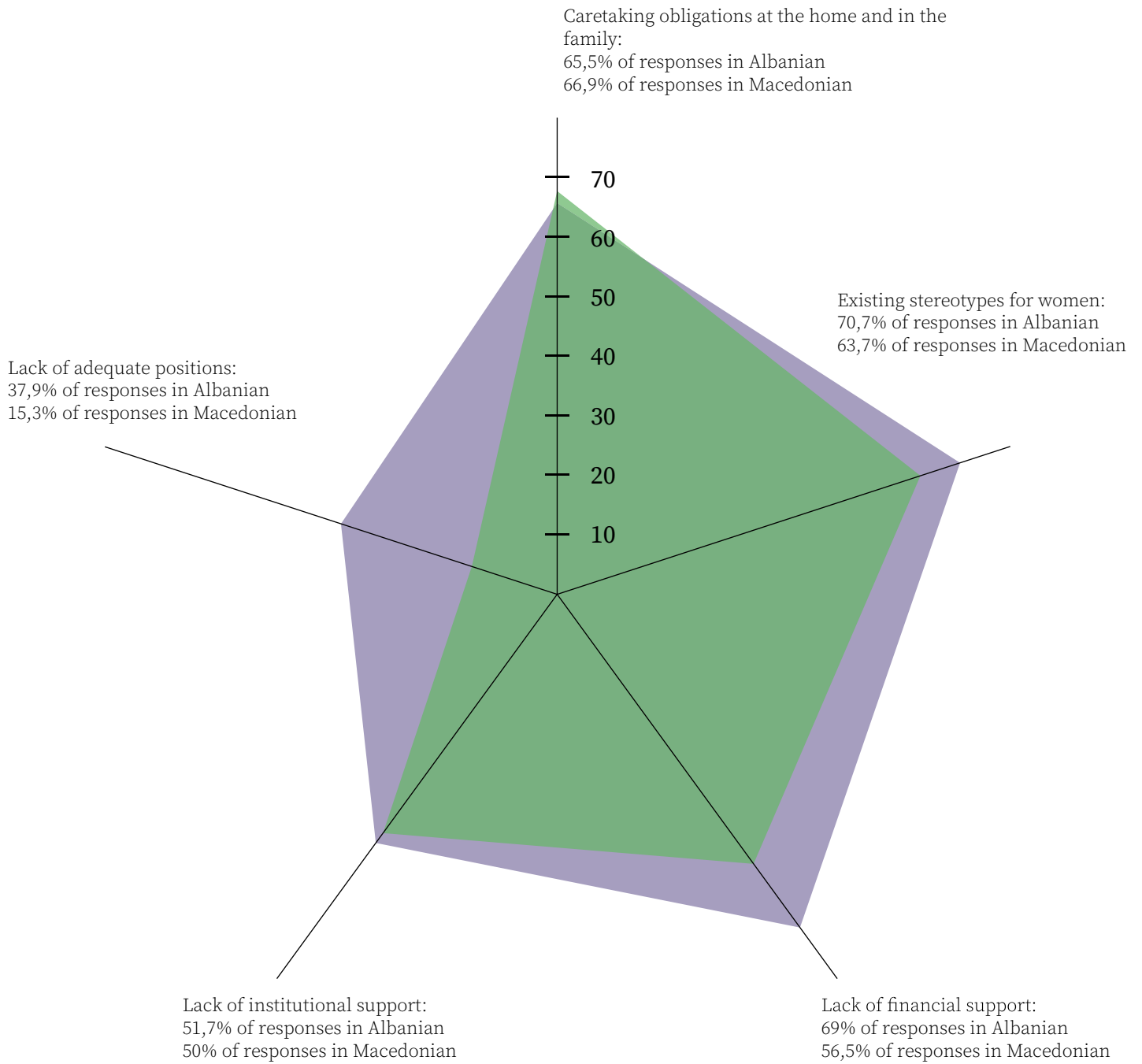
“For myself, I aim to become a doctor, where I know that there are many stereotypes that as a doctor and with a head veil, I will find it very difficult to penetrate my profession. Besides, to be employed in state hospitals, you must be with the political party or join them if you are not ... but I will try once to work in a private practice, in the hope that when the situation changes, I will give my contribution to the state hospital which is currently destroyed. I will need a lot of strength, work and courage not only as a woman in this country, but also as a citizen left aside and despised because you are not with the “party” and as an Albanian of this country. And as a veiled Muslim you are judged on your clothing. It is not at all easy to live here as a woman, but no less as a minority regardless of gender.”



Responses in Albanian



Responses in Macedonian



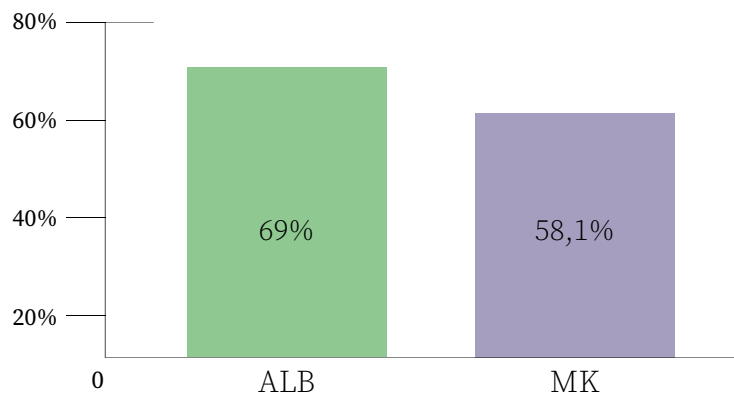
Governmental support

The Ministry of Economy adopted a specific Strategy for Development of Female Entrepreneurship in the Republic of Macedonia, 2019 – 2023, which was prepared for the needs of the Ministry of Economy, with the financial and technical support from Gender Task Force – Sustainable Growth Initiative and in cooperation with the Association of Businesswomen in Macedonia. The Strategy elaborates the structural, economic, and “soft” obstacles women face, and outlines the long- and medium-term goals, as well as four strategic priorities (Ministry of Economy 2019a). The four priorities are the creation of a favourable business environment for the development of female entrepreneurship, providing systemic support for the development of female entrepreneurship, creating infrastructure for support and development of female entrepreneurship, and promotion, networking, and advocacy (ibid.). The Ministry has also developed an Action Plan for the implementation of the Strategy (Ministry of Economy 2019b).

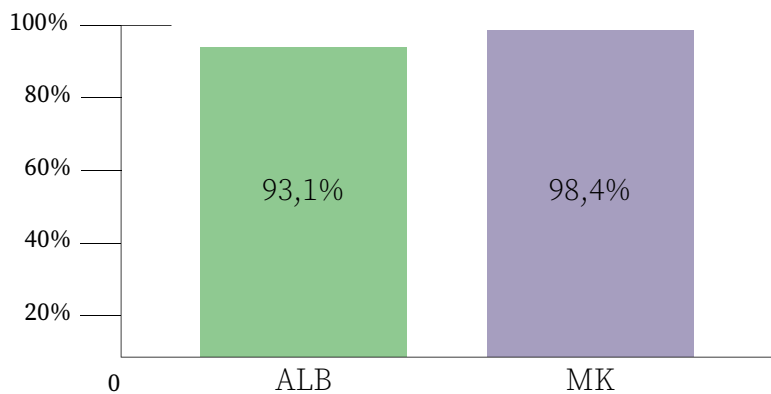
As part of the effort to promote the development of female entrepreneurship, the Ministry of Economy has also offered financial support of women entrepreneurship, in the form of subsidies to enterprises owned by women (over 50%) and managed by women, through co-financing 50% of the proven costs made for the purchase of equipment and tools, arrangement/improvement of the business space, and/or introduction of software solutions (Miova 2020).

With this in mind, the questionnaire asked respondents whether they knew about the existing governmental support for female entrepreneurship. 58.1% of the respondents in Macedonian and 69% of the respondents in Albanian were not familiar with any measures existing for starting their own business. 93.1% of the respondents in Albanian and 98.4% of the respondents in Macedonian had not used governmental financial assistance meant for the promotion of entrepreneurship. Five respondents reported to have experience with the funds, which were used to: employ another person, increase the minimum wage of employees, purchase equipment, equip the office space to ensure suitable working conditions, and support for a self-employed individual.

The respondents who were aware of governmental support noted that they did not receive it personally and that “they were made aware that it would be impossible for them to get access to such resources unless they are part of a political party in power”.



Percentage of respondents who were **not** familiar with the available governmental support



Percentage of respondents who did **not** use governmental financial assistance meant for the promotion of entrepreneurship

Many of the respondents also noted lack of trust in the institutions and/or the process. One respondent stated that they were “skeptical that such funds are pre-determined to be given to already selected individuals, more specifically, the lack of trust in the competent authorities for fair selection.”

Several others emphasized the unclear procedure for applying for funds, while another respondent stated that “some of the conditions for receiving funds are too rigorous, and we are talking about young and inexperienced people.”

The lack of trust in the institutions and the process also contributes to increased uncertainty and related to that, increased risk, which acts as a deterrent for many women who might be eager to initiate their own businesses. As one respondent stated

“I have not tried to access those funds due to the uncertainty of how I could repay part of the loan I would have taken. I would not know how to manage to have a job that will cover my basic living expenses while developing my own business and how to survive until the “business gets going.”

Encouraging women's entrepreneurship

The questionnaire asked respondents what, in their view, could be done to encourage female entrepreneurship and the respondents offered varied responses, all of which relate to the challenges previously identified. Among the most frequently suggested solutions related to increased financial support and other needed resources, including facilitated procedures related to the Central Registry, the Public Revenue Office, access to bookkeeping, but also considerations when it comes to access and availability of childcaring facilities, including the working hours of kindergartens, program and care for children in kindergartens and schools, etc.

Many of the respondents also pointed to the need to improve the institutional process, as well as the need for institutions to share adequate information, provide equal access to opportunities and professional trainings. With many of the respondents pointing to the capture of political parties of opportunities being a challenge, one of the respondents noted that they had two diplomas and yet there was no place for them without party affiliation. Another respondent highlighted that “non-partisanship and professionalism are not and should not be just empty demagoguery. They should be the immediate and upmost priority, instead of short-term and unused strategies that keep being adopted but are never implemented properly and fairly.”

In terms of support, a significant number of the respondents pointed to the need of mentorship and mentors “contribute to women having opportunities to show their capabilities.” This often varies across fields and professions too:

“*In my profession (forestry-agronomy) there is still strong discrimination in regard to what women are capable of and able to do and often the mentors too discriminate against women in this sense. This in and of itself then contributes to the lack of positions where women could be considered.*”

Some of the respondents also noted the unhealthy competition that sometimes exists, creating sort of a race to the bottom. Women's mentorship, instead, can create strong ties of solidarity and support, lifting everyone together and working towards more opportunities. Finally, perhaps the biggest issue that needs addressing in order to encourage female entrepreneurship, as identified by

the respondents, relates to societal values and patriarchal stereotypes. This ranges from stereotypes about women's look ("here it is assumed that attractive women cannot be smart or that they have questionable morals") to prejudice towards women as workers who at any time "can escape the framework of work" due to family obligations. As one respondent shared

“In my specific case, it was a typical stereotypical behavior, where two male colleagues were offered to be tested for a better job position. Although I had more experience and education than both of them, I was unofficially told that I was expected to want a maternity leave soon, and they needed people who had no responsibilities. My biggest disappointment was that I did not even have the chance to take the test, on which I would certainly have done better than my colleagues...”

Beyond care responsibilities, while the stereotypes in male-dominated fields lead to women's contributions being questioned and undermined, female-dominated fields are undervalued and underpaid.

“My profession is one of those that are considered unnecessary and that it is a female profession. Because of this my opinion and work are more often ignored in my workplace and I am often subject to verbal abuse. I have examples in which I am talked about in a derogatory way on official websites of the state institutions, and despite my reactions, there has been no response from the responsible persons. 80% of us are women, but men are elected and appointed to managerial positions. Another example of power systems being strictly available to and controlled by men.”

It is important to stress that the societal change of values is a work that needs to be done by all members of the society and it is not an issue of solely one gender. In fact, many of the patriarchal norms and stereotypes are often internalized by women.

“The patriarchal society has not trained us to take on responsibilities at home and with the children. It took me a while to get out of that mold and fight for equality in the home with my husband. It happened to me that I could not do everything at work and at home and that reflected on my will to continue with the business. But I managed to overcome it.”

Respondents also point to family members, including female family members discouraging them from pursuing further academic advancement or professional opportunities. This is perhaps a matter of generation difference and we might see that trend changing with younger generations.

Finally, some of the respondents noted the need for women to “improve their own self-confidence,” but any ability of women to exercise their own agency has to be analyzed in relation to the systems within which women live and function and the systemic factors that actively discourage women’s self-confidence and agency, including in the form of becoming entrepreneurs.

Conclusions and Recommendations

This Policy Report sought to map the current issues for women entrepreneurs in North Macedonia with the purpose to inform relevant stakeholders on viable policy solutions on advancing women entrepreneurship. The Report focused on three main themes: women in business, governmental support, and encouraging female entrepreneurs.

Women in Business

Women entrepreneurs in North Macedonia are active mainly in the personal care services and artisanal endeavours, with some limited presence in professional services such as law and accounting. The numbers of women as employers is staggering low at 22.5% and of this percentage, all women employers are owners of or run enterprises with 1 to 10 employees. Taking into account this limited number of women entrepreneurs, the Report sought to understand the barriers to entry for women entrepreneurs. Based on the respondents, financial means and family support are the predominant determinants on whether a woman is already a business owner. But these two aspects, as the Report shows, are limited for the vast majority of women. Barriers of entry to business are many and of different nature. First, women in business face institutional and political barriers, specifically a significant degree of distrust in the process and the state institutions, lack of information about available funds, discrimination on the basis of gender and/or ethnicity. Secondly, respondents emphasized the societal barriers, particularly the disparities women face in care responsibilities, lack of family support, and patriarchal views about women's roles. Especially the latter two barriers were reported to play a salient role as to why women do not pursue entrepreneurship. Thirdly, financial barriers prevent women from starting their own businesses. Not merely is lack of recourse a problem, but starting a business in what is perceived by many as an unfair competition environment due to favoritism based on political party affiliation is a significant deterrent.

By contrast to the current dominant view, the data derived in this Policy report shows that intrinsic motivation, self-confidence, and business know-how are by far not perceived as hurdles for women entrepreneurs. The focus on trainings for women's confidence and other similar strategies in the short-term

will fall short of their expected results and in the long-term may lead to higher stigmatization of women's business skills if a more factor-based approach is not adopted to change and reform not women but rather the heavily constrained ecosystem of business they are supposed to operate in.

Governmental Support

Despite the existence of governmental financial support, for example by the Ministry of Economy, in the form of subsidies to enterprises owned by women (over 50%) and managed by women, through co-financing 50%, the majority of respondents are unaware of governmental funds and initiatives for women entrepreneurs, and the vast majority of respondents have never used governmental financial assistance for entrepreneurship. Public, easily accessible and comprehensive information is still lacking and the concertation of information sources in the capital Skopje makes it harder for a broader dissemination of information about available funding. Crucially, distrust in the state institutions and in the process of selection is a urgent issue that must be addressed. Policy reforms will continue to fall short if they do not take into account the different challenges women of different ethnicities, socio-economic status, age, bodily ability, and location (rural/urban) experience.

Encouraging female entrepreneurs

Encouraging women in business can be focused at the micro and macro level. On micro level, mentorship is seen as the most favorable solution for increasing the number of women entrepreneurs, especially due to lack of other support systems, such as family or professional education. On a macro level, three types of reforms are desired. First, institutional reforms, particularly increasing transparency, equal access to government funded programs, and establishing a straightforward application process.

More specific examples include facilitated procedures related to the Central Registry, the Public Revenue Office, access to bookkeeping. Second, societal changes are necessary in regards to care responsibilities and patriarchal stereotypes of women's role and status in society. Whilst changing societal values is a long-term endeavour, increasing the visibility of current women entrepreneurs could facilitate understanding and change of views. Lastly, and relatedly, lack of adequate and sufficient caregiving facilities must be remedied to ensure women can dedicate their time and efforts in business ventures. Specifically, access and availability of child caring facilities, including the working hours of kindergartens, program and care for children in kindergartens should be a high policy priority.

Moving Forward: Recommendations

- 1. Resources supporting women entrepreneurship should focus on the ecosystem of political, financial and societal factors.** Policy reforms should be manifold in changing not only the business environment but the societal and political context. An action plan should be co-created with all stakeholders, in particular including the voices of marginalised women.
- 2. An intersectional policy approach is needed to address the specific and diverse barriers that different women in North Macedonia face in their efforts to start a business.** Tailored solutions are required rather a standardized approach as urban/rural, ethnic, age, religion, among other, differences still significantly impact women and their opportunities differently.
- 3. Direct financing of women entrepreneurs must increase.** Lack of financial resources is the first and foremost barrier to entry for women in business. Funding efforts should focus not only on women in urban areas, but ensure as much as possible funding for women in rural and small town areas.
- 4. Public campaigns are needed to facilitate public awareness about funding opportunities.** The most suitable would be small public events, often discussions led by women who have either received funding and/or started their business. In rural areas in particular in person sharing of information is more effective than only online, news ads, or other media platforms.
- 5. Transparent and facilitated application procedures for governmental funds are a priority, and policy-makers should consider the role municipalities can play in dissemination of information.** Replacing cumbersome and bureaucratic application procedures will increase the number of potential applicants and ensure a more even distribution of funding. Local authorities can facilitate local communities and reduce costs of entry for business not established in the capital city.
- 6. Mentorship programs should be reinforced as women find mentors indispensable, particularly those lacking any other support system and/or facing family pressures.** This is the fastest, most accessible, and low-cost investment in providing support and stimulating the increase of women in business.
- 7. More investment should be made in caregiving facilities.** The number of child caring facilities should increase throughout the country and reforms should also focus on improving existing programs and working hours.

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