



Exchange of good practices on gender equality

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Female entrepreneurship in the former Yugoslav Republic of Macedonia

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1. Overall context

Female entrepreneurship in Macedonia is still underdeveloped. Mostly is considered through the economic strengthening of women. Lack of statistical data and concrete policy measures confirm such a hypothesis. Keeping a track of entrepreneurship activity is especially difficult due to the lack of gender disaggregated data.

Overall, entrepreneurship as such is not something that is truly understood and, accordingly practiced in the country due to the recidivism from the previous social system. On the other hand, Republic of Macedonia is facing and struggling with high rates of unemployment.

There is slight movement in the past few years, even though scarce, in promoting female entrepreneurship. However, still there is an impression that this is merely formal and actual implementation is lacking or being too slow, particularly the measures prescribed by the government.

The female entrepreneurship activities might be simply divided in two layers. On one side, the measures and programmes created by the governmental bodies, mainly implemented through active labour measures and self-employment.

And the other side, are the initiatives originating from non-governmental organisations and institutions directly focusing on female entrepreneurship. Nonetheless, a consistent practice and initiatives could not be noted, and thus entrepreneurship still remains within the framework of a theoretical concept.

1.1. Background and policy overview

Legal and policy framework relating to entrepreneurship is present in the country. It is since recently that in one way or another especially female entrepreneurship has been addressed. At many instances is included through active labour market measures and self-employment. It is also part of specific programmes and plans adopted by various governmental bodies.

Nevertheless, there is an impression that more needs to be accomplished and not merely tackling it as an active labour market measure or self-employment. Definitely, entrepreneurship should not be utilised as a measure to fight high rates of unemployment especially female unemployment or high inactivity rate.

Institutional framework is at place as well. There is no evidence on the challenges or any coordination issues arising from various institutional arrangements that deal with entrepreneurship.

On the other hand, concrete initiatives for encouraging female entrepreneurship are undertaken by the non-governmental sector in the country. Many of them are goal and target oriented, as opposite to the official policies which mainly relate to self-employment. However, it cannot be concluded that their work is as persistent as necessary and not in coordination with the official measures, by which the effect of their initiatives would be emphasised.

1.1.1. Policy Measures for Encouraging Female Entrepreneurship

Before launching to detailed examination of the policy measures and programmes related to female entrepreneurship it is important to mention the institutional framework. In 2003 the Law on Agency for Entrepreneurship Support was adopted which established the Agency.¹ Ministry of Economy is also involved in the matter of entrepreneurship and creating policies for small and medium sized enterprises.

Ministry of Labour Social Policy addresses entrepreneurship directly or indirectly through various labour and gender strategies, action plans and programmes. Gender equality Department is functioning within the Ministry. The other body involved in promotion of entrepreneurship is also the Agency on Employment.²

The Government starting from 2011 adopted ***Programmes for Support of Entrepreneurship, Competition and Innovation of Small and Medium sized Enterprises*** (hereinafter: SME). In 2014 the programme envisages various measures, all of them are general and not gender specific. The implementing body is the **Agency for Entrepreneurship Support**. The total amount allocated for the implementation of 2014 programme is 3,900,000 DEN which is 63,106 EUR.³

It is important to note that three times highest amount comparing to the other measures of the programme is allocated to the system of voucher counselling 900,000 DEN which is equal to 14,500 EUR. This is almost ¼ of the overall funds. On the other hand, for promotion of long life learning is allocated four times lower amount of the overall financial funds of the programme. And three times lower for organisation of trainings for preparation of business plans and trainings for students for preparation of work applications and curricula's. Higher financial allocation for these measures is important since would address two important age groups notably of older workers and youth. Additionally, there is no any precision of the financial funds divided on gender, thus concluding that this particular programme is not gender specific.⁴

However, the 2013 programme on entrepreneurship envisaged separate measure on ***“financial support of female entrepreneurship”*** that amounts to 630,000 DEN or 10,200 EUR. The subject matter of this measure is subvention of SME run by

¹ Закон за основање на Агенција за поддршка на претприемништвото во Република Македонија (Сл. Весник на Република Македонија бр. 60/2003). / Law on establishment of Agency for Entrepreneurship Support of in Republic of Macedonia (Official Gazette of RM no. 60/2003).

² <http://www.avrm.gov.mk/>.

³ Програма за поддршка на претприемништвото, конкурентноста и иновативноста на среди и мали претпријатија во 2014 (Службен весник на Република Македонија бр. 8/2014). Programme for support of the entrepreneurship, competition and innovation for small and medium size enterprises for 2014 (Official Gazette of the Republic of Macedonia no. 8/2014).

⁴ Ibid.

women for covering 60% of the incurred expenses but mostly up to 120,000 DEN or 2,000 EUR for the following purposes:

- Purchase of equipment, appliances and inventory;
- Arrangement/improvement of the business premises;
- Care/warding of children in pre-school age for women who start their own business, pay-off of the kindergarten expenses or a nanny (but not more than 30,000 DEN or around 500 EUR).

The overall financial allocation of this measure allows for subvention only of 4 to up to 8 SME ran or owned by women, depending of the minimum and maximum amount to be allocated. It is obvious that this is more than insufficient and is sporadic measure not directed to serious promotion and support of female entrepreneurship. Additionally, this is still much lower from voucher system of counselling which definitely is generic and outcomes of its implementation still unfamiliar. The Agency has separate web directory that explains this voucher system of counselling, but still is not obvious how this actually functions.⁵

The Government has adopted various strategies and policy measures relative to employment.⁶ Implementing part of such corpus is among others the “**Operative Plan for active programmes and measures on employment**”. 2014 Operative Plan includes measures such as self-employment and financial support of SME, subvention of employment and etc. The programme on self-employment is developed mostly, and is financed by the Ministry of Labour and Social Policy and UNDP.⁷ Separate web page introducing and explaining how the programme functions exists.

In any case is not obvious how much of the funds envisaged in the Operative Plan for active measures and programmes on employment would be directed towards increase of female employment or promotion of female entrepreneurship.⁸

In terms of gender equality all strategies and policies are in place as well. The Strategy on Gender Equality addresses entrepreneurship through the economic strengthening of women. But this is too general broad and lacks specificity.⁹ The **National Action Plan on Gender Equality 2013-2016** contains one separate strategic objective 2.3. that includes entrepreneurship as well. Point two of the said

⁵ Програма за поддршка на претприемништвото, конкурентноста и иновативноста на среди и мали претпријатија во 2013 (Службен весник на Република Македонија бр. 4/2013). Programme for support of the enterprenurship, competition and inovation for small and medium size enterprises for 2013 (Official Gazette of the Republic of Macedonia no. 4/2013).

⁶ Национална стратегија за вработување на Република Македонија 2015/National Employment Strategy 2015 of Republic of Macedonia <http://mtsp.gov.mk/WBStorage/Files/nsvrab.pdf>; Национален Акционен План за вработување на Република Македонија 2014-2015/ National Action Plan on Employment 2014-2015 of the Republic of Macedonia <http://www.mtsp.gov.mk/content/AKCIONEN%20PLAN%202014-2015%20V8.pdf>

⁷ Оперативен план за активните мерки и програми за вработување за 2014/ Operative Plan on active measures and programmes on employment 2014 <http://www.mtsp.gov.mk/dokumenti.nspix> .

⁸ <http://www.samovrabotuvanje.mk/>.

⁹ Стратегија за родова еднаквост 2013-2020/Gender Equality Strategy 2013-2020 <http://www.mtsp.gov.mk/dokumenti.nspix>.

strategic objective is entitled “**Improved access and conditions for commencing and developing of female entrepreneurship**”. It includes the following measures:

- 2.1. Preparation of separate analysis on the female entrepreneurship;
- 2.2. Awareness raising and encouraging the role of female entrepreneurs;
- 2.3. Coordination of implementation of the strategies, programmes and subvention measures moving from informal to formal economy;
- 2.4. Implementation of the mentorship trainings for female entrepreneurs and promotion of female entrepreneurship through mentorship;
- 2.5. Preparation of the strategy and action plan on female entrepreneurship.

The measures are to be conducted from the period of 2014 through 2016 for which at this perspective any evaluation on the actual implementation and its effects is not possible. The relevant implementing bodies are the bodies cited above, relative to the institutional framework¹⁰.

1.1.2. Other measures for encouraging female entrepreneurship

Apart from the official policies which still are quite rudimental in terms of promoting female entrepreneurship there is another perspective that relates to the work of non-governmental organisations and institutions. Definitely there is a serious effort of encouraging female entrepreneurs through carrying out various activities and projects.

The most active in encouraging female entrepreneurship is the **Women’s Business Association of Macedonia**. They have prepared memoranda for establishing a “**Platform for Women’s Entrepreneurship in Macedonia**” including various stakeholders NGOs, research institutes, business association and chamber of commerce.¹¹ Several news coverage’s of the representatives from Women’s Business Association point out that development of the entrepreneurship in Macedonia is on satisfying level, but without providing any substantive data for confirming such a conclusion.¹² Clearly this platform is of great importance but there is no evidence or any evaluation on its operation and outcomes, since the webpage of the Association is not functioning and only data that can be found are on their facebook profile.¹³

Another interesting activity that most probably should have had greatest impact on encouragement of female entrepreneurship is the project “**New Mentor**”. The project is a part of the European Network of Mentors for Women Entrepreneurs and aims at establishment of the national network for women entrepreneurs. It lasted for

¹⁰ Национален акциски план за родова еднаквост 2013-2016/ National Action Plan on Gender Equality 2013-2016 <http://www.mtsp.gov.mk/dokumenti.nsp.x>.

¹¹ Меморандум за градење на Платформа за женско претприемништво во Македонија/Memoranda for establishment of Platform for Women Entrepreneurs in Macedonia.

¹² Женското претприемништво во Македонија на задоволително ниво/ Female enterprenurship in Macedonia on satisfactory level <http://www.tera.mk/index.php/vesti/aktuel/80023-zhenskoto-pretpriemnistvo-na-zadovolitelno-nivo>.

¹³ <https://www.facebook.com/PlatformaZaJakneneNaZenskotoPretpriemnistvo>.

two years with overall budget of 82,980 EUR. The goal was to support the development of women entrepreneurship taking into consideration the overall context and socio-economic situation. The Network provided direct support to female entrepreneurs and promotion of business run by women. The project's results were presented in a booklet entitled "***Support of female entrepreneurship in Macedonia***". In the booklet success stories from the mentorship were included such as: number of jobs created and/or safeguarded, new markets, increase in sales or profit improved managerial and technical skills, staff management and internal business processes and etc.¹⁴

2. Transferability issues and conclusion

Entrepreneurship as such is complex and multifaceted concept which requires efforts from various stakeholders and on various levels. It is something which could not be developed through superficial undertakings. It requires time and per se mental outlook to be understood and practiced. Macedonian society is in the phase of continual transition with recidivism from the social system, thus is much harder to comprehend and practice entrepreneurship as such. On the other hand, the official approach is to utilise entrepreneurship particularly female to reduce unemployment and existing gender gap. Apart there is also the gender dimension, of Macedonian society being still quite patriarchal.

At this stage is not straightforward to envisage which good exchange practice would fit in the Macedonian context. An expert's opinion is that female entrepreneurship is still at rudimentary phase of development in the country, especially the official policies. There is no concerted and structural effort for its promotion. No coordination whatsoever exists between the official policies and of the non-governmental and business sector on the other hand. Existence of the gender disaggregated data is contingent upon creation of comprehensive activities and strategies for female entrepreneurship. Currently, the country is faced with the lack of such data. Initially, there should be thorough analysis and evaluation on the challenges, constrains and perspectives in order one to be able to determine which good exchange practice would be relevant for the Macedonian context.

¹⁴ <http://www.newmentor.mk/mk/details/project-newMENTOR>.