



## STUDY OF THE CURRENT STATE

## ON YOUNG WOMEN ENTREPRENEURSHIP SUPPORT

## REPUBLIC OF MOLDOVA

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Author:  
Silvia Cangea-Digolean  
Organization for Small and Medium Enterprises Sector  
Development (ODIMM)



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## 1. Executive Summary

The elaborated SoC synthesizes the findings concerning youth female entrepreneurship in Moldova. The report also presents the available local datasets, respectively statistical data collected nationwide and/or on regional level. It presents the barriers and needs of the youth female entrepreneurs as well as the opportunities to support them within the policy framework.

The report is based on the survey with young female entrepreneurs (202), aged 15 – 34, which are the owner (or own at least 51% of the enterprise) interviews with institutional actors and interviews with successful young female entrepreneurs (biographies).

This work was conducted in support of an ongoing effort to find out and to stimulate entrepreneurship among women in Moldova. Currently, female owned businesses represent only about 27 percent of all Moldovan enterprises. Engaging a country's entire population to support growth is an important development strategy for nations. However, the benefits of recruiting and supporting women in entrepreneurship have particular appeal in those countries where female inclusion in the economy is low and where problems are visible that typically result from the economic disadvantaging of women. Specifically, encouraging entrepreneurship for women holds promise in Moldova because a successful program would:

- Stimulate economic growth;
- Create jobs, especially for women;
- Provide avenues for advancement of women within the private sector;
- Promote economic diversity and stability;
- Provide for families, especially children of both sexes and female-headed households;

### **Project goals:**

- Uncover key knowledge gaps among women entrepreneurs concerning the regulatory framework in Moldova.
- Provide key policy recommendations for the government/Ministry of Economy on actions that would support women entrepreneurs and could inform the future ODIMM's women entrepreneurship program.

This report offers an assessment of the current conditions for female entrepreneurs in Moldova, including a review of the activities that support women-owned businesses, areas of high business performance, and barriers that keep women from growing their businesses. The report also outlines strategic recommendations for prioritizing and resolving key challenges. The findings and recommendations are based primarily on the data collected and analyzed through the data base from the country, different studies and researches. These data reflect, as accurately as possible, the current business environment for female entrepreneurs. The survey results responses and highlight regional and industry variations. These data cover a wide range of topics from startup and sales performance, to hiring practices and interaction with government officials. The methodology and survey were developed by MRA and SEBS, and the dataset was ensured by the National Bureau of Statistics and multiple studies and researches made. This analysis explains the performance and specific challenges of women business owners in different sectors.

Existing studies in other locations, as well as nation-level datasets, show that a predictable set of constraints has held female entrepreneurs back: a disproportionate burden of family care, lack of access to capital, formal and informal barriers that keep women from entering more lucrative industries, negative cultural attitudes, unfair treatment by banks, and greater vulnerability to government corruption. However, the relative impact of each of these barriers varies by industry. Government corruption is more likely to be problematic in industries relying on import/export and those requiring frequent inspections. Furthermore, to the degree that industries are concentrated in particular regions and that relevant infrastructure varies by industry, these types of barriers for women can also vary in their impact. Therefore, this analysis sought to capture the impact of known barriers to female entrepreneurship by industry and region.

The report's overall strategic assessment of the current extent of women's entrepreneurial engagement suggests that further investment in women-owned businesses by Moldova is warranted. For example: women-owned businesses already produce higher average annual sales in three of seven industries, and, on average, employ more people. Women-owned enterprises show higher labor productivity than male-owned companies in four of seven industries. Female-owned firms are much more likely to provide employment and advancement for other women than male-owned firms. Despite these strong overall trends, however, growth from 2014 to 2016 among female-owned firms was lower than that of male-owned firms in four of seven industries. Other evidence in the report suggests that this trend can be reduced by a targeted policy effort. For example, there are indicators that attitudes of government officials, and even corruption, are having a disproportionate dampening effect on female entrepreneurs in some industries and regions. Efforts to increase the number of women-owned startups should continue, the evidence reviewed here suggests the need to assist female owners of existing businesses to overcome persistent barriers is equally urgent. ODIMM is charged by the government with supporting women's entrepreneurship, has acquired a solid list of competencies, achieved a number of tangible results, and built a unique network of women across Moldova. This report reviews these accomplishments and recommends further support be provided to expand and deepen ODIMM's ability to serve this important economic segment. In brief, ODIMM's funding programs continue but also have to raise so that the organization's capacity and range can grow, specialized programs aimed at the industry and regional issues analyzed here can be undertaken.

## 2. METHODS

The contributing partner for the **Study of Current State on Young Women Entrepreneurship** from the Republic of Moldova is the Organization for Small and Medium Enterprises (SME) Sector Development (ODIMM). It is a public institution that coordinates with the Ministry of the Economy and Infrastructure and also collaborates with other ministries, as well as with local public authorities. ODIMM manages funding provided by the state, as well as from international assistance programs related to SMEs. Also, ODIMM contributes to the development of women entrepreneurship by offering informational and financial support through its programs. All of ODIMM's programs are aligned to the national and international policies on SMEs and are specifically created in order to cover the major necessities of the entrepreneurs from the SMEs sector, also focusing on certain groups like young entrepreneurs, women entrepreneurs and export ready SMEs.

The National Bureau of Statistics (NBS) of Republic of Moldova does not provide actual data on women entrepreneurship. The last study released by NBS on this subject was in 2009, this year in October will be released another study on the gender distribution of entrepreneurs. In order to find more on women entrepreneurship in RM we have to analyze the recent studies carried out by national or international experts<sup>1</sup>. Despite the large number of studies on women entrepreneurship conducted in the recent years the majority of them are focused on identifying the share of women entrepreneurs and the problems that they face<sup>2</sup>. This is why the **Study of Current State on Young Women Entrepreneurship** is new to our country and the main challenge for our researchers is to identify the sample for this study.

### The objectives of the study are:

- To identify the needs of young women entrepreneurs;
- To analyse the barriers and challenges that young women entrepreneurs have to face;
- To make an overview of the existing supporting programs;
- To evaluate the extent of young women entrepreneurs' necessities coverage by the existing programs.

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<sup>1</sup><http://documents.worldbank.org/curated/en/411391516856355553/pdf/122962-REVISED-PUBLIC-MoldovaSupportingWomenEntrepreneurshipFINALPRINT.pdf>

<sup>2</sup><http://baw.odimm.md/files/Studiu%20analiza%20concept%20odimm%20bwa.pdf>

In order to find out what is the Current state of Young Women Entrepreneurs in RM we decided to use in this study both quantitative and qualitative research methods.

In the quantitative part of the study is presented a short overview of women entrepreneurs based on official statistic data and previous studies conducted in this field. Given the fact that in RM there are no official data or studies in the field of young women entrepreneurship, we decided to conduct our own study in order to find out what are the main necessities and barriers of young women entrepreneurs.

The survey was conducted on the number of 202 young women entrepreneurs from different regions of the country. The questionnaire was mainly held online sent via e-mail. For this study we used the stratified sampling method which allowed us to identify the young women entrepreneurs within all the beneficiaries of ODIMM's programs from the past 2 years. Using this technique, we reached out to 660 of young women entrepreneurs asking them to take part in the study in order to cover the national quota of 202 young women entrepreneurs required by the study. The respondents were not only ODIMM's beneficiaries but also the members of The National Women's Platform which ODIMM helped to create and also other young women entrepreneurs that follow ODIMM's official Facebook page.

In the qualitative part of the study are represented the results of 10 interviews held with the main stakeholders, institutions that provide informational, financial support and consultancy services for entrepreneurs. For this part of the study the main goal is to make an overview of the service market focused on women entrepreneurs.

In the frame of the study were interviewed 202 young women aged 18-34 that have business and young women that are thinking about opening one. The aim was to identify if there are any differences between this two groups in terms of necessities and barriers that they have to face if they want or already have opened a business.

The majority of the respondents doesn't have any experience in introducing innovations into their companies and have started their own business to capitalize the business idea that they had. Young women entrepreneurs from the Republic of Moldova are very creative and good at exhibiting their ideas when an opportunity is given and often tend to come up with a new approach to the problems that they face with.

The biggest barriers that they had to face when opening their businesses were first of all the lack of savings, high taxes, weak economic environment, the red tape and difficulty in accessing finances. Second of all they have faced a high level of corruption, lack of information on how to start a business, lack of mentoring and advise lack of prior business experience and the uncertainty the future if they started a business.

The majority of the respondents think that in order to achieve entrepreneurial success is to have access to public funds and grants for start-ups support and also access to financial capital/loans.

Availability of financial resources and the ability to find and attract investments is crucial for Moldovan SMEs, especially for women entrepreneurs and start-ups. Young women entrepreneurs also have the need to learn how to do a market research and to have a long-term advisory support, consulting and mentoring. Another important need that the respondents have mentioned is the desire to participate in business and professional networks and clusters in order to improve their company's management team skills and share their experiences with other national and international women entrepreneurs.

Young women entrepreneurs from Moldova have original, creative business ideas and the energy to implement them. The only things they lack are few supporting programs designed specifically to meet all of their needs and help them have a more modern technological and innovational approach on their businesses. This is why conducting a study on this matter can contribute to the change of the national and regional business policy in order to create an advantageous ground to the emergence of several support programs focused on this issue.



### 3. Republic of Moldova - Economy of the country/region

#### 3.1 General presentation of the nation/region

Moldova - officially the Republic of Moldova is a landlocked country in Eastern Europe, bordered by Romania to the west and Ukraine to the north, east, and south. The population of Moldova is 3.6 million, GDP- \$18.9 billion, -1.1% growth, 3.4% 5-year compound annual growth, \$5,328 per capita, Unemployment- 5.0%, Inflation 6,4 %, FDI Inflow - \$143.2 million. Moldova's economic freedom score is 58.4, making its economy the 105th freest in the 2018 Index. Its overall score has increased by 0.4 point, with improvements in property rights and judicial effectiveness outweighing declines in government integrity and trade freedom. Moldova is ranked 40th among 44 countries in the Europe region, and its overall score is below the regional and world averages.

With a moderate climate and productive farmland, Moldova's economy in theory should be more prosperous. The domestic political impasse caused partly by Russia undercuts structural reform and realization of the country's potential. The government has tried to address weaknesses in the financial sector, but growth is hampered by endemic corruption and a Russian ban on imports of Moldova's agricultural products. The economy remains vulnerable to weak administrative capacity, vested bureaucratic interests, higher fuel prices, Russian political and economic pressure, and unresolved separatism in the Transnistria region. Trade is extremely important to Moldova's economy; the combined value of exports and imports equals 115 percent of GDP. The average applied tariff rate is 3.4 percent. Nontariff barriers impede trade. Government openness to foreign investment is below average. The financial sector is relatively stable, but the level of financial intermediation remains shallow, and government interference is significant.

**Small and medium-sized enterprises (SMEs)** are the backbone of the economy in the Republic of Moldova and have significantly contributed to job creation and economic prosperity over the last decade. In the Republic of Moldova, SMEs account for 98% of all businesses and represent 58% of the country's employment in 2017. SMEs were particularly affected by the global financial crisis which diminished international capital flows, bank lending, foreign direct investment, and consumer demand.

#### **Major institutions relevant from the perspective of "women in business"**

In Moldova, the development of female entrepreneurship is one of the objectives of state policy. Support activities developed by Government are reflected, first of all, in Action Plan for the years 2015-2017 on the implementation of the development of the SME sector for years 2012-2020 (Priority 7, DEVELOPMENT THE FEMININ ENTREPRENEURSHIP IN REPUBLIC OF MOLDOVA) as well as in THE FEMALE PROGRAM IN BUSINESS made by ODIMM and intended for women which plans to initiate or expand business, especially in rural areas

### 3.2 National/Regional economic development

With a moderate climate and productive farmland, Moldova's economy relies heavily on its agriculture sector, featuring fruits, vegetables, wine, wheat, and tobacco. Moldova also depends on annual remittances of about \$1.5 billion - more than 20% of GDP - from the roughly one million Moldovans working in Europe, Russia, and other former Soviet Bloc countries. With few natural energy resources, Moldova imports almost all of its energy supplies from Russia and Ukraine. The government's stated goal of EU integration has resulted in some market-oriented progress. Moldova experienced better than expected economic growth in 2014 due to increased agriculture production, to economic policies adopted by the Moldovan government since 2009, and to the receipt of EU trade preferences. During fall 2014, Moldova signed an Association Agreement and a Deep and Comprehensive Free Trade Agreement with the EU, connecting Moldovan products to the world's largest market. Still, a \$1 billion asset-stripping heist of Moldovan banks in late 2014 delivered a significant shock to the economy in 2015; a subsequent bank bailout increased inflationary pressures and contributed to the depreciation of the leu and a minor recession. Moldova's growth has also been hampered by endemic corruption, which costs the country 8-13% of its annual GDP, and Russian restrictions on imports of Moldova's agricultural products. The government's push to restore stability and implement meaningful reform led to the approval in 2016 of a \$179 million three-year IMF program focused on improving the banking and fiscal environments, along with additional assistance programs from the EU, World Bank, and Romania.

**How has major macro-political and macro-social events affected the national/regional economy?** As a whole, Moldova is doing well, despite a series of consecutive shocks, which included the doubling of the price of imported natural gas and Russia's ban on imports of Moldovan wine in 2006, and a severe drought in 2007. Growth is estimated at 5 percent in 2007 and is projected to increase to 7 percent in 2008. Investment is picking up, and is beginning to replace remittances as the main source of growth — an encouraging sign that the earlier model of consumption-driven growth is changing.

Relations between the European Union (EU) and the Republic of Moldova are deep and multifaceted. Republic of Moldova participates in many EU agreements and projects. The two sides are deepening their relations with the EU-Moldova Association Agreement, which was signed in June 2014. The new framework is innovative and ambitious, including a Deep and Comprehensive Free Trade Area (DCFTA) and an Association Agenda aimed at furthering economic integration and political association between Moldova and the EU. The Association Agreement replaces the previous Partnership and Cooperation Agreement, which had been in force since July 1998. The EU seeks to improve democracy, the rule of law and human rights in the Republic of Moldova, including in joint programmes with the Council of Europe. Republic of Moldova is a priority partner country within the Eastern Partnership, the eastern dimension

within the European Neighborhood Policy (ENP). Partnership countries and the EU commit to deepening their ties, including through free trade agreements, eventual visa liberalization and EU-funded projects. The Eastern Partnership offers both bilateral and multilateral measures for enhanced cooperation.

Moldova benefits from a Mobility Partnership with the EU as one of the two pilot countries in the world. As detailed in the general approach, the Mobility Partnership organizes cooperation in the field of migration, including areas such as legal migration, development and fighting against illegal migration. Around 40 initiatives are currently being implemented within the Mobility Partnership between the EU and Moldova. Moldova is also a partner country within the Black Sea Synergy and is a member of the Energy Community.

The EU and Moldova signed a Deep and Comprehensive Free Trade Area (DCFTA). This provides substantially improved access to the EU market of over 500 million consumers for Moldovan goods and services, as well as improved investment opportunities. Economic cooperation extends to numerous individual sectors.

Autonomous trade preferences provide duty-free and quota-free access for almost all Moldovan goods to the EU market. This has provided considerable support to Moldovan companies, since 50 % of Moldovan trade is with the EU. The EU is also working to ease air travel and agricultural trade with Moldova.

The EU is the **most important trading partner** for the Republic of Moldova.

The Association Agreement between the EU and Moldova has brought deep and comprehensive free trade between the two partners. This means Moldova benefits from reduced or eliminated tariffs for its exports to the EU, an increased services market and better conditions for attracting foreign investment. The Association Agreement has been provisionally applied since September 2014 and fully entered into force on July 2016.

#### **Major economic sectors in Moldova:**

**Agriculture** - Moldova has exceptional resources that are highly favorable to agricultural production. Because of its geographic location the country enjoys a moderate continental climate - short and relatively warm winters and long hot summers - so that early crops can be grown, giving producers a strong competitive advantage. The extremely favorable combination of climatic and black, fertile soil is ideal conditions create for growing cereals, grapes, tobacco, fruit and vegetables.

**Wine Industry** - The wine making Industry is one of the leading and most important sectors of the Moldovan economy accounting for 20 percent of GDP and employing around 27 percent of the country labor force. Its growth can be noticed at each winery - new vineyards being planted, wineries renovated, modern equipment installed.

**Light Industry** - The sector includes: textile products manufacture (knitted articles and carpets); clothes articles manufacture, leather production, leather articles and footwear. Light industry is growing, particularly in export markets. A branched structure, highly qualified staff distributed evenly across the country and a cost base lower than the European standard are the main features of our light industry.

**ICT Products and Services** - the IT sector was identified as the domain with the highest potential to grow its share in GDP as it does not need excessive capital investment, nor does it depends on natural resources. Also, it is emerging as the main area of growth in human resources. Incentives to mitigate the shadow economy in this sector and to attract investors are developing.

### **Moldova Labor Force Participation Rate 2000-2018**

Labor Force Participation Rate in Moldova increased to 46.40 percent in the second quarter of 2018 from 39.30 percent in the first quarter of 2018. Labor Force Participation Rate in Moldova averaged 46.44 percent from 2000 until 2018, reaching an all time high of 61.40 percent in the second quarter of 2000 and a record low of 37 percent in the first quarter of 2012.

**Figure 1. Moldova labor force participation rate**



Labor force by occupation is divided as follows:

- **agriculture: 33.7%**
- **industry: 12.1%**
- **services: 54.2%**

## 4. Female entrepreneurship in quantitative perspective

### 4.1 Country's/Regional enterprise statistics

SMEs are unequally distributed across the country, with about 64.9% operating in Chisinau, the capital, and 4.7% in Balti, the second largest city. Entrepreneurial activity is significantly more pronounced in Chisinau, with 42 SMEs per 1 000 inhabitants versus just 6.7 SMEs per 1 000 inhabitants outside of Chisinau.

*Table 1. Position of economic units by Regions*

	Number of enterprises			Average number of employees			Turnover, million lei		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
<b>Whole country</b>	51216	52320	54313	510268	512474	528607	282253.4	300733.43	330963.91
<b>Municipality Chisinau</b>	33279	33916	34902	305549	308743	319456	206554.7	216760.34	236596.39
<b>North</b>	6301	6402	6706	87628	86537	88471	32986.57	35846.76	39607.7
<b>Centre</b>	7586	7890	8367	69217	68997	71281	28432.78	32127.3	36798.96
<b>South</b>	2690	2724	2842	32478	32858	32982	8423.3	9208.89	10482.51
<b>T.A.U. Gagauzia</b>	1360	1388	1496	15396	15339	16417	5856.1	6790.13	7478.34

*Table 2. The number of registered and liquidated / radiated enterprises, according to the*

Indicators	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Total number of enterprises, thousands of units</b>	44,6	46,7	48,5	50,7	52,2	50,7	51,2	52,3	54,3
<b>Number of births of Enterprises</b>	7220	6488	6740	6273	6231	6263	5985	5673	6406
<b>Number of deaths of Enterprises</b>	3274	3177	3430	3218	2808	2770	3905	4055	8540
<b>Number of persons employed, 1000</b>	539,2	526,2	510,2	519,9	524,5	510,8	510,3	512,5	528,6

### State Registration of the State Chamber for 2009-2017

<http://www.cis.gov.md/statistica>

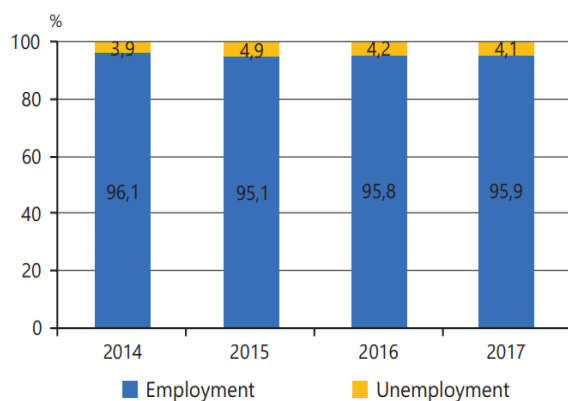
The number of SMEs has remained relatively stable over the past three years despite the country's volatile economic growth. In 2015 were registered 52 000 enterprises However, the total number of active SMEs in Moldova has been estimated at around 35 000, which suggests that one in three registered SMEs might be inactive (Economisti Associati, 2015).

**Table 3. Distribution of enterprises by size and by sex of entrepreneurs, %**

	Including:		
	Total	Men	Women
<b>Total, including number of employees:</b>	100	100	100
<b>0-9 persons (micro)</b>	71.5	67.8	79.4
<b>10-49 persons (small)</b>	22.1	24.5	17.2
<b>50-249 persons (medium)</b>	5.4	6.6	2.9
<b>250 +</b>	1	1.2	0.4

According to the study Conditions for Enterprise Creation and Development: "Gender Analysis", women entrepreneurs relatively more often manage/own microenterprises: the share of women entrepreneurs that belong to this group of enterprises is 79.4%, while the proportion of men is 67.8%. At enterprises of other sizes men would appear as entrepreneurs relatively more often. Moreover, the more the size of the business, the more the proportion of men entrepreneurs: at small enterprises the share of men entrepreneurs is 1.4 times higher than the analogical index for women (the proportion of men – 24.5%; women – 17.2%); at medium-sized enterprises the mentioned ratio makes 2.3 (respectively, 6.6% and 2.9%); at large enterprises the share of men entrepreneurs is 3 times higher than the share of women (respectively, 1.2% and 0.4%).

## 4.2 Active population by Labor Force Survey



The resident population of the Republic of Moldova as of 01.01.2018 was 3,5 mio. persons, decreasing compared to the same period of 2017 by 3,3 thousand persons. An annual population growth can be noticed in the urban area and a continuous decline in the rural population. These changes were caused, in particular, by the negative natural growth of the rural population and the structure of the internal migration flow.

**Figure 2. Structure of economically active population**

In the last 4 years, the number of economically active population varied insignificantly and was about 1,3 million persons in 2017. The main component, employment, constituted 96% of the economically active population. The gender distribution of the economically active population also did not undergo any substantial changes, the proportion of men (50.8%) was higher compared to the women (49.2%).

**Table 4. Number of economically active population, thousand persons**

	2014	2015	2016	2017
<b>Economically active population</b>	1232	1266	1273	1259
<b>of which, female</b>	607	627	632	619
<b>Employment</b>	1185	1204	1220	1208
<b>of which, female</b>	588	604	614	598
<b>Population occupied in non-agricultural activities</b>	824	822	809	817
<b>of which, female</b>	432	439	428	431
<b>ILO unemployment</b>	47	62	53	52
<b>of which, female</b>	17	23	18	21

In 2017, 32, 3% of working population were employed in the agricultural sector. As defined by the International Labor Office (ILO) unemployment rate in 2017 was of 4,1%, varying very little over the last 4 years. Unemployment rate makes it possible, by comparison, to identify the groups of people who most actively seek to enter the labor market. Thus, young people are more active than adults, men more active than women, urban residents more active than rural residents.

**Table 5. Distribution of employment by main economic activities, thousand persons**

	2014	2015	2016	2017
<b>Total</b>	1185	1204	1220	1208
<b>of which:</b>				
<b>Agriculture, hunting and forestry; fishing</b>	361	382	411	390
<b>Industry</b>	146	148	148	144
<b>Construction</b>	66	65	61	57
<b>Wholesale and retail trade, hotels and restaurants</b>	203	190	200	209
<b>Transport and communications</b>	68	76	76	73
<b>Public administration; education; health and social assistance</b>	231	236	224	234
<b>Other activities</b>	110	106	100	100

Unemployment rate in 2017 was of 4,1%, varying very little over the last 4 years. Unemployment rate makes it possible, by comparison, to identify the groups of people who most actively seek to enter the labor market. Thus, young people are more active than adults, men more active than women, urban residents more active than rural residents.

**Table 6. ILO unemployment rate, by age group, sex and area (percentage)**

	2014	2015	2016	2017
<b>Total</b>	3.9	4.9	4.2	4.1
under 25	9.8	12.8	11.2	11.8
25 and older	3.3	4.2	3.6	3.5
<b>Men</b>	4.6	6.2	5.5	4.8
under 25	9.6	12.4	10.9	10.9
25 and older	4.1	5.5	5	4.3
<b>Women</b>	3.1	3.6	2.9	3.3
under 25	10.2	13.5	11.7	13
25 and older	2.5	2.9	2.3	2.7
<b>Urban</b>	5.2	6.4	6	5.7
under 25	10.8	16.6	14.1	14.3
25 and older	4.7	5.9	5.4	5.1
<b>Rural</b>	2.7	3.5	2.6	2.7
under 25	9.1	10.1	8.9	9.9
25 and older	2.1	2.9	2.1	2.7

**Table 7. Registered unemployment, by age group and level of education, during the year, thousand persons**

	2014	2015	2016	2017
<b>Registered unemployment - total</b>	42.2	50.6	50.1	42.1
of which, women	21.2	24.5	23.1	19.5
<b>Registered unemployment by age group</b>				
under 25	8.3	9.2	8.4	6.8
of which, women	4.5	4.8	4	3.3
25 and older	33.9	41.4	41.7	35.3
of which, women	16.7	19.7	19.1	16.2
<b>Registered unemployment by level of education</b>				
Primary	2	2.6	3.1	3.1



of which, women	1	1.4	1.5	1.5
General secondary	23.3	28	28.8	24.6
of which, women	12.2	14	13.4	11.7
Secondary vocational	9.5	11.7	10.5	8.6
of which, women	3.6	4.2	3.6	2.9
Postsecondary vocational	3.2	3.6	3.3	2.5
of which, women	1.8	2	1.8	1.4
Higher education	4.2	4.7	4.4	3.3
of which, women	2.6	2.9	2.8	2

### General characteristics

**Women in market economy and business:** 3 out of 10 employed women are young (between 15-34 years) and 6 out of 10 are of working age (between 35-64 years). 3 out of 10 have higher and vocational or specialized education. 6 out of 10 are employed in the public sector. 3 out of 10 are highly skilled professionals and 4 out of 10 are low-skilled and skilled workers. Half of the employed women with higher education are concentrated in the central region and in the capital, Chisinau. Women occupy only 1 out of 4 leadership positions in companies. Only a third of self-employed workers have a university degree, a professional or specialized/expert education.

**Women involved in decision-making:** Every second leader is a woman, and half of them are young and at a fertile age (15-44 years). 7 out of 10 women in a leadership position have a higher education diploma. At the same time, from 10 positions in public sector held by women, 2 are in leadership and 8 are in executive roles. Women occupy only 1 out of 5 public dignity functions (including 43% in the judicial sector, and 29% in the prosecution sector), a quarter of officials of the customs service or defense and national security (the military). 3 out of 10 respondents consider that women cannot practice certain professions (due to so-called biological differences) and 2 consider that women are unable to hold management positions.

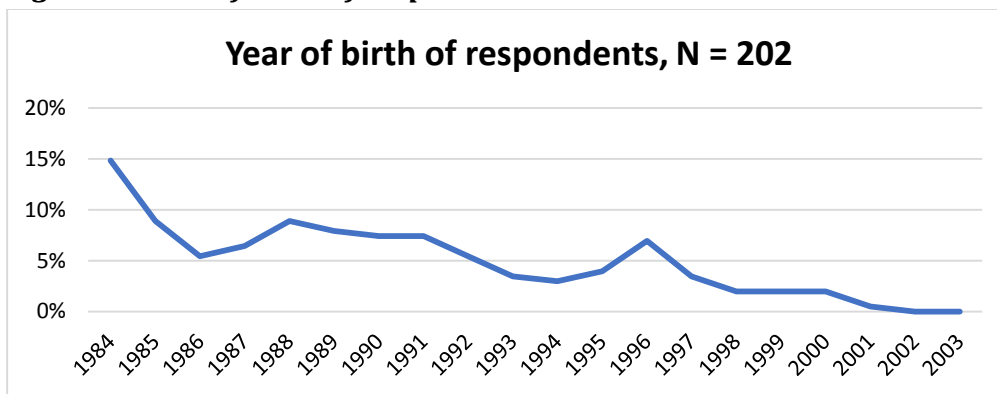
**Women in elected and appointed positions:** 6 out of 10 leaders from public administration, healthcare and education are women. 2 out of 3 women hold leadership positions in the public service sector and 1 in 3 occupy senior positions. In 2014, women filled a quarter of the top 5 positions on electoral lists (parliamentary elections) and between 23%-35% of candidates in local elections are women (from mayor to local councilor / district / municipal). Only 1 in 10 women are MPs, executive officials and heads of public administration. Women hold only every 4th position as a civil servant. 1 in 3 persons has a higher rate of confidence in women that hold a position in Government and Parliament. Each 4th respondent believes that women are not promoted to higher positions.

### 4.3 Results of the survey

In the frame of the survey on barriers and needs of young women in starting and/or development of their own business were interviewed 202 young women from Republic of Moldova, aged 15-34 that have business and young women that are thinking about opening one. The aim was to identify if there are any differences between this two groups in terms of necessities and barriers that they have to face if they want or already have opened a business.

100 out of 202 young women interviewed have already established a business while the rest 102 didn't had a business during the research period. The majority of the young women entrepreneurs have less than 10 employees-25,74%, only 6,44% out of them have more than 10 employees.

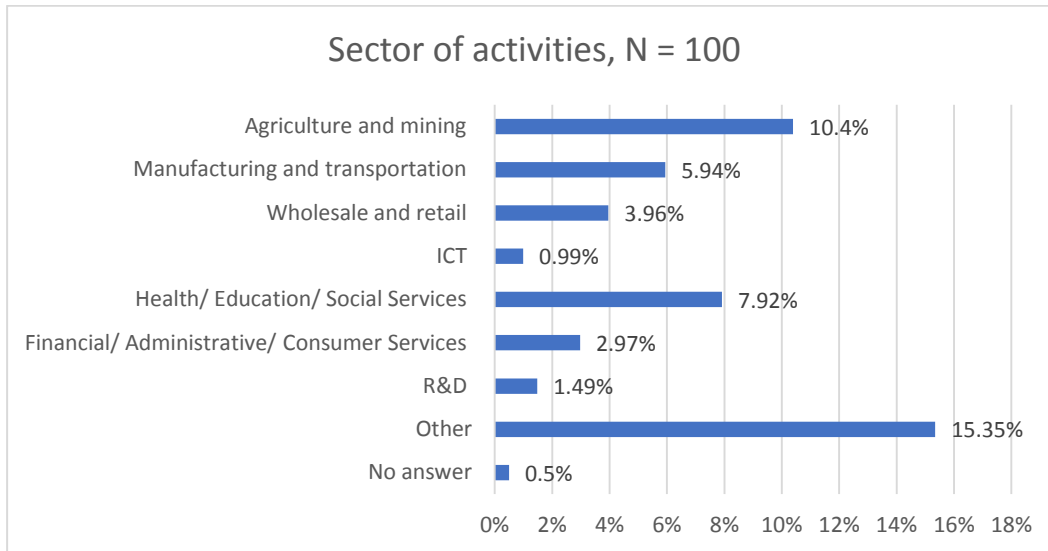
**Figure 3: Year of birth of respondents**



Source: Own calculations

The main sectors of activity of young women entrepreneurs are agriculture and mining-10,4%, Health/ Education/ Social Services-7,92% and other sectors-15,35%, that include: livestock breeding, light industry, services and food products manufacturing.

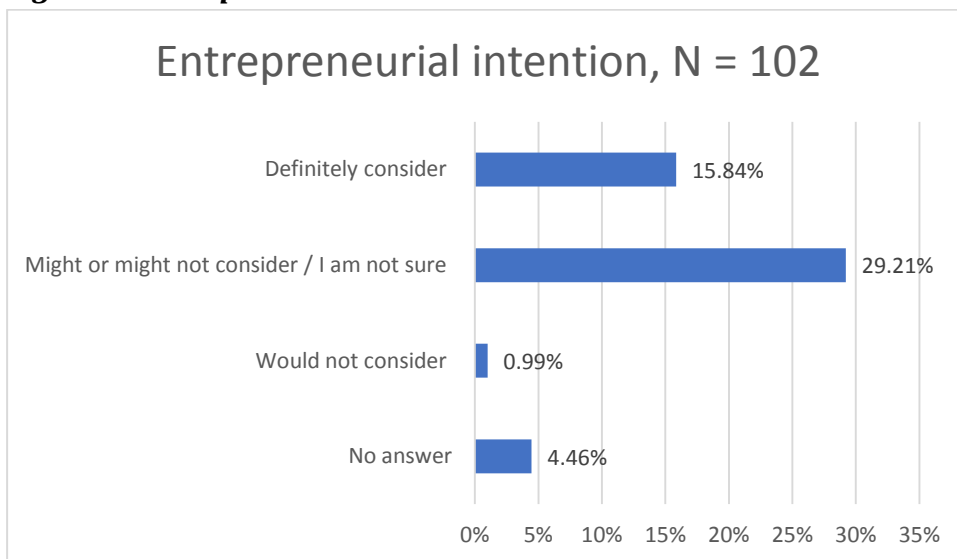
**Figure 4: Sector of activities among business women respondents**



Source: Own calculations

The young women that don't have a business mostly are not sure about the idea of opening one – 29,21%, but 15,84% out of them are seriously considering to establish a business.

**Figure 5: Entrepreneurial intention**



Source: Own calculations

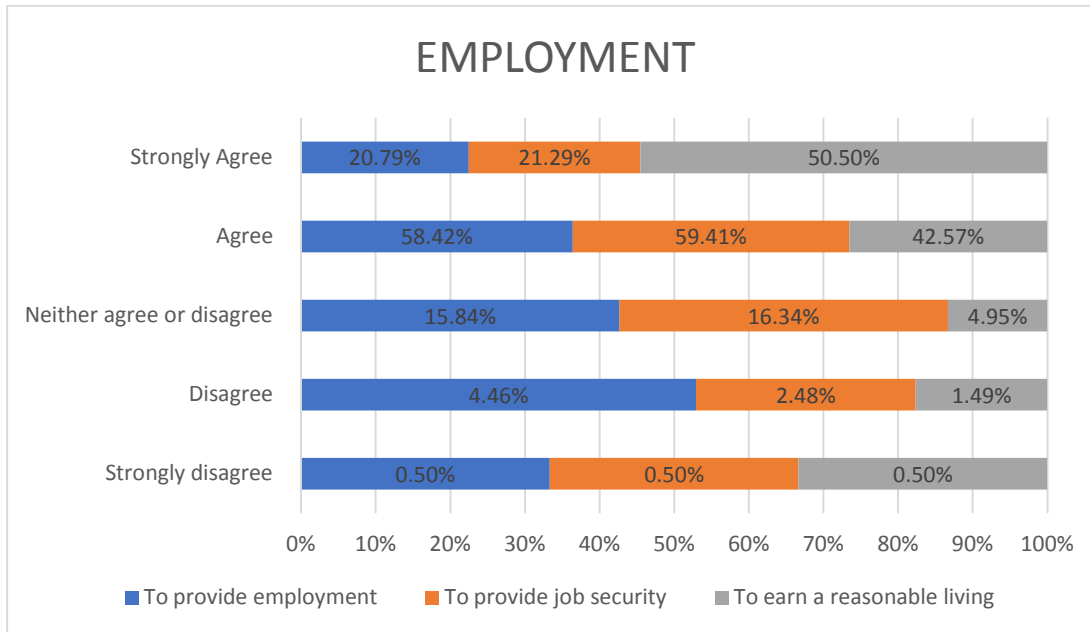
## **MOTIVATION**

Young women from the Republic of Moldova are motivated to open a business in order to be able to provide for themselves and their families. At the same time they want to be able to provide more safe jobs for others. The majority of the respondents are very talented, creative young women and are eager to learn something new that can become useful for their businesses.

- **EMPLOYMENT AND AUTONOMY**

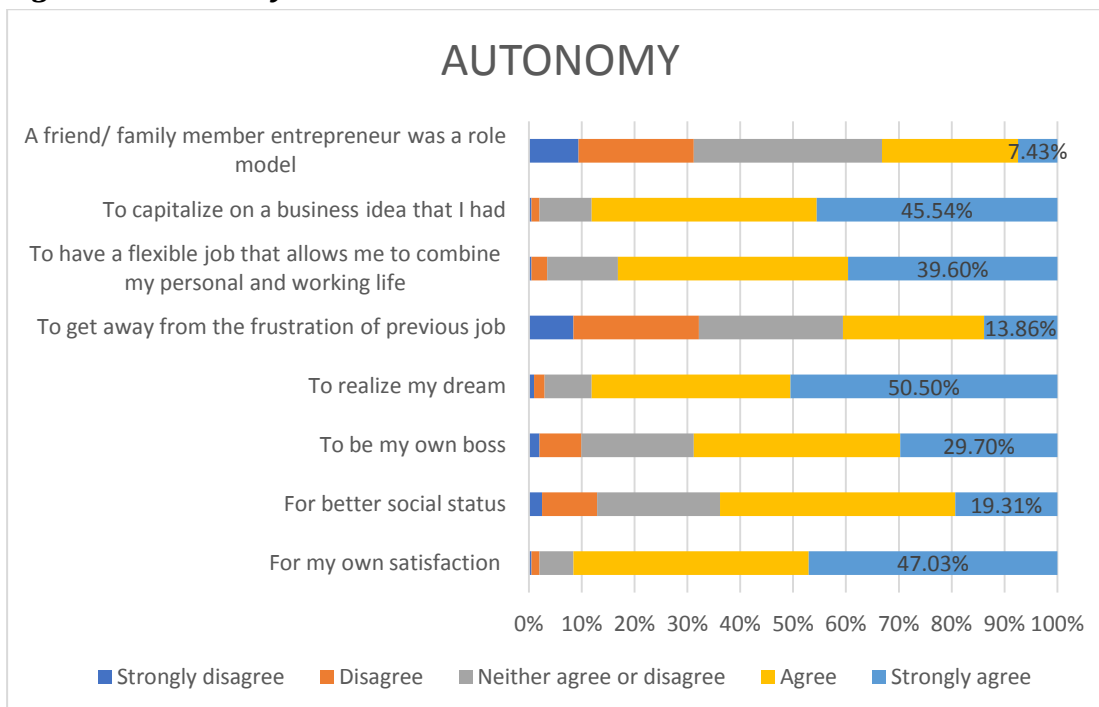
The respondents mentioned that the main reason that they had established or would establish a business is to earn a reasonable living. Nevertheless they seem to have opened a business in order to realize their dream or to capitalize on a business idea that they had and to make something that brings them satisfaction.

**Figure 6: Employment as motivation to set up or run the business**



Source: Own calculations

**Figure 7: Autonomy**

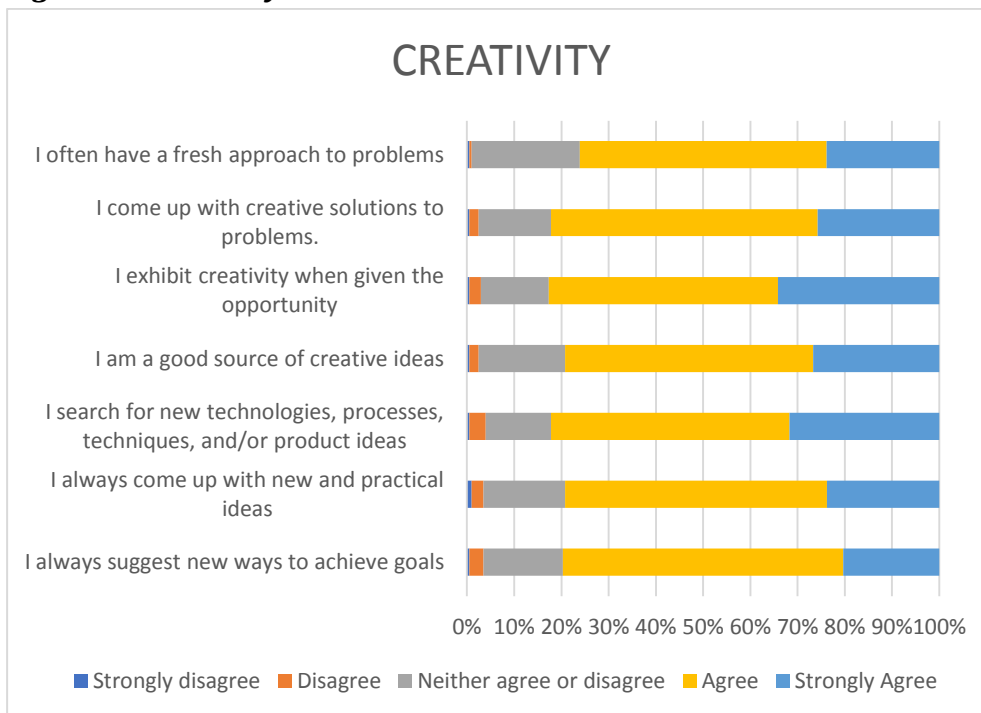


Source: Own calculations

- **CREATIVITY AND INDIVIDUAL INOVATIVENESS**

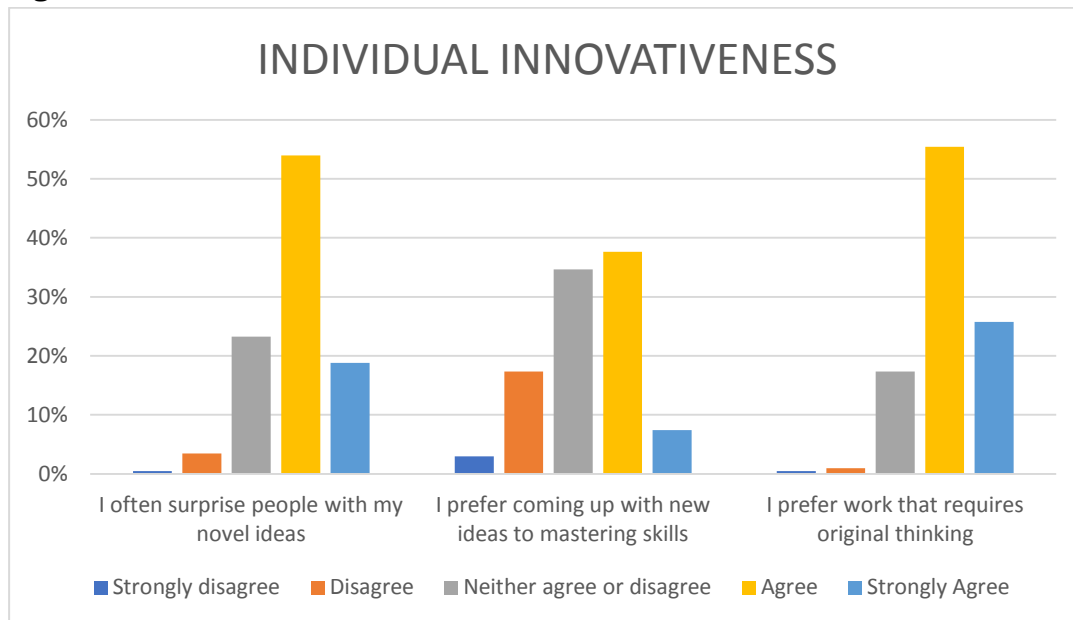
Young women entrepreneurs from the Republic of Moldova are very creative and good at exhibiting their ideas when an opportunity is given and often tend to come up with a new approach to the problems that they face with. Also, they can come up with new and practical ideas and often have a fresh approach to problems. Young women entrepreneurs from the Republic of Moldova prefer work that requires original thinking and are capable of surprising people with their new ideas.

**Figure 8: Creativity**



Source: Own calculations

**Figure 9: Innovativeness**



Source: Own calculations

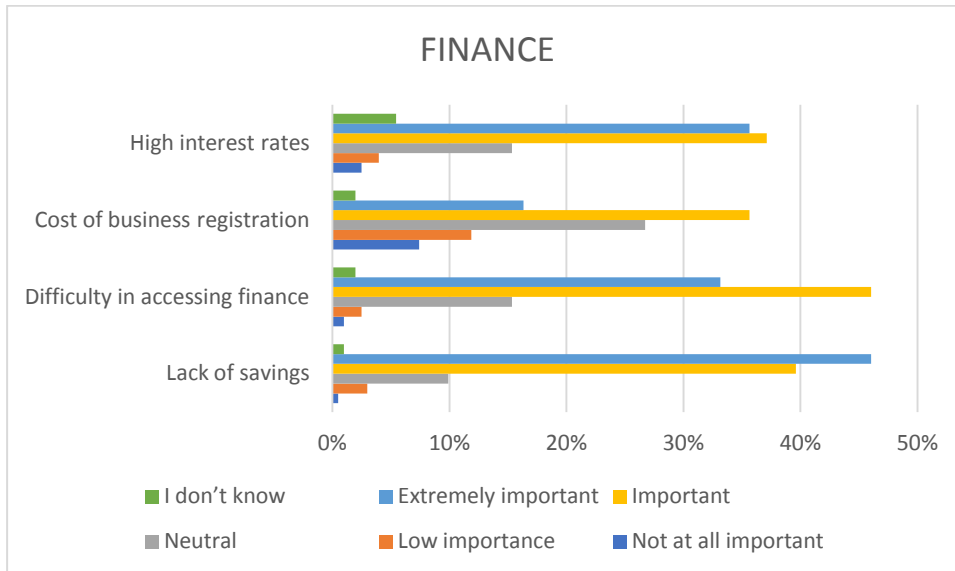
## BARRIERS

In the following paragraph we will analyze the barriers that occur in the process of establishing a business. In order to better understand the situation we approached the subject from the perspective of different factors: finance, competencies, risks and other outside factors; macroeconomy and policy.

- **FINANCE**

The biggest barriers that young women have to face in order to open a business are definitely the financial ones. The lack of savings that come from the low wages, high interest rates while requesting a credit at the bank and the difficulty in accessing other sources of funding, makes it difficult for them to open and efficiently run a business.

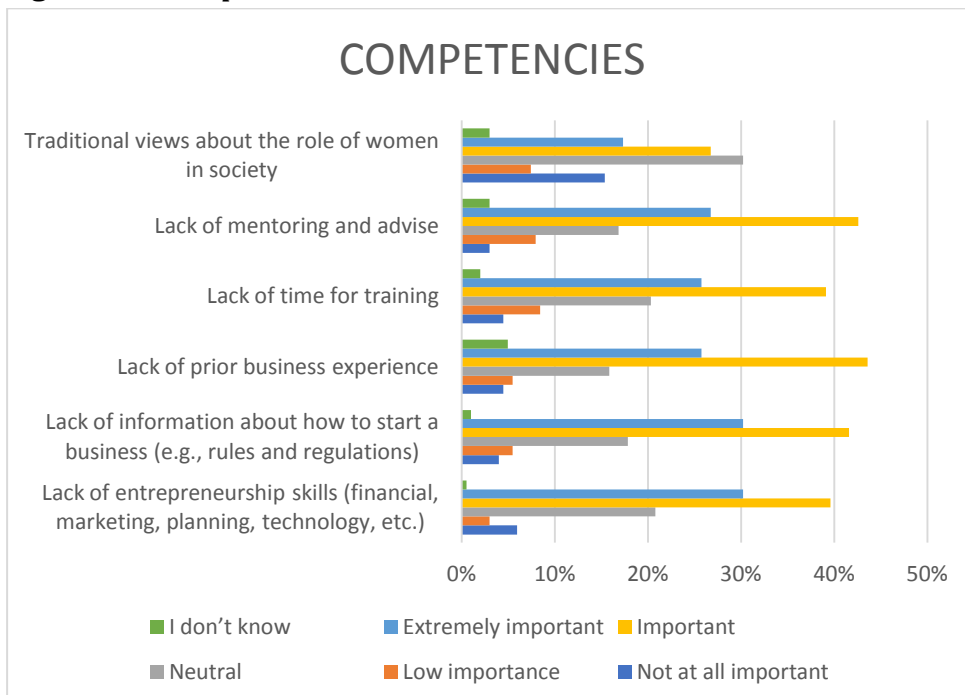
**Figure 9: Finance**



Source: Own calculations

## COMPETENCES

**Figure 10: Competences**





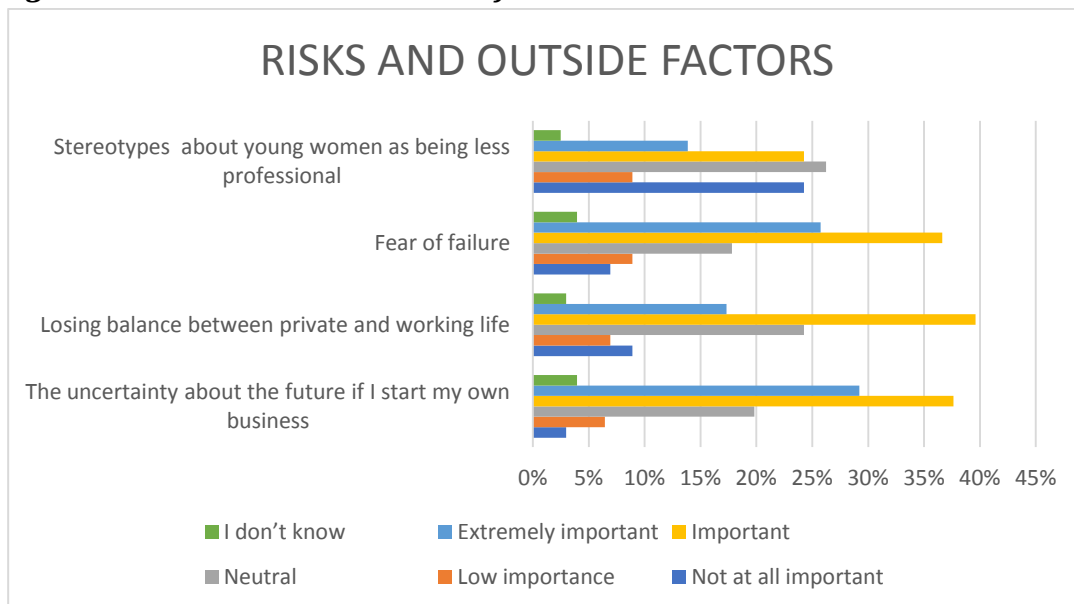
Source: Own calculations

Young women definitely lack a lot of entrepreneurial skills and this becomes one of the biggest barriers that they also have to face with. The respondents mentioned the lack of entrepreneurship skills, lack of information about how to start a business, the lack of mentoring and advise, lack of time for training and the lack of prior business experience as being the biggest barriers not only for starting a business but also for ensuring a sustainable development of one.

### RISKS AND OTHER OUTSIDE FACTORS

The process of establishing a business is always related to taking a risk. The biggest risks that young women have to deal with while establishing a business are: the uncertainty about the future of their business and the fear of failure. Economical and political evolution of the country has a very big impact on the future of one’s businesses that is why opening a business in this state of affairs is even a bigger risk that they have to face.

**Figure 11: Risks and other outside factors**

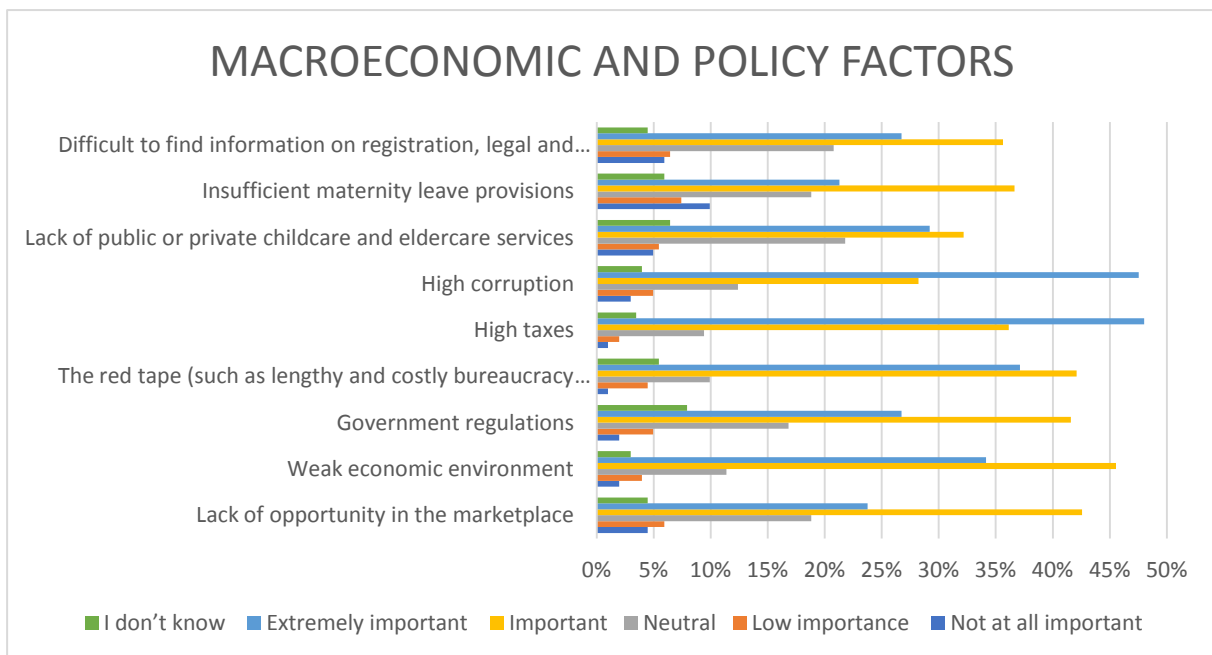


Source: Own calculations

### MACROECONOMIC AND POLICY FACTORS

The most important barriers in starting a business from the point of view of the respondents are: the high level of corruption, high taxes, the red tape and the weak economic environment.

**Figure 12: Macroeconomic and policy factors**

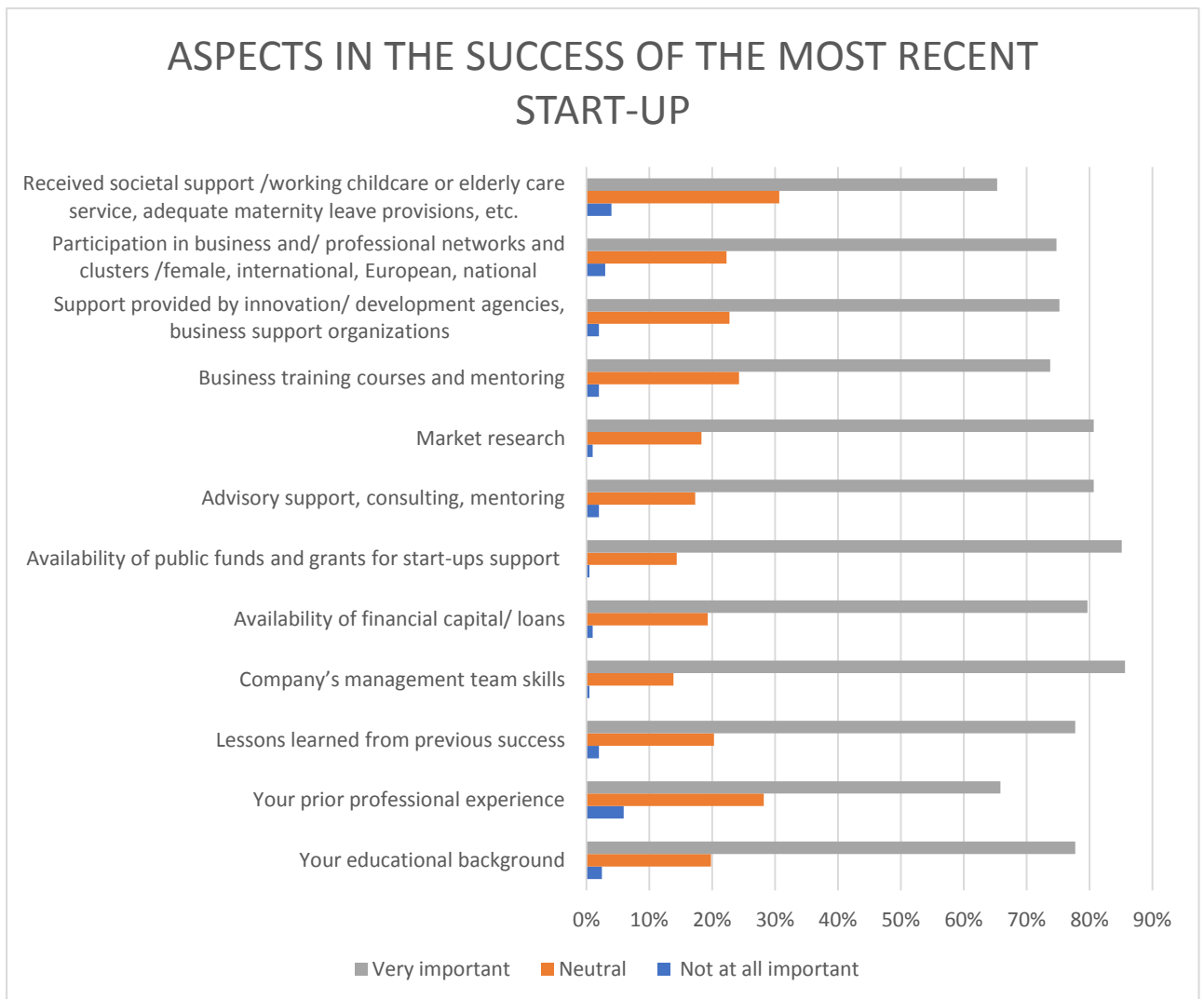


Source: Own calculations

## SUPPORTING ENVIRONMENT

All of the listed aspects seem to be very important for the respondents. At the same time, we can see that in their opinion the success of entrepreneurial attempt depends mostly on company's management team skills; the availability of public funds and grants for start-ups support; advisory support, consulting, mentoring and market research.

**Figure 13: Aspects in the success of the most recent start-ups**



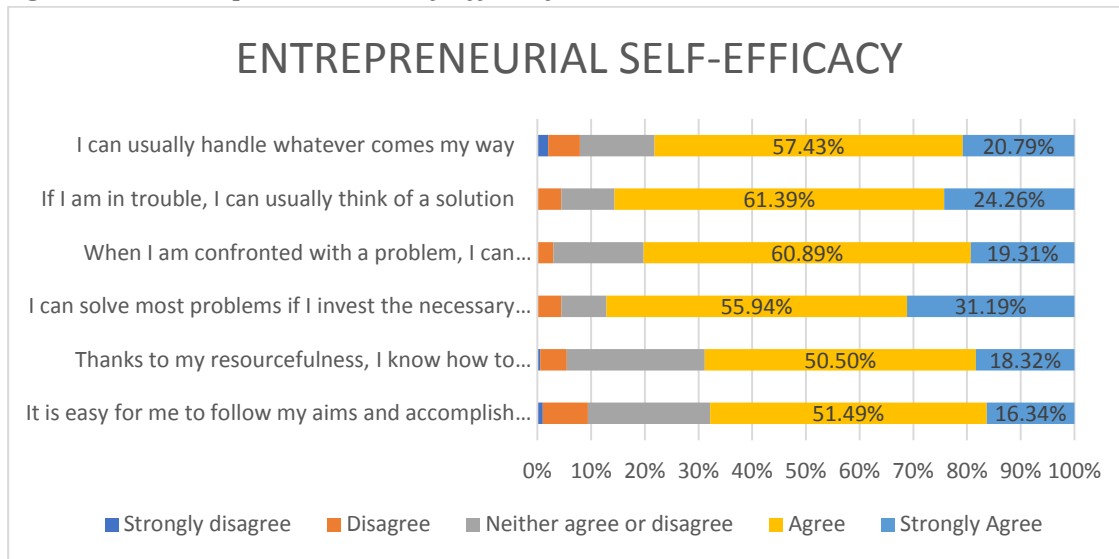
Source: Own calculations

### ENTREPRENEURIAL SELF-EFFICACY

Young women from Moldova usually are self-efficient given the fact that they are able to solve most of the problems if they invest the necessary effort, and if they are in trouble they can usually think of a solution and usually they can handle whatever comes their way. Nevertheless, the respondents could find it quite difficult to follow their aims and

accomplish their goals, also they aren't resourceful enough to handle unforeseen situations.

**Figure 14: Entrepreneurial self-efficacy**



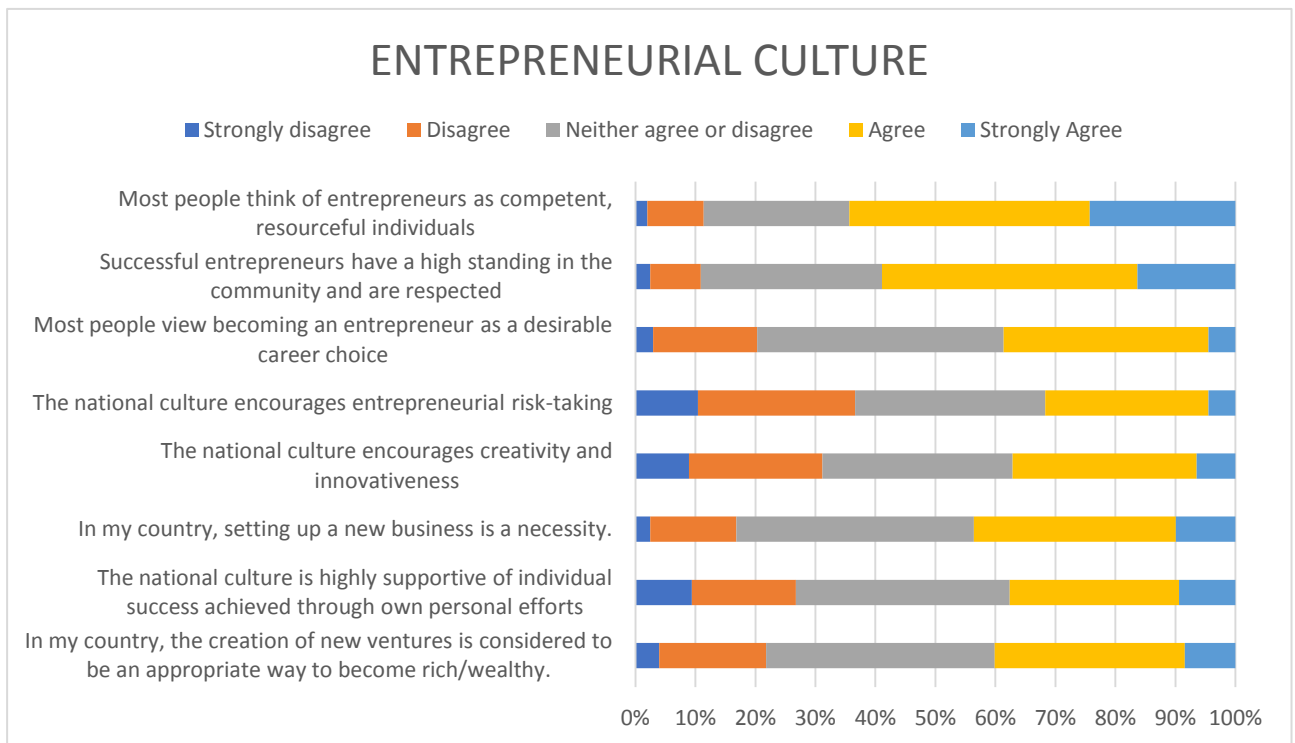
Source: Own calculations

## CULTURE OR NORMATIVE PROFILE AND SOCIAL SUPPORT

- CULTURAL FRAMEWORK AND SOCIAL NORMS**

The respondents consider that Moldovan entrepreneurial culture isn't developed enough, because they don't feel that the national culture encourages entrepreneurial risk-taking, creativity and innovativeness. Also, most people don't view becoming an entrepreneur as a desirable career choice. However, most people think of entrepreneurs as competent, resourceful individuals, moreover successful entrepreneurs have a high standing in the community and are respected.

**Figure 15: Entrepreneurial culture**

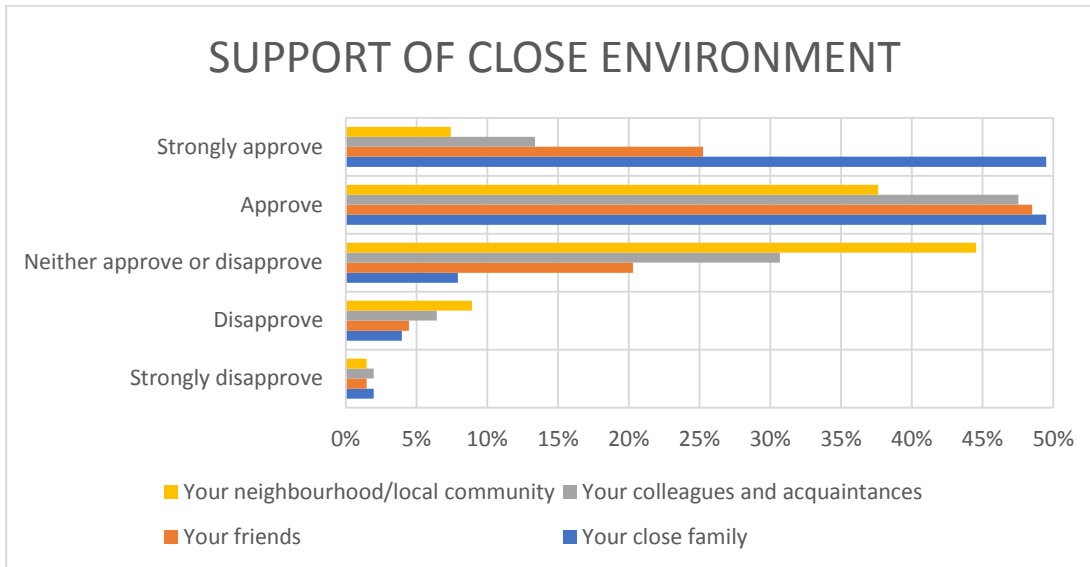


Source: Own calculations

- SUPPORT OF CLOSER ENVIRONMENT**

The respondents' close environment is very supporting of them to start a business, the most support they have is from their families, friends and colleagues. The local community isn't very expressive and keeps a neutral position, which means that they don't show much support but at the same time don't try to stop them from doing it.

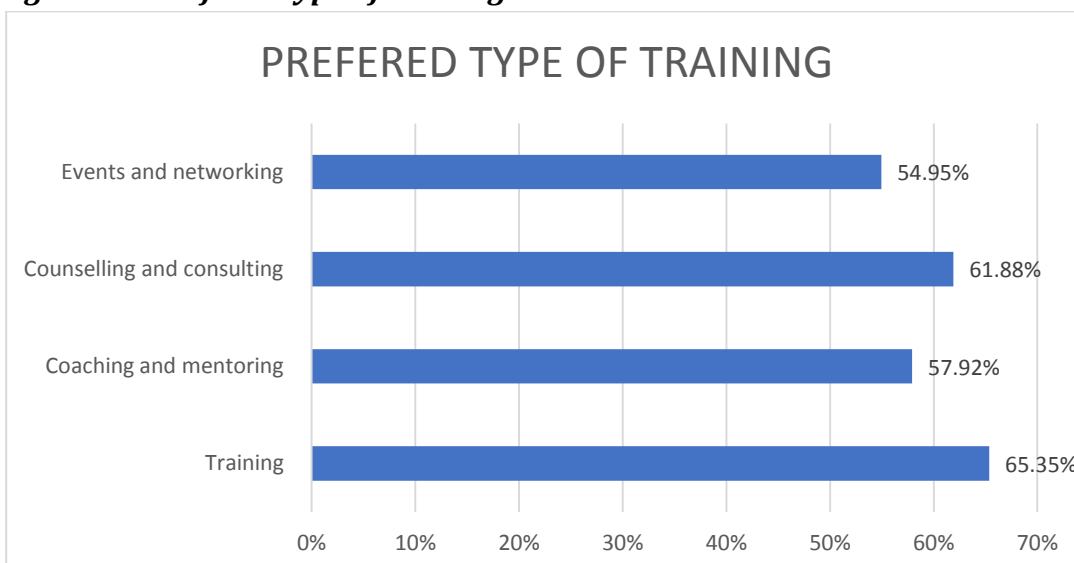
**Figure 16: Support of close environment**



Source: Own calculations

The respondents would prefer all of the suggested types of training but most of all they would like to assist at trainings and to get counselling and consulting. It would be convenient for them if the training could last at most 3-4 or 10 hours per week, or 2-3 weeks. Young women entrepreneurs or those who want to establish a business need an additional knowledge in business fields like: finances and budgeting; marketing; accounting; management and entrepreneurship

**Figure 17: Preferred type of training**



Source: Own calculations

**Figure 18: Training needs**



Source: Own calculations

## CONCLUSIONS

Young women entrepreneurs from Moldova run micro or small businesses most of them are from the agricultural sector and from the Health/ Education/ Social Services sector. Most of the young women who were only considering to become an entrepreneur aren't sure about the idea of establishing a business. The main reason is that they feel that they lack a lot of knowledges, entrepreneurial skills and financial support.

In Moldova most of the people believe that entrepreneurs are usually rich people. This is why the respondents answered that the main reason of establishing a business by young women in Moldova is to ensure a reasonable living for them and their families.

Even if they pursue a financial goal, the businesses that they have or want establish are meant to realize a long lasting dream and at the same time the businesses are designed to bring them satisfaction.

Young women from Moldova proved to have a very creative and original thinking when it comes to solve problems related to their businesses. Even though the family members, friends and the community are very supportive of young women becoming entrepreneurs, there are a lot of barriers that they have to face in order to establish and successfully run a business.

The biggest barriers that young women have to deal with in order to open a business are definitely the financial ones. The lack of savings that come from the low wages, high interest rates while requesting a credit at the bank and the difficulty in accessing other sources of funding, makes it difficult for them to open and efficiently run a business.

At the same time, they lack knowledges of how to establish and run a business. This is why the main subjects that were highly requested for a training course are: finances and budgeting; marketing; accounting; management and entrepreneurship. Opening a business is always a risk. For the majority of the respondents the biggest risks are the possibility of failure and the uncertainty about the economic development of the country.

Entrepreneurial activity is viewed as an individual issue not a collective one. Given the fact that the majority of the population associates the entrepreneurship with risk taking, this kind of activity isn't very popular amongst young people. Besides that, young people Entrepreneurship isn't viewed as a possible career choice for young people, most of them are busy studying or working. The idea of establishing a business doesn't even come through their minds unless they feel confident enough and have sufficient financial resources.



## 5. Characteristics of youth female entrepreneurship

### 5.1 General characteristics

In the last 10 years, in Moldova programs linked to women empowerment and women entrepreneurship has been very largely developed. A very important number of women has been actively involved in different programs created for them. The Government has a very positive attitude toward female entrepreneurship. In this regard, ODIMM administers programs for both male and female entrepreneurs, some of which are delivering good target numbers for women. Currently, these programs have a beneficiary mix of at least 30 percent women, which is commensurate with the existing representation of female entrepreneurship in the overall economy (27.8 percent, according to ODIMM). All ODIMM programs are monitored and evaluated for gender reach.

Since 2015, the Ministry of Economy introduced “Priority VII: Developing Women’s Entrepreneurship in the Republic of Moldova,” as part of the SME Sector Development Strategy 2012-2020, as well as an associated action plan for implementation in 2015-2017. At that time, ODIMM added a targeted strategy, to encourage women to start and grow businesses. ODIMM’s ambition is to raise the percentage of female entrepreneurs to 40-50 percent; therefore, program targets should be gradually increasing to achieve this. ODIMM spent its first three years targeting women in outreach efforts that allowed them to gain a deep understanding of the economic situation of women in Moldova, especially as regards to business start-up and ownership. They also appear to have built an extensive network that can be used effectively for outreach, organizing, and information collection.

The special challenges facing women entrepreneurs in Moldova are following:

- Lack of knowledge and skills
- Lack of success stories to act as examples
- Lack of self-confidence

From 2016, ODIMM is implementing the first National Programme "Women in Business" that aims to boost women entrepreneurship, especially in rural areas, and presents an integrated 3-stage approach to address business development needs in the following stages:

- Plan to start a business;
- Start-Up support;
- Support to business growth.

## **5.2 Perceived characteristics of young-women entrepreneurs in Republic of Moldova**

### **The business environment, in particular the institutional milieu in supporting the new businesses as well as their growth**

Generally female-owned businesses are less likely than male-owned businesses to claim that the business environment is favorable. Thus, while 13 percent of male-owned enterprises find the business environment favorable, just 3 percent of female-owned businesses declared the same. In fact, 51 percent of female-owned businesses perceive the environment as unfavorable and another 46 percent find it neutral. Female-owned SME's in retail, hotel/restaurant, other services but retail, wholesale and construction are the least likely to declare the business environment as favorable. In fact, 58 percent of retail businesses, 98 percent of hotel/restaurant businesses, and 77 percent of companies in other services declare that the business environment is unfavorable. Up to 96 percent of female-owned companies in construction and wholesale say that the business environment is neutral. Among female-owned companies, companies in wholesale, construction, and manufacturing are the least likely to say that the business environment is unfavorable. Nonetheless, significantly more (about 23 percent) male-owned companies from these industries consider the business environment to be favorable. Furthermore, geographical differences were found. It appears that female-owned businesses in the north of the country struggle the most. The data shows that 89 percent of companies considered the business environment to be unfavorable and just 2 percent found it to be favorable. In the center region, 67 percent female-owned companies found business conditions to be neutral and 6 percent found them to be favorable.

### **Gender gap in country's/regional's society (different areas)**

In Moldova, women-owned businesses are concentrated, first, in retail trade, followed by services and wholesale trade. Their lowest concentration is in hotels and restaurants, at 4.4 percent of all women-owned businesses, which is less than their representation in construction.

Male and Female Industry Concentration Men are more concentrated in services than are women; their second largest representation is in retail trade. For both sexes, therefore, the biggest industry concentrations are in retail and services (a total of 58 percent for men and 53 percent for women). Both men and women have a very small presence in hotel/restaurant. The two biggest gender gaps are in wholesale trade, where women vastly outnumber men, and in construction, where the reverse is true. The industry concentrations within genders, however, do not give a full accounting of relative size. Looking at the number of firms, for instance, provides additional insight into which industries are male or female-dominated. Since female-owned firms represent only about 27 percent of all enterprises, we would expect the male-owned firms to be much more numerous across the board, but the industry concentrations show that retail, services, and construction to skew more heavily toward male- domination than in

other industries. While females do start businesses at a much lower rate than males, female-owned firms appear to be more stable, less likely to fail, as evidenced by the large difference in the number of male owned firms between the micro and small business level. As women-owned businesses in Moldova grow, however, the overall share of female ownership declines to the point where they lose majority ownership at the medium-sized level. This pattern stands in sharp contrast to the males, who, if their businesses succeed, retain ownership and control through the micro and small stages, only to lose some ownership (but not control) when they become medium-sized businesses. It appears that more women from micro-sized enterprises than medium and small enterprises think that gender differences exist. In addition, from a geographical stand point, more women in the center of the country and fewer women in the capital think that women in business are different from than men in business

### **What is attractive and what is not attractive for young people and in particular young women entrepreneurs in the country/region?**

Moldova is a beautiful country with a great geographic position which makes an attractive point for potential investors and entrepreneurs. Besides all the free trade agreements Moldova has with a lot of important countries, there are economic 7 free economic zones and subzones within the country. Future entrepreneurs can take advantage from the fiscal policy that has been amended. Also, the Moldovan Government designed and developed Programs for access to funds and offers a large range of consultations, monitoring and advising for young female willing to start a business or that already owns companies.

Despite of all the positive things, most pressing issue for female-owned companies in conducting business are the tax rates, and 19 percent of female-owned companies declared that tax rates represent the biggest obstacle that prevents their business from developing. Femaleowned companies also report that political instability is an obstacle, with about 14 percent finding it a major obstacle. Meanwhile, male-owned companies (23 percent) appear to report a consensus that access to finance is a major obstacle. Furthermore, maleowned companies perceive tax rates (17 percent) and corruption (also 17 percent) as impediments to conducting business. Female-owned companies also said that corruption (10 percent) and an inadequately educated workforce (9 percent) are obstacles preventing the growth of their businesses. It should be mentioned that almost a quarter of SME's in services other than retail, wholesale, construction and the hotel/restaurant business find that an impediment to development is an inadequately educated workforce.

### **5.3 Results of the interview with young women entrepreneurs**

Young entrepreneurs and women entrepreneurs face average difficulties in different aspects:

- Increased need in finance and investment.
- The focus of business creation is on its utility to consumers. Young people have economic studies mostly.

- Social flexibility / exchange of experience and evening / weekend trainings.
- Lack of participation in other support / profile / business associations.
- Difficulties in all aspects of management, average level.
- Need for support in "Formulating the business idea and developing the business model".
- Medium need for support (Market analysis, identification of advantages over competitors, development of the offer for products / services offered, Price and sales planning, Negotiations and sales).
- Focus on accessing funds / lending, the main economic and financial indicators.
- Difficulties in certification, production planning and logistics - medium level.

Below are some recommendations for service providers / coaches that relate to service expansion and service innovation, given the goals outlined above:

- Developing a communication strategy to identify and attract young entrepreneurs and potential entrepreneurs;
- Developing indicators for monitoring of all young entrepreneurs, and evaluating the quality of the services provided, as well as the level of satisfaction of the young entrepreneurs;
- Exchange of experience and mentoring among young people, women entrepreneurs, but also collaboration with other organizations and associations that support entrepreneurship (in order to synchronize training and support programs, and to use networking and collaboration opportunities);
- Creation of training services and other online tools to ensure immediate access to information and support for young people and to increase their participation due to convenience (especially for rural beneficiaries or for those who have limited moving opportunity (small children, disabilities, etc.)). It is also recommended to create an online mentoring platform, where mentors would provide fast support additional costs (ex. transportation).
- Include gender aspects in some training modules, and reflection of this in workshops and focus group discussions to identify and overcome specific difficulties;
- Collaboration with consultancy companies and specialized organizations to create training and support programs focused on economic sectors, complex subjects, and to create regular post-implementation activities;
- Combining social events with recreational activities by including friends and other entrepreneurs already in business;
- Group follow-up activities (on some topics that have proven difficult during the support period) and post-implementation;
- Using social networks and other channels to promote success stories.

## 6. Typical biographies of young women entrepreneurs:

Name and Surname of YWE	Lilia UNTU
Company	Military SRL

**Lilia Untu-** her company was founded in 2017, based on the organization of a production and sales department for the Moldovan police forces.

First of all, a huge impact for me was the grant provided by ODIMM for women in business, the pilot program for women in business, this being my launching and running ramp. For the start, all the more important tasks are in my burden, but only so I can grow and understand the best what is important and where I need to work more for the business to become prosperous. Only women, young women aged 25-35 years, work within the company.

It is very important that many women have recently opened so that the presence of female genes is predominant in all kinds of activities. This gives us a lot of courage, and the desire to prove that women can, that the woman puts up the soul and the gift. At present, women enjoy a great deal of support both in the entrepreneurial field and in other spheres of development.

In Moldova, compared to Romania, women are given a higher priority than men, with the gender gap in entrepreneurship, with programs especially targeted at young women. Although statistics show that in Moldova men earn better than women.

In the future I see a continuous development of these projects and this support dedicated to women. Expect the role of women in the field of women's education, development of the bases of the development of the retirees.

At the moment I would see the organization of practical training, new qualitative information strategies, not the same storytellers in all the trainings and the same group of listeners. We would need people to share with us our own experience, employees, owners from other countries who would work with each niche individually.

Women tend to create their own businesses that out of passion, who in the courage to show the world as they can, that the woman can change the world. Women have business skills, women put their heart and daring in what they do, so the business they manage is their child, who together make the first steps and who together grow. I like young people, women are open to

new challenges, risks, have a stronger desire than vicious, more inventive entrepreneurs, and if desire is greater than fear, fear has no more power.

For a prosperous society we need prosperous people.

Certainly, entrepreneurship projects encourage women, offering the possibility of affirmation, financial possibility, and all policies about and for women are very welcome.

Financial support is a key factor in launching a business, but it really matters an innovative, researched and tested business.

In conclusion, I am happy and believe that the business environment in Moldova goes to a correct directive, both young people and women if they want to find information and finance them.

Name and Surname of YWE	<b>Nadejda Cornetel</b>
Company	BeSweetSRL

We are part of Besweet SA, a publicly listed company with Moldovan and Dutch shareholders and are favourably located in the industrial area of Chisinau, Moldova. Even though the company has very long roots of producing yeast in the past, the production facilities have been modernised in 2015 and were fully adapted towards the production of bakery products. We are proud to be part of PAC II program supported by the World Bank, which made the entire modernisation possible and helped us achieve what we are today.

Our medium-term goal is to reach more markets outside of Moldova with our products. We believe that the quality we offer with respect to price can provide us with unparalleled opportunities abroad. We have already managed to secure long-term relationships with distributors in neighbouring countries, but are determined to grow further. We are regularly participating in local and international tradefairs, with recent participation at Anuga in Cologne, Germany and Indagra Food in Bucharest, Romania.

Name and Surname of YWE	<b>Alina Daraban</b>
Company	SRL Gust de Casa

Alina Daraban from the village of Biliceni Vechi, Sangerei rayon, has opened a new business. Alina Daraban produces canned vegetables and fruit grown by the whole family. According to the housewife, the most demanded are acacia jam and watermelon jam. Alina Daraban has been cultivating for six years green and yellow melons. In order not to lose the products that were not

sold last year, the woman thought of preserving them and selling them. So her little business enjoyed success.

In the household, the woman is helped by the three children, since she and her husband have the second degree of disability. Recently he also benefited from a grant of 160 thousand lei through the government program "Women in Business". From the money he has bought he bought the necessary equipment.

Products are preserved by traditional methods to keep vitamins in fruits and vegetables.

"My mother has been away since I was ten years old and more was my grandmother." As little as I was there, my passion for doing so also appeared," said Alina Daraban, an entrepreneur.

"We are in the village where there is plenty of land, it is possible to grow natural products. They are very good for health because they are natural, without preservatives," said woman.

## **7. Challenges connected to youth women entrepreneurs and policies aimed to deal with them**

Just like in many countries of the region, Moldova has no clear and well-formulated definitions for the "female entrepreneurs" term and no estimations of what is the share of the "female entrepreneurship" in the total entrepreneurial activity. The entrepreneurship in our country represents a very dynamic area. Moldova, being a state with a transitional or a developing economy based on the market economy principles, experiences the emergence of a large number of new businesses, on the one hand, and the cancellation of a considerable number of companies from the register or suspension and interruption of their activities for various reasons, on the other hand. As compared with other countries from the region, the female entrepreneurship from the Republic of Moldova is growing rapidly and is gaining more and more ground at all structural levels and residence areas.

The businesses that are run by women, mainly young, are concentrated in urban areas, 65% being registered in Chisinau. In the capital city, for example, the concentration of companies per 1,000 inhabitants is 36, while in the rural areas there are localities with up to four companies. This indicator suggests that more attention should be paid to the rural development and especially to the entrepreneurial development. It is necessary to implement certain programs geared towards promoting youth entrepreneurship within villages, as well as priority areas characterized by a deficiency of services and production.

The main directions and challenges in promoting women entrepreneurship in Moldova that have been identified:

- To promote state structures in the development of legislation and economic policy documents aimed to create equal conditions for the women entrepreneurship development and to elaborate formal policy framework specifically focused upon women entrepreneurship in Moldova.
- To encourage economic independence of women as a condition of further development of women entrepreneurship through financial and credit support for business women, creating a system of funds and access of women to all kinds of resources.
- To promote training of women on business skills, new technologies, work with Internet and enhance qualifications of women entrepreneurs through the development of the training and consulting services with the help of state and non-governmental organizations.
- To develop entrepreneurship networks and Network of women business associations and their partnership with other state and private institutions.
- To develop a systematic statistical data collection mechanism on women's entrepreneurship.
- Creating new businesses amongst women needs to be encouraged by promoting entrepreneurship success stories, supporting entrepreneurship, and improving existing mechanisms by which SMEs benefit from training, and financial and logistical support.

### **7.1 Policy competences, institutional actors involved:**

The main institution in charge of lobbying the women empowerment in Moldova is the Organization for Small and Medium Enterprise Sector Development. ODIMM is a public body governed by law, non-profit institution, which operates in coordination with the Ministry of Economy. ODIMM aims to increase SMEs' competitiveness and contribute to the country's sustainable development. Acting as an implementing agency, ODIMM assures the implementation of the state-funded and international projects and programs for SME sector. Within 10 years of activity, ODIMM developed and implemented a number of successful programs with positive impact on SME sector, including; Program on Attracting the Remittances into the Economy PARE 1+1; State Credit Guarantee Fund; National Program for Economic Empowerment of Young People and Women in Business Program, the main National Program targeting young women entrepreneurship.

Bringing *gender* equality and women issues back to the economic agenda is the main priority of ODIMM and its highest priority is to promote women empowerment. First initiative in 2012 was to launch the National Women's Platform from Moldova (PNFM). Its main objective is to increase awareness among women about entrepreneurial opportunities, develop skills and bring a positive change in their life and community. During the years, PNFM developed successfully having as target beneficiaries more than 3000 women entrepreneurs from Moldova that benefited from regional exhibitions; success stories, economic missions, etc. In addition, PNFM developed a network of mentors and the Volunteer club. In March 2015, PNFM became full rights member on European Women Entrepreneurship Platform.



From 2016, ODIMM is implementing the first National Programme "Women in Business" that aims to boost women entrepreneurship, especially in rural areas, and presents an integrated 3-stage approach to address business development needs in the following stages:

- Plan to start a business;
- Start-Up support;
- Support to business growth.

The expected results of the programme include around 400 businesses assisted through consultancy, mentoring and financing to bring a positive impact on women involvement in socio-economic life.

## 7.2 Policies aimed to deal with youth women entrepreneurs

Specific findings identified during the interviews are related to young women's needs for support in business with:

**Accessing funds** – evidence shows that young women are less likely to have access to funds for businesses than men;

**Educational opportunity to acquire entrepreneurial skills** -whilst promotion of lifelong learning and entrepreneurial skills development has been expanding in recent years, the delivery through structures such as Vocational Education and Training institutions means that women frequently have less opportunity for participating in skills development related to planning and starting a business than men, and further targeted skills development support is needed;

**Integration into business networks** – whilst initiatives such as the women's platform for entrepreneurship are creating new networks for women's business networking, these are still fairly new, and there is a need to strengthen the network of successful women entrepreneurs and create more role models of success;

**Developing growing businesses** – evidence shows that women are much less likely to be employers in business than men (see appendix 2), and that support is needed to encourage women in business to focus on growth of businesses;

**Getting equal pay**– the available evidence clearly demonstrates that a gender pay-gap still exists. Supporting women in business should increase economic opportunities for women, both directly through rewards to business ownership, and indirectly by encouraging greater employment of women on an equal basis as men within women owned/managed businesses;

**Balancing work-life challenges, and addressing prejudices** – the complex roles that women in the Republic of Moldova face in relation to balancing work and family obligations, mean that support needs to be delivered specifically for women as a target group, in order to fully address specific support needs and challenges and ensure equality of opportunity.

The Key Challenges that have been identified to address are:

- Increasing numbers of businesses owned/managed by women;
- Increasing the number of women in business as employees;
- Creating opportunities for women in growing economic sectors;
- Reducing rural disadvantage;
- Creating equal pay employment opportunities for women.

When speaking about the perception of young women as employer it is important to highlight that one of the major challenges is the reconciliation of family and professional life which represents a matter of great difficulties. The challenge faced by women, especially mothers, while looking for and trying to maintain a paid job, the stereotypes by which is perpetuated the idea that only women are responsible for caring the family as well as the cultural expectations towards men as being the only breadwinners of the family are matters that aggravate the equality between women and men. The involvement of men in balancing their personal and professional lives represents an essential but also challenging problem. Making work schedules more flexible plays an important role in keeping the working young mothers on the labor market.

Following our discussions with young women we highlighted that:

- Women's participation in business ownership is lower than for men;
- Less women than men are self-employed, running their own businesses in both urban and rural locations;
- Rural women are proportionately more likely to be self-employed than urban women;
- Women are significantly less likely to be employers than men in both urban and rural locations, and especially less likely to be employers in rural locations.
- Roughly the same proportion of men and women are employed in the labor market as a whole, although other evidence demonstrates that there is still a wages gap between men and women;

The difficulties faced by the young parents in harmonizing the time dedicated to work and the one devoted to family have negative repercussions on meeting the formal employment obligations, causing delays in archiving the work progress. Another factor worth taking into consideration is the time that people dedicate to their work as compared to the one spent on carrying out domestic activities, and last but not least, it is very important if the working program is a full-time or a part-time one, since the temporal structure of the working day (continuous or sequential) affects in a decisive manner the family and labor-related matters. The involvement of men into the family responsibilities and accomplishment of certain domestic duties is considered imperative by the vast majority, regardless of whether the young woman is running her own business or is having a fulltime job. Even though there is a certain perception on the fact that the family responsibilities should be shared, this does not mean that it is actually put into practice.

Although the Moldovan women have a pretty loaded working program, they manage to do unpaid activities as well. As compared with the OECD countries, where women devote on average 2.5 hours a day to the unpaid work, in Moldova, most of the unpaid work is performed by women (66% of total time allocated to work is unpaid) and it is about 2 times higher, they spend 4.9 hours per day doing unpaid work while the men only 2.8 hours per day.

Speaking about country's/regional level policies, strategies, services or programs related to youth women entrepreneurs its worth to mention that recent policy development has identified the need for further actions to encourage equal opportunities for women in the Republic of Moldova, as well as specific need to encourage women into business. For example, Article 32 of the Association Agreement (AA) with the EU makes a commitment to ensuring equal opportunities, aiming at enhancing gender equality and ensuring equal opportunities between women and men, as well as combating discrimination on all grounds.

***The main national Policy framework containing provisions related to women's entrepreneurship includes:***

- Law no.5 from 09.02.2006 ensuring equal opportunities for women and men;
- National Development Strategy „Moldova 2020”;
- Small and Medium Sized Enterprise Sector Development Strategy 2012-2020 approved by Government Decision no.685 from 13.09.2012 and the action plan for 2015-2017;
- Government Commission for Equality between Men and Women established according to Government Decision no.350 from 07.04.2006;
- National Implementation Plan of Association Agreement (approved by Government Decision no. 808 from 07 October 2014);
- Action Programme of the Government of the Republic of Moldova for 2016-2018;
- Strategic Development Program of the Ministry of Economy for the years 2015-2017;
- Small Business Act for Europe;
- National Strategy on Agriculture and Rural Development for the period 2014-2020.

Within the SME Sector Development Strategy 2012-2020, and the associated action plan for implementation 2015-2017, it was introduced the chapter “Priority VII: Developing the women entrepreneurship in the Republic of Moldova”, that contains the following objectives:

- Facilitate the access of women entrepreneurs to trainings and informational resources,
- Promote entrepreneurship spirit among women,
- Facilitate the access to finance of young women entrepreneurs.

In Moldova there are several initiatives and support programs related to youth women entrepreneurs, such as:

- Program for Attracting Remittances in the Economy PARE 1+1;

Project co-funded by European Union Funds (ERDF, IPA, ENI)

- Credit Guarantee Fund;
- National Program for Economic Empowerment of Young People (NPEEY);
- “Efficient business management” continue training Programme;
- „Women in business” Program, EBRD Business Advisory Service (BAS) Moldova;
- „Economic empowerment of women through increasing the employment opportunities in the Republic of Moldova”, UN Women;
- „Better opportunities for Youth and Women”, UNDP;
- Competitiveness Enhancement Project, grant component, World Bank;
- International Fund for Agricultural Development;
- Program for Development of Business Incubators.

The most directly related Pilot initiatives is the ‘Women in Business’ Program, coordinated by the Organization for Small and Medium Enterprise Sector development, is providing integrated financial and non-financial support to women in business through grant support for investment, and associated business development services. The support contributes towards sustainable maintenance of employment in women’s businesses, and creation of new jobs. The Program is targeting women in business with potential for growth through market expansion, export and/or innovation.

The Program is directed to the **following objectives:**

- Increase economic opportunity for women through reducing barriers to women becoming entrepreneurs or growing their businesses
- Provide grant and business development support for investments for women in business that complement existing financial and non-financial support available to entrepreneurs in the Republic of Moldova
- Develop an integrated national model of business development support for women that targets different stages of business development, from start-up planning, through start-up to business growth
- Strengthen the national business support infrastructure for SME development, through extending service provision to target specific barriers facing women in business
- Contribute to national policy priorities related to gender equality and economic development

## 8. OUTLOOK, CONCLUSIONS and RECCOMENDATIONS

### Study Highlights:

- In Moldova, female-owned enterprises show higher labor productivity than male-owned companies in four out of seven industries analyzed.
- As female-owned firms grow in size, however, women tend to lose ownership of their firms to males.
- The analysis argues that supporting women in entrepreneurship is especially important for Moldova's economy, where female inclusion remains comparatively low.

### Conclusions:

In Moldova, female-owned businesses currently represent only about 25% of all enterprises. Further investment in women entrepreneurship should therefore be highly encouraged, as evidence shows that female-owned firms produce higher average annual sales than male-owned firms in several industries. In addition, they employ more people, on average, and show a much stronger propensity to provide employment and advancement for other women.

Growth among female-owned firms remained lower than among male-owned firms in four out of seven identified industries in Moldova. There are indications that the attitude of government official, and even corruption, are disproportionately affecting women entrepreneurs in comparison to male-owned firms.

Similarly, there is some indication that banks are treating females unequally to men in defining their loan conditions. The overall picture suggests that, as their firms expand in size, women tend to lose ownership of those firms to males, which may be related to access to and control of capital and power.

Where female inclusion in an economy is comparatively low, there are clear benefits to recruiting and supporting women in entrepreneurship. But first, the systemic constraints that women face in business need to be removed, including through targeted policy action on the part of the government.

### Recommendations:

It is essential that the National Employment Agency from Moldova develop and reinforce a system of consultation with the various gender equality bodies to ensure greater consistency and co-ordination between employment policies and other related policies, such as education, entrepreneurship, family and social protection policies. This would enhance both the general effectiveness of employment policies and women's employability.

It is important to develop meaningful indicators to measure and monitor progress and policy effectiveness in relation to gender equality in employment and entrepreneurship.

It is essential that the National Employment Agency establish a gender focal point or gender and employment unit and develop the expertise, know-how and tools (gender equality methodologies and evaluation procedures, training and awareness efforts, etc.) required to design gender-sensitive and gender-inclusive employment policies. Adequate financial and human resources should be assigned to this end.

The entrepreneurial culture in the field of young women in Moldova requires an important effort in order to raise awareness of the target group. Also, new insights into how correctly and efficiently increase young women participation at the local economy and public management should be shared.

Creating new businesses amongst women needs to be encouraged by promoting entrepreneurship success stories, supporting entrepreneurship, and improving existing mechanisms by which SMEs benefit from training, and financial and logistical support.

Build Educational opportunity to acquire entrepreneurial skills for young women. Whilst promotion of lifelong learning and entrepreneurial skills development has been expanding in recent years, the delivery through structures such as Vocational Education and Training institutions means that women frequently have less opportunity for participating in skills development related to planning and starting a business than men, and further targeted skills development support is needed;

To promote state structures in the development of legislation and economic policy documents aimed to create equal conditions for the women entrepreneurship development and to elaborate formal policy framework specifically focused upon young women entrepreneurship in Moldova.

To encourage economic independence of women as a condition of further development of women entrepreneurship through financial and credit support for business women, creating a system of funds and access of women to all kinds of resources.

To promote training of young women on business skills, new technologies, work with Internet and enhance qualifications of women entrepreneurs through the development of the training and consulting services with the help of state and non-governmental organizations.

To develop entrepreneurship networks and Network of women business associations and their partnership with other state and private institutions.

To develop a systematic statistical data collection mechanism on women's entrepreneurship.

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## ANNEX 1: Table with interviews with institutional actors

Name and Surname	Institution / Company	Date of the Interview	Place of the interview	Type of stakeholder
<b>Ludmila Prociuc</b>	<b><i>Sangerei Business Incubator</i></b>	October 2018, BUSINESS INCUBATOR	Business Incubator	Business Support Organizations (4)
<b>Iulia Costin</b>	<b><i>Ministry of Economy and Infrastructure (MEI)</i></b>	October 2018, MEI	MEI	National Public Authorities (1)
<b>Raisa Dogaru</b>	<b><i>The National Employment Agency (ANOFM)</i></b>	October 2018, NEA	ODIMM	National Public Authorities (1)
<b>Rodica Bivol</b>	<b><i>The Chamber of Commerce and Industry of the Republic of Moldova (CCI of the RM)</i></b>	October 2018, CCI	CCI	Business Support Organizations (4)
<b>Valentina Bulgaru</b>	<b><i>Technical University of Moldova</i></b>	October 2018, TUM	TUM	Education/ Training Centre and School (3)
<b>Iulia COSTIN</b>	<b><i>National Women's Platform</i></b>	October 2018, PNFM	PNFM	Non-Institutional Regional Authority



## **ANNEX 2: Table with interviews with young women entrepreneurs**

<b>Name and Surname</b>	<b>Date of the Interview</b>	<b>Place of the interview</b>	<b>Type of stakeholder</b>
<b>Victoria Novac-Hîncu</b>	September 2018, Edujoc LTD	ODIMM	<i>Young Women Entrepreneur</i>
<b>Lilia Untu</b>	September 2018,ODIMM	ODIMM	<i>Young Women Entrepreneur</i>
<b>Nadejda Cornetel</b>	September 2018, ODIMM	ODIMM	<i>Young Women Entrepreneur</i>
<b>Alina Daraban</b>	October 2018, ODIMM	ODIMM	<i>Young Women Entrepreneur</i>

## **ANNEX 3: QUESTIONNAIRE AND THE RESULTS**