

Women's entrepreneurship in the Republic of Moldova: special needs and policy priorities

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Abstract

The purpose of this article is to identify the characteristics of women entrepreneurs in the Republic of Moldova and their needs for support in order to argue on the public policy measures. The authors believe that if the women's entrepreneurship support policy is more responsive to the entrepreneurs' needs, the potential and results of businesses will significantly increase. The article is based on the results of two surveys of women entrepreneurs conducted by the authors in 2017 and 2019. The research revealed that many of the needs of women entrepreneurs in Moldova remain unmet: the need for assistance at the start-up phase of a business; the need for specific regulation for family businesses; limited access to resources; the need for psychological support; division of domestic work, etc. This hinders the widespread development of women's businesses in the country. It is necessary to improve the work of public institutions to overcome the existing patriarchal traditions in Moldova.

Keywords: female entrepreneurship, business, support policy, Republic of Moldova

Introduction

Nowadays, the phenomenon of women's entrepreneurship is actively studied by researchers in European countries (Birkner *et al.*, 2018; Achtenhagen and Welter, 2003; Jennings and Brush, 2013), and the outcomes of enterprises owned and managed by women have an impact on the social and economic development of

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many states. In the Republic of Moldova, research on women's business, mainly focused on identifying its features and problems, has been carried out for almost 20 years (INTAS, 2003; Welter *et al.*, 2004; Aculai *et al.*, 2006); a certain amount of attention to Moldovan women entrepreneurs was also reflected in public policy¹.

The laws, strategies, and programmes adopted in Moldova largely comply with the provisions of The Convention on the Elimination of All Forms of Discrimination against Women (United Nations, 1979). But in practice, due to a number of circumstances, both objective and subjective, there is a gender gap in the Republic of Moldova, characterized by the fact that women are relatively less involved than men in economic activities, including in entrepreneurial ones. Although, with a share of 52% (National Bureau of Statistics, 2020b), women hold the majority in the population, the share of women who own and run a business accounts for only 1/3 of the total number of entrepreneurs (National Bureau of Statistics, 2020a). The reasons for this situation are mainly related to the traditions according to which Moldovan women are focused foremost on the family, including household duties, raising children, and caring for elderly/sick family members (Colesnicova, 2012). Moreover, girls' education in family and educational institutions is not directed toward the development of entrepreneurial competencies or leadership (Welter *et al.*, 2004). These factors weaken from the start the entrepreneurial potential of women while the lack of targeted state support and inappropriate work of institutions designed to help women in the family and social life do not contribute to the development of women's businesses.

The authors believe that women running their businesses face problems, some of which are common to all enterprises in the country; however, many of them are specific to this particular group of entrepreneurs. In this regard, it is very important that the special needs of women entrepreneurs are taken into account in public policy, which could contribute to the development of entrepreneurial potential and wider involvement of women in business. So, the purpose of this article is to identify the characteristics of women entrepreneurs in the Republic of Moldova and their needs for support in order to argue on the public policy measures that can contribute to the establishment and development of women's businesses.

1. Review of women's entrepreneurship research

The rise of interest in the study of women's entrepreneurship dates back to the late 70s of the twentieth century (Henry *et al.*, 2016) when Schwartz published an article "Entrepreneurship: A new female frontier" (Schwartz, 1976) in the Journal of

¹ Government of the Republic of Moldova, Strategy for the development of the small and medium-sized enterprises sector for 2012-2020, HG 685/2012, Official Monitor, 198-204/740; Approval of the pilot program "Women in business", HG 1064/2016, Official Monitor, 314/20.09.

Contemporary Business. In recent decades, interest in researching various aspects and characteristics of women's entrepreneurship has grown rapidly. A number of studies have been devoted to the development of typologies and identification of specific characteristics of women entrepreneurs (Goffee and Scase, 1985; Henry *et al.*, 2016), as well as a study of the reasons for starting their own business that are characteristic for women entrepreneurs (McClelland *et al.*, 2005). In particular, *push factors* that determine the forced start of entrepreneurial activity have been identified during the study of reasons; they are often associated with unemployment, poor career prospects, and inappropriate working conditions. In turn, *pull factors* (factors of voluntary motivation) include the desire for independence, autonomy, self-realization, job satisfaction, etc. (Smallbone and Welter, 2003). The study of Welter and Smallbone (2003) has demonstrated that during the formation of a market economy in the newly independent countries, the business aims of women with respect to entrepreneurship were mainly necessity-driven (Welter and Smallbone, 2003). In addition, both in 1990-s and today, *enabling factors* have also existed among the motives for starting a business. These include related proposals from business support institutions, as well as some micro environment factors (household workload, attitude of families and/or spouses, inherited business) (Welter *et al.*, 2004). In recent years, the scientific literature has paid considerable attention to the relationship between women's entrepreneurship and family business. In particular, the inheritance of family businesses by women is considered one of the important factors in the development of a layer of enterprising women, especially in developing countries (Ganu and Boateng, 2012; Ramadani *et al.*, 2017).

In general, researchers and policymakers note the presence of a *gender gap in entrepreneurship* associated with the predominance of men as business owners (Jennings and Brush, 2013), as well as with the fact that women tend to operate smaller and less dynamic businesses than men, and are more likely to operate in non-capital intensive sectors (OECD and European Union, 2017). The research of McKinsey Global Institute finds that, in a full-potential scenario in which women play an identical role to men's in labour markets, including entrepreneurship, as much as 28 trillion USD, or 26 percent, could be added to global annual GDP in 2025 (Woetzel *et al.*, 2015). The gender gap in entrepreneurship is driven by the fact that women entrepreneurs face more severe problems when starting their own business, as well as in the process of its development compared to men entrepreneurs. Such problems are not specific to individual countries. They are present in developed economies (Achtenhagen and Welter, 2003), but are especially pronounced in developing countries (Woldie and Adersua, 2004) and transition economies (Aidis *et al.*, 2007; Welter *et al.*, 2003). Some of the problems stem from objective difficulties in achieving a balance between entrepreneurship and personal life, including caring for children, fulfilment of domestic and family responsibilities (Achtenhagen and Welter, 2003; Ronsen, 2012). Another group of problems is caused by the presence of institutional and legal gaps in the legislation of many

countries (Clark Muntean and Ozkazanc-Pan, 2015), as well as socio-cultural traditions and prevailing stereotypes associated with the role of women, especially in patriarchal societies (Hamilton, 2013).

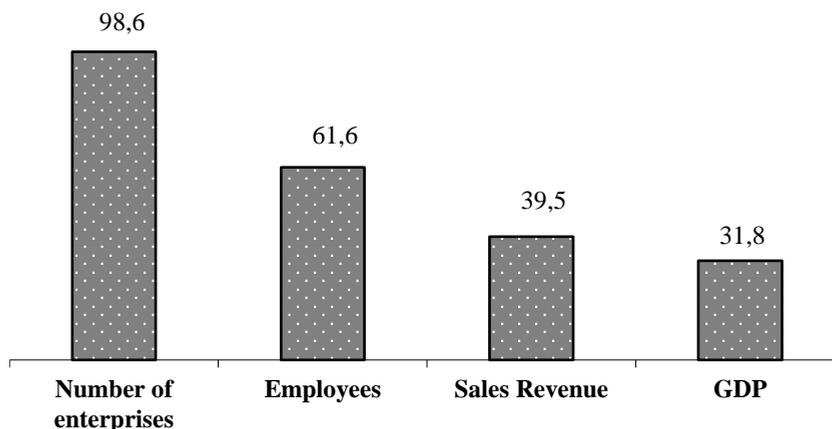
The need for specific government support for women entrepreneurs has been noted in a number of studies (Bekh, 2014; Coleman *et al.*, 2018; OECD and European Union, 2017). Policy support can be carried out both within the framework of general measures aimed at creating a favourable business environment, and using specific methods aimed exclusively at women entrepreneurs: developing entrepreneurship skills through training courses and mentoring (OECD and European Union, 2017), facilitating access to finance through the creation of special funds and programs that provide grants to women's businesses (Coleman *et al.*, 2018), promote work-life balance and access to social protection (OECD and European Union, 2017), etc. For women entrepreneurs, especially the young ones, family support in the form of resources (finances, connections) is also quite important, as well as emotional support at critical stages, primarily during the period of starting a business (Lévesque and Minniti, 2011; Ruiner, 2019).

In the Republic of Moldova, research on women's entrepreneurship began in the early 2000s. For the first time, the identification of the characteristics of Moldovan women in business was carried out within the framework of the "Female Entrepreneurship in Transition Economies: the Example of Ukraine, Moldova and Uzbekistan" project, implemented during 2001-2003 with the financial support of INTAS (INTAS, 2003). In particular, the specifics of women in business had been materialized and the needs of women entrepreneurs in support had been identified during the formation of a market economy when the necessary laws and strategies had not yet been adopted in the country and institutions aimed at supporting women's entrepreneurship had not been created. Drumea (2013), at the initiative of The National Confederation of Employers of the Republic of Moldova, has evaluated the female entrepreneurial environment in terms of legislative-normative, political, economic, social, and cultural factors. The profile of women in economics and business in the Republic of Moldova has been quantified in a number of studies initiated by the National Bureau of Statistics (Aculai, 2009; Mincu, 2016; Nicoară, 2020). These materials contain quite a lot of statistical data that make it possible to characterize women entrepreneurs (by education, age, and place of residence), as well as to quantify the enterprises they own/manage (by size, sector, age, etc.). A more detailed qualitative assessment of women-owned / operated enterprises and their potential was given in a World Bank project (Sahovic *et al.*, 2018). In addition, this study has identified key gaps among women entrepreneurs concerning the regulatory framework in Moldova.

2. Development of entrepreneurship in the Republic of Moldova with a focus on the gender aspect

In the first years after the declaration of independence of the Republic of Moldova (1991), the foundations for the formation and legal development of entrepreneurship were laid. Throughout the subsequent period, up to the present day, the establishment of private business in the country was mainly due to the development of the small and medium-sized enterprises (SMEs) sector. A number of indicators characterizing the scale and contribution of Moldovan SMEs to the social and economic development of the country are quite significant: SMEs have a major share of 98.6% of the total number of enterprises, with a significant contribution in job creation, quantified in 61.6% of the total number of employees in the country (National Bureau of Statistics 2020c) (see Figure 1).

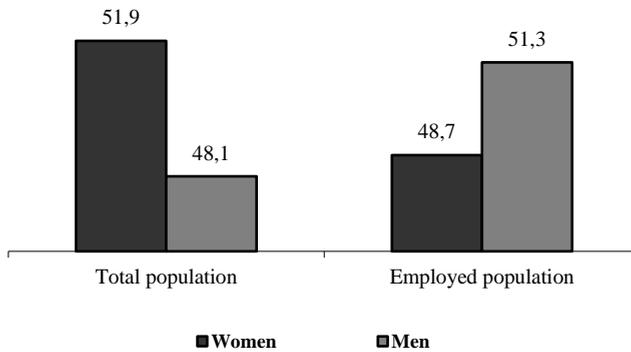
Figure 1. Share of SMEs in the economy of the Republic of Moldova, %



Source: National Bureau of Statistics (2020c)

But the economic efficiency of the SME sector is relatively low, compared to other countries. Thus, according to statistics for 2018, the share of the SME sector in GDP accounts for 31.8%, and the share of formally profitable SMEs is slightly less than half (47.6%) (National Bureau of Statistics, 2020c).

In the Republic of Moldova, women are relatively less than men involved in economic activities, including entrepreneurial ones. Although women predominate among the total population with a share of 52%, the share of women in the employed population consists 48.7%, (see Figure 2).

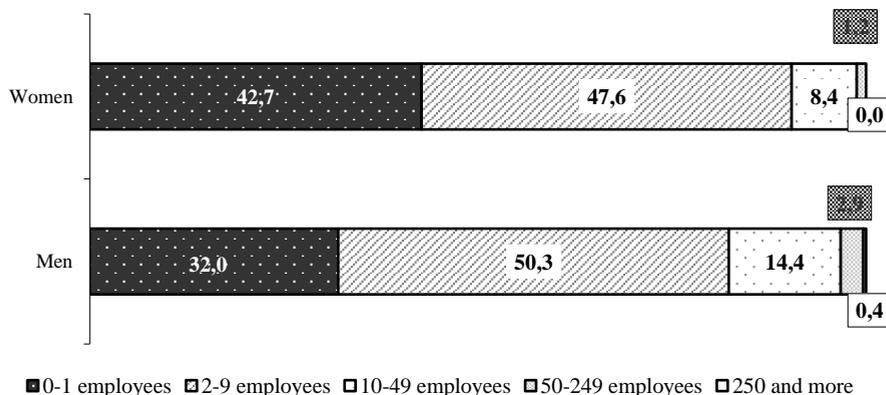
Figure 2. Structure of total and employed population by gender, 2019, %

Source: National Bureau of Statistics (2020c)

At the same time, women have almost the same education level as men, sometimes even surpassing them in educational qualifications (Mincu, 2016). When women choose a career, they opt most often for a job as an employee (83.2%); the share of hired workers among men is 72.6%. Entrepreneurship activity and self-employment are chosen by a significantly smaller proportion of women than men. In particular, according to the Household Questionnaire of the National Bureau of Statistics, the share of self-employed women accounts for 4.9%, while the share of self-employed men is 12.6% (National Bureau of Statistics, 2020a). A survey of entrepreneurs conducted by the National Bureau of Statistics showed that the share of women who own and run business accounts for only 1/3 of the total number of entrepreneurs (Nicoară, 2020). At the same time, this indicator increased in comparison with 2009 by 6.4 percentage points: from 27.5% to 33.9% (Aculai, 2009; Nicoară, 2020).

There are many factors that hinder the development of women's entrepreneurship. Firstly, these are related to the traditions according to which the Moldovan women put in the foreground family orientation, including household duties, raising children, and caring for elderly/sick family members. Therefore, women are relatively more likely than men to engage in unpaid activities for the benefit of the family - 6.4% (among men - 2.1%) (National Bureau of Statistics, 2020a). The limited opportunities of women entrepreneurs are reflected in the fact that women are relatively more likely to own and manage micro-enterprises under 10 employees (90.3%; men - 82.3%), which are exposed to increased risks. Accordingly, medium and large enterprises are relatively more often owned by male entrepreneurs (Nicoară, 2020) - see Figure 3.

Figure 3. Distribution of enterprises by the size of enterprise and gender of entrepreneur, 2017, %



Source: Nicoară (2020)

3. Overview of the policy for supporting women's entrepreneurship in Moldova

Throughout the entire period of market reforms in the Republic of Moldova, state policy has never formally provided for gender discrimination, the field of entrepreneurship included. In order to prevent and eliminate all forms of discrimination based on gender the legal foundations guaranteeing equality in economic, social, and other spheres of life, were laid in 2006 by the adoption of the Law on Equal Opportunities for Women and Men. In the subsequent years, ensuring gender equality was developed in a number of state strategies and programmes, including the implementation of the National Development Strategy “Moldova 2020”. Most of these documents also focus on equal opportunities and equal access to entrepreneurship for women and men.

In recent years, support for women's entrepreneurship has been declared a priority for the state in the policy of regulating business and improving the business climate in the Republic of Moldova. After signing the Deep and Comprehensive Free Trade Area (DCFTA) agreement and considering the harmonization of the legislative framework of the Republic of Moldova to the principles of the “Small Business Act” for Europe, significant changes taking into account the peculiarities of women entrepreneurs are foreseen in the policy documents.

Thus, the Law on Small and Medium Sized Enterprises - the main policy document governing the establishment and development of SMEs –listed the main groups of entrepreneurs and enterprises in need of special support from the state. Women's entrepreneurship is among them. In the current SMEs Sector Development Strategy for 2012-2020 and Action Plan on its implementation, a new priority,

directed towards support of women's business, was added in 2016. The main goals of this priority, which address the main barriers to women's entrepreneurship, include the following: (i) increase the number of businesses founded by women by creating development tools and enhancing managerial and entrepreneurial skills, and business support services; (ii) promoting entrepreneurship among women; (iii) facilitating access to investment and assistance for the development of women's business; (iv) conducting scientific research and providing the necessary statistical data to argue the development policy of women's entrepreneurship. To achieve these goals, the Government provides enterprises from the SME sector with the opportunity to access financial resources within the framework of the state National Programme "Women in Business".

Although the legislation and policy documents adopted in Moldova are largely consistent with the provisions of international conventions (including The Convention on the Elimination of All Forms of Discrimination against Women), in practice, due to a number of circumstances, men often have certain advantages in the business activity.

4. Main results of the study

The results and conclusions of this section are based on data obtained in the framework of two projects implemented in recent years with the direct participation of the authors.

4.1. Data sources, sample characteristic

Most of the results are based on a survey of 266 women entrepreneurs, carried out under the project "Analysis of the current situation of women entrepreneurs in the Republic of Moldova, including the regions of Transnistria and ATU Gagauzia, and identification of their development potential". The project was developed by the Organization for Small and Medium Enterprises Sector Development (ODIMM) as a part of the "Business Academy for Women" project (ODIMM, 2017). In order to identify, analyse and generalize data on women entrepreneurs in the Republic of Moldova, a questionnaire has been developed, which included 51 questions, grouped as the following:

- Business characteristics;
- Establishment and development of the business;
- The main problems of entrepreneurs;
- Support needs;
- Cooperation with business partners and associations;
- Respondent information.

The questionnaire was completed in March-April 2017. The survey was focused on women entrepreneurs:

- who have experience in business (passed the stage of setting up the business);

- living in all regions, primarily - outside the capital;
- who intend to develop the business, in particular, by implementing innovations and export orientation.

The majority of women interviewed within this project belong to the most active age groups of 25-50 years old (62.1%); live in urban areas (77.7%); are married or have a permanent partner (75.9%); have a higher education or a master's / doctoral degree (68.6%); did not have any management experience before starting their own business (63%). As for the characteristics of businesses owned by women in Moldova, most of them are micro-enterprises with up to 9 employees (75% of enterprises) belonging to such types of activity as services (40.5%) and trade (35.7%) (see Table 1).

Table 1. Characteristics of the sample (respondents)

Indicator	Meanings	Share, %
Age	<25 years old	3.8
	25-35 years old	25.0
	36-50 years old	37.1
	51-60 years old	28.8
	>60 years old	5.3
Residence	urban area	77.6
	rural area	21.4
Marital status	are married / have a permanent partner	75.9
	are not married / divorced / widow	24.1
Education level	secondary education	10.7
	high school / vocational studies	20.7
	higher education	59.4
	master's degree / PhD	9.2
Previous management experience	yes	37.0
	no	63.0
Owned business - by size	micro (1-9 pers.)	75.4
	small (10-49 pers.)	21.2
	medium (50-249 pers.)	3.4
Owned business - by types of activity	agriculture	13.5
	industry	10.3
	trade	35.7
	services	40.5
Owned business - by activity period	<2 years	16.0
	2-5 years	23.7
	5-10 years	22.9
	10-15 years	18.7
	>15 years	18.7

Source: Authors' representation

A part of the conclusions and recommendations are supported by the results of a survey of 184 students and graduates of technical vocational education institutions (most of whom are young girls), some of whom were self-employed or started their own businesses. This survey was carried out within the project “Gender aspects in institutions of technical vocational education and on the labour market” implemented by The Center for Entrepreneurial Education and Business Support (CEDA) with the financial support of the Austrian Development Agency in 2019 (CEDA, 2019). Opinion polls were conducted in 2019 through the survey method.

4.2. Reasons for initiating a business by women

Unlike women who were forced to start their own businesses in the late 1990s - early 2000s, contemporary Moldovan women entrepreneurs are relatively more likely to start their business under the influence of “pull factors” such as the *desire to try to carry out an entrepreneurial activity, to show new qualities* (32.8%) and the *intention to increase personal and family income* (30.6%). “Push factors” (*the need to ensure a minimum standard of living*) had been indicated by 26.7% of respondents. The predominance of pull factors at the stage of creating a business by women indicates that entrepreneurial activity is becoming more and more attractive for women, and some of the local women are quite active, enterprising, have the desire to start their own business for self-accomplishment and to raise the standard of living.

The entrepreneurial activism of women is also confirmed by the fact that, in over half of the cases (57.4%), in setting up the business, the initiator was the woman respondent itself. In 35.9% of cases, the decision to start the business was taken by the woman entrepreneur together with other family members, friends, and acquaintances. Only 4.7% of respondents indicated that the initiator in starting the business was other people - relatives, friends, and acquaintances of the respondent.

4.3. Women’s needs for support at the start-up phase of a business. Role of the family

Despite the entrepreneurial activity of women and their desire to start their own businesses, there are many barriers to the establishment and development of a business in Moldova, including those related to gender. Although the adopted laws and policies provide for institutions that support women in business, the services offered by these institutions do not reach entrepreneurs. In particular, none of the respondents received assistance from state or private support institutions (ODIMM, 2017) at the stage of business establishment. This is despite the fact that the respondents were women, 70% of whom have higher education or a master’s / doctoral degree and 78% live in cities, i.e. women who are usually informed about

support institutions. It is more likely that the quality or range of services offered by the institutions do not meet the needs of entrepreneurs.

Family as an institution to support women's entrepreneurship

In the absence of effective support from government agencies or private business service providers, *family support* becomes one of the most important for women. Most of the surveyed women not only needed, but also received support from the family at the stage of business establishment - both from the family (56.7%), as well as from parents, children, and other relatives (35.3%) (ODIMM, 2017). The important role of the family in the stage of starting a business by women is also confirmed by a survey of young female entrepreneurs (students and graduates of technical vocational education institutions) in 2019. Almost half (48.8%) of the respondents, were encouraged *by their family or close relatives* to self-employ or start their own business (CEDA, 2019). Business support within the family is provided, as a rule, free of charge and in various forms - by direct help (for example, to transport or unload goods) or by consultation, finance, etc. Such services, especially intellectual ones (provision of information, advice), are not always of the proper quality, and often lose ground in front of services provided by professional consultants.

In this context, it is very important for institutions to more actively offer their services to women, first of all, potential or novice entrepreneurs who are at the stages of starting and establishing a business, especially outside Chisinau, in rural areas. At the same time, the offered services should not only be focused on the general needs of entrepreneurs, but also take into account gender characteristics.

Also, promoting mutual support of family members, and family values in society, institutions and the mass media should focus on the one hand, on the importance of women's self-accomplishment in family life, in work, and as an entrepreneur and, on the other hand, on the need for special support of women - wives, sisters, daughters - from family members at the stages of deliberation, initiation, and establishment of their business.

4.4. The needs of women entrepreneurs engaged in the family business

Considering the traditional role of women in the family, a specific relationship between family and business occurs when a woman is the head of a family business. Special qualities and skills are needed from a woman entrepreneur when solving some issues related to the involvement of several family members in business, subordination between them at an enterprise, and distribution of time between family and entrepreneurship. In addition, women, as leaders in the family business, quite often seek to help other members of their family, especially children, not only in the present but also in the future. Therefore, almost 2/3 of the respondents (64.2%)

consider and plan to pass on the business in succession (inheritance), and are concerned about how to prepare the young generation for work in the family business. For this purpose, approximately half (50.7%) of the respondents intend to involve their successors in practical activity, related to the business administration process (27.9%) or the production activity, in order to familiarize them with the specifics of the business (22.8%). Many respondents (44.2%) focus on the education of successors both for obtaining professional knowledge, which should correspond to the business profile (20.5%), as well as business skills/abilities (23.7%).

In this context, support for women entrepreneurs can be carried out through state assistance in the development of family businesses. Today, in Moldova, there is no legislative framework regulating the development of family businesses. For example, not all forms of entrepreneurship in Moldova are convenient for inheritance (an individual enterprise cannot be inherited, as well as activities under an entrepreneurial patent). Moreover, there is no practice of resolving conflicts between different generations involved in family business management, and business service providers do not offer advice and training for family business participants. It is necessary to develop a state-level policy regulating the development of family businesses. Such a policy should encourage the involvement of family members in the family business, accordingly, guaranteeing the official registration of their employment and their remuneration (with the accrual of seniority, and transfer of necessary contributions to social and health insurance funds). It is also advisable that, issues related to the development of a family business (its advantages and risks) as well as ways of inheriting a business, possible conflicts between generations, and ways to resolve them are raised in the process of training women entrepreneurs.

4.5. Financial needs of women entrepreneurs

During the survey, both problems common to Moldovan entrepreneurs and specific barriers related to the peculiarities of women's entrepreneurship were identified. The problems of women entrepreneurs characterizing the general business conditions were the following (ODIMM, 2017):

- Limited access to resources, especially financial resources (83.8% response);
- Regulatory functions of the state. Fiscal audits (75.1%) and inspections and controls of the activity (64.2%) have the most negative impact on entrepreneurship.
- General economic and political factors. Among them, economic and political instability had the most negative influence on business (respectively, 83.4% and 68.5%).

The second and third of these problems (related to business regulation, general economic and political factors) hardly affect men and women entrepreneurs in different ways. While the problem of access to resources, primarily financial ones, is more significant for potential and working female entrepreneurs, women are

relatively more likely to seek consent from other family members (husband, father, etc.) in order to take out a loan. In addition, since the terms of bank lending are unfavourable, the source of financing for Moldovan entrepreneurs are often people from the immediate environment (relatives, friends, neighbours), while lenders, especially in rural areas, are more likely to give loans to the head of the family, a man. As a result, 86% of interviewed women entrepreneurs, assessing the need for resources, indicated that the need for funding is the most significant for them.

Difficult access to financial resources negatively affects the business not only at the stage of formation but also in the process of development. As a result, some women entrepreneurs deliberately choose a strategy of slow business development, based solely on their own financial resources². Therefore, the lack of financial resources is the main reason that, according to women, hinders the development of their businesses³.

One of the opportunities to improve business financing is to train entrepreneurs in methods of finding and attracting financial resources, including methods of developing and presenting their business plans or investment project. The importance of such education is also due to the fact that, in terms of business education, such training directions as attracting investments and financial analysis are of the highest importance for women: 79.2% and 61.9% of respondents, respectively, indicated the high importance of these training directions.

Despite the existence of government programmes, only a tiny proportion of Moldovan women entrepreneurs can apply for preferential financing terms offered by the Government. In this context, it is important to raise awareness among Moldovan women entrepreneurs about funding opportunities within the framework of external donor projects and EU programmes, in which Moldova has the right to participate. It is desirable that all information on the possibilities of financing women entrepreneurs be posted on a single Internet portal and updated in a timely manner.

4.6. Need for support due to the peculiarities of the female character

The number of the needs of women entrepreneurs are determined by character traits that are largely inherent to women.

The unwillingness of women to take risks. The interviewed women were asked to assess their own qualities, which determine the entrepreneurial potential of a person. The self-assessment was based on the scheme developed by Jerschina, with the help of which entrepreneurs, on the basis of a 5-point Likert scale, assessed the degree of their business qualities (United Nations, 2004).

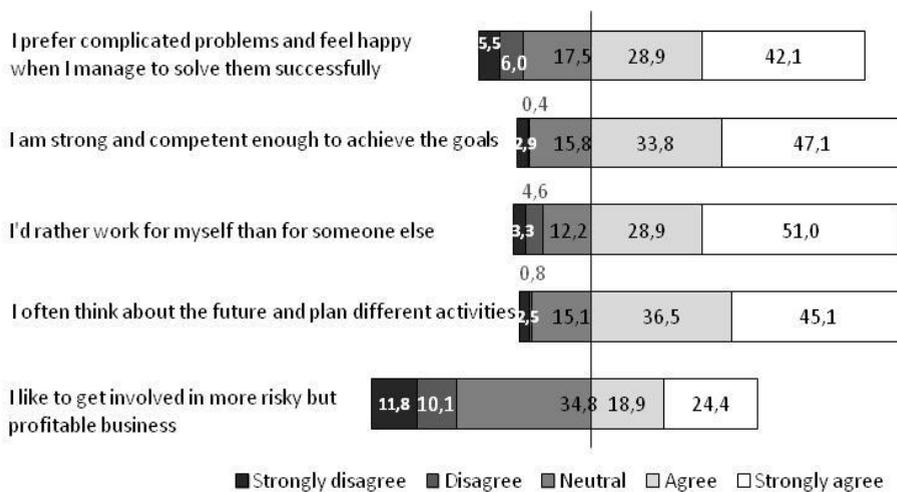
² Government of the Republic of Moldova (2016), Approval of the pilot program "Women in business", HG 1064/2016, Official Monitor, 314/20.09.

³ NIER (2018), Semi-structured interview within the project 15.817.06.05A "Harmonization of SME development policy in the Republic of Moldova with the principles of "Small Business Act" for Europe" (Project director E. Aculai).

The results of the self-assessment of women entrepreneurs showed that the respondents were most likely to have:

- desire to work independently, rather than for someone else (51.0% of the respondents rated the presence of this quality with a maximum of 5 points);
- ability to set and achieve the goals (5 points were noted by 47.1% of the respondents);
- ability to plan their activities (45.1%) (see Figure 4).

Figure 4. Entrepreneurial qualities of women (based on self-assessment), % of respondents



Source: Authors' representation based on ODIMM (2017)

Much more modestly, the respondents assessed the presence of such a quality as a propensity to take risks: only 24.4% of respondents indicated that this quality is fully inherent (by 5 points) and 21.9% noted that, in their case, such a quality was missing (ODIMM, 2017). Thus, Moldovan women entrepreneurs are cautious in business and prefer not to take too much risk, not even for the sake of obtaining a higher income.

The need for psychological and emotional support. Since women are more emotional in nature, they often need psychological and emotional support, especially during difficult periods of business or family life. However, business providers are mainly focused on providing services related to economics, management, and finance. This conclusion is confirmed by the list of services offered by the business development service providers on the website of the state agency ODIMM, among which there are no services related to gender specifics. Even business associations that work more closely with their members are not overly focused on providing such

services. This is confirmed by the results of the survey: only 9.6% of respondents indicated that business associations *provide companies with psychological and emotional support* (ODIMM, 2017).

It is advisable that business providers in the process of training and advising women entrepreneurs pay more attention to:

- Supporting women's needs in more difficult periods of business or family life. During such periods, it is necessary to combine business services with advice and consultations to improve the psychological and emotional state of women entrepreneurs;
- Issues related to risk management and crisis management. This refers to the methods of identification and analysis of risks, the possibility of levelling their consequences for the business, and in general, the possibility of successful work in an uncertain business environment.

4.7. Respondents' perception of gender characteristics and their need for support

In the opinion of the respondents, many of the problems and needs of women entrepreneurs are directly determined by gender characteristics. Thus, more than half of the respondents (55.9%) consider that *it is more difficult for women to do business in the Republic of Moldova* due to specific barriers related to gender (see Figure 5). That is, every second woman feels that her opportunities are limited, and this is due to gender differences. The respondents indicated the following main obstacles limiting the development of female entrepreneurship in Moldova (ODIMM, 2017):

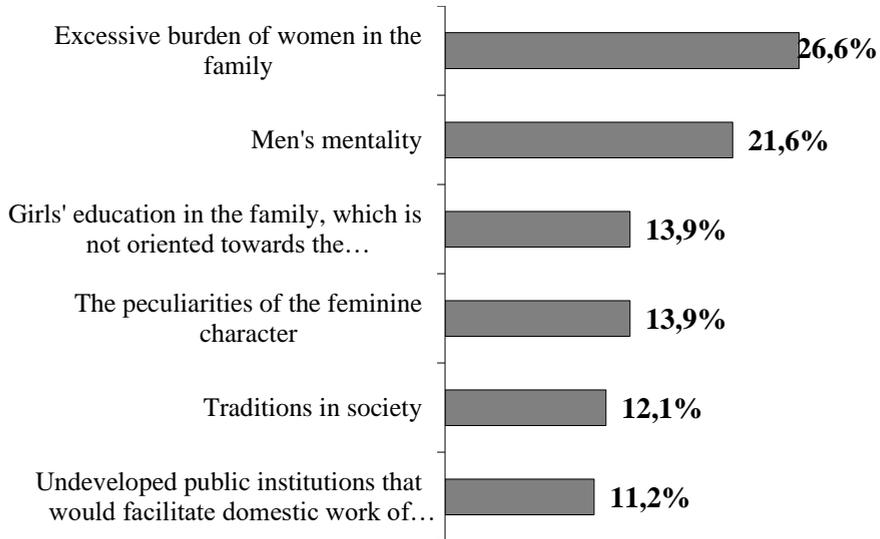
- *the excessively high burden of women in the family* (26.6%), which is aggravated by *the lack of development of public institutions, which would facilitate women's domestic work* (11.2%);
- *the mentality of men* (21.6%) and, as a whole, *the traditions of society* (12.1%);
- *the peculiarities of the feminine character* (unwillingness to take risks, distrust in one's own strengths, etc. - 13.9%), which are fuelled by *the lack of support for girls' education in the family, which is not oriented towards the development of entrepreneurial qualities, leadership* (13.9%).

The feminine gender-related barriers, noted by the respondents, are due to two groups of factors:

(1) the perception of women themselves; in this case, they can be overcome to some extent by *training women in entrepreneurship*. This will allow them to develop their business more thoughtfully and competently, to more confidently solve the assigned tasks within the enterprise and family, and therefore pay less attention to public opinion.

(2) *the existing traditions in society*, the mentality of citizens, as well as the lack of public services that free women from excessive household chores that cannot be overcome within the framework of entrepreneurship development policy.

Figure 5. Gender-related obstacles in the development of women's entrepreneurship in the Republic of Moldova



Source: Authors' representation

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Analysing the lack of entrepreneurial skills among women entrepreneurs, it should be noted that only slightly more than half of the respondents were previously trained in business skills, and just over 1/3 of the respondents had any management experience before starting their own enterprise. This means that a large part of women, as owners of enterprises, do not have sufficient knowledge and experience in the field of entrepreneurship. This was confirmed by the results of the survey: respondents who need training (63.8%) relatively more frequently indicated the need for *business training* (41.1%).

In recent years, entrepreneurship education has been actively implemented at different levels of the education system. For example, in 2014, the course “The basics of entrepreneurship” was introduced in the programme of technical vocational education institutions in the Republic of Moldova. A survey conducted in 2019 showed that, among the female students and graduates of technical vocational education institutions who founded their own businesses or were self-employed, 64.0% took this course which significantly influenced their desire to start their own businesses. This was indicated by 73.7% of respondents who took this course (CEDA, 2019). However, older entrepreneurs - and the average age of women entrepreneurs in Moldova is 47 (Nicoară, 2020) - studied in schools, vocational education institutions, and universities much earlier, before the introduction of the compulsory entrepreneurship training course.

To overcome the existing patriarchal traditions in society, potentially limiting the involvement of women in business, as well as helping women with household chores, it is advisable to:

- create or improve the quality of work of public institutions that can help women in raising children and caring for the elderly, which will reduce the burden of women in the family and facilitate domestic work. We are talking, in particular, about improving the work of kindergartens, organizing additional sports, music, and art sections in schools after classes, etc.;
- promoting the idea of gender equality in society, especially among the younger generation, demonstrating the success of women in business and other spheres of social activity. It is desirable to promote these ideas both within families and in the education system concerning not only girls but also young boys, thus fostering entrepreneurial activity and leadership qualities.

Conclusions

The development of women's entrepreneurship contributes to the destruction of patriarchal stereotypes that still prevail in many countries, including Moldova, thus helping reduce the scale of female unemployment and eliminate discrimination in family life and the economy.

At present, in the Republic of Moldova, the share of women who own and run a business is 1/3 of the total number of entrepreneurs, having increased by 6.4 percentage points over the past 10 years. Entrepreneurship is becoming more attractive for women; they more often initiate their business not “by obligation”, but with the aim of self-accomplishment and raising the standard of living.

Despite the growth of entrepreneurial activity and state measures support being introduced, women entrepreneurs face significant barriers at different stages of their activity. Some barriers are common to all entrepreneurs; others are gender-specific. The most significant problems and needs relate to the period of business formation, especially in rural areas; they are associated with limited access of women

entrepreneurs to financial resources; are due to the lack of entrepreneurial skills of women who intend to start their own business or already have their own business. Quite often, the needs of women entrepreneurs in the Republic of Moldova are conditioned by peculiarities of their character (unwillingness to take risks and need for psychological and emotional support), but support institutions, as a rule, are not aimed at providing such consultations. A significant obstacle to the involvement of Moldovan women in business is constituted by the traditions that predominantly orient women towards family, not paying sufficient attention to women's self-accomplishment, formation of their entrepreneurial potential, and disclosure of leadership qualities.

The identified problems in the activities of women objectively indicate that this group of entrepreneurs is in less favourable conditions. In order to improve them, a well-thought-out and purposeful state policy is required, taking into account the specifics of the activities of women entrepreneurs, as well as their special needs for support. In particular, it is proposed:

- to develop and implement a policy at the legislative level that encourages the development of family business, including the provision of a facilitated mechanism for its inheritance;
- to improve the access of women entrepreneurs to financial resources, especially at the stages of business establishment and those who work in rural areas;
- to develop entrepreneurship support institutions that provide business training, information, and advice, in particular targeted at women, taking into account their special qualities and needs;
- to focus on topics that interest them during trainings: attraction and management of financial resources, risk management, and psychological support, which helps to improve their psychological and emotional state;
- to promote more actively, at the national and local levels, information about successful private entrepreneurs, including women: about the contribution of their enterprises to the development of the country/regions;
- to improve the quality of the work of public institutions that can reduce the burden of women in the family and facilitate domestic work;
- to promote gender equality in society (both within families and in the education system), especially among the younger generation;
- to involve active women entrepreneurs in politics, government, and public activities. Their potential and needs for self-realization may be in demand not only in business.

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