

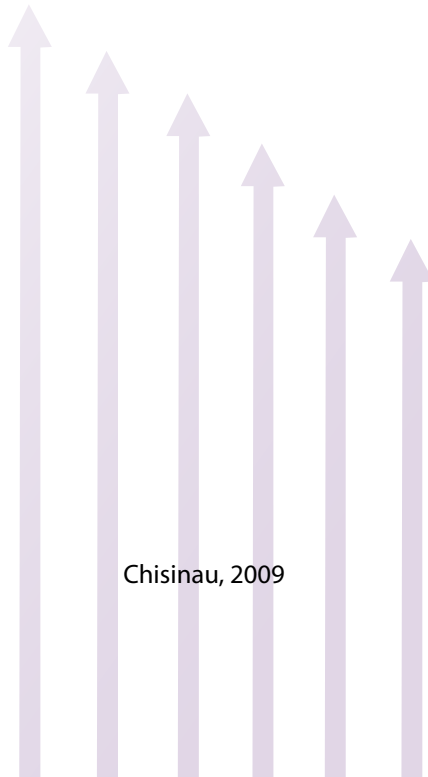
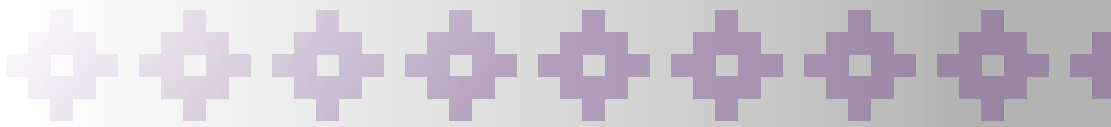


CONDITIONS FOR ENTERPRISE CREATION AND DEVELOPMENT:

Gender Analysis



CONDITIONS FOR ENTERPRISE CREATION AND DEVELOPMENT: Gender Analysis



Chisinau, 2009

„Conditions for Enterprise Creation and Development: Gender Analysis”

1st Edition

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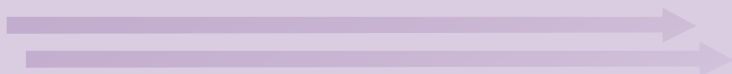


Moldova

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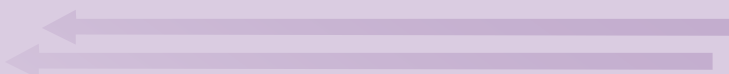
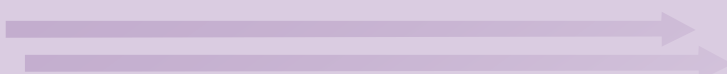


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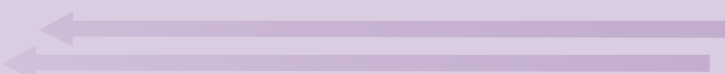


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Introduction

Peculiarities of women and men as specific socio-demographic groups are considered by gender statistics and are used to justify social, demographic and economic policies.

In recent years, the National Bureau of Statistics of the Republic of Moldova has disaggregated a lot of data by sex and published materials with a focus on gender aspect, for instance statistical publications “Women and Men of the Republic of Moldova”; “Women and Men in the Labour Market of the Republic of Moldova”, “Gender Statistics User Guide” etc. However, until recently, the statistical framework has not allowed for any serious research of the gender aspect in entrepreneurship development, as the purpose of business data collection was to characterize enterprises, rather than individuals that manage them.

The purpose of this study is to identify peculiarities of women and men entrepreneurs, to analyze business initiation and development problems through the perspective of gender differences. This will allow creating conditions to level-off opportunities for participation of women and men in entrepreneurial activity.

The work was conducted based on the results of the annual structural survey of enterprises by the National Bureau of Statistics and represents a multifaceted picture of entrepreneurship development in the country. In 2009, an additional module was planned and implemented within the structural survey of enterprises – “Conditions for enterprise creation and development” with a special focus on gender aspect.

The main body of the material is presented in two sections. The first one gives the characteristic of entrepreneurs, their distribution by sex, age groups, education level, enterprise location, development regions, and other characteristics. The second section provides an analysis of enterprises’ profile and development conditions. It gives a distribution by types of economic activity, age of enterprises, and size of business. Enterprises’ establishment conditions were investigated – ways of creation and sources of their start-up capital; the situation and business problems in 2008 and expectations of entrepreneurs for 2009 were identified. Most of the data were analyzed through the gender perspective.

Results are intended for scientific purposes and practical actions aimed at implementation of the principle of equal rights and opportunities for women and men in the sphere of entrepreneurship. Results may serve as a basis for state and

regional policy foremost, business regulation, social and demographic policies. They can be used in the public activities, in particular, of women's organizations.

The National Bureau of Statistics ensured development of project concept, organized and conducted the survey as well as processed the obtained results. The project executive officer in the National Bureau of Statistics is Nina Cesnocova, Gender Focal Point.

Analysis of results and presentation of materials for the publication were carried out by the independent consultant Elena Aculai, PhD in economics.

The project was implemented with the conceptual support of UNDP (United Nations Development Program) and UNIFEM (United Nations Development Fund for Women) with funding support from Swedish International Development Cooperation Agency (Sida).

Methodology of Survey

In view of identifying the peculiarities of women and men entrepreneurs, analyzing business initiation and development issues through the perspective of gender differences, the National Bureau of Statistics developed a new module within the Structural Survey of Enterprises – “Conditions for Enterprise Creation and Development” with a specific focus on the gender aspect. A special questionnaire was developed that served as a basis for entrepreneurs’ survey.

As object of analysis were considered the following categories of enterprises: active enterprises (with a more than zero turnover) except for the enterprises from financial intermediation and public administration that had submitted financial reports; individual enterprises that had submitted their income tax declarations to the state tax inspection; newly created enterprises. Peasant (farm) economies were not included in the survey.

With a view of conducting a high qualitative survey, the sampling base was formed on the basis of three information sources:

- *RENIM database (National Inter-administrative Registry) as of 1 January 2009 and RENU (National Registry of Statistical Units);*
- *Database of active enterprises with a more than zero turnover rate that have submitted their financial reports for 2008;*
- *Database for active individual enterprises that have submitted income tax declarations to the State Tax Inspection.*

In forming the sampling, the following criteria were taken into consideration:

- *Main type of economic activity (according to the Classifier of Economic Activities of the Republic of Moldova)*
- *Size of enterprises – by the number of hired personnel criteria (groups: 0-4, 5-9, 10-19 and 20+)*
- *Territory – location area of enterprises (urban, rural) and economic region (mun. Chisinau, North, Center, South, Gagauzia ATU).*

The survey was conducted during May-June 2009. The general coverage of the structural survey constituted 27,9 thousand enterprises. Sampling involved 15537 enterprises amounting to 55.7% of the sampling base.

Respondents were represented by entrepreneurs, in particular leaders/lead managers of enterprises, both hired and owners of businesses (full or partial owners).

The survey employed the questionnaire method.

There may be minor differences in description of survey results in the tables between the total line and the sum of lines (summands) due to rounding of data.

The “Conditions for Enterprise Creation and Development” questionnaire processed results served as the main source of information for the survey. The questionnaire covered the following data:

1. On the entrepreneur:

- *Sex*
- *Age*
- *Education level*
- *Type of activity before assumption of current office*
- *Status at the enterprise (hired manager or owner)*

2. On the enterprise and the situation in business:

- *Duration of enterprise activity*
- *Ways of establishment of enterprises*
- *Sources of start-up capital*
- *Business environment in 2008*
- *Expectations on enterprise's activity in 2009.*

Along with the results of the mentioned questionnaire, information from the database of the structural survey of enterprises was used as additional characteristics of sample enterprises, including:

- *Type of economic activity of enterprises*
- *Size of business (number of employees)*
- *Area of enterprise's location (urban, rural)*
- *Development region (mun. Chisinau, North, Center, South, Gagauzia ATU).*

Other relevant materials were used to develop the report – other statistical data, results of research projects and publications related to the analysis of gender issues in the sphere of entrepreneurship of the Republic of Moldova.

1. Entrepreneurs' characteristics

This section analyzes the major characteristics of entrepreneurs – their sex, education level, age groups, and occupation before the start of the entrepreneurial activity. Entrepreneurs were also analyzed depending on enterprises' location area (urban, rural) and development regions (mun. Chisinau, North, Center, South, Gagauzia ATU). Concurrently, the current status of entrepreneurs was also considered, with differentiation between hired managers and owners (full or partial business owners). At the same time, all of them are leaders/lead managers of enterprises, being on the top of issues in their business.

Most of the specified and analysed data are sex-disaggregated.

■ Distribution of entrepreneurs by sex

The sex-disaggregation of entrepreneurs demonstrates that the major share is represented by men (72.5%). The share of women entrepreneurs constitutes 27.5%.

Table 1. **Distribution of entrepreneurs by sex**

	<i>Share</i>
Total, including:	100
Men	72.5
Women	27.5

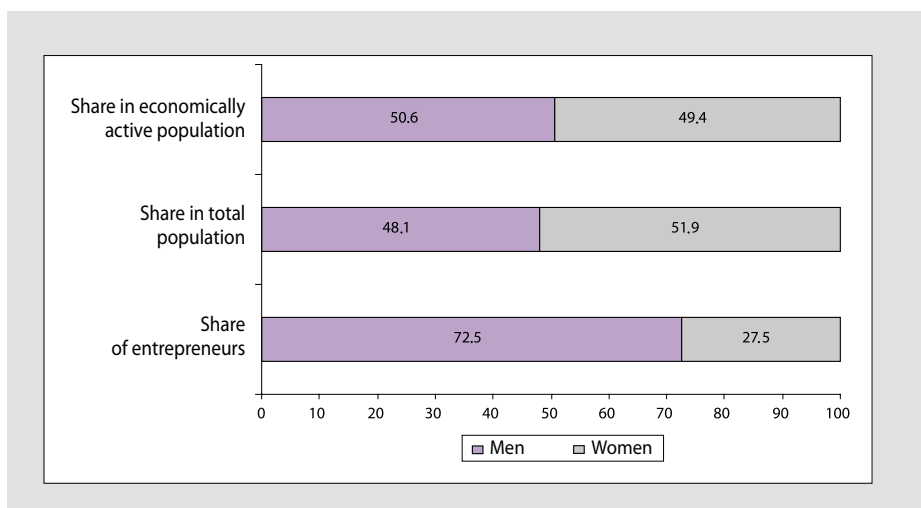
The number of men entrepreneurs is 2.6 times bigger than the number of women entrepreneurs. The stated proportions do not correspond to the sex structure of the population of Moldova: proportion of women engaged in entrepreneurial activity is significantly smaller than the proportion of women in economically active population (49.5%) and in the total population of Moldova (51.9%).

Table 2. **Distribution of the population and of the economically active population of RM by sex, as of 1 Jan. 2009, %**

	<i>Share in economically active population</i>	<i>Share in total population</i>
Total, including:	100	100
Men	50.6	48.1
Women	49.4	51.9

Source: Data of the National Bureau of Statistics.

Diagram 1. Distribution of the population and of the economically active population and entrepreneurs, by sex %



However, in the Republic of Moldova the share of women entrepreneurs is comparable with the similar indicator of other countries [Box 1]

Box 1. Entrepreneurial potential of women in the EU

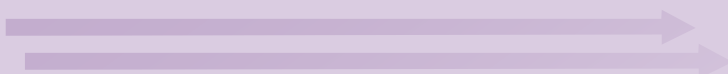
According to the European Commission, the entrepreneurial potential of women constitutes an “underdeveloped source of economic growth and of new jobs”. At present, on average, women make up 30% of the entrepreneurs in the EU, but “often face greater difficulties than men in starting up businesses and in accessing finance and training”.

As part of its ongoing strategy to increase the number of female entrepreneurs in the EU, the Commission launched a ‘European Network of Female Entrepreneurship Ambassadors’ earlier this month (EurActiv 06/10/09). These will share experiences, compare notes and act as role models to inspire women to become entrepreneurs across the 27-member EU.

Source: <http://www.euractiv.com/en/>

■ Distribution of entrepreneurs by education level

There is an absolute domination of educated people among Moldovan entrepreneurs – with higher / incomplete higher (67.9%) or specialized secondary education (20.2%). The education level of entrepreneurs exceeds the stated indicators among the working population where the share of persons having higher education constitutes 20.4%, and– 16.5% having specialized secondary education.



The share of women entrepreneurs with higher / incomplete higher education is somewhat smaller than among men and constitutes 64.3% (69.3% for men).

The share of women with higher education in total working population, constitutes 22.4%; the share of men being 18.5%. On average, the level of women with higher education in Moldova is 11.9 % (according to the 2004 census).

Table 3. Distribution of entrepreneurs by education level and sex, %

	Total	Including:	
		Men	Women
Total, including:	100	100	100
Higher or incomplete higher education	67.9	69.3	64.3
Specialized secondary education	20.2	18.8	23.9
General secondary or general mandatory education	3.3	3.1	3.8
Basic education	0.2	0.2	0.2
No answer	8.4	8.6	7.9

For many years there has been a high education level registered in Moldova. This shows a significant potential that characterizes business both from the perspective of quantitative growth and qualitative changes – development and implementation of innovations, expansion of the sphere of intellectual services etc. At the same time, a significant proportion of educated people, especially in small private business shows that there are still a lot of barriers for entrepreneurs: the worse the conditions of the external business environment, the more significant becomes the internal human potential [Box 2].

Box 2. The influence of education on business success

One of Moldovan women entrepreneurs, 40 year-old, quite successful in managing her business, noted in her interview that higher education had an influence on her business success. Upon receiving higher education she had no opportunity to receive additional training or advanced training. But over many years, her university studies allowed developing analytical skills and establishing contacts that enabled her to solve complicated business management problems related to various spheres of managerial activity.

Source: Aculai E. Vinogradova N., Welter F. How to be successful in an adverse business environment: Knitwear Factory in Moldova. In: Innovation and Entrepreneurship: Successful Start-ups and Businesses in Emerging Economies

The education level of entrepreneurs differs depending on the location area of the business.

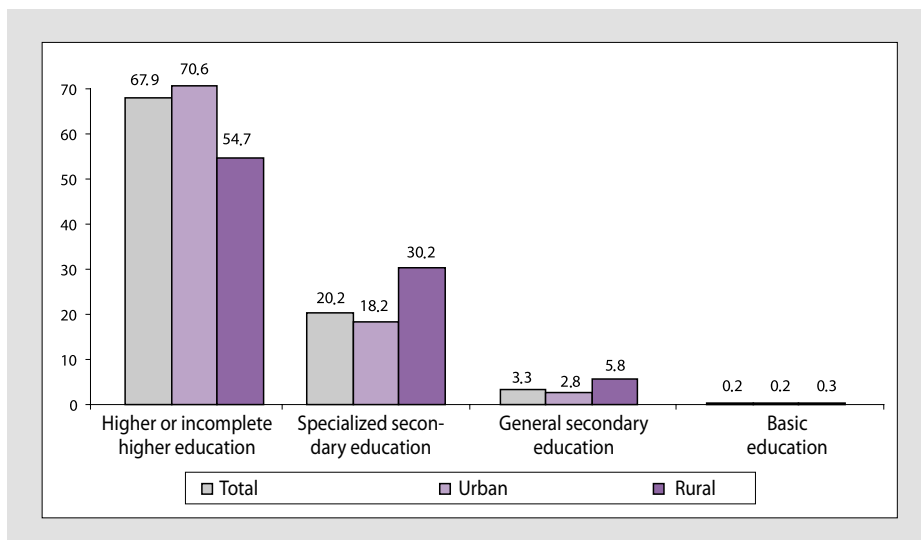
In urban areas, the share of entrepreneurs with higher / incomplete higher education is significantly higher and constitutes 70.6%, as compared to 54.7% in rural areas.

Among the working population of the Republic of Moldova, the share of persons with higher education constitutes 34.3% in urban areas; 9.3% in rural areas (*Women and Men in the Republic of Moldova*, 2008).

Table 4. Distribution of entrepreneurs by education level and area, %

	Total	Including by area:	
		Urban	Rural
Total, including:	100	100	100
Higher or incomplete higher education	67.9	70.6	54.7
Specialized secondary education	20.2	18.2	30.2
General secondary or general mandatory education	3.3	2.8	5.8
Basic education	0.2	0.2	0.3
No answer	8.4	8.3	9.0

Diagram 2. Distribution of entrepreneurs by level of education and area, %



■ Distribution of entrepreneurs by age

Analysis of age structure of entrepreneurs showed that the main proportion belongs to entrepreneurs of two age groups of 45-54 (30.7%) and 35-44 years old (29.5%). The specified two age groups incorporate 60.2% of all respondents. A potentially active group of young nationals among entrepreneurs – aged 15-34 – constitutes only 22.7%, of which only 2.4% are young men and women under 24 years old. A percentage of 17.1% of respondents belong to the oldest group (55 and older).

The average age of entrepreneurs is rather high and constitutes 45 years of age.

There were no significant differences in age identified among entrepreneurs of different sexes. Maximum differences amount to 2.2%. The proportion of women entrepreneurs in all age groups under 55 is slightly bigger. It is only in the age group above 55 that the share of men is bigger than the share of women (18.1% for men, 14.5% for women). The average age of entrepreneurs in women is somewhat smaller than in men and constitutes 43 years of age (45 y.o. for men).

Table 5. **Distribution of entrepreneurs by age and sex, %**

	Total	Including:	
		Men	Women
Total in the age of 15+ including, years:	100	100	100
15-24	2.4	2.2	2.9
25-34	20.3	20.0	21.2
35-44	29.5	29.3	29.9
45-54	30.7	30.4	31.6
55-64	15.0	15.6	13.4
65 +	2.1	2.5	1.1
Average age	45	45	43

Comparison of survey's data on entrepreneurs' age, with the age structure of Moldovan population showed the following:

- *The proportion of entrepreneurs in the age of 35-54 constitutes 60.2%. This indicator is significantly higher than the share of people of this age in the population of Moldova (34.1%). In the age groups 25-34 and 55-64 years old the share of entrepreneurs is slightly higher versus the same indicators per country.*
- *Gender differences are not essentially obvious. In the total population of Moldova (over 45 y.o.), the share of women exceeds the share of men in older age groups. There is an inverse picture among entrepreneurs. The share of women is slightly bigger in younger age groups and after 55 it is smaller than for men.*

Table 6. **Distribution of population by age groups and sex, %**

	<i>Total</i>	<i>Including:</i>	
		<i>Men</i>	<i>Women</i>
Total in the age of 15+ including, years:	100	100	100
15-24	22.9	24.5	21.4
25-34	19.0	20.2	18.0
35-44	15.9	16.3	15.5
45-54	18.2	18.1	18.3
55-64	11.5	10.9	12.1
65 +	12.4	9.9	14.7

Source: Data of the National Bureau of Statistics of the RM.

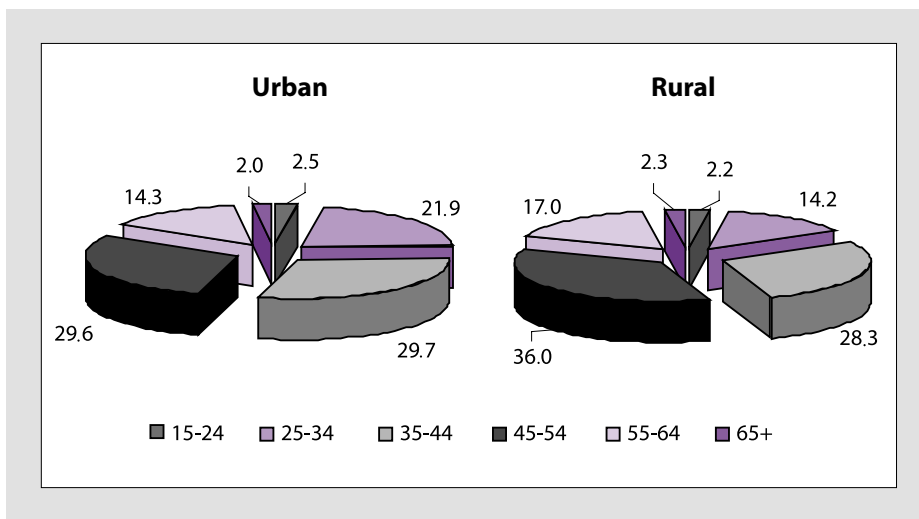
The age of entrepreneurs differs **depending on the location of business**. In urban areas the proportion of younger entrepreneurs is relatively higher in all age groups from 15 to 44. The 25-34 group shows the greatest differences. In urban areas, the proportion of entrepreneurs of this age constitutes 21.9% whilst in the rural area their share represents 14.2%.

In rural areas, there are relatively older entrepreneurs: among people older than 45, this share constitutes 55.3% (45.9% in urban areas). The greatest overrun in the share of entrepreneurs in rural areas was marked in the 45-54 age group: differences amount to 6.4%. Accordingly, the average age of entrepreneurs in rural areas is by 2 years higher and constitutes 46 years.

Table 7. **Distribution of entrepreneurs by age groups and area, %**

	<i>Total</i>	<i>Including by area:</i>	
		<i>Urban</i>	<i>Rural</i>
Total in the age of 15+ including, years:	100	100	100
15-24	2.4	2.5	2.2
25-34	20.3	21.9	14.2
35-44	29.5	29.7	28.3
45-54	30.7	29.6	36.0
55-64	15.0	14.3	17.0
65+	2.1	2.0	2.3
Average age	45	44	46

Diagram 3. **Distribution of entrepreneurs by age groups and by area, %**



■ Distribution of entrepreneurs by previous activity

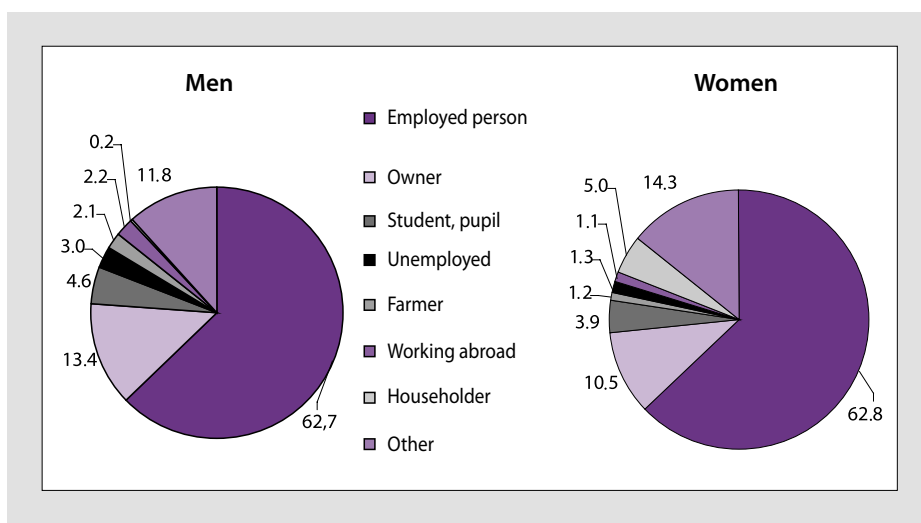
Prior to initiating an entrepreneurial activity within the interviewed enterprises, most of respondents (62.8%) worked as paid (employed) persons. Prior experience in business had 12.6% of respondents who were previously employers and 1.8% who used to be farmers. About 8% of persons who have initiated or joined the business they are currently leading, had not been engaged in any economic activities. These are represented by former students/pupils (4.4%), unemployed (2.4%) or householders.

Men were somewhat more often to state having had experience in business earlier. Before their starting activity at this enterprise, 13.4% of men and 10.5% of women used to be employers. Other sex differences include a relatively higher share of women, who used to be householders before coming to business. This indicator constituted 5.0% among women and 0.2% among men.

Table 8. **Distribution of entrepreneurs by prior activity and sex, %**

	Total	Including:	
		Men	Women
Total out of which:	100	100	100
Employee of an enterprise, organization	62.8	62.7	62.8
Owner	12.6	13.4	10.5
Student, pupil	4.4	4.6	3.9
Unemployed	2.4	3.0	1.2
Farmer	1.8	2.1	1.3
Working abroad	1.8	2.2	1.1
Householder	1.5	0.2	5.0
Other situation	12.8	11.8	14.3

Diagram 4. **Distribution of entrepreneurs by prior activity and by sex, %**



An insignificant share of respondents (1.8%) initiated their business upon return from abroad. The main countries where they previously worked include Russia (31.2%), Italy (13.2%), Israel (7.8%), Germany (7.3%), Turkey (6.8%), and Romania (4.4%).

Respondent men and women showed different preferences in selecting the country for working abroad.

A relatively higher proportion of women, as compared to men, worked in Italy (16.7%), Turkey (11.1%), Romania (8.3%), Ukraine (5.6%), and Portugal (5.6%).

Men, relatively more often than women, preferred going to work to Russia (33.1%) and Germany (8.3%) prior to initiating their own entrepreneurial activity.

Table 9. Activity of entrepreneurs prior to taking the lead of an enterprise: work abroad, by country and sex, %

	<i>Total</i>	<i>Including:</i>	
		<i>Men</i>	<i>Women</i>
Total out of which:	100	100	100
Russia	31.2	33.1	22.2
Italy	13.2	12.4	16.7
Israel	7.8	7.7	8.3
Germany	7.3	8.3	2.8
Turkey	6.8	5.9	11.1
Romania	4.4	3.6	8.3
Ukraine	2.9	2.4	5.6
France	2.4	2.4	2.8
Greece	2.0	1.8	2.8
Portugal	2.0	1.2	5.6
Other countries*	20.0	21.2	13.8

** including people that stated to have worked in several countries.*

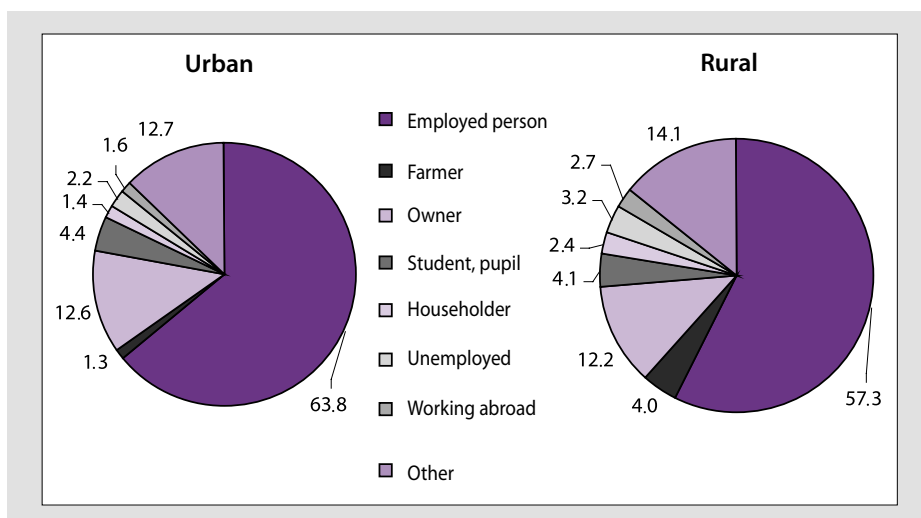
The nature of prior activity of entrepreneurs differs depending on the business location. For instance, in urban areas there is a relatively larger proportion of entrepreneurs that had earlier worked as employees – 63.8% (57.3% in rural areas); 12.6% – those who came to business from among employers (12.2% in rural areas) and students – 4.4% (4,1% in rural areas).

At the same time, in rural areas, prior to taking the lead of surveyed enterprises, there was registered a relatively bigger share of those who worked as farmers – 4.0% (1.3% in urban areas); those, who returned from abroad – 2.7% (1.6% in urban areas), or householders – 2.4% (1.4% in urban areas). There was registered an amount of 3.2% of respondents in rural areas that came to business from among unemployed (2.2% in urban areas).

Table 10. **Distribution of entrepreneurs depending on their activity prior to taking the lead of the enterprise and by area, %**

	Total	Including by area:	
		Urban	Rural
Total including:	100	100	100
Employee of an enterprise, organization	62.8	63.8	57.3
Owner	12.6	12.6	12.2
Student, pupil	4.4	4.4	4.1
Unemployed	2.4	2.2	3.2
Farmer	1.8	1.3	4.0
Working abroad	1.8	1.6	2.7
Householder	1.5	1.4	2.4
Other situation	12.8	12.7	14.1

Diagram 5. **Distribution of entrepreneurs depending on their activity prior to taking the lead of the enterprise and by area, %**



■ Distribution of entrepreneurs by business location

Distribution of entrepreneurs by business location showed that the share of entrepreneurs in urban areas is significantly higher and constitutes 83.2%; only 16.8% of all entrepreneurs operate in rural areas.

The share of women entrepreneurs in rural areas is relatively smaller than the existing indicator for men: the share of women entrepreneurs in rural areas is 14.9% (17.6% for men). Respectively, in urban areas, the share of women entrepreneurs makes 85.1%, i.e. exceeds the share of men (82.5%).

Table 11. Distribution of entrepreneurs by business location and by sex, %

	Total	Including:	
		Men	Women
Total out of which:	100	100	100
Urban area	83.2	82.5	85.1
Rural area	16.8	17.6	14.9

Diagram 6. Distribution of entrepreneurs by business location and by sex, %

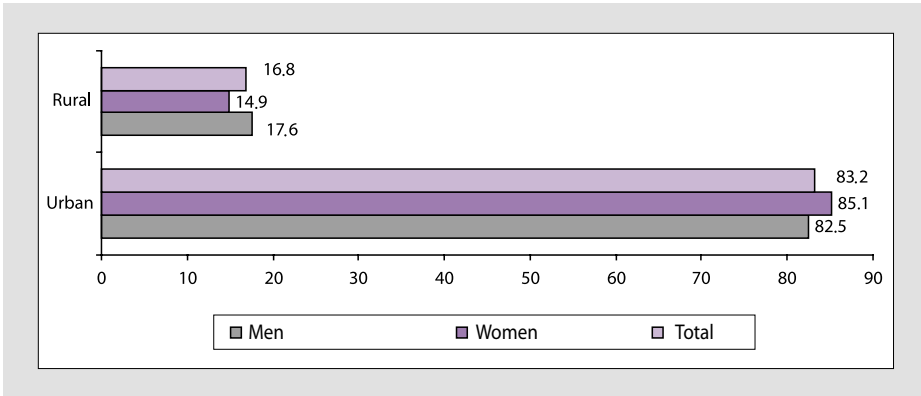
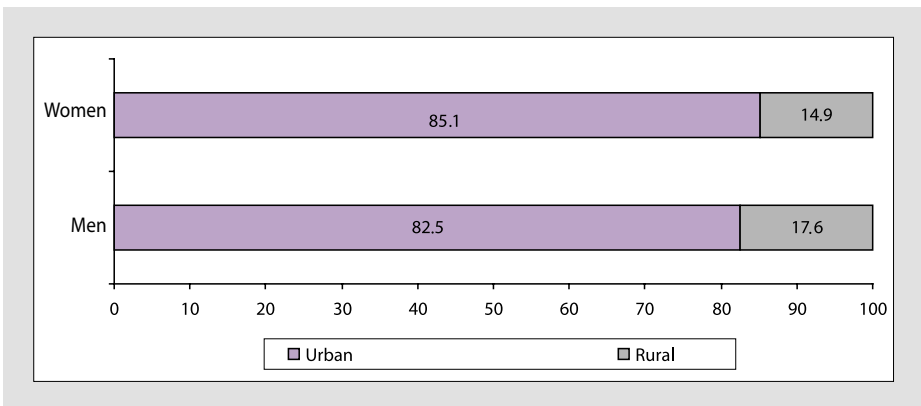


Diagram 7. Distribution of entrepreneurs by sex and business location, %



The share of rural population in the total population structure represents 58.7%. Pursuant to the results of this study, this indicator is much higher than the share of entrepreneurs in rural areas.

Table 12. **Distribution of population by area and sex, %**

	Total	Including:	
		Men	Women
Total out of which:	100	100	100
Urban area	41.3	40.4	42.2
Rural area	58.7	59.6	57.8

Source: NBS data.

Women from rural areas face more obstacles in initiating and developing own business [Box 3].

Box 3. **Women's problems in business**

Based on the results of interview conducted with women entrepreneurs of Moldova, the problems, women face in business, result primarily from education and existing social stereotypes. One of young successful women entrepreneurs noted in her interview that at the stage of establishment of her business she was “much disturbed by her own shyness and diffidence that were expressly breaded in the family and were earlier considered as an advantage for women”*. Another woman holding a position of financial director pointed out that in our culture “a woman always faces the dilemma of selecting between the business and the family. And while men easily choose the first, women find it hard to make the same choice”**.

Sources: *Welter F., Smallbone D., Aculai E., Rodionova N., Vinogradova N. «Female Entrepreneurship in Transition Economies: the Example of Ukraine, Moldova and Uzbekistan» (2001-2003). National Report on Survey Data for Moldova (INTAS - 2000-00843), RWI, Essen, 2003.

** Substantiation of mechanisms for supporting small and medium enterprises exporting goods and services of own production/ Project for young researchers. Scientific Report. Institute of Economy, Finance and Statistics, AŞM (IEFS), Chişinău, 2009.

■ **Distribution of entrepreneurs by development region**

Most of entrepreneurs (58.7%) live/work in Chisinau municipality. Other development regions mark a relatively larger proportion of respondents working in the North (17.1%) and Center (14.0%) regions. In the South of Moldova, the share of entrepreneurs is around 10%, including 6.9% in the South region; 3.3% in Gagauzia ATU.

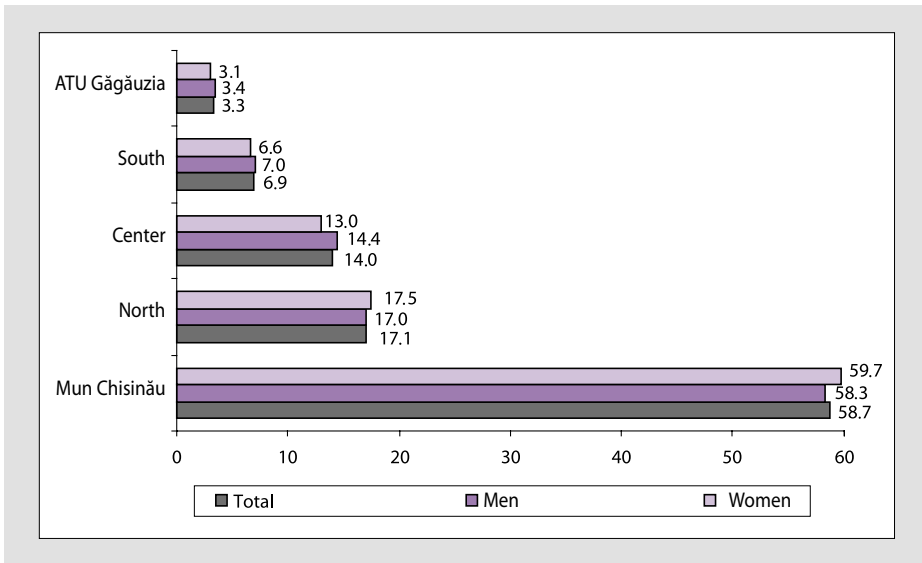
There has been no evidence of significant gender differences in different development regions. In Chisinau municipality the share of women exceeds the share of men by 1.4%. In the Center region, on the contrary, the share of women in entrepreneurship is relatively lower than that of men – by 1.4%.

Table 13. Distribution of entrepreneurs by development region and sex, %

	<i>Total</i>	<i>Including</i>	
		<i>Men</i>	<i>Women</i>
Total	100	100	100
Including:			
Mun. Chişinău	58.7	58.3	59.7
North	17.1	17.0	17.5
Center	14.0	14.4	13.0
South	6.9	7.0	6.6
ATU Găgăuzia	3.3	3.4	3.1

The distribution of entrepreneurs by development region does not correspond to the distribution of the population of Moldova, which is marked by the following indicators: mun. Chisinau – 22.0%; North – 28.4%; Center – 29.9%; South- 15.2%; ATU Gagauzia– 4.5%.

Diagram 8. Distribution of entrepreneurs by development region and by sex, %



Analysis of entrepreneurs by age and development regions showed that the average age of entrepreneurs is slightly lower in Chisinau municipality than in other regions. It constituted 43 years, while in the South region it comprised 47 years (the highest average age per regions). These differences refer to both men and women entrepreneurs.

Table 14. Distribution of entrepreneurs by development region, age and sex, %

	<i>Age groups, years</i>						<i>Average age, years</i>
	<i>15-24</i>	<i>25-34</i>	<i>35-44</i>	<i>45-54</i>	<i>55-64</i>	<i>65 +</i>	
Total	2.4	20.3	29.5	30.7	15.0	2.1	45
Chişinău	2.7	24.2	31.8	26.7	12.7	1.9	43
North	1.9	13.8	26.7	37.2	17.2	3.2	46
Center	2.4	16.7	25.9	35.2	18.0	1.8	45
South	1.9	13.2	25.4	36.8	20.6	2.1	47
ATU Găgăuzia	1.5	15.2	26.5	36.7	18.8	1.3	46
Men	2.2	20.0	29.3	30.4	15.6	2.5	45
Chişinău	2.4	23.6	32.5	26.4	12.8	2.2	44
North	2.1	14.0	26.6	35.0	18.3	3.9	47
Center	2.1	16.6	23.9	35.6	19.6	2.3	46
South	1.4	14.0	22.9	37.5	21.9	2.4	47
ATU Găgăuzia	1.3	14.2	23.8	38.8	20.1	1.8	46
Women	2.9	21.2	29.9	31.6	13.4	1.1	43
Chişinău	3.2	25.8	29.9	27.3	12.6	1.2	42
North	1.4	13.2	26.9	43.0	14.2	1.5	45
Center	3.5	17.0	31.6	34.2	13.6	0.2	43
South	3.2	11.2	32.5	34.7	17.0	1.5	45
ATU Găgăuzia	2.1	18.1	34.2	30.6	15.0	0.0	43

■ Distribution of entrepreneurs by their status at enterprises: hired managers and owners

Part of entrepreneurs that participated in the survey are hired managers, others are owners of enterprises, sole owners or co-owners. The share of owners in the total number of entrepreneurs in the sampling constituted 67.0%.

The share of women entrepreneurs business (co-)owners is by 1.2% smaller than the share of men entrepreneurs: for women this indicator was 66.2%; for men – 67.4%.

Table 15. **Distribution of entrepreneurs by their status at the enterprises and by sex, %**

	<i>Total</i>	<i>Including:</i>	
		<i>Men</i>	<i>Women</i>
Entrepreneurs (hired managers and owners) of which:	100	100	100
Share of owners in the total number of entrepreneurs	67.0	67.4	66.2

■ **Distribution of enterprises' owners by business location area**

There are slight differences in the share of owners depending on business location area. In urban areas, the share of owners in the total number of entrepreneurs is slightly smaller and constitutes 66.5%; in rural areas, this indicator is 3.5% higher (70.0%).

Table 16. **Distribution of enterprise owners by business location area, %**

	<i>Total</i>	<i>Including by area:</i>	
		<i>Urban</i>	<i>Rural</i>
Entrepreneurs (hired managers and owners) of which:	100	100	100
Share of owners in the total number of entrepreneurs	67.0	66.5	70.0

Thus, in rural areas, the proportion of entrepreneurs is smaller, but the share of owners among them is somewhat higher.

■ **Distribution of owners by development regions**

Most of enterprise owners – 57.7% – live / work in Chisinau. A relatively bigger proportion of respondent owners are engaged in the North (17.3%) and Center (14.9%) development regions. In the South of Moldova, the share of owner entrepreneurs is about 10%, including 6.8% in the South region, 3.3% in ATU Gagauzia.

The distribution of owners essentially corresponds to the distribution of entrepreneurs throughout all development regions.

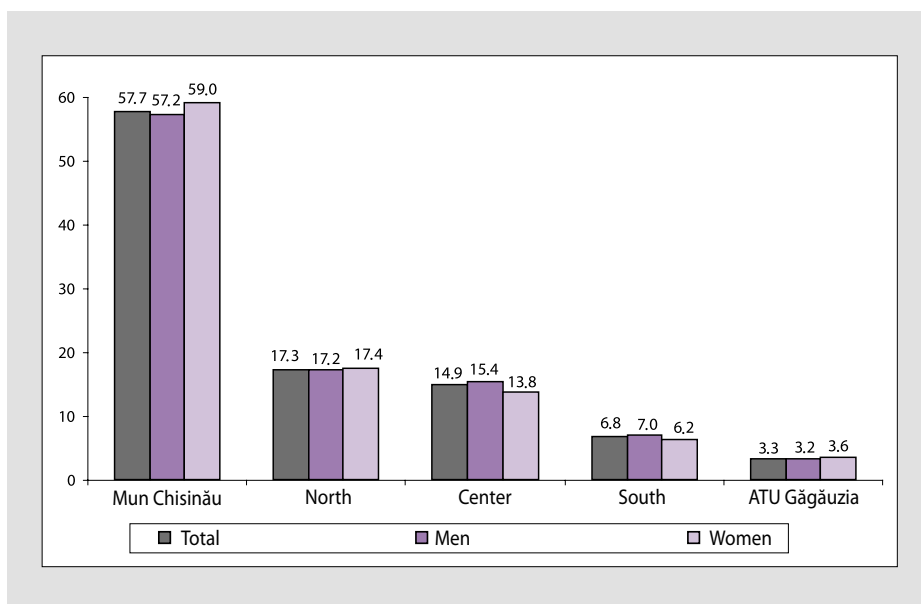
No significant gender differences were registered in development regions. There is a relative overrun in the share of women owners in mun. Chisinau, where

this indicator constitutes 59.0% (57.2% for men); in the Center region the situation is inverse: the share of women owners is relatively smaller – 13.8% (15.4% for men).

Table 17. Distribution of enterprise owners by development regions and by sex, %

	<i>Total</i>	<i>Including:</i>	
		<i>Men</i>	<i>Women</i>
Total including:	100	100	100
Mun. Chişinău	57.7	57.2	59.0
North	17.3	17.2	17.4
Center	14.9	15.4	13.8
South	6.8	7.0	6.2
ATU Găgăuzia	3.3	3.2	3.6

Diagram 9. Distribution of enterprise owners by development regions and by sex, %



Analysis of age groups of owners, as well as entrepreneurs by development regions showed that the average age of owners is slightly smaller in mun. Chisinau than in other regions, and this applies both to men and women.

Table 18. **Distribution of enterprise owners by development regions, sex and age groups, %**

	<i>Age groups, years</i>						<i>Average age, years</i>
	<i>15-24</i>	<i>25-34</i>	<i>35-44</i>	<i>45-54</i>	<i>55-64</i>	<i>65+</i>	
Total	2.6	19.6	31.1	31.5	13.4	1.8	44
Chişinău	3.0	22.8	33.9	27.8	11.0	1.4	43
North	2.0	14.0	27.7	37.5	15.5	3.3	46
Center	2.4	17.4	26.5	34.8	17.4	1.5	45
South	1.4	13.5	26.9	38.2	17.9	2.0	46
ATU Găgăuzia	1.6	15.6	28.9	35.5	17.2	1.2	45
Men	2.5	19.1	30.8	31.3	14.1	2.1	45
Chişinău	2.9	21.9	34.6	27.6	11.5	1.6	43
North	2.2	14.3	27.6	35.7	16.5	3.8	46
Center	2.0	17.5	24.6	35.4	18.4	2.1	45
South	0.8	15.0	23.9	38.9	19.0	2.3	47
ATU Găgăuzia	1.4	13.6	26.0	39.5	17.8	1.7	46
Women	3.0	20.9	31.7	32.0	11.5	0.9	43
Chişinău	3.2	25.3	32.0	28.6	9.9	0.9	42
North	1.7	13.3	27.8	42.4	13.1	1.8	45
Center	3.5	17.0	32.2	32.9	14.4	0.0	43
South	3.1	9.0	36.1	36.1	14.5	1.2	45
ATU Găgăuzia	2.0	20.4	36.1	25.9	15.6	0.0	43

2. Enterprises' profile and business development conditions

This section presents characteristics of enterprises. Enterprises were grouped according to the following key features:

- *Size of business (0-9 employers; 10-49; 50-249; 250+)*
- *Age of enterprises (less than one year; 1-2 years; 3-5 years; 5+ years)*
- *Main economic activity (agriculture, silviculture, hunting and fishing; industry; construction; wholesale and retail trade, hotels and restaurants; transport and communications; real estate operations, rent and services for enterprises, and other types of activity)*
- *Enterprises' location area (urban, rural)*
- *Development region (mun. Chisinau, North, Center, South, ATU Gagauzia).*

Conditions of enterprises' activity were considered at the stage of their establishment and in 2008. In particular, an opinion of entrepreneurs was presented, regarding:

- *Difficulties in enterprises' activity in 2008.*
- *Difficulties in selling goods / delivering services in 2008.*
- *Enterprises' export activity.*

Expectations of entrepreneurs regarding the change of their business activity in 2009 were identified.

Most of the specified groups of enterprises were also analyzed in a breakdown by sex of entrepreneur.

2.1. Profile of enterprises

■ Distribution of enterprises by size

A predominant proportion of 71.5% in the sampling includes microenterprises with the number of hired workers up to 9 people. The share of small enterprises (10-49 people) is 22.1%; the share of medium-sized enterprises (50-249 employers) represents 5.4%. In general, the small and medium-sized enterprises sector make-up 99.0%.

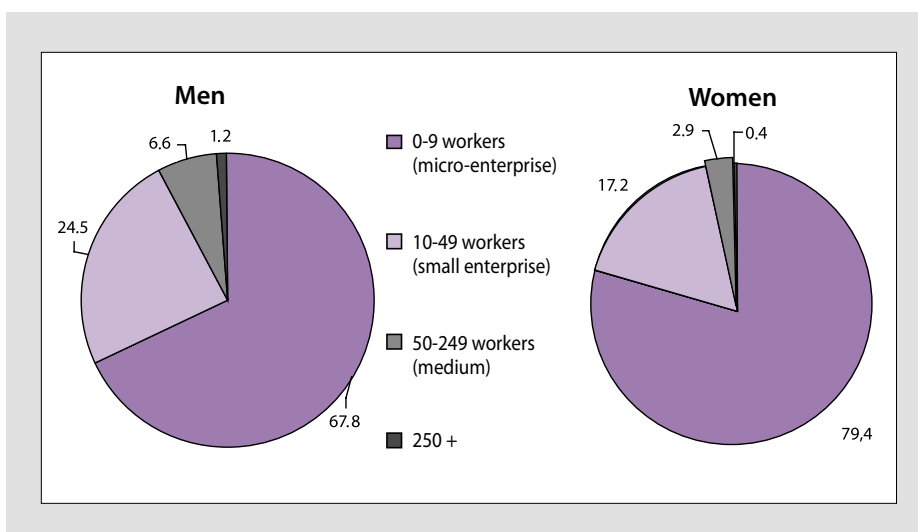
Women entrepreneurs relatively more often manage/own microenterprises: the share of women entrepreneurs that belong to this group of enterprises is 79.4%, while the proportion of men is 67.8%. At enterprises of other sizes men would appear as entrepreneurs relatively more often. Moreover, the more the 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%).

Table 19. **Distribution of enterprises by size and by sex of entrepreneurs, %**

	Total	Including:	
		Men	Women
Total	100	100	100
Including by number of employees:			
0-9 persons (micro)	71.5	67.8	79.4
10-49 persons (small)	22.1	24.5	17.2
50-249 persons (medium)	5.4	6.6	2.9
250 +	1.0	1.2	0.4

Diagram 10. **Distribution of enterprises by size (number of employees) and by sex of entrepreneurs, %**



Microenterprises relatively more often operate in urban areas, where their share constitutes 72.6% (in rural areas – 66.3%). Larger enterprises are more often situated in rural areas. Differences in distribution of urban and rural enterprises are pronounced for medium-sized and large business groups. The share of medium-sized enterprises in rural areas is 1.9 times bigger than in urban areas, and the share of large enterprises is 1.4 times bigger.

Table 20. **Distribution of enterprises by size and by area, %**

	<i>Total</i>	<i>Including by area:</i>	
		<i>Urban</i>	<i>Rural</i>
Total	100	100	100
Including by number of employees:			
0-9 persons (micro)	71.5	72.6	66.3
10-49 persons (small)	22.1	21.8	23.5
50-249 persons (medium)	5.4	4.8	8.9
250 +	1.0	0.9	1.3

■ **Distribution of enterprises by duration of activity**

Grouping of enterprises by duration of activity (age) showed that the main proportion is composed of enterprises that have been working for more than 5 years (50.5%). A significant share is made up of enterprises created 3–5 years ago (25.1%) and young enterprises working for 1-2 years (22.1%). An insignificant proportion (2.3%) is taken up by start-up enterprises that were created less than 1 year ago.

Thus, the bigger the age of enterprises, the bigger their proportion in the sampling. The data speaks for the necessity of strengthening the attention to the business environment especially for start-up and young enterprises created less than 2 years.

Women entrepreneurs work for young (under 2 years) and start-up (under 1 year) enterprises relatively more often. Thus, the share of enterprises that were created less than 2 years ago and managed/owned by women makes 25.8% (20.7% or men). The share of enterprises working less than 1 year, managed by men and women, differ insignificantly in favour of women (2.4% for women, 2.2% for men).

Table 21. Distribution of enterprises by activity duration and sex of entrepreneurs, %

	<i>Total</i>	<i>Including:</i>	
		<i>Men</i>	<i>Women</i>
Total întreprinderi including working for:	100	100	100
Less than 1 year	2.3	2.2	2.4
1-2 years	22.1	20.7	25.8
3-5 years	25.1	25.1	24.8
Over 5 years	50.5	51.8	46.9

Diagram 11. Distribution of enterprises by activity duration and sex of entrepreneurs, %



The proportion of enterprises created 3-5 years ago is relatively bigger in rural areas (28.7%). In urban areas share of enterprises of this group makes 24.3%.

Table 22. Distribution of enterprises by activity duration and area, %

	<i>Total</i>	<i>Including by area:</i>	
		<i>Urban</i>	<i>Rural</i>
Total enterprises including activating for:	100	100	100
Less than 1 year	2.3	2.4	2.2
1-2 years	22.1	22.1	21.7
3-5 years	25.1	24.3	28.7
Over 5 years	50.5	51.2	47.4

■ Distribution of enterprises by main type of activity

The biggest proportion in the sampling is made up of enterprises with a main type of activity being wholesale and retail trade, hotels and restaurants (46.8%). The proportion of trade has remained significant for many years. Real estate operations, rent and services for enterprises (14.8%) account for a high proportion, too. The list of other types of activity of enterprises in decreasing order of their proportion includes the following: industry (14.3%); transport and communications (7.6%); construction (6.5%); agriculture, silviculture, hunting and fishing (5.9%).

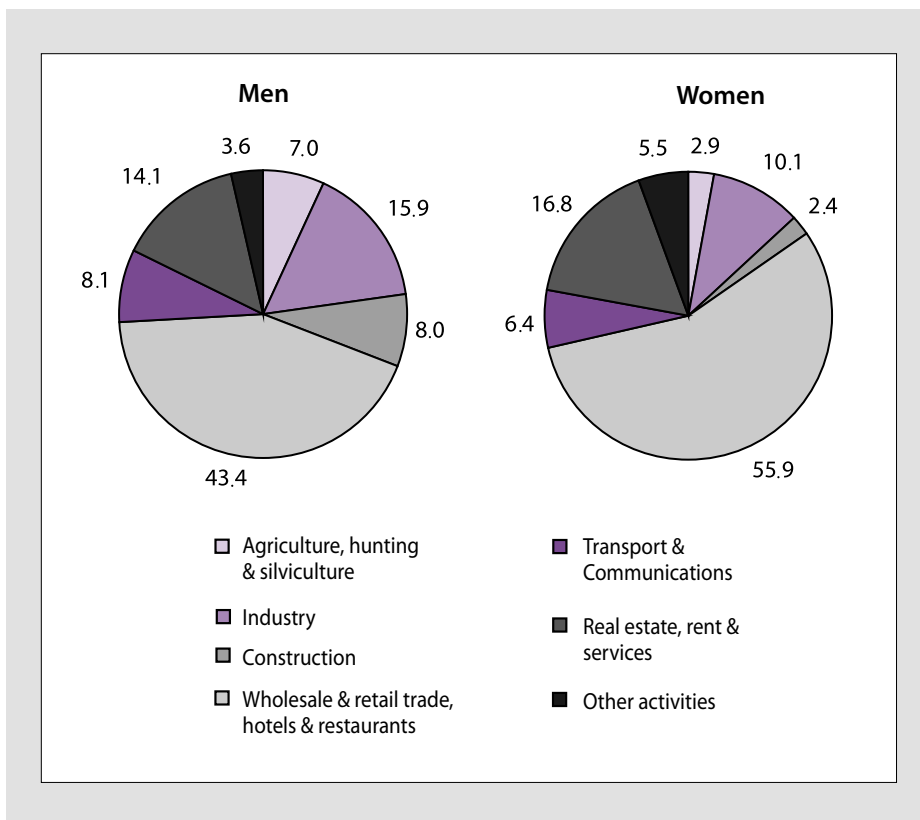
Women entrepreneurs, relatively more often than men, prefer running a business in such sectors as trade, hotels and restaurants (55.9% as compared to 43.4% for men); real estate operations, rent and services for enterprises (16.8%; 14.1% for men).

Correspondingly, men more often establish and develop a business in industrial sectors (15.9% – men; 10.1% – women); transport and communications (respectively, 8.1% and 6.4%); construction (8.0% and 2.4%); agriculture, silviculture, hunting and fishing (7.0% and 2.9%).

Table 23. **Distribution of enterprises by main type of activity and sex of entrepreneurs, %**

	<i>Total</i>	<i>Including:</i>	
		<i>Men</i>	<i>Women</i>
Total including:	100	100	100
Agriculture, silviculture, hunting and fishing	5.9	7.0	2.9
Industry	14.3	15.9	10.1
Construction	6.5	8.0	2.4
Wholesale and retail trade, hotels and restaurants	46.8	43.4	55.9
Transport and communications	7.6	8.1	6.4
Real estate operations, rent and services to enterprises	14.8	14.1	16.8
Other activity	4.1	3.6	5.5

Diagram 12. **Distribution of enterprises by main type of activity and sex of entrepreneurs, %**



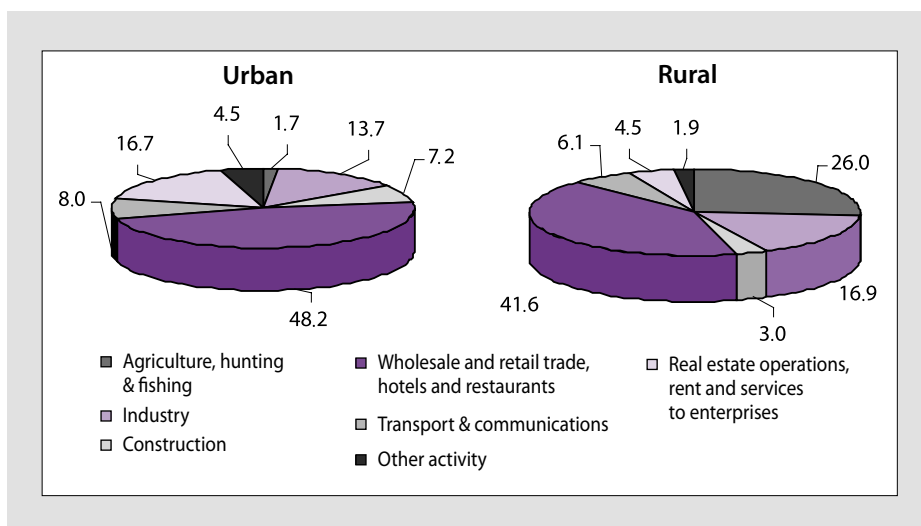
Distribution of enterprises with different types of activities by location area demonstrated that enterprises dealing with agriculture, silviculture, hunting and fishing significantly prevail in the rural, quite naturally: the proportion is 26.0% as compared to 1.7% in urban areas. In rural areas, the proportion of industrial enterprises is also slightly bigger – 16.9%; in urban areas, 13.7% of enterprises deal with such type of activity. Other types of activity – construction, wholesale and retail trade, transport and communications – are developed primarily in urban areas.

The biggest differences between the urban and rural area are manifested for such type of activity as real estate operations, rent and services to enterprises. In urban areas, the stated type of activity is the main one for 16.7% of enterprises; in rural areas – for 4.5%.

Table 24. **Distribution of enterprises by main type of activity and area, %**

	Total	Including by area:	
		Urban	Rural
Total including:	100	100	100
Agriculture, silviculture, hunting and fishing	5.9	1.7	26.0
Industry	14.3	13.7	16.9
Construction	6.5	7.2	3.0
Wholesale and retail trade, hotels and restaurants	46.8	48.2	41.6
Transport and communications	7.6	8.0	6.1
Real estate operations, rent and services to enterprises	14.8	16.7	4.5
Other activity	4.1	4.5	1.9

Diagram 13. **Distribution of enterprises by main type of activity and by area, %**



Distribution of enterprises by development regions showed the following:

- *In mun. Chisinau, there is a relatively big proportion of real estate operations, rent and services for enterprises (20.0%, average – 14.8%) that exceeds significantly the average index in the sampling. A relatively bigger*

share of enterprises is engaged in construction (7.3%; average index for regions – 6.5%).

- In the North region, there is a bigger share of the sector of wholesale and retail trade, hotels and restaurants (51.4%; average index for regions is 46.8%)
- In the Center region, a relatively bigger proportion belongs to industrial enterprises (18.7%; average index – 14.3%), with an insignificantly higher share of transport and communications enterprises (8.6%; average index makes 7.6%).
- The South region has the greatest proportion of enterprises dealing with agriculture, silviculture, hunting and fishing (17.7%, as compared to 5.9% for regions on average).
- In ATU Gagauzia, industry takes a significantly bigger proportion (18.6%; average index – 14.3%) and wholesale / retail trade, hotels and restaurants (51.3%; average index makes 46.8%).

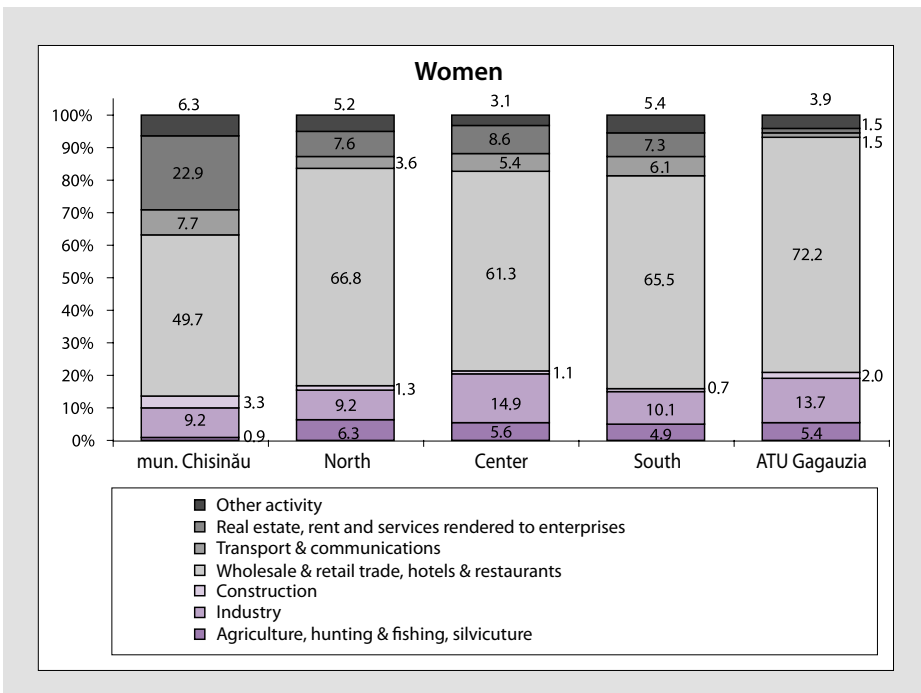
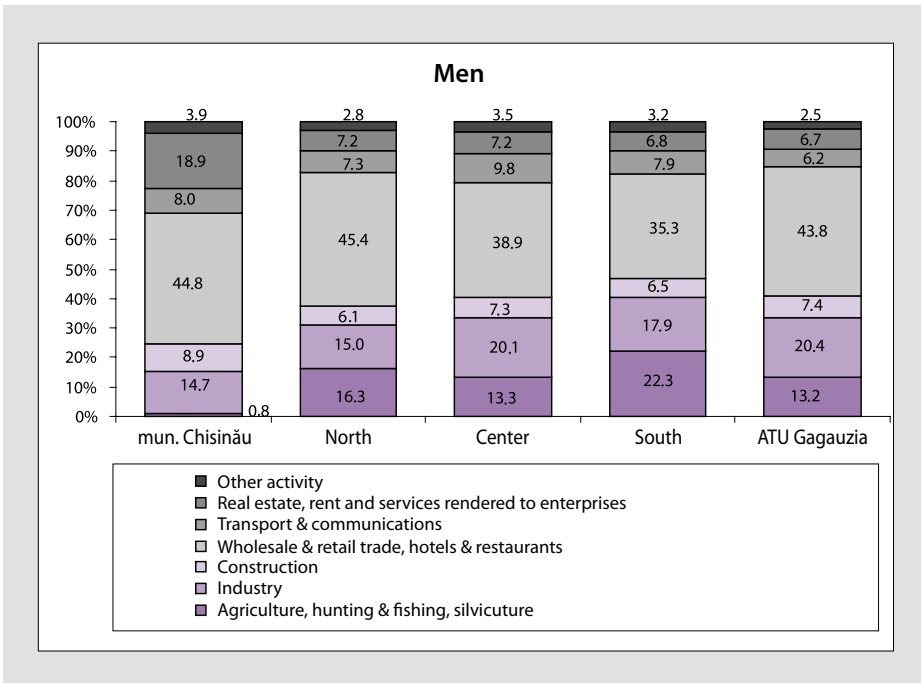
In all regions, the proportion of women entrepreneurs significantly exceeds the share of men in the sector of trade, hotels and restaurants. Other differences in regions include the following: an overrun of the proportion of women enterprises in mun. Chisinau in the sector of real estate operations, rent and services to enterprises; an overrun of men entrepreneurs in other types of activity in all regions.

Table 25. **Distribution of enterprises by development regions, types of economic activity and sex of entrepreneurs, %**

	Total	Development regions				
		mun. Chisinau	North	Center	South	ATU Gagauzia
Total	100	100	100	100	100	100
Agriculture, silviculture, hunting and fishing	5.9	0.9	13.5	11.3	17.7	11.1
Industry	14.3	13.2	13.3	18.7	15.8	18.6
Construction	6.5	7.3	4.7	5.7	4.9	5.9
Wholesale and retail trade, hotels and restaurants	46.8	46.2	51.4	44.6	43.4	51.3
Transport and communications	7.6	7.9	6.3	8.6	7.4	4.9

	<i>Total</i>	<i>Development regions</i>				
		<i>mun. Chisinau</i>	<i>North</i>	<i>Center</i>	<i>South</i>	<i>ATU Gagauzia</i>
Real estate operations, rent and services to enterprises	14.8	20.0	7.3	7.6	6.9	5.3
Other activities	4.1	4.6	3.4	3.4	3.8	2.8
Men	100	100	100	100	100	100
Agriculture, silviculture, hunting and fishing	7.0	0.8	16.3	13.3	22.3	13.2
Industry	15.9	14.7	15.0	20.1	17.9	20.4
Construction	8.0	8.9	6.1	7.3	6.5	7.4
Wholesale and retail trade, hotels and restaurants	43.4	44.8	45.4	38.9	35.3	43.8
Transport and communications	8.1	8.0	7.3	9.8	7.9	6.2
Real estate operations, rent and services to enterprises	14.0	18.9	7.2	7.2	6.8	6.7
Other activities	3.6	3.9	2.8	3.5	3.2	2.5
Women	100	100	100	100	100	100
Agriculture, silviculture, hunting and fishing	2.9	0.9	6.3	5.6	4.9	5.4
Industry	10.1	9.2	9.2	14.9	10.1	13.7
Construction	2.4	3.3	1.3	1.1	0.7	2.0
Wholesale and retail trade, hotels and restaurants	55.9	49.7	66.8	61.3	65.5	72.2
Transport and communications	6.4	7.7	3.6	5.4	6.1	1.5
Real estate operations, rent and services to enterprises	16.8	22.9	7.6	8.6	7.3	1.5
Other activities	5.5	6.3	5.2	3.1	5.4	3.9

Diagram 14. **Distribution of enterprises by development regions, types of economic activity and sex of entrepreneurs, %**



Analysis of distribution of enterprises by types of activity showed that in the agricultural sector the biggest proportion belongs to enterprises of the North region (38.6%), the share of agricultural enterprises also being significant in the Center (26.4%) and South (20.2%) regions.

All other types of activity (construction; transport and communications; trade, hotels and restaurants; industry) develop to a relatively greater extent at enterprises based in Chisinau municipality. Rather significant disparities in favour of mun. Chisinau are registered in the sector of real estate operations, rent and services to enterprises, 80.3% of which develop in the capital.

In most of types of activity (except for trade, hotels and restaurants) the share of women headed enterprises that operate in mun. Chisinau is relatively bigger or corresponding to the share of enterprises managed by men in the Chisinau municipality.

In the sector of wholesale and retail trade, hotels and restaurants in the capital, the share of men is relatively bigger than the share of women entrepreneurs (61.0% and 53.5%, respectively). In other regions of the specified sector, the share of women relatively exceeds the share of men.

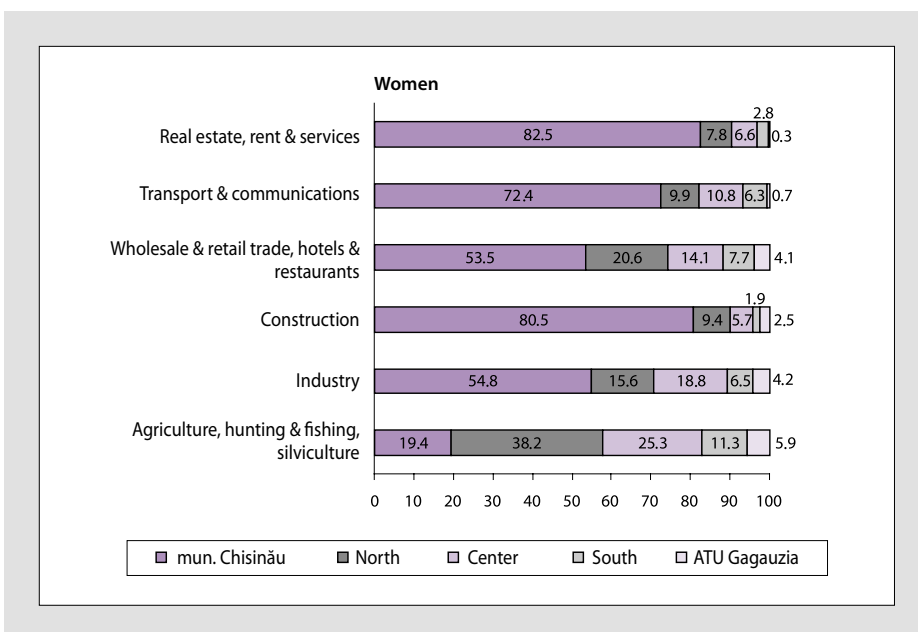
Respectively, in other main activities, the share of men entrepreneurs relatively prevails. The exception is the sector of real estate operations, rent and services for enterprises, where there are no clear sex preferences: in mun. Chisinau, the share of women is bigger, in other regions it is insignificantly smaller than the share of men, and only in Gagauzia ATU women are much less involved in the specified activity.

Table 26. Distribution of enterprises by types of economic activity, development regions and sex of entrepreneurs, %

	<i>Total</i>	<i>Development regions</i>				
		<i>mun. Chisinau</i>	<i>North</i>	<i>Center</i>	<i>South</i>	<i>ATU Gagauzia</i>
Total						
Agriculture, silviculture, hunting and fishing	100	8.7	38.6	26.4	20.2	6.1
Industry	100	54.6	15.7	18.0	7.4	4.2
Construction	100	67.3	12.4	12.2	5.2	3.0
Wholesale and retail trade, hotels and restaurants	100	58.5	18.5	13.1	6.2	3.6

	<i>Total</i>	<i>Development regions</i>				
		<i>mun. Chisinau</i>	<i>North</i>	<i>Center</i>	<i>South</i>	<i>ATU Gagauzia</i>
Transport and communications	100	61.8	13.9	15.7	6.5	2.1
Real estate operations, rent and services to enterprises	100	80.3	8.3	7.1	3.1	1.2
Men						
Agriculture, silviculture, hunting and fishing	100	7.1	38.6	26.6	21.5	6.2
Industry	100	54.5	15.7	17.9	7.7	4.2
Construction	100	65.8	12.7	12.9	5.5	3.1
Wholesale and retail trade, hotels and restaurants	100	61.0	17.5	12.7	5.5	3.3
Transport and communications	100	58.6	15.1	17.1	6.7	2.5
Real estate operations, rent and services to enterprises	100	79.3	8.6	7.3	3.3	1.6
Women						
Agriculture, silviculture, hunting and fishing	100	19.4	38.2	25.3	11.3	5.9
Industry	100	54.8	15.6	18.8	6.5	4.2
Construction	100	80.5	9.4	5.7	1.9	2.5
Wholesale and retail trade, hotels and restaurants	100	53.5	20.6	14.1	7.7	4.1
Transport and communications	100	72.4	9.9	10.8	6.3	0.7
Real estate operations, rent and services to enterprises	100	82.5	7.8	6.6	2.8	0.3

Diagram 15. **Distribution of enterprises by types of economic activity, development regions and sex of entrepreneurs, %**



2.2. Business initiation stage

■ Distribution of enterprises by type of establishment

Prevailing number of operating enterprises (87.4 %) was established by means of creating new business. A relatively small group of enterprises (4.3 %) was established as a result of reorganization of existing business: merger (1.8 %), split off (1.8 %) or divestiture from another enterprise (0.7 %). 3.9 % of enterprises were established as a result of privatization.

Table 27. **Distribution of enterprises by ways of establishment and by sex of entrepreneurs, %**

	<i>Total</i>	<i>Including:</i>	
		<i>Men</i>	<i>Women</i>
Total	100	100	100
including:			
Establishment of a new business	87.4	87.3	87.6
Reorganization by means of:			
Merger of several enterprises	1.8	2.0	1.4
Split off	1.8	1.7	1.9
Divestiture from some other enterprise	0.7	0.8	0.5
Privatization or purchase of a part of the state owned enterprise	3.9	3.8	4.2
Other	4.4	4.4	4.4

There are certain differences in preferred methods of establishment of enterprises in urban and rural areas. In rural areas the proportion of enterprises established by means of reorganization is somewhat higher (7.9 %, in urban areas it is 3.3 %), and as a result of privatization (5.1 % in comparison with 3.5% in urban areas). At the same time, in rural areas the share of newly established enterprises is relatively lower (81.2 %; in comparison with 88.6% in urban areas).

Table 28. Distribution of enterprises by ways of establishment and by area, %

	<i>Total</i>	<i>Including by area:</i>	
		<i>Urban</i>	<i>Rural</i>
Total including:	100	100	100
Establishment of a new business	87.4	88.6	81.2
Reorganization by means of: Merger of several enterprises	1.8	1.6	2.8
Split off	1.8	1.2	3.8
Divestiture from some other enterprise	0.7	0.5	1.3
Privatization or purchase of a part of the state owned enterprise	3.9	3.5	5.1
Other	4.4	4.6	5.8

In the municipality of Chisinau enterprises rather often are created by means of establishing new businesses – 89.9% (with the average indicator by regions 87.4%); in other regions – by means of reorganizing incumbent enterprises and privatization. To a larger extent, the said methods are common in the South region.

Gender differences were demonstrated by the fact that women entrepreneurs more seldom than men entrepreneurs had an opportunity to establish enterprises by means of privatization in the South and Central regions. In all regions the share of women who created their business by means of merger of several enterprises or divestiture from some other business is lower than the share of men. Correspondingly, in all regions (except for the municipality of Chisinau), women more often had to create enterprises using the most complicated way – by means of establishing a new business.

Table 29. Distribution of enterprises by ways of establishment, development regions and sex of entrepreneurs, %

<i>Ways of establishment of enterprises</i>	<i>Total</i>	<i>Including by development regions:</i>				
		<i>mun. Chisinau</i>	<i>North</i>	<i>Centre</i>	<i>South</i>	<i>ATU Gagauzia</i>
Total						
Establishment of a new enterprise	87.4	89.9	83.1	83.5	79.7	84.7
Merger of several enterprises	1.8	1.2	2.5	2.8	4.2	2.8
Split off	1.8	1.0	3.3	2.9	3.4	3.5

<i>Ways of establishment of enterprises</i>	<i>Total</i>	<i>Including by development regions:</i>				
		<i>mun. Chisinau</i>	<i>North</i>	<i>Centre</i>	<i>South</i>	<i>ATU Gagauzia</i>
Divestiture from another enterprise	0.7	0.5	1.3	0.8	1.9	0.7
Privatization or purchase of a part of the state owned enterprise	3.9	2.7	6.1	6.3	7.1	4.5
Men						
Establishment of a new enterprise	87.3	90.3	82.7	82.5	78.5	84.3
Merger of several enterprises	2.0	1.3	2.9	3.2	4.4	3.5
Split off	1.7	0.8	3.2	3.2	3.7	3.7
Divestiture from another enterprise	0.8	0.6	1.4	0.9	2.1	0.7
Privatization or purchase of a part of the state owned enterprise	3.8	2.3	6.1	6.4	7.9	4.0
Women						
Establishment of a new enterprise	87.6	89.0	84.0	86.2	83.3	85.8
Merger of several enterprises	1.4	1.2	1.6	1.7	3.8	1.0
Split off	1.9	1.4	3.6	1.9	2.9	3.1
Divestiture from another enterprise	0.5	0.3	1.1	0.6	1.4	0.5
Privatization or purchase of a part of the state owned enterprise	4.2	3.6	6.0	5.7	4.8	5.7

■ Distribution of enterprises by sources of the start-up capital

The main source of the start-up capital when creating a business were personal savings of entrepreneurs, which comprised almost 3/4 of all financial resources

(74.2 %). Another significant source were borrowed funds – 17.3 %. At the same time, a relatively large share of the debt were credits from relatives or friends (12.1%); and 5.2 % are bank credits. The share of foreign investments is 5.3 %. Among sources of funding at the stage of business creation the proportion of state subsidies is minimal – 0.8 % of the start-up capital.

The structure of sources of funding of men and women entrepreneurs differs quite insignificantly. Women entrepreneurs have in their structure of the start-up capital a somewhat lower proportion of own savings – 72.8% (in case of men – 74.8 %), foreign investments – 5.0 % (in case of men – 5.5%), state subsidies – 0.4% (in case of men – 1.0%). At the same time, women entrepreneurs have higher share of funds borrowed from relatives or friends – 13.8% (in case of men – 11.4%), and also bank credits – 5.5% (in case of men – 5.1%).

Having analyzed differences in the structure of the start-up capital related to the age of entrepreneurs, one can note the following:

- *Young people aged 15-24 have much higher proportion of borrowed funds – 21.8% (while the average level is 12.1%); minimal proportion of foreign investments – 1.9% (while the average level is 5.3%); and there are absolutely no state subsidies.*
- *Older people (in age groups older than 45) the share of state subsidies increases. And with increase in age the proportion of subsidies tends to grow firmly: 1.2% in case of entrepreneurs aged 45-54; 1.7% aged 55-64; 2.9% aged more than 65.*
- *In case of entrepreneurs older than 65, the structure of the start-up capital has a share of foreign investments amounting to 10.2%, which is much higher than the average value (in average – 5.3%).*

Women entrepreneurs practically in all age groups (except for the group 65+) relatively less than men entrepreneurs use own savings and have less access to state subsidies. At the same time, at any age (except for the age group 25-34) they relatively more often borrow funds from relatives and friends in order to establish an enterprise.

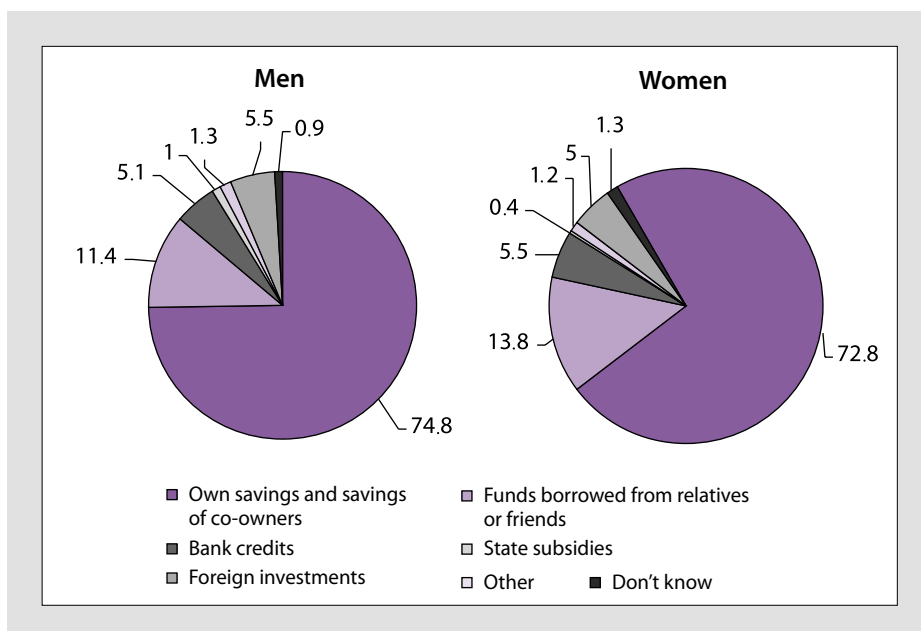
A significant difference dictated by sex and age is the ability to attract foreign investments:

- *In case of young women in the age groups from 15 to 34, the share of foreign investments represents 12.3%, while in case of men – 6.9%.*
- *In case of women entrepreneurs older than 65, the share of foreign investments represents only 1.6%, while in case of men it is 11.7%.*

Table 30. **Distribution of enterprises by sources of the start-up capital, sex and age of entrepreneurs, %**

	Total	Age groups, years					
		15-24	25-34	35-44	45-54	55-64	65+
Total	100	100	100	100	100	100	100
Own savings and savings of co-owners	74.2	70.5	75.0	74.0	73.6	76.0	72.5
Funds borrowed from relatives or friends	12.1	21.8	12.1	13.0	11.9	9.2	9.5
Bank credits	5.2	5.1	3.5	5.4	6.2	5.5	2.2
State subsidies	0.8	0.0	0.4	0.4	1.2	1.7	2.9
Other	1.3	0.2	1.4	0.8	1.5	2.0	1.7
Foreign investments	5.3	1.9	6.8	5.4	4.6	4.3	10.2
Don't know	1.0	0.6	0.8	0.9	1.1	1.2	1.0
Men	100	100	100	100	100	100	100
Own savings and savings of co-owners	74.8	72.5	75.9	74.6	74.3	76.1	72.3
Funds borrowed from relatives or friends	11.4	20.6	12.1	12.1	11.0	8.9	7.7
Bank credits	5.1	5.8	3.5	5.3	5.8	5.7	1.7
State subsidies	1.0	0.0	0.5	0.4	1.4	1.8	3.4
Other	1.3	0.0	1.2	1.0	1.4	2.1	2.0
Foreign investments	5.5	0.9	6.0	5.7	5.1	4.5	11.7
Don't know	0.9	0.3	0.7	0.9	1.0	1.1	1.1
Women	100	100	100	100	100	100	100
Own savings and savings of co-owners	72.8	66.8	72.7	73.0	72.2	75.7	73.8
Funds borrowed from relatives or friends	13.8	24.1	11.9	14.9	14.2	10.3	19.7
Bank credits	5.5	3.7	3.6	5.7	7.1	5.1	4.9
State subsidies	0.4	0.0	0.1	0.3	0.5	1.3	0.0
Other	1.2	0.5	1.9	0.3	1.4	2.0	0.0
Foreign investments	5.0	3.7	8.6	4.7	3.1	3.8	1.6
Don't know	1.3	1.1	1.2	1.1	1.4	1.9	0.0

Diagram 16. **Distribution of enterprises by sources of the start-up capital and sex of entrepreneurs, %**



Absolute majority of entrepreneurs used their own savings and savings of their co-owners as the start-up capital. For 71.1% of enterprises the share of the named source in the total amount of financial funds was from 80% to 100%. Only for 13.5% of enterprises the proportion of own savings and savings of co-owners was not so significant – up to 20% of funds necessary to establish a business.

The share of other sources of the start-up capital, such as: funds borrowed from relatives or friends, bank credits, state subsidies and foreign investments, it did not exceed 20% of the start-up capital in case of almost 86% of enterprises.

Table 31. **Distribution of enterprises by sources and size of resources used to establish enterprises and by sex of entrepreneurs, %**

Sources of the start-up capital	The size of resources				
	<20	<40	<60	<80	<100
Total					
Own savings and savings of co-owners	13.5	3.4	9.6	2.5	71.1
Funds borrowed from relatives or friends	86.2	2.3	5.9	1.3	4.2

<i>Sources of the start-up capital</i>	<i>The size of resources</i>				
	<i><20</i>	<i><40</i>	<i><60</i>	<i><80</i>	<i><100</i>
Bank credits	94.2	1.2	2.1	0.9	1.6
State subsidies	99.1	0.1	0.1	0.0	0.7
Other	98.6	0.2	0.3	0.1	0.8
Foreign investments	93.8	0.6	1.2	0.4	4.0
Don't know	98.9	0.1	0.1	0.0	0.9
Men					
Own savings and savings of co-owners	13.2	3.3	9.3	2.5	71.7
Funds borrowed from relatives or friends	87.1	2.4	5.3	1.4	3.8
Bank credits	94.4	1.3	2.0	0.9	1.5
State subsidies	99.0	0.1	0.1	0.0	0.8
Other	98.6	0.2	0.3	0.1	0.8
Foreign investments	93.7	0.5	1.2	0.4	4.2
Don't know	99.0	0.1	0.1	0.0	0.8
Women					
Own savings and savings of co-owners	14.4	3.6	10.4	2.3	69.3
Funds borrowed from relatives or friends	84.0	2.0	7.5	1.1	5.4
Bank credits	93.7	0.9	2.4	1.1	2.0
State subsidies	99.5	0.0	0.0	0.0	0.4
Other	98.6	0.3	0.2	0.1	0.8
Foreign investments	94.1	0.8	1.2	0.5	3.4
Don't know	98.5	0.0	0.2	0.0	1.3

Certain differences in sources of the start-up capital depending on the development regions were identified:

- *As 58.7% of entrepreneurs work in the municipality of Chisinau, the main share of sources of the start-up capital is also in the capital. At the same time, the share of foreign investments in the municipality of Chisinau is much higher – 82.3%.*
- *In the North region (17.1% of enterprises operate there) the share of bank credits (29.3%) and state subsidies (21.5%) is relatively higher.*
- *In the Central region (14.0% of enterprises) the share of bank credits (23.0%) and state subsidies (22.8%) is relatively higher.*

- *In the South region (6.9% of enterprises operate there) the share of bank credits (13.1%) is relatively higher.*
- *In the autonomous territorial entity (ATE) Gagauzia (3.3% of enterprises operate there) all sources of funding, except for own savings (3.4%) are below the average level.*

Gender differences manifest themselves in the following:

- *In the municipality of Chisinau the share of funds borrowed from relatives or friends and the share of foreign investments is relatively higher. Correspondingly, the share of bank credits and state subsidies is lower.*
- *In the North region the proportion of bank credits and of state subsidies is higher.*
- *In the Central region the share of funds borrowed from relatives or friends, of bank credits, state subsidies is relatively lower.*

Table 32. **Distribution of enterprises by sources of the start-up capital, development regions and sex of entrepreneurs, %**

	Total	Development regions				
		mun. Chisinau	North	Center	South	ATU Gagauzia
Total						
Own savings and savings of co-owners	100	59.7	17.2	13.5	6.3	3.4
Funds borrowed from relatives or friends	100	56.4	18.1	15.6	7.7	2.2
Bank credits	100	32.2	29.3	23.0	13.1	2.4
State subsidies	100	46.0	21.5	22.8	6.9	2.8
Other	100	56.0	18.0	17.5	6.9	1.6
Foreign investments	100	82.3	6.4	6.5	3.8	1.1
Don't know	100	59.4	12.8	18.4	8.5	0.9
Men						
Own savings and savings of co-owners	100	59.7	17.0	13.6	6.3	3.4

	<i>Total</i>	<i>Development regions</i>				
		<i>mun. Chisinau</i>	<i>North</i>	<i>Center</i>	<i>South</i>	<i>ATU Gagauzia</i>
Funds borrowed from relatives or friends	100	55.4	18.5	16.4	7.5	2.2
Bank credits	100	33.2	27.1	24.4	13.3	2.1
State subsidies	100	46.6	19.8	24.1	6.8	2.7
Other	100	52.4	20.7	17.1	7.7	2.1
Foreign investments	100	81.8	6.7	6.7	3.8	1.1
Don't know	100	56.9	12.7	19.0	10.2	1.4
Women						
Own savings and savings of co-owners	100	59.7	17.7	13.0	6.2	3.5
Funds borrowed from relatives or friends	100	58.7	17.3	13.9	7.9	2.2
Bank credits	100	29.9	34.5	19.8	12.7	3.2
State subsidies	100	42.5	31.7	14.7	7.4	3.6
Other	100	65.9	10.5	18.7	5.0	
Foreign investments	100	83.7	5.4	6.0	3.9	1.0
Don't know	100	63.9	13.1	17.5	5.5	0.0

2.3. Conditions and problems enterprises faced in 2008

■ Presence of difficulties in the operation of enterprises in 2008

In the opinion of respondents, in 2008, most enterprises (73.8%) encountered difficulties in their activities.

Gender related differences are insignificant: the share of women that mentioned difficulties is slightly higher and amounts to 74.4% (in case of men – 73.5%).

Table 33. **Presence of difficulties in enterprise activity in 2008, by sex of entrepreneurs, %**

<i>Have you encountered difficulties?</i>	<i>Total</i>	<i>Including:</i>	
		<i>Men</i>	<i>Women</i>
Total including:	100	100	100
No	26.2	26.5	25.6
Yes	73.8	73.5	74.4

While comparing difficulties that enterprises from urban and rural areas encountered in 2008, it was found out that rural entrepreneurs more often encountered difficulties (81.3%). In urban areas the share of respondents that mentioned problems is relatively lower – 72.3%.

Table 34. **Presence of difficulties in enterprise activity enterprises in 2008, by area, %**

<i>Have you encountered difficulties?</i>	<i>Total</i>	<i>Including:</i>	
		<i>Urban</i>	<i>Rural</i>
Total including:	100	100	100
No	26.2	27.7	18.7
Yes	73.8	72.3	81.3

Difficulties in business are more often encountered by entrepreneurs with a lower level of education. Meanwhile, the higher is the level of education the share of entrepreneurs facing problems in business decreases. Thus, 84.1% of persons with primary education and 72.4% persons with higher education mentioned difficulties.

The said tendency remains both for men and for women.

Table 35. **Presence of difficulties in enterprise activity enterprises in 2008, by education level and sex of entrepreneurs, %**

Have you encountered difficulties?	Total	Level of education			
		Higher or incomplete higher education	Secondary special education	General secondary or secondary mandatory	Primary education
Total	100	100	100	100	100
No	26.2	27.6	23.3	23.2	15.9
Yes	73.8	72.4	76.7	76.8	84.1
Men	100	100	100	100	100
No	26.5	27.8	22.7	22.7	13.3
Yes	73.5	72.2	77.3	77.3	86.7
Women	100	100	100	100	100
No	25.6	25.8	25.3	26.0	22.2
Yes	74.4	74.2	74.7	74.0	77.8

Young entrepreneurs (77.3%; the average value is 73.8%) mentioned more often difficulties in activities of enterprises in 2008. Persons in the age groups 25-34 and 35-44 have indicated on some problems relatively more seldom (72.1% 71.4%, respectively).

In case of women entrepreneurs, difficulties encountered because of their age refer to the following:

- *At younger age the share of women who mentioned problems is higher than that of men. Thus, in the age group 15-24 the share of such women is 84.4%; while the share of men is 72.2%.*
- *The situation changes after 55, when men relatively more often mention presence of problems. At the age older than 65 the proportion of women who mentioned problems in business comprises 60.6%, while in case of men this indicator is 75.5%.*

Table 36. Presence of difficulties in enterprise activity in 2008, by age group and sex of entrepreneurs, %

Have you encountered difficulties?	Total	Age groups, years					
		15-24	25-34	35-44	45-54	55-64	65+
Total	100	100	100	100	100	100	100
No	26.2	22.7	27.9	28.5	24.2	25.5	26.5
Yes	73.8	77.3	72.1	71.4	75.8	74.5	73.5
Men	100	100	100	100	100	100	100
No	26.5	27.8	28.6	28.9	24.0	24.4	24.5
Yes	73.5	72.2	71.4	71.1	76.0	75.6	75.5
Women	100	100	100	100	100	100	100
No	25.6	15.6	26.2	26.1	24.3	27.5	39.4
Yes	74.4	84.4	73.8	73.9	75.7	72.5	60.6

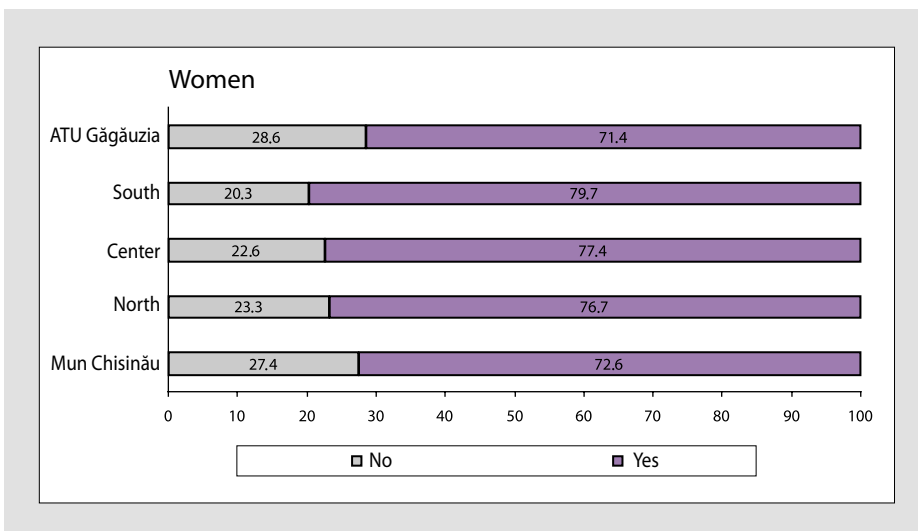
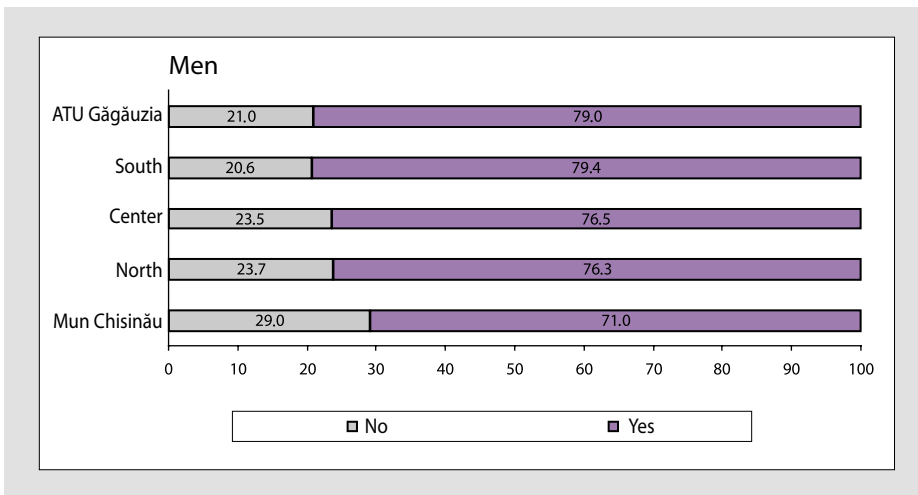
Difficulties encountered by enterprises in 2008 more often manifested themselves outside of the capital, primarily in the South region (79.3%) and in ATU Gagauzia – 77.5% (the average indicator for regions being 73.8%).

Gender differences were insignificant in all regions, except for ATU Gagauzia: the share of women who mentioned presence of problems in business in almost all development regions exceeds insignificantly the share of men. A different situation is in ATU Gagauzia, where the share of men entrepreneurs indicating presence of problems is higher than that of women entrepreneurs. In case of men this indicator comprised 79.0%; and in case of women – 71.4%.

Table 37. Presence of difficulties in enterprise activity in 2008, by development regions and sex of entrepreneurs, %

Have you encountered difficulties?	Total	Development regions				
		mun. Chişinău	North	Center	South	ATU Găgăuzia
Total	100	100	100	100	100	100
No	26.2	28.8	23.6	23.6	20.7	22.5
Yes	73.8	71.2	76.4	76.4	79.3	77.5
Men	100	100	100	100	100	100
No	26.5	29.0	23.7	23.5	20.6	21.0
Yes	73.5	71.0	76.3	76.5	79.4	79.0
Women	100	100	100	100	100	100
No	25.6	27.4	23.3	22.6	20.3	28.6
Yes	74.4	72.6	76.7	77.4	79.7	71.4

Diagram 17. **Presence of difficulties in enterprise activity in 2008, by development regions and sex of entrepreneurs, %**



■ Main difficulties in enterprises' activities in 2008

In 2008, lack of financial funds was mentioned as the main difficulty in activities of enterprises, this problem was mentioned by almost $\frac{3}{4}$ of enterprises (74.1%). If we add to them 12.0% of respondents who mentioned limited access to credits, then 86.1% of entrepreneurs-respondents noted problems related to lack of sources of financing. 18.2% of respondents named the unfavourable tax policy as being a

very significant problem. 11.8% of entrepreneurs spoke about lack of qualified labour force. Very few entrepreneurs (6.0%) are worried about the lack of modern technologies. Only 3.7% of entrepreneurs mentioned presence of problems related to lack of raw materials [Box 4].

Box 4. Main problems of entrepreneurs

Main problems of entrepreneurs of Moldova were studied in the framework of the scientific project “Elaboration of the Economic Growth Program” implemented by the Institute of Economy, Finance and Statistics of the Academy of Science of Moldova. In 3 districts of the country (Briceni, Orhei, Leova) in 2006-2007 a survey was conducted, in the course of which entrepreneurs were interviewed (managers and main owners) of 521 enterprises. The following problems were identified:

<i>Main problems</i>	<i>Weight, %</i>
Finance	34.7
Staff	21.3
Equipment, technologies	20.9
Real estate	8.4
Raw materials, materials	6.0
Information	1.9
No problems	5.6

Source: Elaboration of the programme for economic growth / Project for applied research. Scientific report. Institute of Economy, Finance and Statistics, ASM (IEFS), Chişinău, 2007.

It is known that economically developed countries, including EU countries, face the task of developing the innovatory knowledge-based economy. In this context, the low percentage of entrepreneurs who mentioned lack of advanced technologies makes us think well about underestimation of this issue by entrepreneurs of Moldova. Maybe it is related to the economic and financial crisis, worsening of the financial situation of enterprises, as a result of which entrepreneurs have to address more urgent business problems.

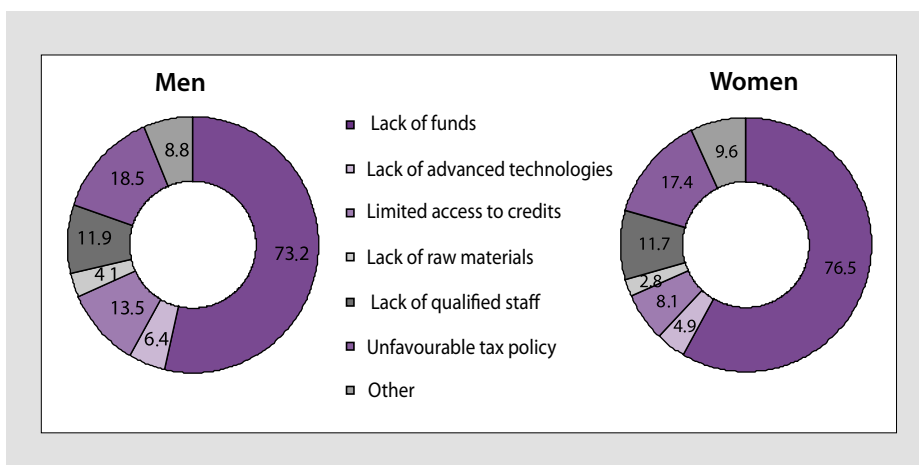
For men entrepreneurs more significant problems were those related to limited access to credits (13.5%; in case of women – 8.1%), lack of advanced technologies (6.4%; in case of women – 4.9%), lack of raw materials (4.1%; in case of women – 2.8%). For women a more significant problem was lack of funds (76.5%; in case of men – 73.2%).

Table 38. **List of main difficulties in enterprise activity in 2008, by sex of entrepreneurs, % ***

	Total	Including:	
		Men	Women
Lack of funds	74.1	73.2	76.5
Lack of advanced technologies	6.0	6.4	4.9
Limited access to credits	12.0	13.5	8.1
Lack of raw materials	3.7	4.1	2.8
Lack of qualified staff	11.8	11.9	11.7
Unfavourable tax policy	18.2	18.5	17.4
Other	9.0	8.8	9.6

* respondents could select several answers

Diagram 18. **List of main difficulties in enterprise activity in 2008, by sex of entrepreneurs, %**



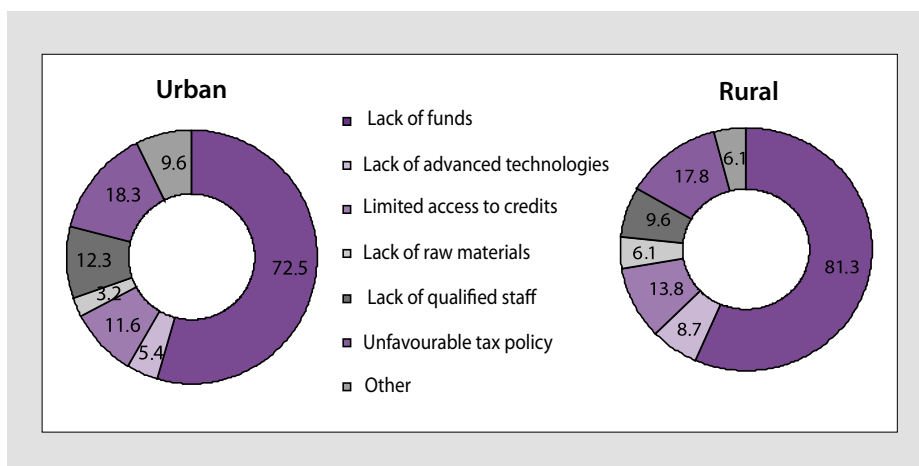
Analysis of difficulties depending on the location of the business showed that rural enterprises encounter difficulties much more often. Thus, lack of funds, lack of advanced technologies, limited access to credits, and lack of raw materials – all aforementioned problems were more often underlined by entrepreneurs in rural areas. Only lack of qualified staff and unfavourable tax policy are problems that are more often encountered by entrepreneurs in urban areas.

Table 39. **List of main difficulties in enterprise activity in 2008, by area, % ***

	Total	Including by area:	
		Urban	Rural
Lack of funds	74.1	72.5	81.3
Lack of advanced technologies	6.0	5.4	8.7
Limited access to credits	12.0	11.6	13.8
Lack of raw materials	3.7	3.2	6.1
Lack of qualified staff	11.8	12.3	9.6
Unfavourable tax policy	18.2	18.3	17.8
Other	9.0	9.6	6.1

* respondents could select several answers

Diagram 19. **List of main difficulties in enterprise activity in 2008, by area, %**



Concurrently, difficulties in business were analyzed taking into consideration the level of education of entrepreneurs. The problem of lack of funds is more serious for entrepreneurs with a lower level of education. 73.3% of interviewed entrepreneurs with higher education and 87.5% with primary education mentioned this problem. The situation with access to credits is quite the opposite: only 5.0% of persons with primary education mentioned presence of such a problem, while among entrepreneurs with higher education - 12.5% encountered limited access to credits. Among other differences we have to note that entrepreneurs with primary education more often encountered problems related to lack of advanced technologies. This

problem was mentioned by 20.0% of entrepreneurs with primary education (the average indicator being 6.0%)

For women the problem of lack of funds was more significant than for men. This difference remained irrespective of the level of education of entrepreneurs. Other problems were more often mentioned by men entrepreneurs, and it has to be noted that such situation is almost not related to the level of education.

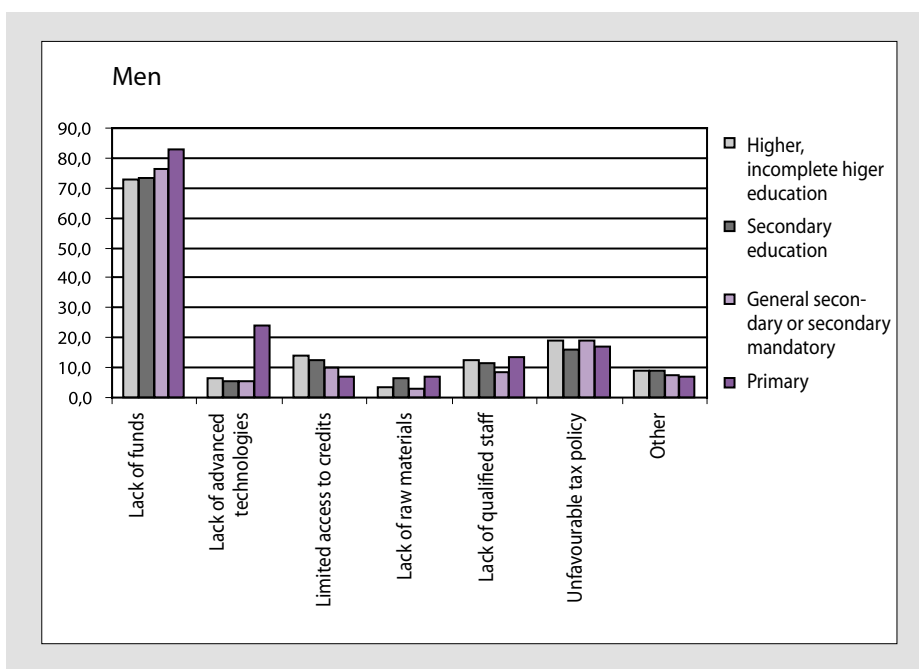
Table 40. List of main difficulties in enterprise activity in 2008, by level of education and sex of entrepreneurs, % *

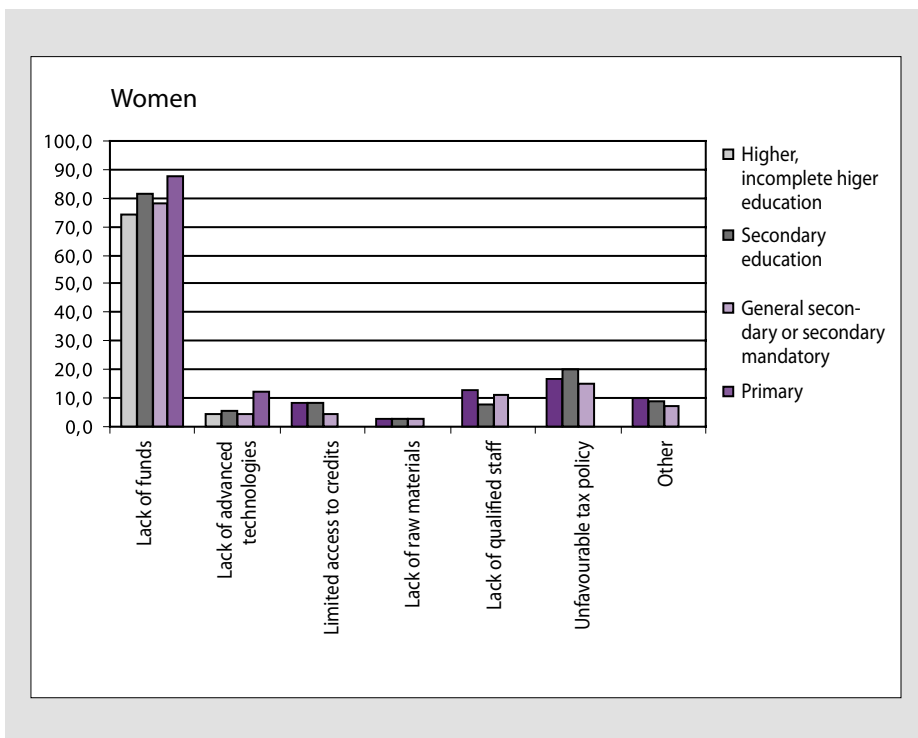
	<i>Total</i>	<i>Education level</i>			
		<i>Higher or incomplete higher education</i>	<i>Secondary special education</i>	<i>General secondary or secondary mandatory</i>	<i>Primary education</i>
Total					
Lack of funds	74.1	73.3	75.7	76.7	87.5
Lack of advanced technologies	6.0	6.0	5.5	5.2	20.0
Limited access to credit	12.0	12.5	11.0	8.5	5.0
Lack of raw materials	3.7	3.3	5.4	3.0	5.0
Lack of qualified staff	11.8	12.4	10.1	8.3	10.0
Unfavourable tax policy	18.2	18.3	17.5	18.3	12.5
Other	9.0	9.4	9.2	7.0	5.0
Men					
Lack of funds	73.2	72.8	73.2	76.7	82.8
Lack of advanced technologies	6.4	6.6	5.7	5.5	24.1
Limited access to credit	13.5	14.1	12.4	10.2	6.9
Lack of raw materials	4.1	3.4	6.6	3.2	6.9
Lack of qualified staff	11.9	12.3	11.5	8.4	13.8
Unfavourable tax policy	18.5	19.0	16.3	19.1	17.2
Other	8.8	8.9	9.1	7.4	6.9
Women					
Lack of funds	76.5	74.3	81.7	78.2	87.5

	Total	Education level			
		Higher or incomplete higher education	Secondary special education	General secondary or secondary mandatory	Primary education
Lack of advanced technologies	4.9	4.6	5.7	4.6	12.5
Limited access to credit	8.1	8.2	8.3	4.6	0.0
Lack of raw materials	2.8	2.7	2.8	2.9	0.0
Lack of qualified staff	11.7	13.0	7.8	10.9	0.0
Unfavourable tax policy	17.4	16.6	20.1	14.9	0.0
Other	9.7	10.2	8.8	7.5	0.0

* respondents could select several answers

Diagram 20. **List of main difficulties in enterprise activity of enterprises in 2008, by level of education and sex of entrepreneurs, %**





Analysis of main difficulties an enterprise faces depending on the age of entrepreneurs showed the following differences:

- *Lack of funds was more often mentioned by young entrepreneurs aged 15-24 (80.6%) and more mature entrepreneurs older than 65 (77.2%; the average value being 74.1%).*
- *Lack of advanced technologies – is the least significant problem for young entrepreneurs aged 15-24, only 3.5% respondents from this age group mentioned it (in average it is 6.0%).*

From gender perspective, women in all age groups (except for 65+) more often indicated lack of funds. Especially significant differences are typical for young women aged 15-24. Much more often than men of this age they noted lack of funds (90.9%; men – 74.2%) and the unfavourable tax policy (24.5%; men – 17.6%).

Almost half of women older than 65 paid more attention than men of the respective age to the unfavourable tax policy – 46.2% (men – 13.7%), lack of advanced technologies – 7.7% (men 5.6%).

Table 41. **List of main difficulties in enterprise activity in 2008, by age groups and sex of entrepreneurs, % ***

	Total	Age groups, years					
		15-24	25-34	35-44	45-54	55-64	65+
Total							
Lack of funds	74.1	80.6	74.7	71.7	74.1	76.3	77.2
Lack of advanced technologies	6.0	3.5	5.5	5.5	6.2	6.7	5.6
Limited access to credit	12.0	11.9	14.3	12.4	11.6	10.3	9.9
Lack of raw materials	3.7	1.9	3.3	4.1	3.6	4.2	5.4
Lack of qualified staff	11.8	9.1	12.0	13.1	11.9	9.3	9.4
Unfavourable tax policy	18.2	19.4	19.3	18.4	17.4	18.9	18.0
Other	9.0	6.1	7.6	8.6	10.2	9.6	9.4
Men							
Lack of funds	73.2	74.2	74.3	69.8	73.8	75.6	76.1
Lack of advanced technologies	6.4	5.1	6.3	6.5	6.3	6.3	5.6
Limited access to credit	13.5	16.4	16.0	14.5	13.7	10.7	11.4
Lack of raw materials	4.1	2.0	3.7	4.4	4.0	4.1	5.6
Lack of qualified staff	11.9	9.0	12.6	13.3	12.0	9.6	10.5
Unfavourable tax policy	18.5	17.6	19.2	19.7	19.0	17.3	13.7
Other	8.8	8.2	5.8	8.2	9.9	9.7	9.5
Femei							
Lack of funds	76.5	90.9	76.0	76.6	74.8	77.1	74.4
Lack of advanced technologies	4.9	1.4	3.4	3.6	6.3	8.2	7.7
Limited access to credit	8.1	5.6	11.5	7.0	7.2	8.1	5.1
Lack of raw materials	2.8	2.1	1.3	3.4	2.8	4.0	2.6
Lack of qualified staff	11.7	10.5	10.2	13.7	12.5	9.1	5.1

	Total	Age groups, years					
		15-24	25-34	35-44	45-54	55-64	65+
Unfavourable tax policy	17.4	24.5	20.2	15.6	13.7	24.2	46.2
Other	9.6	3.5	11.9	7.7	10.5	9.6	10.3

* respondents could select several answers

Analysis by development regions showed that in the capital entrepreneurs relatively more seldom mentioned presence of any difficulties. In the Central region it was the opposite: a larger share of entrepreneurs noted presence of problems related to business, and it meant all problems mentioned in the survey.

Entrepreneurs of ATU Gagauzia more often encountered lack of funds (78.3%, in average – 74.1%); in the Central region – lack of technologies (8.7%, in comparison with the average value of 6.0%) and raw materials (correspondingly, 6.8%, in comparison with 3.7% in average).

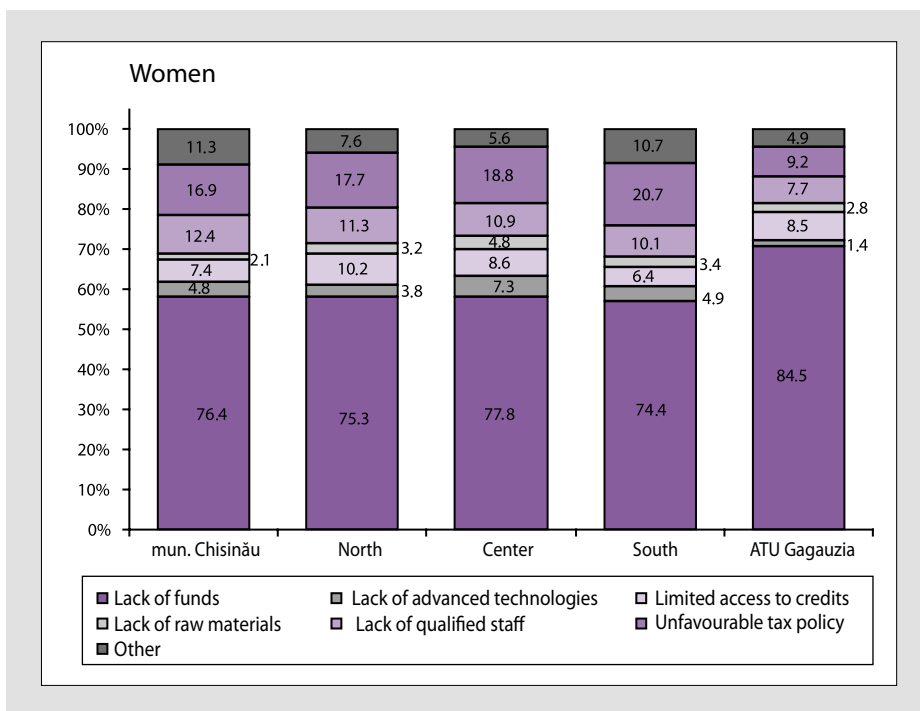
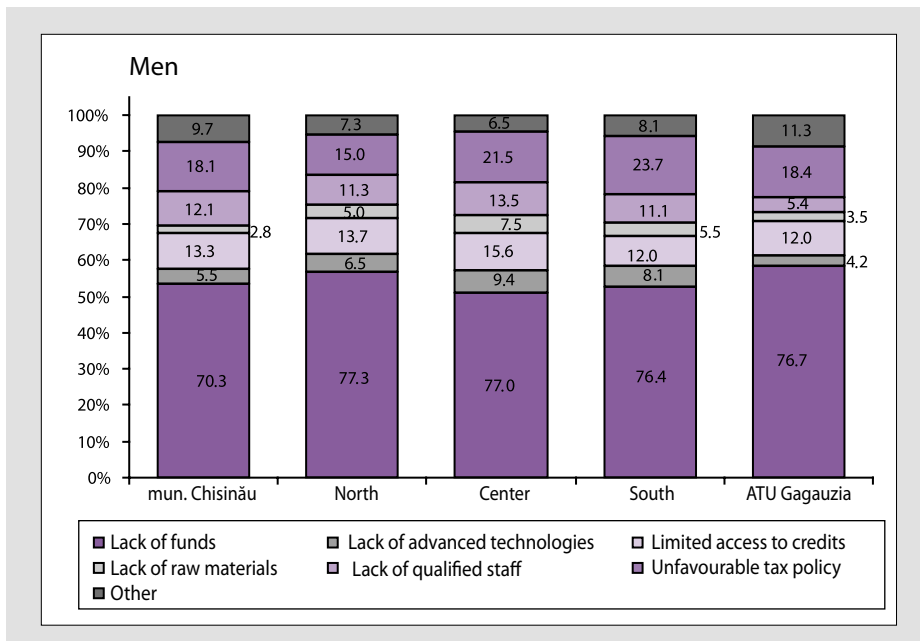
Table 42. **List of main difficulties in enterprise activity in 2008, by development regions and sex of entrepreneurs, % ***

	Total	Development regions				
		mun. Chişinău	North	Center	South	ATU Găgăuzia
Total						
Lack of funds	74.1	71.9	76.7	77.7	75.8	78.3
Lack of advanced technologies	6.0	5.2	5.7	8.7	7.2	3.6
Limited access to credit	12.0	11.5	12.4	13.9	10.4	11.1
Lack of raw materials	3.7	2.8	4.5	6.8	4.9	3.4
Lack of qualified staff	11.8	12.0	11.1	12.6	10.9	5.7
Unfavourable tax policy	18.2	17.8	15.7	20.8	22.9	16.8
Other	9.0	10.3	7.7	6.2	8.8	9.4
Men						
Lack of funds	73.2	70.3	77.3	77.0	76.4	76.7

	<i>Total</i>	<i>Development regions</i>				
		<i>mu. Chişinău</i>	<i>North</i>	<i>Center</i>	<i>South</i>	<i>ATU Găgăuzia</i>
Lack of advanced technologies	6.4	5.5	6.5	9.4	8.1	4.2
Limited access to credit	13.5	13.3	13.7	15.6	12.0	12.0
Lack of raw materials	4.1	2.8	5.0	7.5	5.5	3.5
Lack of qualified staff	11.9	12.1	11.3	13.5	11.1	5.4
Unfavourable tax policy	18.5	18.1	15.0	21.5	23.7	18.4
Other	8.8	9.7	7.3	6.5	8.1	11.3
Women						
Lack of funds	76.5	76.4	75.3	77.8	74.4	84.5
Lack of advanced technologies	4.9	4.8	3.8	7.3	4.9	1.4
Limited access to credit	8.1	7.4	10.2	8.6	6.4	8.5
Lack of raw materials	2.8	2.1	3.2	4.8	3.4	2.8
Lack of qualified staff	11.7	12.4	11.3	10.9	10.1	7.7
Unfavourable tax policy	17.4	16.9	17.7	18.8	20.7	9.2
Other	9.6	11.3	7.6	5.6	10.7	4.9

** respondents could select several answers*

Diagram 21. **List of main difficulties in enterprise activity in 2008, by development regions and sex of entrepreneurs, %**



■ Difficulties at enterprises related to sale of products/ rendering of services in 2008

Majority of entrepreneurs (72.7%) indicated presence of difficulties related to sale of goods and rendering of services in 2008.

There are practically no gender-based differences: the share of women entrepreneurs who mentioned difficulties in operations of their enterprises is by 0.7% percentage points higher than the share of men.

Table 43. **Difficulties at enterprises related to sale of products/ rendering of services in 2008, by sex of entrepreneurs, %**

<i>Have you encountered difficulties?</i>	<i>Total</i>	<i>Including:</i>	
		<i>Men</i>	<i>Women</i>
Total including:	100	100	100
No	27.3	27.5	26.8
Yes	72.7	72.5	73.2

Analysis of difficulties encountered during sale of products/provision of services in different types of areas in 2008, showed that in rural areas relatively many entrepreneurs (79.0%) experienced difficulties related to sale of products/services; in urban areas there were 71.5% of such entrepreneurs.

Table 44. **Difficulties at enterprises related to sale of products/ provision of services in 2008, by area, %**

<i>Have you encountered difficulties?</i>	<i>Total</i>	<i>Including:</i>	
		<i>Urban</i>	<i>Rural</i>
Total including:	100	100	100
No	27.3	28.5	21.0
Yes	72.7	71.5	79.0

The higher the education level, the lower the share of entrepreneurs facing difficulties related to sale of products/services. This is applicable both for men and for women.

Table 45. **Difficulties at enterprises related to sale of products/ provision of services in 2008, by level of education and by sex of entrepreneurs, %**

Have you encountered difficulties?	Total	Education level			
		Higher or incomplete higher education	Secondary special education	General secondary or secondary mandatory	Primary education
Total	100	100	100	100	100
No	27.3	28.4	25.4	21.6	10.9
Yes	72.7	71.6	74.6	78.4	89.1
Men	100	100	100	100	100
No	27.5	28.4	25.0	20.7	12.5
Yes	72.5	71.6	75.0	79.3	87.5
Women	100	100	100	100	100
No	26.8	27.0	26.9	25.5	10.0
Yes	73.2	73.0	73.1	74.5	90.0

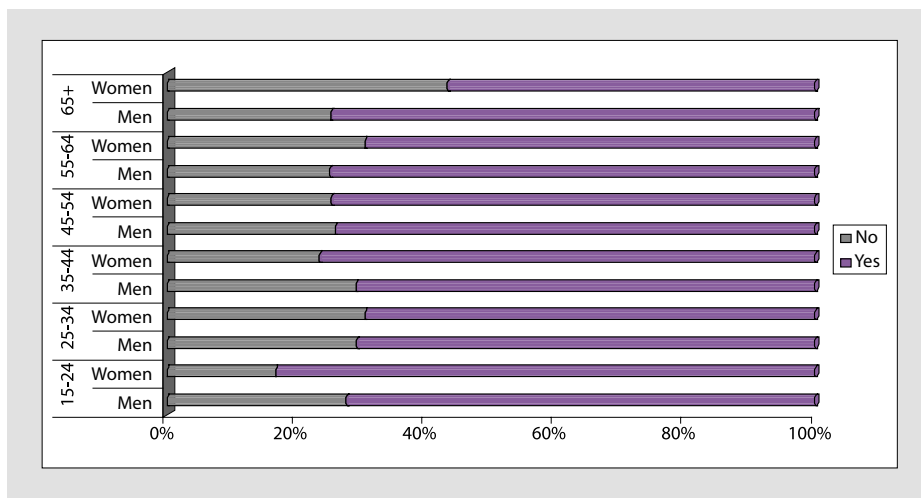
Somewhat more often young entrepreneurs, aged 15-24, referred to difficulties related to sale of products/services. Thus, 76.8% respondents of this age group noted existence of difficulties related to sales (average indicator is 72.7%).

To a larger extent, presence of difficulties related to sales were pointed out by young women entrepreneurs aged 15-24 (83.2%; among men – 72.3%) and women aged 35-44 (76.5%, among men – 70.8%).

Table 46. **Difficulties at enterprises related to sale of products/ provision of services in 2008, by age groups and sex of entrepreneurs, %**

Have you encountered difficulties?	Total	Age groups, years					
		15-24	25-34	35-44	45-54	55-64	65+
Total	100	100	100	100	100	100	100
No	27.3	23.2	29.5	28.1	26.0	26.6	28.6
Yes	72.7	76.8	70.4	71.9	74.0	73.4	71.4
Men	100	100	100	100	100	100	100
No	27.5	27.7	29.2	29.2	26.0	25.1	25.3
Yes	72.5	72.3	70.7	70.8	74.0	74.9	74.7
Women	100	100	100	100	100	100	100
No	26.8	16.8	30.6	23.5	25.4	30.6	43.3
Yes	73.2	83.2	69.5	76.5	74.6	69.4	56.7

Diagram 22. **Difficulties at enterprises related to sale of products/ provision of services in 2008, by age groups and sex of entrepreneurs, %**



Analysis by development regions showed that it was relatively more difficult to sell products /services for enterprises of ATU Gagauzia (79.1%; the average indicator is 72.7%). Entrepreneurs from the municipality of Chisinau encountered this problem relatively more seldom (70.8% of respondents).

Table 47. **Difficulties at enterprises related to sale of products/ provision of services in 2008, by development regions and by sex of entrepreneurs, %**

Have you encountered difficulties?	Total	Development regions				
		<i>mun. Chişinău</i>	<i>North</i>	<i>Center</i>	<i>South</i>	<i>ATU Găgăuzia</i>
Total	100	100	100	100	100	100
No	27.3	29.2	24.6	25.7	25.2	20.9
Yes	72.7	70.8	75.4	74.3	74.8	79.1
Men	100	100	100	100	100	100
No	27.5	29.2	24.2	26.4	25.7	21.2
Yes	72.5	70.8	75.8	73.6	74.3	78.8
Women	100	100	100	100	100	100
No	26.8	28.2	25.4	23.8	25.5	21.7
Yes	73.2	71.8	74.6	76.2	74.5	78.3

■ Causes of difficulties faced by enterprises during sale of products/provision of services in 2008

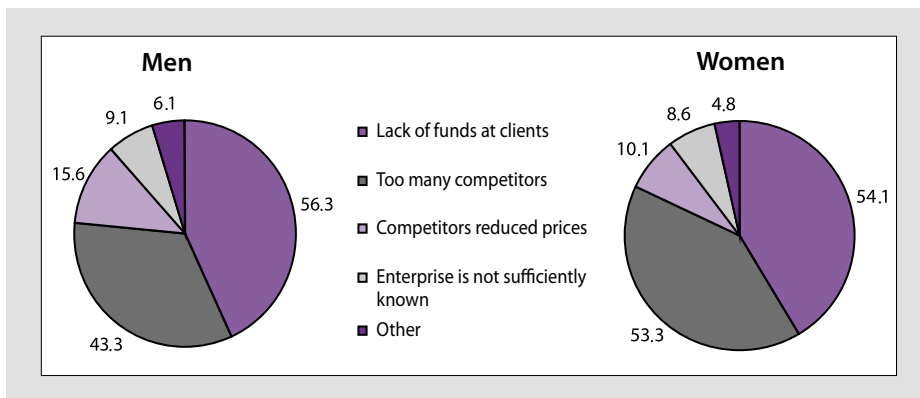
Among main reasons that conditioned difficulties in the course of sale of products/provision of services, majority of respondents mentioned lack of funds at clients – 55.7%. Presence of a large number of competitors in the market was mentioned by 46.1%. And 14.1% of entrepreneurs spoke about reduction of prices by competitors, which fact complicated sales. While insufficient popularity of enterprises, which hinders sale of goods/services, was noted by 8.9% of respondents.

Table 48. **Causes of difficulties faced by enterprises during sale of products/provision of services in 2008, by sex of entrepreneurs, % ***

	Total	Including:	
		Men	Women
Lack of funds at clients	55.7	56.3	54.1
Too many competitors	46.1	43.3	53.3
Competitors reduced prices	14.1	15.6	10.1
The enterprise is not sufficiently known	8.9	9.1	8.6
Other	5.8	6.1	4.8

* respondents could select several answers

Diagram 23. **Causes of difficulties faced by enterprises during sale of products/provision of services in 2008, by sex of entrepreneurs, %**



Analysis of difficulties encountered during sale of goods/provision of services in rural and urban areas showed the following:

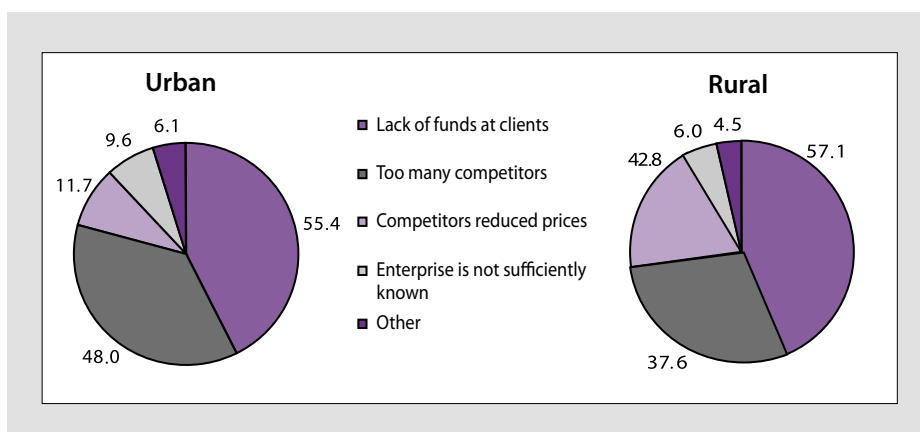
- *In rural areas entrepreneurs more often mentioned that competitors reduced prices – 24.8% (in urban areas – 11.7%) and that clients do not have funds – 57.1% (in urban areas – 55.4%).*
- *In urban areas as more significant problems compared to rural areas the following was noted: presence of too many competitors (48.0%; in rural areas – 37.6%) and insufficient popularity of enterprises (9.6%; in rural areas – 6.0%).*

Table 49. **Causes of difficulties faced by enterprises during sale of products/provision of services in 2008, by area, % ***

	Total	Including:	
		Urban	Rural
Lack of funds at clients	55.7	55.4	57.1
Too many competitors	46.1	48.0	37.6
Competitors reduced prices	14.1	11.7	24.8
The enterprise is not sufficiently known	8.9	9.6	6.0
Other	5.8	6.1	4.5

* respondents could select several answers

Diagram 24. **Causes of difficulties faced by enterprises during sale of products/provision of services in 2008, by area, %**



Difficulties of sales related to lack of funds at clients were more often named by entrepreneurs with higher education (56.5%); and among persons with primary

education it was noted by 47.6% of respondents. Persons with primary education relatively more often mentioned insufficient knowledge about their business (16.7%, with the average indicator being 8.9%).

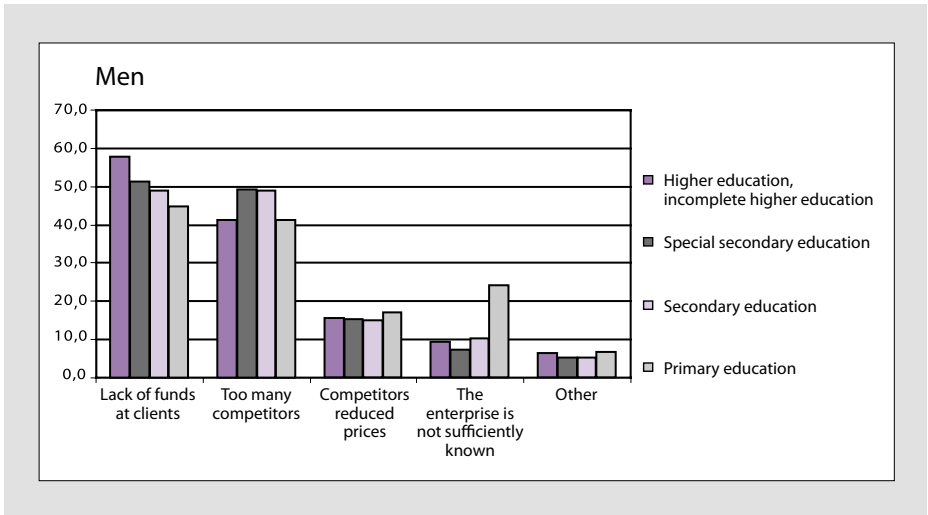
Table 50. Causes of difficulties faced by enterprises during sale of products/provision of services in 2008, by education level and sex of entrepreneurs, % *

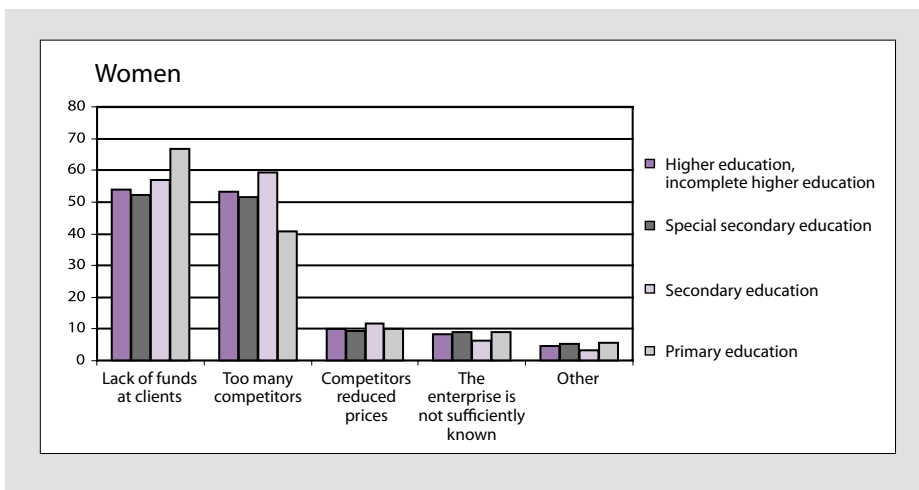
	<i>Total</i>	<i>Education level</i>			
		<i>Higher or incomplete higher education</i>	<i>Secondary special education</i>	<i>General secondary or secondary mandatory</i>	<i>Primary education</i>
Total					
Lack of funds at clients	55.7	56.5	52.6	53.0	47.6
Too many competitors	46.1	44.3	52.6	46.1	38.1
Competitors reduced prices	14.1	14.2	14.5	14.0	14.3
The enterprise is not sufficiently known	8.9	9.3	7.2	9.9	16.7
Other	5.8	6.1	4.7	5.9	4.8
Women					
Lack of funds at clients	56.3	57.9	51.5	48.9	44.8
Too many competitors	43.3	41.5	49.3	48.9	41.4
Competitors reduced prices	15.6	15.7	15.5	15.0	17.2
The enterprise is not sufficiently known	9.1	9.5	7.3	10.2	24.1
Other	6.1	6.4	5.3	5.5	6.9
Women					
Lack of funds at clients	54.1	52.2	56.9	66.7	33.3

	Total	Education level			
		Higher or incomplete higher education	Secondary special education	General secondary or secondary mandatory	Primary education
Too many competitors	53.3	51.7	59.5	40.7	44.4
Competitors reduced prices	10.1	9.5	11.9	10.2	11.1
The enterprise is not sufficiently known	8.6	9.2	6.3	9.0	0.0
Other	4.8	5.4	3.3	5.6	0.0

* respondents could select several answers

Diagram 25. **Causes of difficulties faced by enterprises during sale of products/provision of services in 2008, by education level and sex of entrepreneurs, %**





The main difficulty for enterprises encountered in the course of sale of products/provision of services by young entrepreneurs, aged 15-24, was insufficient knowledge about their enterprises. Based on the results of the survey, relevance of the said problem depends on age: the older are entrepreneurs the less attention they pay to this problem: this problem was mentioned by 26.9% in the group of entrepreneurs aged 15-24, and 4.4% aged over 65. The said dependence between insufficient knowledge about the enterprise and the age of entrepreneurs demonstrates itself with regards of both: men and women.

Young women more often encounter the problem of lack of funds at clients. As for the problem of presence of a large number of competitors, women more often pay attention to it, especially the older they become: in the age group 25-34 there were 53.0%; in the group over 65 – 62.2%.

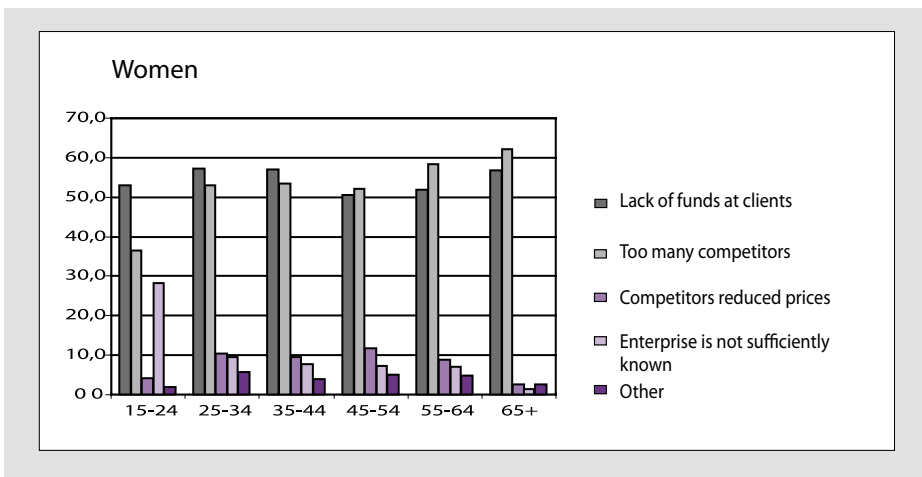
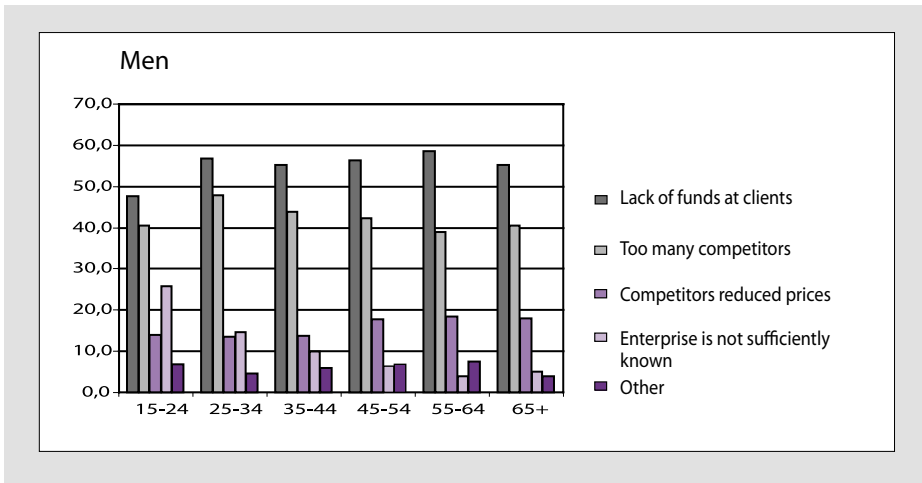
Table 51. **Causes of difficulties faced by enterprises during sale of products/provision of services in 2008, by age groups and sex of entrepreneurs, % ***

	Total	Age groups, years					
		15-24	25-34	35-44	45-54	55-64	65+
Total							
Lack of funds at clients	55.7	48.0	57.6	55.5	54.7	56.7	56.1
Too many competitors	46.1	40.0	48.7	47.2	45.4	43.1	43.1

	Total	Age groups, years					
		15-24	25-34	35-44	45-54	55-64	65+
Competitors reduced prices	14.1	12.0	13.0	12.8	16.2	16.2	16.6
The enterprise is not sufficiently known	8.9	26.9	13.3	9.2	6.5	5.1	4.4
Other	5.8	4.6	4.8	5.4	6.2	7.0	4.1
Men							
Lack of funds at clients	56.3	47.7	56.9	55.4	56.4	58.6	55.2
Too many competitors	43.3	40.5	47.9	43.9	42.4	39.1	40.5
Competitors reduced prices	15.6	14.0	13.7	13.8	17.8	18.5	18.0
The enterprise is not sufficiently known	9.1	25.8	14.6	10.0	6.4	4.1	5.2
Other	6.1	6.8	4.6	6.0	6.8	7.7	3.9
Women							
Lack of funds at clients	54.1	53.1	57.3	57.1	50.6	52.0	56.8
Too many competitors	53.3	36.6	53.0	53.5	52.1	58.4	62.2
Competitors reduced prices	10.1	4.1	10.4	9.6	11.8	9.0	2.7
The enterprise is not sufficiently known	8.6	28.3	9.5	7.7	7.4	7.1	0.0
Other	4.8	2.1	5.7	4.0	5.2	4.9	2.7

* respondents could select several answers

Diagram 26. **Causes of difficulties faced by enterprises during sale of products/provision of services in 2008, by age groups and sex of entrepreneurs, % ***



Difficulties faced by enterprises during sale of products/provision of services differ depending on the development regions in the following way:

- *Entrepreneurs in the Central and South regions mentioned more often the problem of lack of funds at clients;*
- *In ATU Gagauzia more people referred to competition problems (too many competitors, they decreased prices);*
- *In the municipality of Chisinau entrepreneurs complained about insufficient popularity of enterprise.*

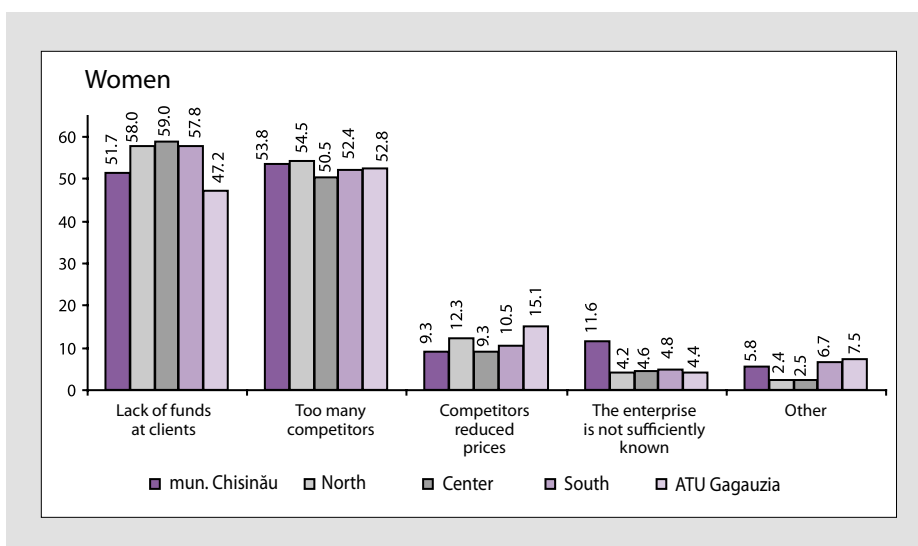
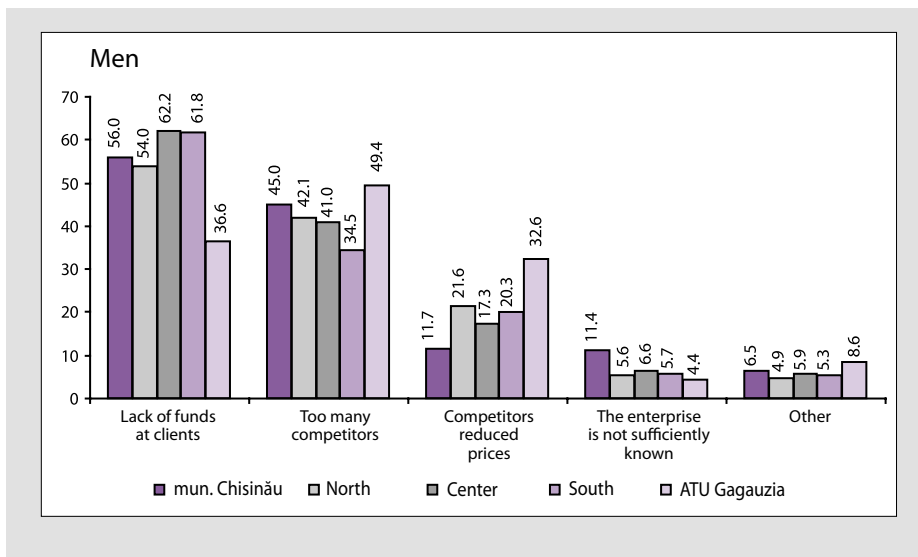
Among gender-based differences one can note that more women in ATU Gagauzia mentioned lack of funds at clients (47.2%; men – 36.6%). Both as a whole and for all regions women speak about too many competitors in the market more often than men.

Table 52. Causes of difficulties faced by enterprises during sale of products/provision of services in 2008, by development regions and by sex of entrepreneurs, % *

	Total	Development regions				
		mun. Chişinău	North	Center	South	ATU Găgăuzia
Total						
Lack of funds at clients	55.7	54.8	55.3	61.0	60.8	37.5
Too many competitors	46.1	47.4	45.3	43.2	39.2	52.4
Competitors reduced prices	14.1	11.2	18.9	15.0	17.4	31.2
The enterprise is not sufficiently known	8.9	11.3	5.4	6.6	5.3	4.2
Other	5.8	6.3	4.2	5.1	5.5	8.0
Men						
Lack of funds at clients	56.3	56.0	54.0	62.2	61.8	36.6
Too many competitors	43.3	45.0	42.1	41.0	34.5	49.4
Competitors reduced prices	15.6	11.7	21.6	17.3	20.3	32.6
The enterprise is not sufficiently known	9.1	11.4	5.6	6.6	5.7	4.4
Other	6.1	6.5	4.9	5.9	5.3	8.6
Women						
Lack of funds at clients	54.1	51.7	58.0	59.0	57.8	47.2
Too many competitors	53.3	53.8	54.5	50.5	52.4	52.8
Competitors reduced prices	10.1	9.3	12.3	9.3	10.5	15.1
The enterprise is not sufficiently known	8.6	11.6	4.2	4.6	4.8	4.4
Other	4,8	5,8	2,4	2,5	6,7	7,5

* respondents could select several answers

Diagram 27. **Causes of difficulties faced by enterprises during sale of products/provision of services in 2008, by development regions and by sex of entrepreneurs, %**



■ Export activities

Only 12.7% of respondent entrepreneurs are involved in export activities. The share of exporting enterprises among all enterprises owned/managed by women comprises 9.1%, while for men the percentage is 14.1%.

Table 53. **Enterprise export activity, by sex of entrepreneurs, %**

<i>Do you carry out export activities?</i>	<i>Total</i>	<i>Including:</i>	
		<i>Men</i>	<i>Women</i>
Total including:	100	100	100
No	87.3	85.9	90.9
Yes	12.7	14.1	9.1

The share of enterprises involved in export activities in urban areas does not significantly exceed the share of rural enterprises (12.9% versus 11.6% in rural areas).

Table 54. **Enterprise export activity , by area of enterprise, %**

<i>Do you carry out export activities?</i>	<i>Total</i>	<i>Including:</i>	
		<i>Urban</i>	<i>Rural</i>
Total including:	100	100	100
No	87.3	87.1	88.4
Yes	12.7	12.9	11.6

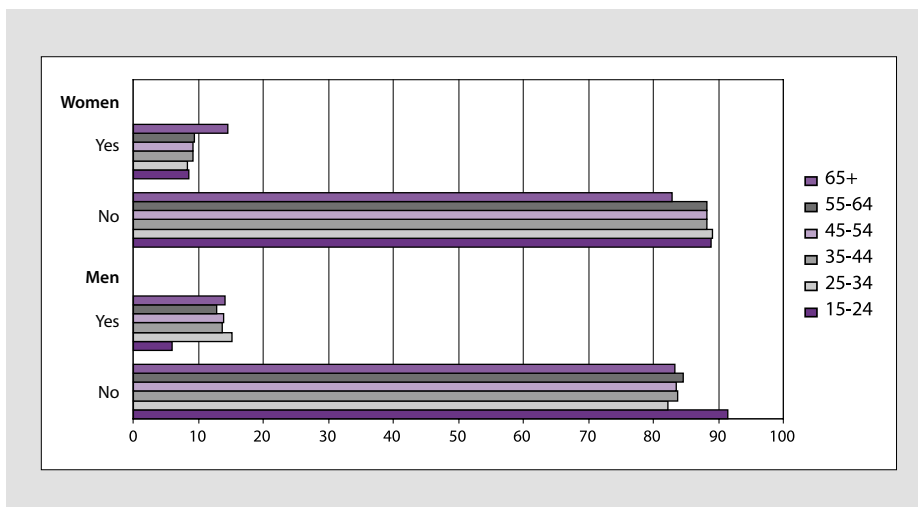
Young entrepreneurs aged 15-24 are to a smaller extent involved in export activities (6.6%; while the average percentage is 12.7%).

Almost for all age groups the share of women involved in export activities is lower than the share of men. The age group 65 and older is an exception, there 15.0% of women are involved in export. In the similar age group of men there are 14.4% exporting enterprises.

Table 56. **Enterprise export activity , by age groups and sex of entrepreneurs, %**

<i>Do you carry out export activities?</i>	<i>Total</i>	<i>Age groups, years</i>					
		<i>15-24</i>	<i>25-34</i>	<i>35-44</i>	<i>45-54</i>	<i>55-64</i>	<i>65+</i>
Total	100	100	100	100	100	100	100
No	87.3	93.4	86.7	86.6	87.1	87.8	86.2
Yes	12.7	6.6	13.3	13.4	12.9	12.2	13.8
Men	100	100	100	100	100	100	100
No	85.9	93.9	84.3	85.9	85.8	86.9	85.6
Yes	14.1	6.1	15.7	14.1	14.2	13.1	14.4
Women	100	100	100	100	100	100	100
No	90.9	91.3	91.4	90.6	90.6	90.6	85.0
Yes	9.1	8.7	8.6	9.4	9.4	9.6	15.0

Diagram 28. **Enterprise export activity, by age groups and sex of entrepreneurs, %**



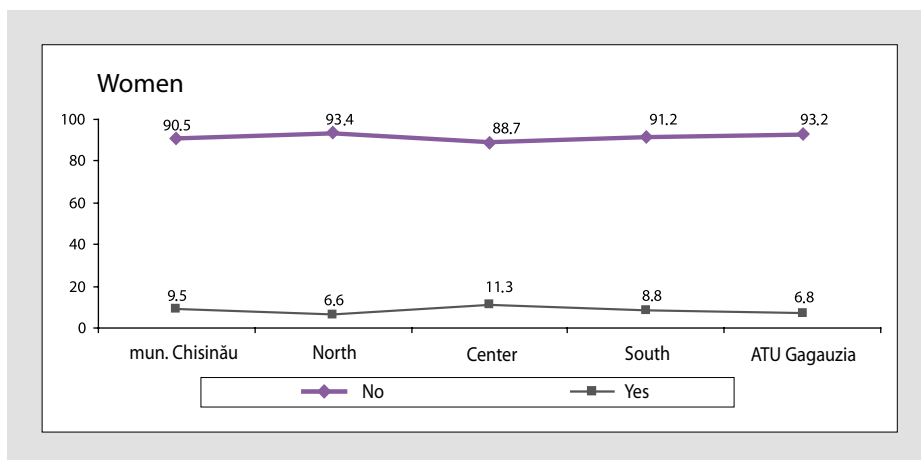
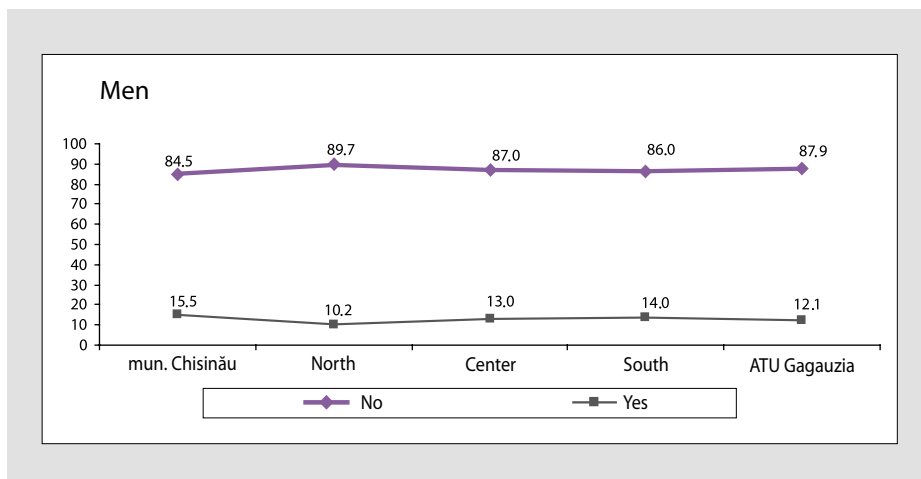
Enterprises in the municipality of Chisinau are relatively more often involved in export activities – 14.2% of the sampling (while the average percentage is 12.7%); in North region and in ATU Gagauzia their share is the lowest and comprises 9.1% and 10.5%, correspondingly.

Women more seldom than men participate in export activities, and that is true for all development regions.

Table 57. **Enterprise export activity , by development regions and by sex of entrepreneurs, %**

<i>Do you carry out export activities?</i>	<i>Total</i>	<i>Development regions</i>				
		<i>mun. Chişinău</i>	<i>North</i>	<i>Center</i>	<i>South</i>	<i>ATU Găgăuzia</i>
Total	100	100	100	100	100	100
No	87.3	85.8	90.9	87.4	87.4	89.4
Yes	12.7	14.2	9.1	12.6	12.6	10.5
Bărbați	100	100	100	100	100	100
No	85.9	84.5	89.7	87.0	86.0	87.9
Yes	14.1	15.5	10.2	13.0	14.0	12.1
Femei	100	100	100	100	100	100
No	90.9	90.5	93.4	88.7	91.2	93.2
Yes	9.1	9.5	6.6	11.3	8.8	6.8

Diagram 29. **Enterprise export activity, by development regions and by sex of entrepreneurs, %**



2.4. Entrepreneurs expectations in 2009

In the course of the survey, entrepreneurs expressed their opinions concerning expected changes in their businesses in 2009.

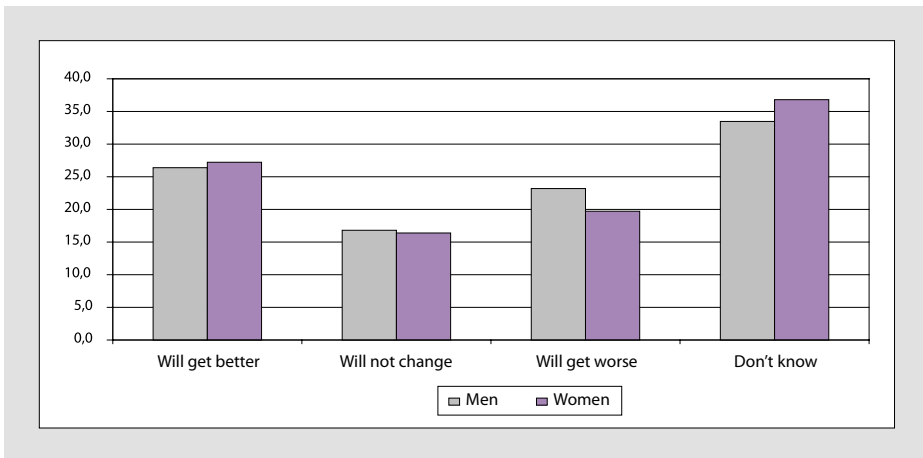
More than 1/3 of entrepreneurs (34.4%) spoke about uncertainty of the situation: they do not know what changes would be in their businesses. 26.7% of respondents expressed an opinion that the situation would get better. Somewhat fewer entrepreneurs expected in 2009 worsening of the situation in their business (22.2%). Probability of lack of changes in operations of their enterprises was mentioned by 16.7% of respondents.

Women more often mentioned uncertainty of the situation (36.7% of women versus 33.5% of men). At the same time, women are more optimistic about pending changes. Expected worsening of the situation was noted by 19.7% of women and 23.2% of men. Hopes about improvement of the situation are typical for 27.2% of women, the share of men is a little bit lower – 26.5%.

Table 58. Expectations related to enterprise activity enterprises in 2009, by sex of entrepreneurs, %

	<i>Total</i>	<i>Including:</i>	
		<i>Men</i>	<i>Women</i>
Total including:	100	100	100
Will get better	26.7	26.5	27.2
Will not change	16.7	16.8	16.4
Will get worse	22.2	23.2	19.7
Don't know	34.4	33.5	36.7

Diagram 30. Expectations related to enterprise activity in 2009, by sex of entrepreneurs, %



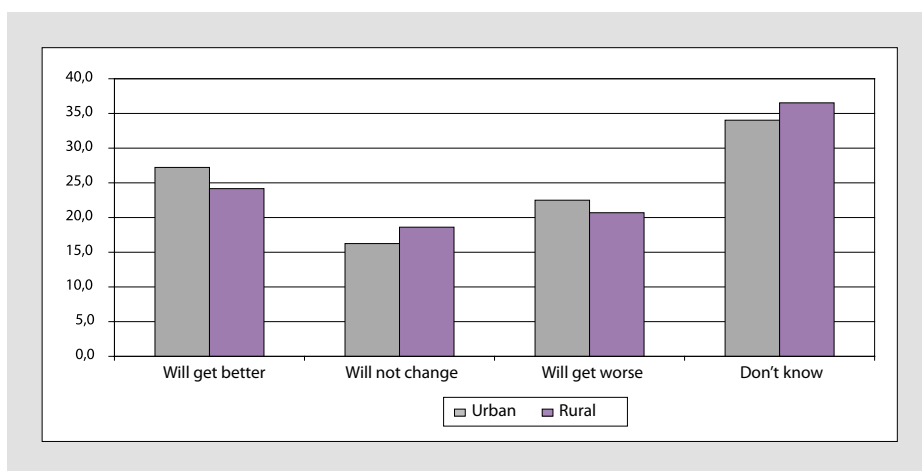
Entrepreneurs in rural areas more often than in urban areas do not expect any changes (18.6%; in urban areas – 16.3%), or they do not know what the changes would be (36.5%; in urban areas – 34.0%).

In urban areas entrepreneurs more often express hopes about improvement of conditions (27.2%, in rural areas – 24.1%), or expect worsening of conditions (22.5% compared to 20.7%).

Table 59. **Expectations related to activities of enterprises in 2009, by area, %**

Will the situation at the enterprise change?	Total	Including:	
		Urban	Rural
Total including:	100	100	100
Will get better	26.7	27.2	24.1
Will not change	16.7	16.3	18.6
Will get worse	22.2	22.5	20.7
Don't know	34.4	34.0	36.5

Diagram 31. **Expectations related to enterprise activity in 2009, by area, %**



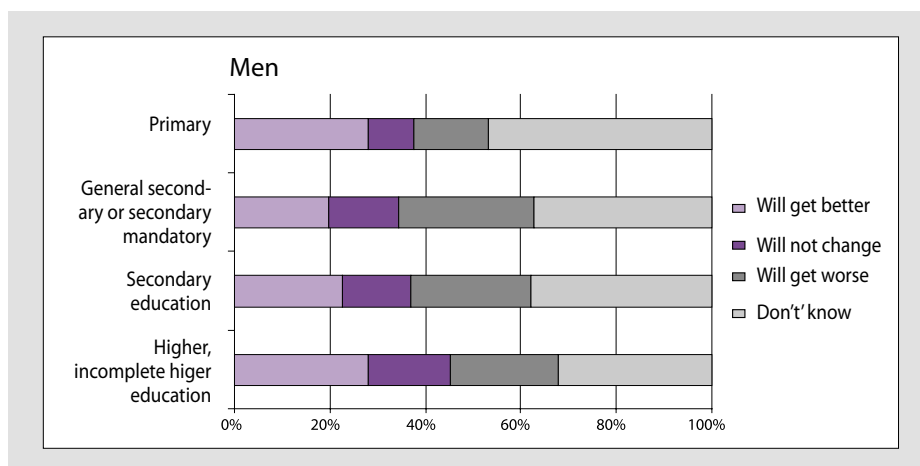
Expectations of entrepreneurs related to changes of the situation in their business do not depend directly on the level of education. One can only note relatively higher optimism of persons with primary education: 34.8% of entrepreneurs with primary education hope that the situation would get better, while the average percentage is 26.7%.

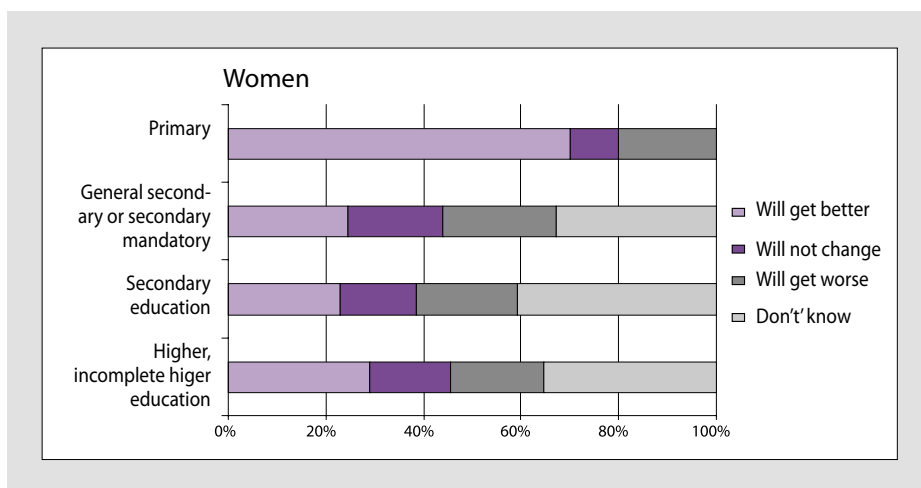
Among women a relatively large share of respondents expecting improvement of the situation in business also has primary education – 70.0% (while the average percentage for the female sampling is 27.2%). Not a single woman with primary education indicated uncertainty of the situation, while among men the relevant figure was 48.4%.

Table 60. **Expectations related to enterprise activity in 2009, by education level and sex of entrepreneurs, %**

Will the situation at the enterprise change?	Total	Education level			
		Higher or incomplete higher education	Secondary special education	General secondary or secondary mandatory	Primary education
Total	100	100	100	100	100
Will get better	26.7	28.1	22.9	20.7	34.8
Will not change	16.7	17.1	14.5	15.5	8.7
Will get worse	22.2	21.7	23.6	27.3	23.9
Don't know	34.4	33.1	39.0	36.4	32.6
Men	100	100	100	100	100
Will get better	26.5	27.9	22.7	19.7	29.0
Will not change	16.8	17.5	14.3	14.8	9.7
Will get worse	23.2	22.6	25.0	28.1	16.1
Don't know	33.5	32.0	38.1	37.4	48.4
Women	100	100	100	100	100
Will get better	27.2	28.9	23.0	24.4	70.0
Will not change	16.4	16.5	15.6	19.3	10.0
Will get worse	19.7	19.2	20.7	23.1	20.0
Don't know	36.7	35.4	40.7	32.8	0.0

Diagram 32. **Expectations related to enterprise activity enterprises in 2009, by level of education and sex of entrepreneurs, %**





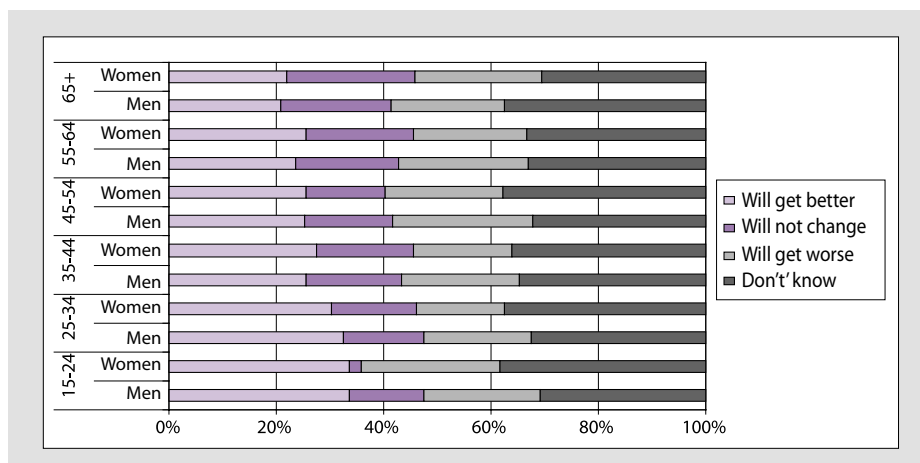
To a greater extent, young entrepreneurs aged 15-24 (34.4%) and aged 25-34 (31.5%) hope the situation will get better, while the average percentage is 26.7%.

More optimistic expectations in the named age groups are equally typical both for men and for women.

Table 61. Expectations related to enterprise activity in 2009, by age groups and sex of entrepreneurs, %

Will the situation at the enterprise change?	Total	Age group, years					
		15-24	25-34	35-44	45-54	55-64	65+
Total	100	100	100	100	100	100	100
Will get better	26.7	34.4	31.5	26.0	25.4	24.0	21.9
Will not change	16.7	9.4	14.7	17.7	15.9	19.4	20.2
Will get worse	22.2	23.6	19.2	20.7	24.9	23.7	20.6
Don't know	34.4	32.7	34.6	35.5	33.7	32.9	37.3
Men	100	100	100	100	100	100	100
Will get better	26.5	33.6	32.6	25.5	25.2	23.6	20.8
Will not change	16.8	13.8	14.8	17.9	16.4	19.3	20.6
Will get worse	23.2	21.8	20.1	21.9	26.2	24.1	21.1
Don't know	33.5	30.7	32.5	34.7	32.2	33.0	37.5
Women	100	100	100	100	100	100	100
Will get better	27.2	33.7	30.2	27.4	25.4	25.6	22.0
Will not change	16.4	2.2	15.8	18.1	14.8	19.8	23.7
Will get worse	19.7	25.8	16.4	18.3	21.9	21.2	23.7
Don't know	36.7	38.2	37.6	36.1	37.7	33.3	30.5

Diagram 33. **Expectations related to enterprise activity in 2009, by age groups and sex of entrepreneurs, %**



Analysis of expectations related to the situation in business by development regions showed that the most optimistic views were expressed by entrepreneurs in the municipality of Chisinau and in the Central region. Here more often than in average for the sampling entrepreneurs mentioned expected improvement of the situation and, correspondingly, more seldom worsening of the conditions was mentioned.

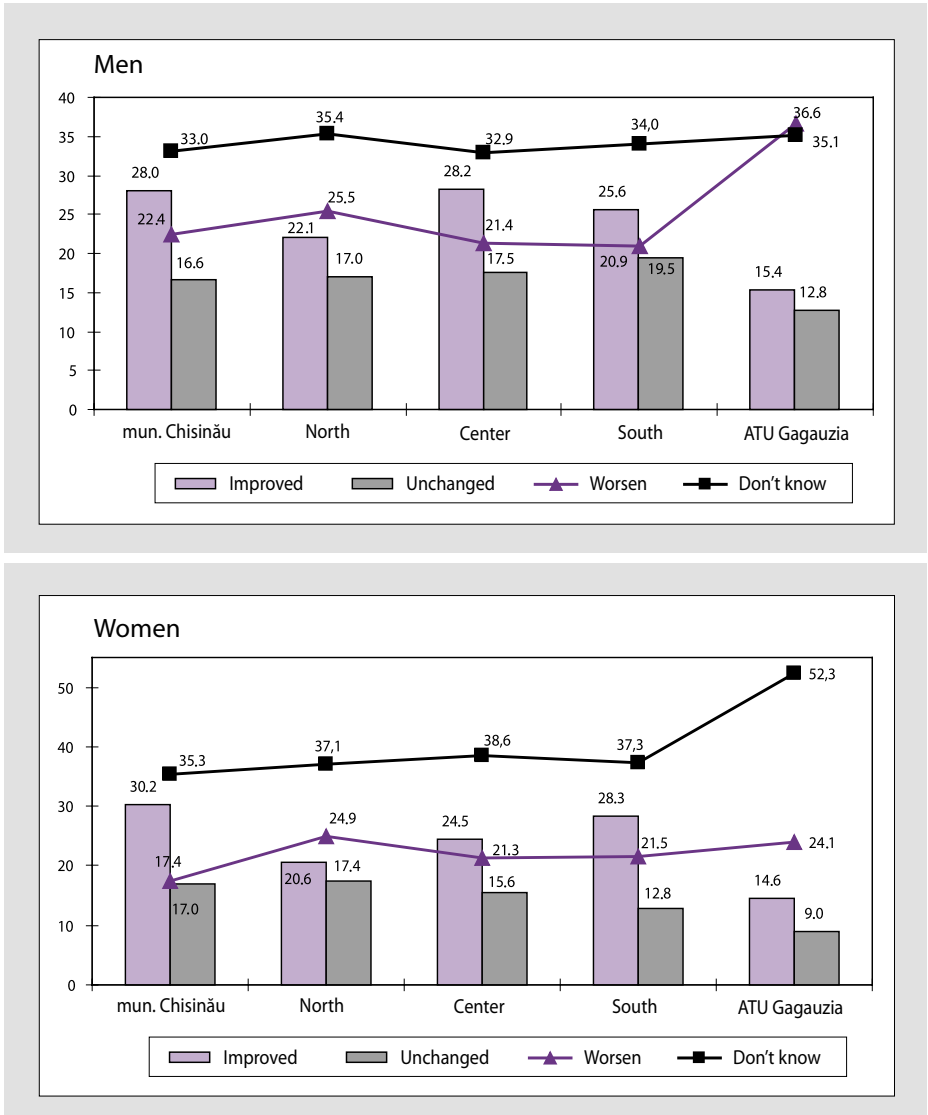
Relatively more pessimistic views were expressed in ATU Gagauzia. In that region improvement of the situation was mentioned by 14.4% (with the average percentage of 26.7%); worsening – by 35.2% (with the average percentage of 22.2%). Less expressed, but also pessimistic views are characteristic for entrepreneurs of the North region.

Table 62. **Expectations related to enterprise activity in 2009, by development regions and by sex of entrepreneurs, %**

	Total	Development regions				
		<i>mun. Chişinău</i>	<i>North</i>	<i>Center</i>	<i>South</i>	<i>ATU Găgăuzia</i>
Total	100	100	100	100	100	100
Will get better	26.7	28.5	21.8	27.5	26.1	14.4
Will not change	16.7	16.4	17.1	16.7	17.4	11.5
Will get worse	22.2	20.8	25.6	21.4	21.5	35.2
Don't know	34.4	34.3	35.4	34.5	35.0	38.8
Men	100	100	100	100	100	100
Will get better	26.5	28.0	22.1	28.2	25.6	15.4
Will not change	16.8	16.6	17.0	17.5	19.5	12.8
Will get worse	23.2	22.4	25.5	21.4	20.9	36.6
Don't know	33.5	33.0	35.4	32.9	34.0	35.1

	Total	Development regions				
		mun. Chişinău	North	Center	South	ATU Găgăuzia
Women	100	100	100	100	100	100
Will get better	27.2	30.2	20.6	24.5	28.3	14.6
Will not change	16.4	17.0	17.4	15.6	12.8	9.0
Will get worse	19.7	17.4	24.9	21.3	21.5	24.1
Don't know	36.7	35.3	37.1	38.6	37.3	52.3

Diagram 34. **Expectations related to enterprise activity in 2009, by development regions and by sex of entrepreneurs, %**



Major Findings, Conclusions and Recommendations

Analysis of results of the survey “Conditions for Enterprise Creation and Development” presented new data on business evolution, on specifics of certain groups of enterprises. Identification of gender-based differences in Moldova is in the focus of the survey, both at the initiation stage and at the stage of business development.

Accounting for involvement of men and women in business, as well as analysis of activities of enterprises that they own and manage allowed differentiation of their problems. Analysis was carried out with respect to the following:

- *Characteristics of women and men entrepreneurs;*
- *Profiles of enterprises managed by men and women.*

The proportion of women entrepreneurs (hired managers and business co-owners) in the total number of entrepreneurs in Moldova is 27.5%. That means that the number of men entrepreneurs is by 2.6 times higher than the number of women entrepreneurs. This indicator shows the situation not only in business but also in other spheres of public and private life, and such situation does not contribute to active involvement of women in entrepreneurial activities.

The main characteristics of women entrepreneurs that demonstrate their difference from men entrepreneurs are the following:

- *The level of education of women entrepreneurs is somewhat lower than of men entrepreneurs. The share of women entrepreneurs with higher education comprises 64.3% (men – 69.3%). In the conditions of insufficient external support (underdeveloped institutional infrastructure, limited access to financial resources, etc.) education level not only characterizes a certain level of qualification, expands possibilities for contacts, but it also is an important resource that contributes to business development. This thesis is confirmed by the fact that difficulties in business are more often encountered among entrepreneurs with lower level of education.*
- *Previous activities of women before they came to business were rarely related to entrepreneurship. Previous experience as an employer had 10.5% of women (13.4% of men), as a farmer – 1.3% of women (2.1% of men). Prior to entrepreneurial activities women were mostly occupied with household work – 50% (men – 0.2%).*

Analysis of activities of enterprises owned and/or managed by women revealed that they face considerable barriers in terms of the following positions:

- *Women entrepreneurs more often manage/own micro enterprises, which are known to be characterized by more limited resources and growth possibilities. The share of women entrepreneurs in this group comprises 79.4%, while the proportion of men is 67.8%. At enterprises of a different size men are more often entrepreneurs. The larger is the enterprise the higher is the proportion of men entrepreneurs. Thus, at small enterprises the share of men entrepreneurs is by 1.4 times higher than the similar indicator for women; at medium size enterprises the named figure is 2.3; and at large enterprises the share of men entrepreneurs is by 3 times higher than the share of women.*
- *Women entrepreneurs more often work at young (less than 2 years old) and newly-created (less than 1 year old) enterprises. The share of young enterprises managed/owned by women is 25.8% (by men – 20.7%); the share of women entrepreneurs in newly created enterprises is of 2.4% versus 2.2% of men .*
- *Both at the stage of establishment of enterprises, and at the stage of business development women face more barriers in terms of access to sources of financing.*
 - *In the structure of the start-up capital of women entrepreneurs the proportion of own savings is lower – 72.8% (in case of men – 74.8%), of foreign investments – 5.0% (in case of men – 5.5%), state subsidies – 0.4% (in case of men – 1.0%). At the same time, women have a higher share of funds borrowed from relatives or friends – 13.8% (in case of men – 11.4%), and also of bank credits – 5.5% (in case of men – 5.1%).*
 - *In 2008, a relatively important problem women faced was associated with lack of funds (76.5% versus 73.2% of men).*
- *Women more seldom than men participate in export activities: the share of exporting enterprises among all enterprises owned/headed by women comprises 9.1%, versus 14.1% headed by men.*
- *Women are more optimistic about future changes. Expected worsening of the situation was noted by 19.7% of women and by 23.2% of men. 27.2% of women hope that the situation will get better, while the relevant share of men is lower – 26.5%. These differences to a certain extent can be related to the level of education: among women the larger share of respondent who expect improvement of the situation in business also has primary education – 70.0% (among men – 29.0%).*

The analysis results allow making a conclusion that enterprises owned and headed by women mostly have more limited resources and possibilities for growth, and also allow formulation of a number of proposals related to ensuring equal opportunities and conditions for men and women in business.

One of the main methods of development of entrepreneurship is adoption and implementation of target state programs. Support of women entrepreneurs is possible both in the framework of programs that are specifically aimed at supporting women, and in the framework of programs meant for micro enterprises or for starting businesses, as women relatively more often own/manage such types of enterprises.

Further development of market infrastructure institutions oriented towards specific needs of women entrepreneurs are necessary – improvement of their access to information, consulting services, banking and non-banking sources of funding. Training of entrepreneurs on basics of the market economy, work in the competitive environment will give them additional chances to promote their enterprises in the domestic market, to maintain them in the conditions of a crisis, to develop export activities, to improve competitiveness of their businesses.

Until now support of entrepreneurship is done mostly on the national level. Local governing bodies in their regions can offer entrepreneurs from some groups, including women, more attractive conditions for business development. For that purpose they can elaborate and implement their own regional programs of business development taking into consideration specifics of development of certain territories.

Results of the survey can serve as grounds not only for the policy aimed at ensuring gender equality, but also for taking measures aimed in general at business development. For example, one of important criteria for grouping of enterprises is allocation of enterprises by age groups. Analysis showed that today for young people business is not a very attractive sphere, or barriers for entering business and other restrictions prevent their involvement in entrepreneurship. Initiation and elaboration of target programs and special projects, or continuation of implementation of measures taken earlier aimed at attracting young people to business could play a positive role both for that group of citizens and for the country.

Rather considerable average age of entrepreneurs (45) allows making a conclusion that a significant part of entrepreneurs were educated back in the Soviet period, or in the first half of 1990-s. Therefore, they hardly have any serious theoretical knowledge about business, management, marketing, or other skills needed for successful operations in the market economy. In addition, some persons (especially of older generation) in the past were “pushed into” business as a result of mass closure of enterprises in search of earnings. And today many of them have to be involved in

entrepreneurship having no other sources of income. The state, simplifying conditions primarily for the smallest enterprises – self-employed, individual enterprises, family firms, etc., not only contributes to business development, but also resolves important social tasks – reduction of unemployment, increase of citizens' incomes.

Improvement of the system of state regulation in all cases has to be based on results of special study allowing identification and assessment of real problems of entrepreneurs, of their need in support, attitude of entrepreneurs to measures taken by the state, and also expected effect of their implementation.

In addition, obtained results allowed identification of certain problems in existing gender related statistics. At present, there is no statistical data that would allow examining in dynamics gender differences in the field of entrepreneurship. It seems reasonable to conduct similar studies on a permanent basis – annually, or once every two years, or to include “gender” aspect in the annual structural survey of enterprises and use it subsequently in the course of processing and analysis of questionnaires as one of the main classification criteria. Focus on these problems would allow improving the statistical base for analysis of gender aspects in entrepreneurial activities.

For objective assessment of the situation in the field of entrepreneurship it is necessary to publish the annual statistics digest on entrepreneurship in Moldova, which would contain results of multidimensional analysis of its development, and also comparable indices of entrepreneurship development in neighbouring countries, and also in states that are of strategic interest for Moldova, first of all EU and CIS. Statistical information is a necessary tool not only for employees of state managerial bodies and for researchers, but also of entrepreneurs themselves.

Obtained results allowed identification of main characteristics of women entrepreneurs, specifics of various businesses, which they own and manage, and also problems that their enterprises encounter. They can be used when elaborating policies for support of entrepreneurship, primarily, small and medium business, thus contributing to economic growth, increase of revenues and employment, self-fulfilment of citizens and ensuring stability in the country.

Besides, results and conclusions can serve as grounds for protection and lobbying of interests of women, and also for elaboration of measures aimed at ensuring equal opportunities for women and men in various spheres of life.

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