

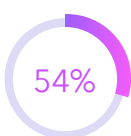
# REPUBLIC of MOLDOVA

## WOMEN ENTREPRENEURS

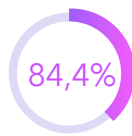
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### Overview of Women Entrepreneurs and Entrepreneurship

Just over



of women in the Republic of Moldova are engaged in the workforce, the lowest level in Eastern Europe and the Caucasus where



of women are active in the workforce,

Biases are acutely felt by women from marginalized and excluded groups, such as ethnic and racial minorities, who face greater challenges to accessing decent work. Women are currently banned in [331 professions](#) in the Republic of Moldova.

Moldova has broadly aligned its SME policy with the European Union's Small Business Act for Europe. The Moldova 2012-2020 SME Development Strategy removes redundant bureaucratic requirements on enterprises and expands e-government services. These reforms were reflected in the 2020 World Bank *Doing Business* report, which ranks Moldova 48th, up from 63rd in 2015. However, massive emigration and a rigid education system have led to shortages of skilled labor, one of the main obstacles to doing business. Another challenge is the perception of high levels of corruption in business, according to the *Doing Business* report.

The Government of Moldova promotes active policies to support entrepreneurship and development of the SME sector. In addition to its National Development Strategy "Moldova 2020," the country operates under a set of sectoral plans: Strategy for the development of the small and medium-sized enterprises sector 2012-2020; Strategy on the regulatory framework for entrepreneurial activity 2013-2020; National strategy for attracting investments and promoting exports 2016-2020; and the National program of competition and state aid 2015-2020.

The SME Strategy 2012-2020 now includes a dedicated "Women in Business" programme to support women entrepreneurs through all phases of business development, including availability of start-up capital up to EUR 75 000

per business. Additionally, the Business Academy for Women provides opportunity to exchange knowledge between experienced entrepreneurs and women keen to scale up their businesses.

The main state programmes for entrepreneurship are all accessible to women:

- PARE 1+1 attracts remittances into the economy for the development of SMEs
- START for YOUTH program helps young people in sustainable businesses
- Youth Credit Facility reduces commercial loan interest for young entrepreneurs
- Subsidies in agriculture are provided to stimulate the agro-industrial sector
- The Credit Guarantee Fund issues guarantees for SME loans
- Business incubators are public institutions for the creation of SMEs in the regions

Most of the enterprises that have received state support are in the field of agriculture and wholesale trade. Banks represent the primary source of financing for local SMEs in Moldova. SME support programmes are offered through every major bank, though they tend to be donor-funded and targeted for a specific use. In addition, microfinance institutions have a long tradition in Moldova and are on the rise.

Most companies (about 74 percent) use their own financial means for business activities. Compared to male-owned enterprises, female-owned enterprises use bank loans less frequently as a basic source of business financing (6.8 percent compared to 9.4 percent). Women entrepreneurs prefer to borrow from friends or relatives (8.5 percent) or invest personal resources and savings in business (6.3 percent). Support from the state and development partners are accessed more frequently from enterprises owned by men than those owned by women (0.3 percent - enterprises of men, 0.2 percent - enterprises women). Small businesses, especially those owned by women, have more limited financial capacity and less access to credit.

The main challenges to women's micro-enterprises are insufficient financing, increased competition in the market, insufficient demand for manufactured goods, and staff with limited skills.

## Women entrepreneurs in Moldova: What the data shows

[Female entrepreneurship in the Republic of Moldova](#) is expanding. The share of businesses owned or managed by women is nearly



While the average age for both women and men entrepreneurs is about 47 years, women of all ages are owners of small businesses.

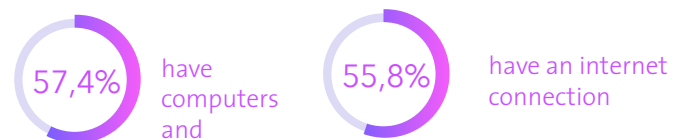
Roughly 20 percent of women's businesses are in the field of ICT and other services, and 17.5 percent of businesses in agriculture are owned by women entrepreneurs aged 15-34. Women entrepreneurs in that age group also have a significant share of hotels and restaurants (31.8 percent) and retail trade (31.4 percent), while male entrepreneurs are engaged in construction (31.7 percent) and industry (31 percent).

Most entrepreneurs, both women and men, have a university degree. However, the participation of men with higher education in entrepreneurial activities is higher. Women commonly lack financial resources, and use loans more often than men, but are more likely to borrow from friends and relatives or invest their own resources and savings in business.

Women entrepreneurs in all branches of the economy own enterprises that are, on average, smaller than those of men entrepreneurs, except in hotel and restaurant services.

Notwithstanding the substantial progress on women's entrepreneurship, women experience unequal treatment by banks and public authorities. For example, bank loans made by women business owners in the retail trade require four times the collateral than men and are subjected to more severe tax scrutiny.

The percentage of businesses with computers and use of the internet is higher in businesses run by men



than in those run by women (where 45.7 percent have computers and 44 percent have internet connection).

## The impact of COVID-19 on women entrepreneurs

Women have been more severely affected by the pandemic than men, due to existing gender inequalities. Gender stereotypes have led to a disproportionate burden on women to undertake housework, child school and home care, along with their work responsibilities.

A UN report on the COVID-19 response showed that



of women reported a decrease in working hours due to additional home responsibilities.

### Key opportunities for private sector and business investors to support empowerment and business advancement of women entrepreneurs

- Provide support for financial literacy and digital skills
- Study and alter financial products and services to make them more accessible for women
- Provide financial opportunities to women-owned businesses
- Use Women's Empowerment Principles for supporting women in the workplace

### Key opportunities for government and other entities to support empowerment and business advancement of women entrepreneurs

- Provide training to close the digital gender divide and the rural-to-urban digital divide
- Government could explicitly support supplier diversity to advance women-led small businesses
- Offer new financing pathways that streamline access to investment for women entrepreneurs

### Resource materials on skills development, business growth, funds, and associations available for women entrepreneurs in the country

UN Women Moldova - <https://moldova.unwomen.org/>  
 Organisation for small and medium enterprises development - <https://odimm.md/ro/>  
 Agency for Intervention and Payments for Agriculture - [www.aipa.gov.md](http://www.aipa.gov.md)  
 WB Competitiveness Improvement Project - <http://uipac.md/>  
 Business Advisory Services (BAS) al EBRD - <http://www.ebrd.com/pages/country/moldova.shtml>  
 EU4 Business, EU funded project - <https://eu4business.md/>  
 US Embassy in Moldova - <https://md.usembassy.gov/business/>  
<https://finantare.gov.md/>  
<https://www.civic.md/anunturi/granturi.html>

### Networks and associations available for women entrepreneurs in the country

The Association of Female Entrepreneurs in Moldova (AFAM)  
 EBA Moldova (European Business Association)  
 Business and Professional Women (BPW) Moldova  
 Associations in the regions  
<https://odimm.md/ro/component/content/article/77-prestatorii-de-servicii-in-afaceri.html>