

INSTITUTIONAL SUPPORT OF ENTREPRENEURSHIP IN THE REPUBLIC OF NORTH MACEDONIA

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Abstract

Entrepreneurship has proven a factor of great importance in fostering economic growth and development worldwide. The Republic of North Macedonia, being one of the youngest national economies in the old continent is and should not be an exemption. Having this in mind, during the last decade the country has undertaken serious steps in building a functional system for the support of entrepreneurial activity is a functional ecosystem for entrepreneurial growth.

The purpose of this paper is to make a comprehensive view of the progress made and the support of entrepreneurship and entrepreneurial activity, through the analysis of the relevant documents at the national level covering policies, legislation, and national strategies for competitiveness, sustainable development, and support of small and medium enterprises. Namely, an overview of the state institutions of the Republic of North Macedonia, which have a role in the ecosystem for supporting entrepreneurship, will be provided throughout the paper.

Keywords: entrepreneurship, small and medium-sized enterprises, ecosystem, national strategy

1. Introduction to Entrepreneurship

The main characteristics of the contemporary world are global changes and the ever-growing uncertainty on a global scale. Financial and political crises, lack of resources and growth of their prices on world markets, climate change and global warming, demographic development, and technological progress become the main driving forces of economic and social development. National and international economic systems and the ability of competition to business are changing dramatically. (Debarliev,2017) Having this in mind, it has become quite obvious that doing business has become more complex, both on an individual organizational, and national level. Entrepreneurship results in many already proven benefits for the individual entrepreneur, but there is no lack of benefits for big companies that have managed to incorporate its main principles in the form of intrapreneurship. The contribution of entrepreneurship to reduce unemployment and poverty, as well as the great significance in the overall technical-technological development and improvement of the well-being of the population, imposes on those who carry the policy makers the need to invest efforts and funds to create systems and programs to encourage and support the development of entrepreneurship. Of course, the Republic of North Macedonia cannot afford to be an exception.

People who own, operate, and take the risk of a business venture are called entrepreneurs. They are engaged in entrepreneurship, the process of running their own business. Entrepreneurs come from all kinds of backgrounds and make up all kinds of businesses. People of all ages choose to become entrepreneurs. Some own small craft shops, while others own huge construction companies. Entrepreneurs try to identify unfulfilled needs in the market. Then they provide a service or product to meet those needs. When they succeed, their business flourishes, and profits are earned. But if their business idea fails, they may lose the money they invested. (Cynthia L. Greene,2011)

There's never been a better time to exercise the art and science of entrepreneurship. But what is entrepreneurship? At the beginning of the 20th century, Joseph Schumpeter, an economist born in Moravia,

writing in Vienna, gave us the modern definition of an entrepreneur: a person who destroys the existing economic order by introducing new products and services, introducing new methods of production, by creating new forms of organization, or by exploiting new raw materials. According to Schumpeter, that person is most likely to achieve this destruction by starting a new business, but may also do so within an existing one. (William D. Bygrave, 2011)

As is commonly known, the term entrepreneurship originates from the French word “entreprendre”, which in translation would mean “to take over”, that is, from the aspect of the already defined entrepreneurship, to undertake an activity, to take a risk. However, the first to have used this term was Cantillon, who essentially means an entrepreneur who is willing and able to take the risk of business activity. Additionally, the word entrepreneurship also reflects the inherent difficulties in balancing three seemingly impossible acts: a) an entrepreneurial problem as far as the choice of products and markets is concerned, b) an engineering problem in terms of developing a production process for these products and their distribution to target markets and c) administrative problem in designing appropriate management structures and processes to ensure effective organization of the enterprise, in anticipation of the next entrepreneurial problem, as the company grows and develops. (George S.Vozikis, Timothy S. Mescon, Howard D. Feldman, Eric W. Liguori,2014)

Usually, several basic reasons for engaging in entrepreneurial activity are mentioned: (Bruce R. Barringer, R. Duane Ireland,2012)

- Being your boss. The first of these reasons - being your boss - is cited most often. This does not mean, however, that entrepreneurs are difficult to work with or that they have problems accepting authority. On the contrary, many entrepreneurs want to be their boss, either because they've had a long-standing ambition to own their own business or because they've become frustrated working in traditional jobs.
- Desire to apply own ideas. Some people are also naturally alert when they recognize ideas for new products or services, they have a desire to see those ideas realized. Corporate entrepreneurs who innovate within the context of an existing firm usually have a mechanism for their ideas to become known. Established firms, however, often resist innovation. When that happens, there are good ideas that stay unfulfilled. Because of their passion and dedication, some employees choose to leave the company that employs them to start their own business as a means of developing their ideas.
- Seeking for higher financial income. Finally, people start their firms to realize financial rewards. This motivation, however, is typically secondary to the first two. The average entrepreneur does not earn more than someone with a similar level of responsibility in a traditional workplace.

Entrepreneurship has several advantages and disadvantages tab.1.

Table 1. Advantages and disadvantages of entrepreneurship (Lee-Ross, Lashley 2009).

<i>Advantage</i>	<i>Disadvantages</i>
<i>Independence and relative freedom from constraints, including decision-making</i>	<i>Change, risk, income uncertainty, and the requirement to make many decisions in new "unknown" areas</i>
<i>An opportunity to express personal knowledge, abilities, and talents</i>	<i>High demands on abilities and skills, full personal responsibility for potential failure</i>
<i>Responsibility to oneself and control over one's destiny</i>	<i>Lower quality of life in the initial stages and high chances of being unsuccessful</i>
<i>Status, achievement, and opportunity to improve personal potential</i>	<i>Painstaking work</i>
<i>Possibility of greater financial benefits</i>	

2. An ecosystem to support entrepreneurship

The warning signs relating to the various factors beyond the control of the individual entrepreneur which may affect his intentions for developing your own business, include another concept that all entrepreneurs must be aware of: the entrepreneurial ecosystem in which they operate. Similar to the biological ecosystem of the earth, the atmosphere, animals, plants, and other organisms, and entrepreneurial ecosystems include different elements that support each other. Public policy, funding, laws, education, development programs, and a range of other factors combine to create a supportive environment for entrepreneurial activities. (Andrew Zacharakis, Andrew C. Corbett, William D. Bygrave, 2020)

According to Mason and Brown, the entrepreneurship support ecosystem is a set of interconnected entrepreneurial actors (both potential and existing), organizations (for example firms, venture capitalists, business angels, and banks), institutions (universities, public sector agencies, and financial bodies) and processes (birth rate in business, number of companies with a high growth rate, number of serial entrepreneurs and blockbuster entrepreneurs and levels of entrepreneurship ambition and mentality on sale in society). (OECD, 2013)

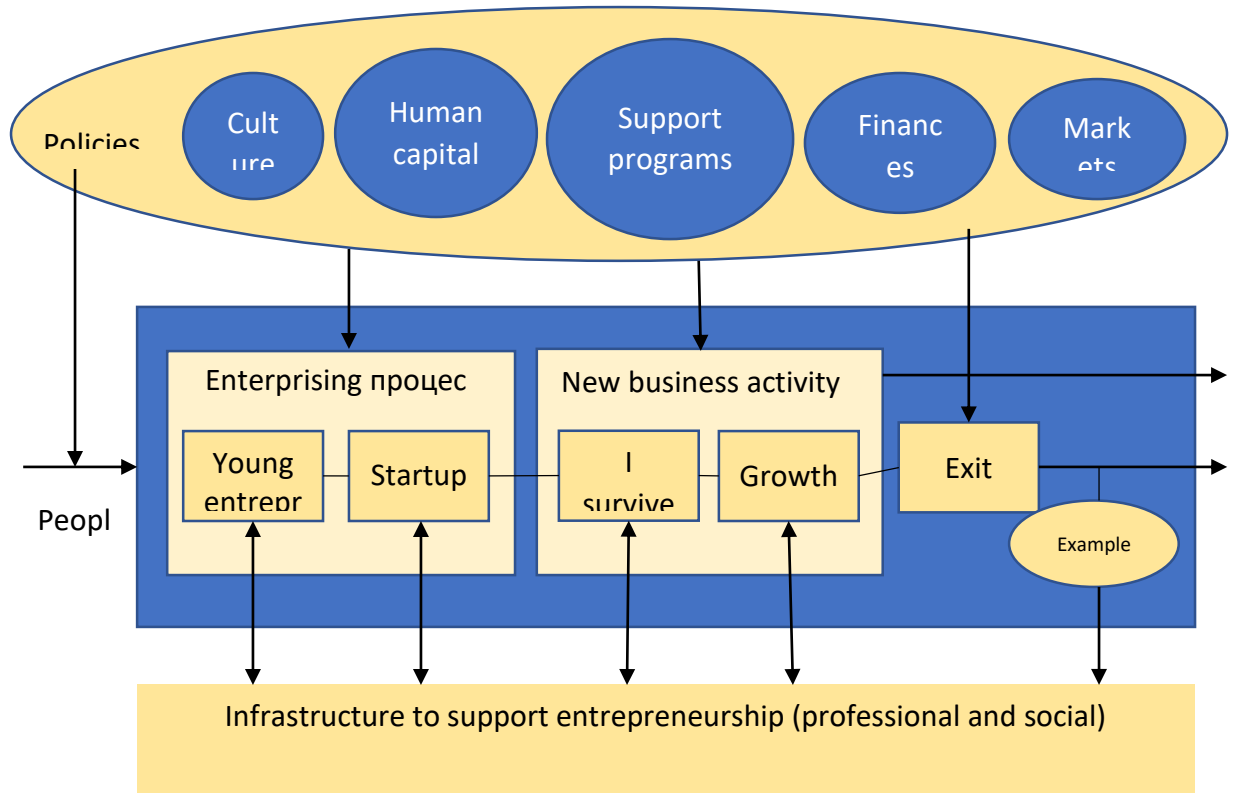


Figure 1. An ecosystem model to support entrepreneurship (Frederick, O'Connor, Kuratko. 2016)

Dozens of different definitions of an ecosystem to support entrepreneurship can be found in the literature of this field. Zhe Cao and Xianwei Shi have established a longer list of various definitions presented in tab.2.

Author	Definition
Spilling (1996)	The entrepreneurial ecosystem consists of a series of complex elements, roles, and environmental factors that determine the entrepreneurial performance of a region or locality
Cohen (2006)	Entrepreneurial ecosystems represent a diverse set of interdependent actors in a geographic region that influence the formation and eventual trajectory of the entire set of actors and potentially the economy as a whole. Entrepreneurial ecosystems evolve through a set of interdependent components that interact to generate new venture creations over time.
Isenberg (2011)	The entrepreneurial ecosystem consists of several elements (which we consolidate into six domains, including policy, finance, culture, support, human capital, and markets) that, while idiosyncratic, because they interact in very complex ways, are always present if entrepreneurship is to be self-sustaining.
Vogel (2013)	An interactive community within a geographic region, composed of diverse and interdependent actors (e.g. entrepreneurs, institutions, and organizations) and factors (e.g. markets, regulatory framework, support setting, entrepreneurial culture), which evolves and whose actors and factors coexist and interact to promote the creation of new investments.
Spigel (2017)	Entrepreneurial ecosystems are combinations of social, political, economic, and cultural elements in a region that support the development and growth of innovative startups and encourage young entrepreneurs and other actors to take the risks of starting, financing, and otherwise assisting ventures
Roundy (2016)	A combination of actors, institutions, social structures, and cultural values that perform or support the performance of an entrepreneurial activity
Audretsch, Belitski (2016)	Entrepreneurship systems (further ecosystem), both institutional and organizational, as well as other systemic factors that interact and influence the identification and commercialization of entrepreneurial opportunities.
Wadee, Padayachee (2017)	An entrepreneurial ecosystem refers to a set of elements, individuals, organizations, or institutions outside the individual entrepreneur that are conducive to deciding to become an entrepreneur or the likelihood of his/her success after starting up.
Table 2. Alternative definitions of an entrepreneurship support ecosystem (Cao, Shi.2020)	

One of the most famous researchers of ecosystems to support entrepreneurship Isenberg offers nine tips for the construction of appropriate supporting ecosystems of entrepreneurship: (Daniel Isenberg,2010)

- Stop copying Silicon Valley. Silicon Valley is one of the most specific and successful ecosystems for supporting entrepreneurship. However, the specific conditions of its formation could not be replicated in other locations so perhaps they could not be duplicated even in Silicon Valley itself.

- Form its ecosystem according to local conditions. The most difficult, but still crucially, something for the government to adjust the system to suit its dimensions, style, and climate of local entrepreneurship.
- Right from the beginning engage the private sector. The government cannot build ecosystems on its own. Only the private sector has the motivation and perspective to develop self-sustaining, profit-driven markets. For this reason, the government must involve the private sector early and allow it to retain or gain a significant stake in the ecosystem's success.
- Prioritize projects with higher potential. In an era when microfinance for small entrepreneurs has become mainstream, repurposing resources to support high-potential entrepreneurs can seem elitist and inadequate. But especially if resources are limited, programs should try to focus first on ambitious, growth-oriented entrepreneurs addressing large potential markets.
- Strive to achieve at least one major success. In recent years it has become clear that even one success can have a surprisingly stimulating effect on the ecosystem of entrepreneurship by kindling the imagination of the public and inspiring imitators.
- Face it directly with the changes in culture. Effective communication requires the institutions to face cultural differences and to find opportunities to overcome resistance to changes in culture.
- Always have them considering the beginnings. It's wrong to overflow even high-potential entrepreneurs with easy money: More does not mean better. New investments must be exposed early to the strict measures of the market.
- Do not impose too many rules and frameworks, and allow the clusters to develop in their own way. Not a single government official ever received resignation for promotion of clusters- those concentrations of each other related companies, specialized suppliers, service providers institutions for training, and support organizations formed around technology or end product in an area or region. Popularized by Michael Porter, Harvard Business School, cluster strategies are promoted by governments all over the world, who promote the key role of the clusters in incitement of entrepreneurship and economic competitiveness.
- Reform legal, bureaucratic, and regulatory frameworks. Legal and regulatory reforms often take many years to implement and entrepreneurship often happens in their absence. Numerous entrepreneurs succeeded despite the inhibition of legislation and bureaucracy and continued to use their wealth and status to pledge reform. Finally, the reform will not be effective in the absence of all "softer" approaches that can be taken by the government to build ecosystems, such as breaking down cultural barriers, educating entrepreneurs, and promoting success stories.

3. The ecosystem for the support of entrepreneurship in the Republic of North Macedonia

The Republic of North Macedonia following the positive global trends, and based on its realities strives to devote more attention to the development of entrepreneurship as a tool to facilitate overall economic growth and development.

3.1. Policies and legislation

The analysis of the relevant documents at the national level points to the fact that in the Republic of North Macedonia, there is no shortage of policies and legislation aimed at encouraging the development of entrepreneurship.

3.1.1. Strategy for competitiveness with an action plan of the Republic of Macedonia

The latest strategy for competitiveness with an action plan of the Republic of North Macedonia dates from the middle of 2016 and it covers the period 2016-2020. In the meantime, no similar strategy has been announced for the upcoming period, that is, from 2021 to the next few years.

The strategy for the competitiveness of the Macedonian economy defines seven areas of operation: business environment, entrepreneurship and SME development, export and internationalization, foreign direct investment, skills and entrepreneurial workforce, industrial policy, and access to finance. (Economy.gov.mk,2017) So, as part of this strategy and probably within the framework of the upcoming strategy, adequate attention is paid to the development of entrepreneurship in the world. So for example, within the field of Entrepreneurship and Development of SMEs, nothing is directly predicted as a measure for the development of entrepreneurship. Namely, as priorities stand out: (Strategy for competitiveness with an action plan of the Republic of North Macedonia 2016-2020)

- Supporting competitiveness and business development;
- Improving supply chain linkages between foreign investors and local companies;
- Providing a modern business support infrastructure and services;
- Improving business development services;
- Enhancing science, technology, and innovation, as functions of the development of SMEs;
- Fostering ICT

On the other side, within the measure skilled and entrepreneurial workforce direct routes are also highlighted in which the state should be developed from the aspect of encouraging entrepreneurship.

Reforming the secondary and tertiary education system to fit the needs of the private sector; (Strategy for competitiveness with an action plan of the Republic of North Macedonia 2016-2020)

- Strengthening the linkages between business and academia;
- Improving the conditions for job creation by strengthening the education system, and the national employment agencies;
- Linking R&D institutions to the business and employment sectors;
- Promoting entrepreneurship in education and training;
- Improving the employability skills of young people, leading to increased possibilities for youth employment;
- Creating possibilities for everyone in the country to be equipped with the necessary entrepreneurial competencies;
- Creating a life-long entrepreneurial learning system;
- Strengthening entrepreneurial spirit through life-long learning principles implemented at all segments of the education system.

3.1.2. National strategy for sustainable development in the Republic of Macedonia

The national strategy for sustainable development in the Republic of Macedonia was published in 2020 by the Ministry of Environment and Spatial Planning and covers the period until 2030. Within the same as one of the priorities, the development of small and medium-sized enterprises is also highlighted as one potential approach to the use of domestic capacities versus a general orientation towards attracting foreign direct investments. As

areas of this nature within the framework of the strategy, they stand out: tourism, industry (textile, machinery, automotive, energy and transport, ICT), agriculture (primary production and biofuels), and food production (canning, wine, cheese, tobacco, food-old recipes, herbs, etc.) and craftsmanship (art crafts, woodcarving, cultural services). Within those frameworks is indicated the significance of nurturing and the encouragement of entrepreneurship in the country. (The national strategy for sustainable development in the Republic of Macedonia,2009-2030)

3.1.3. Education Strategy

The strategy for the development of education is published by the Ministry of Education and Science of the Republic of North Macedonia and refers to the period 2018-2025. In frames on the same, the promotion of entrepreneurial learning stands out as one of the priority measures in the direction of improving the educational system. (Education Strategy,2018-2025) Namely, as one of the weaknesses, it is stated that standards are missing which must be defined as the results from learning in each cycle (I, II, III) of primary education, and the curriculum is overloaded. The curricula are not relevant enough for the local environment. In most schools, insufficient or inadequate civic education, life skills education (LIV), and entrepreneurial skills are at a low level among students as well as among teachers. (Education Strategy,2018-2025) So, as pointed out within the framework of the strategy to promote entrepreneurial education, according to modern trends they are ready curricula for two compulsory subjects in high school and secondary art education: business and entrepreneurship (for IV year), and innovation and entrepreneurship (for I, II and III year). (Education Strategy 2018-2025)

3.1.4. National strategy for small and medium enterprises

The national strategy for small and medium-sized enterprises has been processed by the Ministry of Economy of the Republic of North Macedonia and covers the period 2018-2023. It has three strategic goals, which directly way imply raising the development of entrepreneurship and a level of priority in state economic policies:(National strategy for small and medium enterprises,2018-2023)

- Favorable business environment: To create a favorable business environment in which entrepreneurship and investments are encouraged.
- Increasing and improving the opportunity for growth of SMEs: To help SMEs become highly productive and competitive participants in the European and other international markets.
- A dynamic ecosystem of entrepreneurship and innovation: To encourage the economic competitiveness of Macedonia by increasing the entrepreneurial and innovative capacity of SMEs.

Within this strategy are listed a series of measures related to entrepreneurship and the ecosystem to support entrepreneurship: (National strategy for small and medium enterprises,2018-2023)

- Creating an environment in which entrepreneurs and family businesses can prosper and in which entrepreneurship is rewarded.
- Ensuring that honest entrepreneurs who were subject to bankruptcy quickly get a new opportunity.
- Inclusion of entrepreneurship in all levels of education and training.
- Creation of institutional infrastructure for the promotion of entrepreneurship and competitiveness.
- Promoting entrepreneurship and non-financial forms of support.
- Providing financial forms of support for the development of entrepreneurship.
- Promoting entrepreneurship in education and training.

- To create a favorable business environment in which entrepreneurship and investments are encouraged.
- To encourage the economic competitiveness of Macedonia by increasing the entrepreneurial and innovative capacity of SMEs.

3.1.5. Strategy for the development of female entrepreneurship in the Republic of Macedonia 2019-2023

In 2018, the strategy for the development of female entrepreneurship in the Republic of North Macedonia for the period 2019-2023 was adopted. As a basic. The strategy for the development of women's entrepreneurship in the Republic of Macedonia aims at the economic empowerment of women by creating a favorable business climate and providing support for their development of entrepreneurial potential, which will contribute to the development of existing and opening of new enterprises, creation of new jobs and thereby strengthening the overall economy. (Strategy for the development of women's entrepreneurship in the Republic of Macedonia, 2019-2023) The medium-term goals of this strategy are:

- Improved climate, opportunities, and conditions for the development of WE, as well as active involvement in the implementation of the strategy for WE to all active stakeholders;
- Increasing the number of women starting a business venture, to reduce the TEA index, from 1 versus 2.45 to 1 versus 1.87;
- Increase in the number of employees in companies established as WE;
- The employment level of women increased to 55%.

The following table presents the priorities and measures determined by this strategy, table 3.

Priority	Measures
Creating a favorable business environment (business climate) for the development of female entrepreneurship	Coordination in the creation and implementation of policies for the development of RP
	Analysis of regulation affecting women's entrepreneurial activity
	Creation of statistics to monitor the entrepreneurial (business) activity of women
Providing systemic support for the development of female entrepreneurship.	<i>Improving access to favorable forms of financing</i>
	<i>Transition from social assistance to self-employment</i>
	<i>Transition from employment to employer</i>
	<i>Providing the necessary knowledge and skills</i>
Creating an infrastructure to support and develop women's entrepreneurship	<i>Strengthened presence of women in the creation of policies for the development of entrepreneurship</i>
	<i>Development of new/modern entrepreneurship education and training programs with special focus on women entrepreneurs</i>
	<i>Strengthening capacities for providing training and counseling services to women</i>
	<i>Ensuring the capacity to use incubators, accelerators, and technology parks by women entrepreneurs</i>
	<i>Cooperation with the local government to include the development of women's entrepreneurship in local development programs</i>

	<i>Cooperation with educational institutions</i>
	<i>Establishment of databases/register of women entrepreneurs</i>
Promotion, networking, and advocacy	<i>Communication activities and promotion of female entrepreneurship</i>
	<i>Increasing the capacity of women's business associations</i>
Table 3. Priorities and measures envisaged by the strategy for the development of female entrepreneurship in the Republic of Macedonia, 2019-2023	

3.2. State institutions

3.2.1. Ministry of Economy

The Ministry of Economy is a significant factor in the construction and provision of functionality of the ecosystem for the development of entrepreneurship in the Republic of North Macedonia. As can be deduced from the above text, this ministry brings a series of policies and measures that directly affect entrepreneurship in the country such as industrial strategy, the strategy for the promotion of energy efficiency, the strategy for small and medium enterprises, the innovation program, competitiveness and entrepreneurship, the strategy and program for the development of tourism.

The development of entrepreneurship as a priority of this ministry is reflected and within the scope of the mission according to which the Ministry of Economy works on creating conditions for the development of the industry, clustering, and inclusion of Macedonian companies in the network of global supply chains, developed entrepreneurial sector, creation and integration of a single market in the EU, ensuring energy stability and security, research, exploitation and sustainable use of mineral resources, development of tourism by improving the standards of the tourist offer. This ministry has several priorities and goals, namely: Support and development of small and medium enterprises; Development and improvement of the competitiveness of the Macedonian industry; Development of tourism and hospitality in the Republic of Macedonia; Planning and sustainable use of natural resources; Creation of a single market – internal market of the Republic Macedonia, aligned with the overall legislation of the European Union; Developing an effective trade policy.

Entrepreneurship and the ecosystem for entrepreneurship are directly marked in the framework of the support and development of small and medium-sized enterprises, where, among other things, the points that stand out are: Increasing and improving the possibility of growth of small and medium-sized enterprises (SMEs); A dynamic ecosystem of entrepreneurship and innovation. In addition, within the framework of priorities for the development and improvement of the competitiveness of the Macedonian industry, the following goal is highlighted: Improving the capacity and competitiveness of clusters and their members, their international connection, advancement of knowledge based on high technologies, research and development, export-oriented strategies and a model based on industrialization. (Economy,2017)

3.2.2. Ministry of Education and Science

MES, through its Department for Science and Technological Development, is the primary ministry involved in science and research and development at the operational level. It provides the necessary means for the development of science and scientific education, national projects for research and technological development, and the development of research and technological infrastructure. Also, as part of the recently adopted National Innovation Strategy. MES established the Sector for Innovation, Competitiveness, and Entrepreneurship within the Ministry. This Department submits the Government's policy proposal in the area of innovations, monitors and analyzes European and global trends and standards in the area of innovations, and proposes measures for the implementation of activities in the Republic of Macedonia. MES is responsible for the creation of curricula for primary and secondary education and for providing general frameworks for the development of higher education. In the past few years, the focus on improving innovation and creativity among young people has seriously increased, through the introduction of courses on innovation, entrepreneurship, etc. in primary and secondary education. (Momir Polenaković,2017)

3.2.3. Bureau of Educational Development

The Bureau for the Development of Education is an administrative body within the Ministry of Education and Science with the capacity of a legal entity and carries out professional work of importance for the development and promotion of upbringing and education in the Republic of Macedonia. The activity of the Development Bureau education includes components that determine the purpose and content of educational work in the area of preschool, primary, high school, secondary professional and post-secondary education, the education of children with special educational needs, the education of adults, student dormitories, as well as for the education of children and citizens of the Republic of Macedonia abroad for learning the mother tongue and culture. (www.bro.gov.mk,2017) It is worth pointing out that through this office, within the framework of high school education in the fourth year, a compulsory subject has been introduced “ Business and Entrepreneurship”, while the subject "Innovations" is already introduced in the last grade of primary education.

3.2.4. Agency for supporting entrepreneurship in the Republic of North Macedonia

This agency is a state-owned institution that was established to implement a program of measures and activities to support entrepreneurship and the opening of small enterprises, as well as other programs adopted by the Government about entrepreneurship and small enterprises, and is one of the key national actors for implementation and coordination of national and international support for the SME sector. (Momir Polenaković,2017)

3.3. The financial sector

3.3.1. Development Bank of North Macedonia

The Development Bank of North Macedonia is the only institution of this type that operates on the territory of the country. It is organized in the form of a joint-stock company in full state ownership. DBNM is a development and export bank whose strategic goal is to support and encourage the development of the Macedonian economy through lending to small and medium enterprises and export companies. The bank operates by the strategic policies, goals, and priorities of the RSM under the supervision of the Ministry of Finance and by the banking regulation under the supervision of the National Bank of the RSM. RBSM is liable

for its obligations with all its assets, and RSM guarantees the Bank's obligations. (mbdp.com.mk,2017) The main goals of the bank are: (mbdp.com.mk,2017)

- Financing the development of the Macedonian economy
- Financing of infrastructure
- Providing support to the development of small and medium-sized enterprises in the Republic of North Macedonia
- Instigating exports
- Instigating environment protection
- Providing export credit insurance for Macedonian products and services against commercial and political risks
- Supporting the regional development

The significance of this institution for encouraging entrepreneurship is seen in almost all of its credit products: (mbdp.com.mk,2017)

- export support credit - working capital for the preparation of production intended for export and working capital for bridging the period from the export to the collection of funds from the foreign buyer;
- credit for small and medium enterprises - permanent working capital and investments from various sources: IKL-revolving, RBSM, EIB, EIB-revolving;
- credit to support agriculture and agro-industry - primary production, processing, and export - through commercial banks or directly through RBSM
- credit for micro companies - micro and small trading companies, individual entrepreneurs, craft shops, private traders, market stalls, and other micro and small business entities;
- credit for energy - energy efficiency and renewable energy sources;
- credit for reducing unemployment - creation and maintenance of jobs and self-employment with lending;
- credit with a guarantee scheme - micro, small, and medium-sized commercial companies that do not have sufficient collateral when applying to commercial banks;
- credit for accommodation facilities - investments for micro, small, and medium-sized enterprises based in RSM for the purchase, construction, and adaptation of small accommodation facilities up to 70 beds with a standard no higher than three stars;
- credit for nursing homes and kindergartens - micro, small, and medium-sized enterprises based in RSM for the construction and equipping of facilities for the elderly and kindergartens;
- credit for the municipalities in RSM - for the implementation of projects from the IPA component for cross-border cooperation;
- interest-free loans to reduce the impact of COVID-19 on the economy - micro, small, and medium-sized commercial companies.

3.3.2. Macedonian Development Foundation for Enterprises

The Macedonian Development Foundation for Enterprises was founded in 1998 by the Macedonian Center for International Cooperation with funding from the Dutch Embassy in Skopje. The promotion of entrepreneurship is one of the basic purposes of this institution. This institution has implemented a series of activities aimed at

the promotion and development of entrepreneurship in the Republic of North Macedonia. MRFP and the Center for the Development of New Businesses (BSC), since 2008, have been part of the National Team of the Global Entrepreneurship Survey – GEM, the largest survey of entrepreneurship in the world. It is an annual assessment of entrepreneurship at the national level and is carried out every year in more than 50 countries of the world. GEM aims to measure and compare the differences in the degree of development of initial entrepreneurial activities between the countries participating in the research, determine the factors that determine the level of entrepreneurial activity, and identify policies that can increase the level of entrepreneurial activity. MRFP is a promoter of entrepreneurship as an opportunity. MRFP has been one of the organizers of the traditional event for eleven years "Entrepreneur of the Year", and for several years he was the organizer of panels on separate topics within the "European Entrepreneur's Day" event. In addition to this, the foundation has provided significant assistance and support for the development and implementation of the strategic plans of the Union of Chambers of Commerce of Macedonia. MRFP in consortium with a civil organization from Albania, Center for Change and Crisis Management - Partnership Albania, in the period from March 24 to December 24, 2011., implemented the project "Promotion of female entrepreneurship in a border region". MRFP in consortium with partners: Union of Chambers of Commerce of Macedonia (SSK) and the Humanitarian Association of Roma KHAM, in the period from November 6, 2012. until May 20, 2016, implemented the project "Path to a Career - Improving the Employment of Women from ethnic minorities in the Eastern Region". Information about these and many other successes of this organization can be found on its official website.

3.4. Human resources

When it comes to the role of human resources in the development of entrepreneurship, there is no doubt that the human factor is the most significant. However, human resources are the source of all the elements that make up entrepreneurship as a scientific and practical concept. They are a source of new ideas, a source of innovations and inventions, risk takers, etc.

Unfortunately, there are no previous analyses on the specific role of human resources in the development of entrepreneurship in the Republic of North Macedonia. However, indicators of the educational structure of the population can serve as a kind of indicator.

Since 2003, when the Republic of North Macedonia accepted the Bologna Charter, significant technical and essential reforms have been implemented in the higher education system. During this period, the number of institutions, public and private, has increased to a great extent, the number of study programs that enrich the academic offer of the respective institutions. There are currently six state higher education institutions and twice as many private higher education institutions operating in the Republic of Macedonia. A total of 132 faculties operate on the territory of the Republic of Macedonia, of which 61 are within private institutions. Potential students can choose between 1531 study programs, of which 981 are within state universities.

According to the positive decrees in this area, accredited higher education institutions should be able to organize at least half of the teaching through staff, that is, persons in appropriate teaching and associate positions, in a regular employment relationship in the respective institution. On the other side, the official data taken from the Statistical Center of the Republic of North Macedonia indicate that in the previous 2019/2020 academic year, a total of 4437 people were part of the staff in the system of higher education in the country.

The number of necessary staff in the higher education institution is determined depending on the number of hours per teacher in one study group, namely: 240 hours per year for a teacher at the higher education institution, which represents teaching of an equivalent subject with a fund of eight hours per week. Taking into account the fact that the higher education institutions in the Republic of North Macedonia have over 1,531 study programs to carry out the same, the higher education institutions need a much larger number of full-time doctors of science, compared to the currently available staff. The expansion of the number of higher education

institutions, their fragmentation, insufficient staffing with highly qualified teaching-scientific staff and equipment, the existence of numerous dispersed departments, etc. represents a serious problem of hypertrophied higher education. (Aceski,2016)

According to the available data, it follows that in the Republic of North Macedonia, there is not a sufficient number of staff in appropriate academic, teaching, and associate positions. This means that even from a quantitative point of view, the appropriate requirements and standards for quality performance of the teaching activity are not met.

3. Conclusions and recommendations

Considering the great importance of entrepreneurship in the modern world, it is obvious that the ecosystem for supporting entrepreneurship, that is, its construction and functionality, should be one of the priorities in the economic growth and development policies of the Republic of North Macedonia.

However, one gets the impression that despite the progress made and at least the declarative support for entrepreneurship and entrepreneurial activity, however, a kind of partial and one-dimensional approach to this problem is applied in this country. Namely, entrepreneurship is perceived almost exclusively from the perspective of small and medium-sized enterprises, and not enough importance is attached to other forms and forms of entrepreneurial activity.

On the other hand, it can be said that there is an ecosystem to support entrepreneurship that is constantly developing. The paper does not cover other elements of this ecosystem, such as the non-governmental sector and the business sector, that is, the chambers of commerce that also play a role in the ecosystem to support entrepreneurship.

From the point of view of the analyzed policies and legislation and available data from state institutions, the financial sector, and human resources, it follows that a first step towards further deepening into this problem would be the preparation of a comprehensive multi-sectoral national strategy for the development of entrepreneurship in all its forms and shapes, which also represents a recommendation resulting from the conducted research.

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