

ENTREPRENEURIAL INTENTIONS AMONG YOUTH IN NORTH MACEDONIA AND THEIR LINK TO MIGRATION

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Abstract

Many studies reveal that brain drain and migration have become a serious problem for many countries, especially countries in transition such as North Macedonia. Over the past several decades migration has posed a significant issue for the country. With the political and economic instability many young people have decided to leave their homeland and seek better opportunities in other countries, mostly European countries. In the last several years with the increasing demand of employees in European countries, the youth migration intensified seriously, raising concerns about the economic consequences and the overall economic development of North Macedonia.

The objective of the paper is to investigate the relationship of entrepreneurship and migration among young people, researching whether entrepreneurship can mitigate migration intentions. The data were collected thorough an online survey using the snowball method among young individuals in North Macedonia. This study investigates how familiar young people are with the concept of SMEs, their interest in entrepreneurship and willingness to start their own business instead of moving abroad.

The results indicate that even though many young people demonstrate an interest in entrepreneurship, they face barriers to starting their own business, such as financial support, governmental support, mentorship, etc. Furthermore, this research shows a negative correlation between entrepreneurial intentions and intentions to migrate, meaning those that show willingness to start their own company are less likely to have an interest in leaving the country.

Keywords: SME; North Macedonia; entrepreneurship, emigration

1. Introduction

Youth migration has become one of the most significant socio-economic challenges in many transitional countries, including North Macedonia. Emigration has been seen as an “eternal issue” for a very long period in North Macedonia, and it is deeply rooted in the history and culture of the nation’s living in this country (Samardjiev, 2022). Over the last several decades, migration especially youth migration, has posed a significant issue for the country. With the political and economic instability, many young people have expressed a desire to leave the country in pursuit of better living standards, which unfortunately has reflected in the labor market and broader socio-economic challenges. In addition to economic motives, the institutional and socio-cultural factors also play an important role, since many young adults have decided to leave the country because of limited professional opportunities, weak institutional systems including corruption and nepotism. In response to these challenges, youth entrepreneurship has gained attention as a potential solution, since entrepreneurship is seen as a tool to reduce youth unemployment (Sulejman, 2020) by generating employment and fostering innovation. Entrepreneurship is widely recognized as a mechanism to fight unemployment and as a driver for economic growth.

This paper examines the relationship between entrepreneurship and migration, more precisely whether the institutional support of youth entrepreneurship can be used as a tool for pursuing entrepreneurial opportunities and mitigating migration intentions.

2. Literature review

One of the main challenges for nearly all Balkan countries has been the population decline and the loss of the main resource for any prospects – the young population. Despite EU integration, countries such as Croatia, Slovenia, and Bulgaria continue to face significant economic and demographic challenges because of low fertility rates combined with strong migratory movements (Stojanovski et al., 2023).

In North Macedonia, the situation is almost the same (Stojanovski et al., 2023), migration, especially young migration has intensified in the last several decades. According to Samardjiev (2022), the population of North Macedonia has shown a loss of 200,000 inhabitants from 2021 to 2022, highlighting emigration as a critical issue that influences demographic structure in the country. The literature states that there is a strong aspiration among young adults to migrate and their motivation is largely to pursue better living standards and better working opportunities (FES, 2024). Labor market indicators illustrate the vulnerability of young people in North Macedonia. According to APPRM (2023), the unemployment rate is highest among young adults aged 20-34 with an unemployment rate of approximately 47%. Another problem that North Macedonia has been facing in the last several decades has been the impact of migration on rural areas. The mass migration of young adults from these areas has brought many challenges to the sustainable development of these regions in North Macedonia. The loss of young adults has influenced the agricultural industry, it has accelerated demographic aging and weakened social cohesion (Kovachevikj et al., 2024). According to FES (2024), 68% of young adults have a desire to migrate, out of which 30% have declared that the reason for migration is to improve their living standard, 14% higher salaries, and 10% better employment opportunities. A World Bank (2018) study confirms that the motives for emigration are economic in nature such as better working conditions, improved employment opportunities with higher income, and an overall better living standard. Parker et al. (2022) furthermore adds that beside the economic factors, weak institutional systems and restrictive cultural norms are push factors influencing young adults to migrate from North Macedonia.

Introducing young adults in the labor market has not been a smooth process. Studies show that young adults face a lack or mismatch of skills and experience when entering the labor market. All these issues can result in long-term unemployment among young people. This long-term unemployment can influence their happiness and social dissatisfaction among young adults (OECD, 2001).

Young entrepreneurship has been recognized as a tool to reduce youth unemployment rate and migration intentions. In North Macedonia small and medium enterprises (SME) account for 99% of all companies (APPRM, 2023). In 2017, they employed 74% of the workforce and contributed 68% of national value added, in comparison with EU SMEs which have been noticeably lower, with only 66.5% of total employment and with 56.3% national value added (European Commission, 2019). Furthermore, a study from Sulejman (2020) proves that with 10% increase of established entrepreneurial companies, there is a significant decrease in the youth unemployment rate.

Young adults show greater interest in entrepreneurship during periods of unemployment. According to Global Entrepreneurship Monitor (GEM) (2012), youth entrepreneurship can be seen as a pathway to integrate young adults into the labor market while simultaneously contributing to

job creation. Youth entrepreneurship can generate employment through self-employment and business expansion. Additionally, it can introduce innovation and new economic trends, enhance the competitiveness of local economies, and can lead to higher levels of job satisfaction among young people. Moreover, according to GEM (2025), young adults are more interested in starting their own business, since they have less family responsibilities that could distract them from starting a new business or could have less to lose from those new businesses.

3. Analysis of Data

The aim of this paper is to investigate the relationship between entrepreneurship and migration, and to explore whether support for youth entrepreneurship can serve as a tool to encourage young adults to show their entrepreneurial capabilities rather than migrating abroad. This study employs quantitative research methodology where a survey-based approach was established to collect primary data. The data were gathered through an online survey, distributed through the snowball method among young adults in North Macedonia. The survey was conducted over the period July - October 2025, during which 110 responses were collected from different regions across the country.

Table 3.1 Gender

Gender	Responses
Male	21.80%
Female	78.20%

Table 3.2 Age group

Age	Responses
18-24	42.70%
25-29	25.50%
30-35	31.80%

From table 3.1 we can conclude that most of the respondents are female with 78.2% followed by men with 21.8%. Furthermore, table 3.2 presents the age group of the respondents, where it can be concluded that most of the respondents i.e. 42.7% are between the ages of 18-24, 31.8% are between the age 30-35 years old and 25.5% are between the age 25-29 years old.

Table 3.3 City

City	Responses
Skopje	84.55%
Kumanovo	9.09%
Bitola	2.73%
Ohrid	0.91%
Gevgelija	1.82%

Table 3.4 Level of education

Education	Responses
Secondary education	37.30%
Vocational training	1.80%
Bachelor's degree	46.30%
Master or higher	14.50%

According to the survey, most of the respondents are from Skopje with 84.55%, followed by 2.73% from Bitola and 9.09% from Kumanovo. Only 1.82% are from Gevgelija and 0.91% from Ohrid. The level of education is important when analyzing the entrepreneurial intention among young people, since education is one of the fundamental requirements for an efficient functioning business environment (GEM, 2012). From the survey, we can conclude that generally in North Macedonia young adults are interested in getting education, since 46.3% of the respondents hold a bachelor's

degree, and 14.5% hold a master or a higher degree. 37.3% have a secondary education and only 1.8% have vocational training.

4. Results

The finding obtained from the survey among young people in North Macedonia give us insight into their attitudes toward entrepreneurship and their migration intentions. The analysis gives key patterns of the relationship between entrepreneurship and migration intentions with particular attention given to the role of institutional and financial support in shaping young adults' decisions.

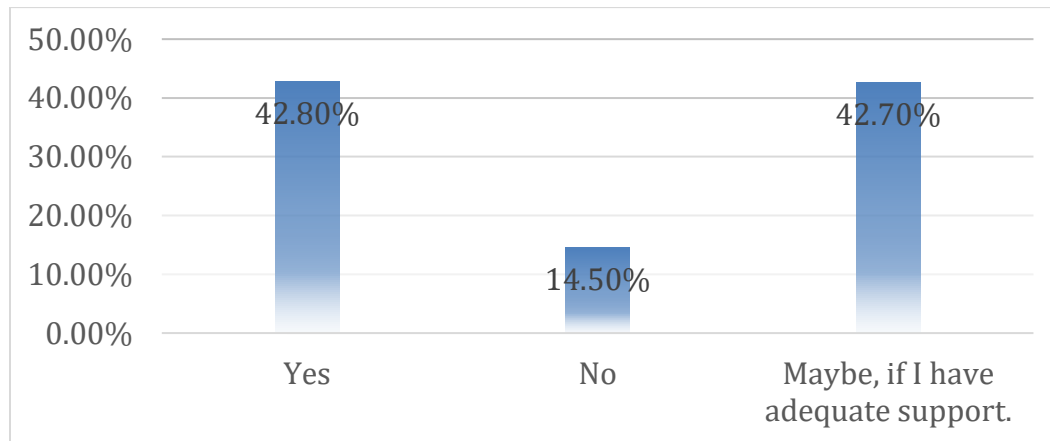


Figure 4.1. Would you consider starting your own business in North Macedonia?

Figure 4.1 demonstrates the young adult's willingness to start their own business in North Macedonia. According to the results, 42.8% of the respondents are interested in starting their own business in North Macedonia, and only 14.5% have stated that they are not interested. Another 42.7% have stated that they might consider it if they have adequate support, indicating that even though a significant portion of young adults in North Macedonia are interested in entrepreneurship, the institutional and financial support play an important role in their decision-making process.

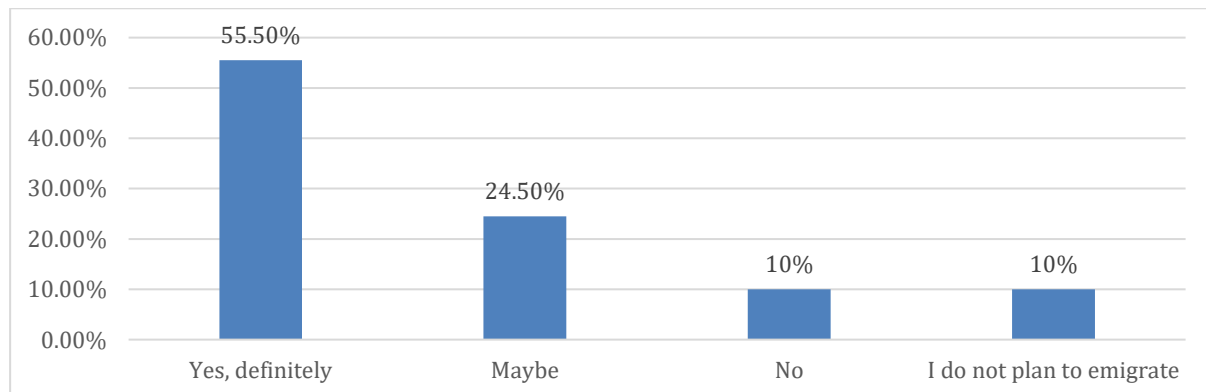


Figure 4.2. If there were strong support for young entrepreneurs (financing, training, mentorship), would your desire to emigrate decrease?

Furthermore, the respondents were asked whether they would prefer to start their own business if they had strong support, or they would still choose to move abroad. 55.5% or more than half of the

respondents have stated that if they had strong support such as financing, training and mentorship their desire to move abroad would decrease. 24.5% of the respondents are still in doubt about their decision stating that they might be willing to start a business instead of moving abroad, and 10% have stated that their decision would not be affected which indicates that their migration intentions are not only driven by economic factors, but they might also be influenced by social, political or cultural factors. Lastly, 10% of the respondents have stated that they do not plan to migrate at all.

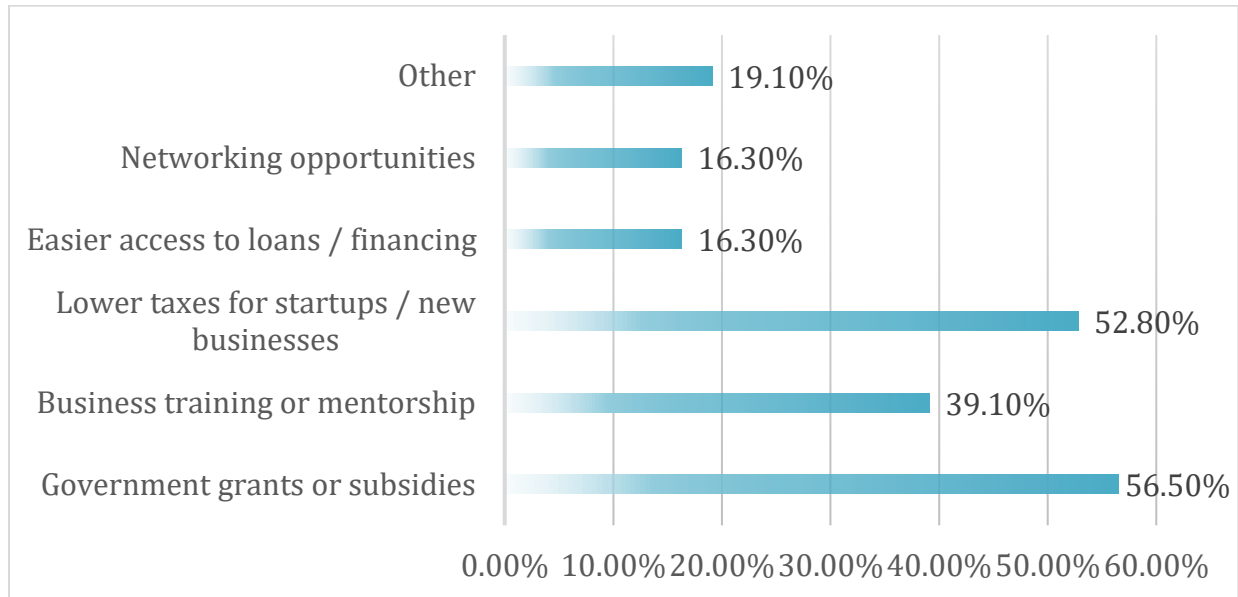


Figure 4.3. What kind of support would encourage you to start an SME?

The data from figure 4.3 present the types of support that young adults in North Macedonia consider are important for starting their own business, where the respondents had the opportunity to choose up to 3 options. Most of the respondents, namely 56.5%, have stated that governmental grants or subsidies represent the most important type of support for starting a small business, while 52.8% have stated the importance of lowering taxes is very important, which also constitutes a form of government support. Furthermore, 39.1% of respondents have selected business training and mentorship suggesting that young people are aware of the importance of entrepreneurial education. Easier access to loans and networking opportunities were selected by 16.3% of respondents and 19.1% have selected other types of support. These findings suggest that when young people think of support for starting their own business, they associate it primarily with governmental support, meaning that young adults in North Macedonia expect the state to have a central role in reducing the financial risks and uncertainties with starting a business.

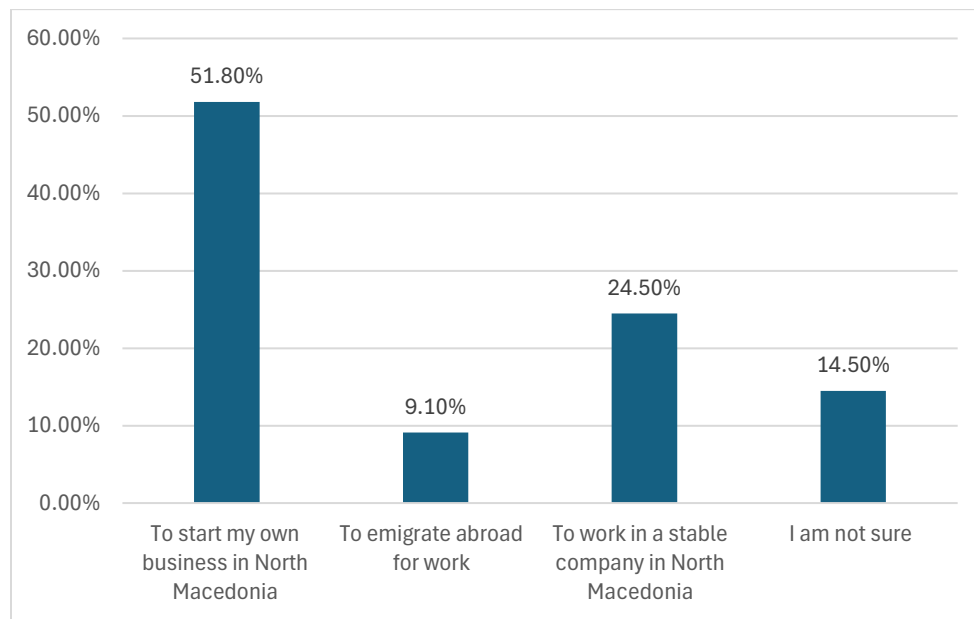


Figure 4.4. If you had the opportunity to choose, what would you prefer?

Finally, figure 4.4 presents young people's preferences regarding their future career choices. More than half of the respondents, namely 51.8% have stated that they would want to start their own business in North Macedonia, indicating a strong desire to become an entrepreneur and a strong will to not move abroad. Furthermore, 24.5% have expressed an interest to work in a stable company in North Macedonia and only 9.10% of respondents have stated that they would move abroad regardless of the job opportunities and career development prospects in North Macedonia. This study has several limitations that should be taken into consideration. First, the sample is relatively small which can limit the generalizability of the findings. Second, there is a gender imbalance in the same, with most of the respondents being females, which can influence the results, since the findings may not fully reflect the migration intentions among males. Third, the majority of the respondents are from Skopje, meaning that this study may not fully represents the experiences of young adults from other regions in North Macedonia.

5. Discussion

This study provides significant insight into the relationship between youth entrepreneurship and migration intentions in North Macedonia especially regarding the role of institutional and financial support of young people for the entrepreneurial intentions. Overall, the results align with the literature review and confirm that economic instability, limited job opportunities and insufficient institutional support remain the main drivers for migration in North Macedonia, however if entrepreneurship is adequately supported, it can be used as an alternative to emigration.

Among young adults there is a high level of interest in entrepreneurship, meaning that out of the total respondents 42.8% have expressed a clear positive interest in starting their own business in North Macedonia, furthermore an additional 42.7% have indicated a conditional interest depending on

adequate support, and only 14.5% of the respondents have declared that they are not interested in becoming entrepreneurs, indicating that they see their future careers in other fields. The results from this research fully support the report from GEM (2012, 2025) where it states that youth

entrepreneurship can be seen as a pathway to integrate young adults into the labor market particularly during unemployment periods, since they have less family responsibilities that could distract them.

Additionally, this research demonstrates how institutional and financial support play an important role in shaping both entrepreneurial intention and migration decisions. 55.5% or more than half of the respondents have stated that with strong support mechanisms for entrepreneurship such as financial support, training and mentorship their desire to migrate abroad would decrease. This finding is supported by studies from the literature review (Parker et al., 2022; World Bank, 2018) which confirm that migration intentions are mostly driven by economic factors together with weak institutional systems and restrictive cultural norms. Nevertheless, nearly one quarter (24.5%) have stated that their desire for migration with a strong entrepreneurial support might decrease, meaning that they are still open to influence, and that well-designed policy interventions can play an important role in shaping their future decisions. However, 10% of the respondents have stated that their decision for migration would not change regardless of the support given for entrepreneurship, which supports Parker et al. (2022) stating that there are also non-economic factors that initiate migration intentions such as political dissatisfaction, weak institutions, and social and cultural norms. Therefore, entrepreneurship can be seen as a tool to mitigate migration intentions, however it should be viewed as part of a broader strategy instead of a sole solution.

Furthermore, the respondents had the possibility to choose up to three most important types of support for entrepreneurship. Both governmental grants and subsidies (56.6%) and tax reduction (52.8%) were ranked as most important forms of support, indicating that there is a big expectation from the government, meaning that the state should play a central role in reducing financial risks associated with starting a business. Another type of support that young people expect is training and mentorship, namely 39.1% of respondents stated that they expect to have support on business training and mentorship, indicating that young people in North Macedonia are aware of the need for education and its influence on developing their business idea. This result fully aligns with the report from GEM (2012), which confirms that education is one of the fundamental conditions required for an efficient business functioning environment.

Despite the high migration desires stated in the literature review (FES, 2023; FES, 2024), this study shows that more than half of the respondents (51.8%) stated that they prefer to start their own business instead of moving abroad, indicating that there is still a significant portion of young people that see their future in their own country. Additionally, 14.5% have stated that they are still not sure about their future career choices remaining as open to influence, and with good strategic development policies they could think of the possibility of staying in their home country. Only 9.10% of the respondents have stated that their decision is to move abroad, indicating that no matter the possibilities and the job opportunities, they believe that they would build a better life if moving abroad.

From this section it can be concluded that youth entrepreneurship has a significant impact on mitigating migration intentions in North Macedonia. However, this potential cannot be reached without institutional and governmental support, accessible financial instruments, and entrepreneurial education. Entrepreneurship cannot totally reach all drivers of migration, however it is a powerful policy tool and when combined with a broader socio-economic reform it can contribute to retaining young adults and to fostering sustainable development in the country.

6. Conclusion

The aim of this paper was to examine the influence of entrepreneurship in mitigating migration intentions in North Macedonia with a special focus on institutional and financial support in shaping young people's decisions. To realize the goals of this paper an online survey was distributed through a snowball method among young people aged 18-35 years old in North Macedonia.

Findings reveal that youth migration is a serious socio-economic challenge in transitioning countries such as North Macedonia, and that it is primarily supported by limited job opportunities, economic instability, and weak institutional systems. However, this study also reveals that young people are interested in entrepreneurial activities and that entrepreneurship can be seen as an alternative to emigration.

This study reveals that young adults are interested in entrepreneurial activities especially when they have strong and adequate support. Even though a small portion of respondents are not interested in entrepreneurship, most of them have expressed interest in entrepreneurship especially when it is supported by institutional and financial mechanisms. Mainly, the support is expected to be from the government, meaning that the state should play a central role in reducing financial and institutional risks by starting a business.

However, entrepreneurship cannot be seen as one sole solution to decrease migration intentions, since a smaller group of the respondents stated that their decision to migrate to another country would remain unchanged regardless of the support given for starting a business indicating that beside the economic driver, there are also other drivers that push towards migration such as political instability, weak institutional systems and other social and cultural norms. Therefore, policies developed to reduce youth migration should combine entrepreneurship support with other broader structural reforms that help in strengthening institutions, improve governance and overall living conditions.

In conclusion, youth entrepreneurship should be recognized as a strategic policy tool for addressing both entrepreneurship and migration in North Macedonia. With good governmental support and strategic policies, policymakers can create an environment that reduces risks, enhances entrepreneurial skills and promotes innovation.

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