Analysis of the Representation of Women in the Business Environment of the Slovak Republic

Katarína Kráľová

Keywords: Women; Labour market; Entrepreneurship; Business environment

Abstract: In Slovakia, the share of women in the total population of the Slovak Republic is slightly above 50%. Women entrepreneurs in Slovakia are still somewhat the exception rather than the rule. Their approach to entrepreneurship is not the same as that of men and women's entrepreneurial story is often linked to their personal lives. Women's entrepreneurship is a hot topic at the moment and by analysing it, it is possible to find out what are the characteristics, qualities, motives and factors influencing women’s entrepreneurial activity in the Slovak Republic. The aim of our paper is to evaluate, through the analysis and development of statistical indicators, the position of women in the labour market in the Slovak Republic not only in terms of numbers but also in relation to the labour market (number of economically active women, employment, unemployment of women in the Slovak Republic) and also the degree of women’s involvement in entrepreneurial activities in order to obtain a comprehensive view of the representation of women in the entrepreneurial environment in the Slovak Republic.

1. INTRODUCTION

Entrepreneurship is an essential part of the existence of any economy. It can be said that entrepreneurship is one of the factors that increase the productivity, capacity and size of an economy through creativity and competitiveness among others (Acs et al., 2008; Zanjirchi et al., 2019). The concept of entrepreneurship is not new in the current era. Many authors have demonstrated in their studies the strong relationship between entrepreneurship and the economic development of the economy. But we must not forget the essential dependence on entrepreneurship and social welfare and development (González-Sánchez, 2012). Given the importance of women entrepreneurship, we will address this issue in our paper. Without women entrepreneurs, economies would certainly not achieve the economic results they currently have. Women entrepreneurs play a significant role in job creation, wealth creation, poverty reduction, human development, education, etc. (Byrne et al., 2019). Women entrepreneurs are logically different from their male counterparts. Women entrepreneurs are more likely to share their entrepreneurial successes with their family or community in order to achieve economic and non-economic benefits, hence their importance in terms of sustainable economic development (Orses et al. 2006). There are many reasons why women entrepreneurs are in business. In general, it could be stated that in developed regions, women are mainly motivated to be entrepreneurs by self-fulfillment, desire for independence, desire for power, wealth, or social status (Shah & Saurabh, 2015). On the other hand, in backward regions, women are pushed into entrepreneurship due to social and economic situations such as high unemployment, low income, poverty, widowhood, etc. and in this case, entrepreneurship is a necessity for them to survive, to provide for the necessities of life. The paper aims to evaluate the position of women
in the labor market and their level of involvement in entrepreneurship through the analysis of statistical data. We will look at women not only in terms of their numbers, but also in the context of the labor market, examining both the number of economically active women and female unemployment. We will interpret the status and development of statistical indicators related to women's position in the labour market. For the analysis, we have processed the available data for the period from 2010 to 2021. The data in this part of the analysis were obtained from the Statistical Office of the Slovak Republic and its Register of Organizations. Based on the assumption that the intensity of women's involvement in entrepreneurship is also related to women's economic activity and also based on the information that women may be driven to entrepreneurship also because they do not find sufficient employment and therefore start a business, we decided to find out whether there is a dependence between the number of women entrepreneurs and unemployment of women in the economy. To calculate the possible dependence, we used the Pearson correlation coefficient, which expresses the correlation between the two independent variables. The higher the value of the correlation coefficient, the more the considered values evolve together. We assume that there is a strong dependence between the number of women entrepreneurs and female unemployment.

2. WOMEN IN THE LABOUR MARKET AND BUSINESS

In the Slovak Republic during the analysed period, women predominated in the total population. Their percentage share in the total population is on average 52%. However, we must state that during the last 12 years, the number of women in the population has decreased by 1% in favour of men. This is a negligible figure for the total population. If we analyse the population of the Slovak Republic in terms of the indicator of the economically active population, this ratio changes in favour of the male population. The share of women in the total number of economically active population ranges from 44.19% in 2011 to the highest value of 46.97% in 2021. In the period under review, the number of economically active population – women increased by 7%, which we can evaluate very positively, and which can also have a positive impact on the potential number of women who could engage in entrepreneurial activities in the near future, thus expanding the number of women entrepreneurs. We have to be very positive about the overall development of the female unemployment rate. Between 2010 and 2021, female unemployment fell by 7.6 percentage points.

Table 1. Statistical indicators – economically active women and female unemployment for the period 2010 to 2021

<table>
<thead>
<tr>
<th>Year</th>
<th>Population – women in thousands</th>
<th>Share of women in the total population in %</th>
<th>Economically active population – women in thousands</th>
<th>Share of women in the economically active population in %</th>
<th>Female unemployment rate in %</th>
<th>Women – self-employed in thousands</th>
<th>Share of women in the total number of self-employed persons in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>2786.6</td>
<td>51.4</td>
<td>1209.2</td>
<td>44.68</td>
<td>14.6</td>
<td>112.6</td>
<td>27.5</td>
</tr>
<tr>
<td>2011</td>
<td>2767.3</td>
<td>51.32</td>
<td>1184.2</td>
<td>44.19</td>
<td>13.6</td>
<td>112.6</td>
<td>27.7</td>
</tr>
<tr>
<td>2012</td>
<td>2772.6</td>
<td>51.3</td>
<td>1199.2</td>
<td>44.31</td>
<td>14.5</td>
<td>108.8</td>
<td>28.2</td>
</tr>
<tr>
<td>2013</td>
<td>2774.9</td>
<td>51.28</td>
<td>1209.5</td>
<td>44.54</td>
<td>14.5</td>
<td>109.3</td>
<td>28.2</td>
</tr>
<tr>
<td>2014</td>
<td>2776.9</td>
<td>51.27</td>
<td>1211.8</td>
<td>44.52</td>
<td>13.6</td>
<td>107.4</td>
<td>29.1</td>
</tr>
<tr>
<td>2015</td>
<td>2779</td>
<td>51.26</td>
<td>1233.6</td>
<td>45.05</td>
<td>12.9</td>
<td>96.2</td>
<td>28.4</td>
</tr>
<tr>
<td>2016</td>
<td>2780.2</td>
<td>51.24</td>
<td>1247.4</td>
<td>45.23</td>
<td>10.7</td>
<td>99.9</td>
<td>28.8</td>
</tr>
<tr>
<td>2017</td>
<td>2783.7</td>
<td>51.22</td>
<td>1250.6</td>
<td>45.4</td>
<td>8.4</td>
<td>101.0</td>
<td>29.0</td>
</tr>
<tr>
<td>2018</td>
<td>2786.6</td>
<td>51.18</td>
<td>1240.4</td>
<td>45.17</td>
<td>7.0</td>
<td>96.5</td>
<td>29.2</td>
</tr>
<tr>
<td>2019</td>
<td>2789.3</td>
<td>51.16</td>
<td>1231.3</td>
<td>45.24</td>
<td>6.0</td>
<td>98.5</td>
<td>28.2</td>
</tr>
<tr>
<td>2020</td>
<td>2792.5</td>
<td>51.19</td>
<td>1209.9</td>
<td>45.39</td>
<td>7.1</td>
<td>95.6</td>
<td>28.2</td>
</tr>
<tr>
<td>2021</td>
<td>2762.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: processed based on data from the Statistical Office of the Slovak Republic and its Register of Organisations
Despite the fact that there are more women than men in the Slovak Republic, women entrepreneurs make up only less than a third of all self-employed persons in the Slovak Republic. There are, in fact, many factors (e.g. reconciliation of business and family) that make entrepreneurship a less attractive option for women than for men. Women represent about 52% of the total population in Slovakia, but only 28% of them are self-employed on average (Figure 1). Slovak women entrepreneurs are under-represented in the business environment from an EU perspective. The average of the EU countries in the period under review was as high as 32.3% of female entrepreneurs, while in Slovakia it is only 28% on average. We are therefore among the ten EU countries with the lowest number of women in business.

![Figure 1. Percentage representation of women and men in self-employment in the Slovak Republic](image)

**Source:** processed based on data from the Statistical Office of the Slovak Republic and its Register of Organisations

The ratio of men and women in business has been changing over time, in the past it was common for the number of women in business to be significantly lower than the number of men. Similarly, the number of women in senior management positions was certainly nowhere near the number of men in senior management positions. Over the last 50 years, the ongoing so-called feminisation of public life has led to a slight increase in the number of women in business and business leadership positions. The proportion of women in business also varies according to geographical and economic conditions. Although Slovakia is a relatively small country, we can observe slight regional differences in the number of women entrepreneurs. Thus, it follows that the conditions for women entrepreneurship in Slovakia differ. Within Slovakia, the largest share of women entrepreneurs is in the Prešov region, accounting for 14% of all economically active women in the Slovak Republic, followed by the Bratislava and Košice regions. In all these three regions we can observe a high representation of women in the business sector. These regions are also characterised by a high unemployment rate of the population. From a psychological point of view, this situation may have motivated women who would otherwise have been employed in various sectors to start businesses in sectors that they had previously considered to be only leisure activities, e.g. jewellery making, clothing, various handicrafts, baking, and cooking. The borderline situation in their lives – unemployment, lack of means to meet their needs, or the needs of their family – gave them the courage and motivation to start their own business and create their jobs. Based on this information obtained by analysing statistical data and studying various literary sources, we decided to find out whether there is a relationship between the number of women entrepreneurs and the unemployment rate of women in the economy through regression analysis and Pearson's correlation coefficient. The analysis was based on the data presented in the table above. The resulting regression function has the
form \( y = 89 \, 009 + 1331x \). The value of \( b_1 \) is positive, so we speak of a direct dependence and interpret it as follows: if the unemployment of women in the economy increases by one percentage point then the number of women entrepreneurs could increase by 1331. The value of the correlation coefficient is 0.741131461; the closer this value is to unity the stronger the dependence. In our case, we can conclude that there is a high degree of tightness in the relationship between the number of women entrepreneurs and female unemployment. R Square informs us that our chosen regression line explains about 55% of the variability in the number of women entrepreneurs, the rest is unexplained variability (the effect of random factors and other unspecified influences).

![Regression and correlation analysis](image)

**Figure 2.** Regression and correlation analysis of the dependence between the number of female entrepreneurs and female unemployment in the Slovak Republic

**Source:** processed based on data from the Statistical Office of the Slovak Republic and its Register of Organisations

Problems in women's entrepreneurship most often stem from gender inequality and the perception of women as entrepreneurs in society as a whole. Certainly, one of the main obstacles that make it difficult for women to enter the sector is the need to reconcile family and business. It is this factor that discourages many women from entrepreneurship, for fear of public condemnation if they decide not to sacrifice their family life but their business life. Based on our analysis, there is a strong correlation between female unemployment and the number of women entrepreneurs, so we can say that women mostly resort to entrepreneurship even in times of existential problems, when they have to deal with providing for the basic needs of the family. And yet there is a markedly large difference between men's and women's entrepreneurship, and we see these differences precisely in the way they deal with the obstacles and barriers to entrepreneurial activity and in the way they approach entrepreneurship. It is also natural that values and priorities differ between the sexes and their entrepreneurial mindsets are derived from this. Women tend to be more cautious in business, trying to think through everything in detail and manage everything perfectly. Women often plan for the distant future, so they think about factors such as family, future housing, children, etc., when they start a business and direct their entrepreneurial intentions accordingly. Women tend to be very innovative at the start of a business, but as time goes on, this enthusiasm for adapting new innovations fades, which is a detriment. The difference between men and
women on a non-physical level can also be observed in the fact that men are predisposed to be active, thrill-seeking and strive for performance and order unlike women. Women's qualities include calmness, honesty, obedience, altruism, which means that women will be much better able to cope with constantly changing legislation, various administrative duties during business, and will be more flexible in responding to these changes. When entering the business world, a potential entrepreneur, whether male or female, may encounter a very wide range of obstacles and barriers that must be overcome. In the conditions of the Slovak Republic, these are still chronically known shortcomings, such as administrative and bureaucratic burdens, high tax and levy burdens, complicated, changing and unpredictable business legislation, problematic law enforcement, or clientelism and corruption (Pilková et al. 2019). We can say that despite a sufficiently high proportion of women in the population, we have a low proportion of women entrepreneurs, which is perhaps a consequence of the facts we have outlined in the previous text. As such, women have many positive qualities that can be used in entrepreneurial activities, but there are still some barriers in the economic, social or psychological spheres that limit women's entrepreneurial activities in the economy of the Slovak Republic.

3. FUTURE RESEARCH DIRECTIONS

Women are the most valuable and largest untapped resource of entrepreneurial potential in any economy. Empowering women in the economy will contribute to the creation of new jobs, and the creation of added value. The lack of women entrepreneurs is an untapped resource for the economy in terms of innovation, green business development, socially responsible entrepreneurship, etc. Women's entrepreneurship promotes their emancipation and empowers women in society, contributing to gender equality. Given these facts, it would certainly be interesting in the future to assess the contribution of women entrepreneurs to job creation, or their contribution to the creation of innovations, the extent to which they are involved in the process of socially responsible entrepreneurship, etc.

4. CONCLUSION

In conclusion, we can say that in the conditions of the Slovak Republic women entrepreneurs can be an important driver for future economic, social and sustainable development and competitiveness of the economy. Many studies have shown the positive impact of women entrepreneurs on the economy, but even so, gender inequality has a negative impact on women entrepreneurship. Women are less likely to become entrepreneurs due to their social status, family conditions, economic conditions, etc. The paper aimed to point out the existing potential in the labour market in the form of the female population, which is not sufficiently activated.

References


