

Inclusive entrepreneurship trends and policies in the Slovak Republic

This profile reports self-employment and entrepreneurship activity rates for women, youth and seniors in the Slovak Republic, and briefly describes support for youth and women entrepreneurs under the current EU Structural Fund Operational Programmes.

Key trends: The share of self-employed in the working population decreased slightly from 15.8% in 2011 to 15.2% in 2016. The youth self-employment rate, in particular, declined over the last five years (from 10.4% in 2011 to 7.9% in 2015) while the rate for other key social target groups such as women and seniors has been relatively stable. Overall, the Total early-stage Entrepreneurship Activity (TEA) rate for the Slovak Republic was higher the average for the European Union between 2012 and 2016 (9.9% vs. 6.7% for the EU). Among the different social target groups, the rate was highest among youth: 11.7% were active as new entrepreneurs, which was higher than the European Union average of 7.8%. More than one-third of entrepreneurs (35.9%) in the Slovak Republic self-reported that they started their business because they did not have any other opportunities for work, relative to the EU average of 22.1%. The rates of necessity entrepreneurship were high across all social target groups and were particularly high for seniors who were 1.6 times more likely to be necessity entrepreneurs than the EU average over the period 2012-16 (40.9% vs. 25.5% for the EU).

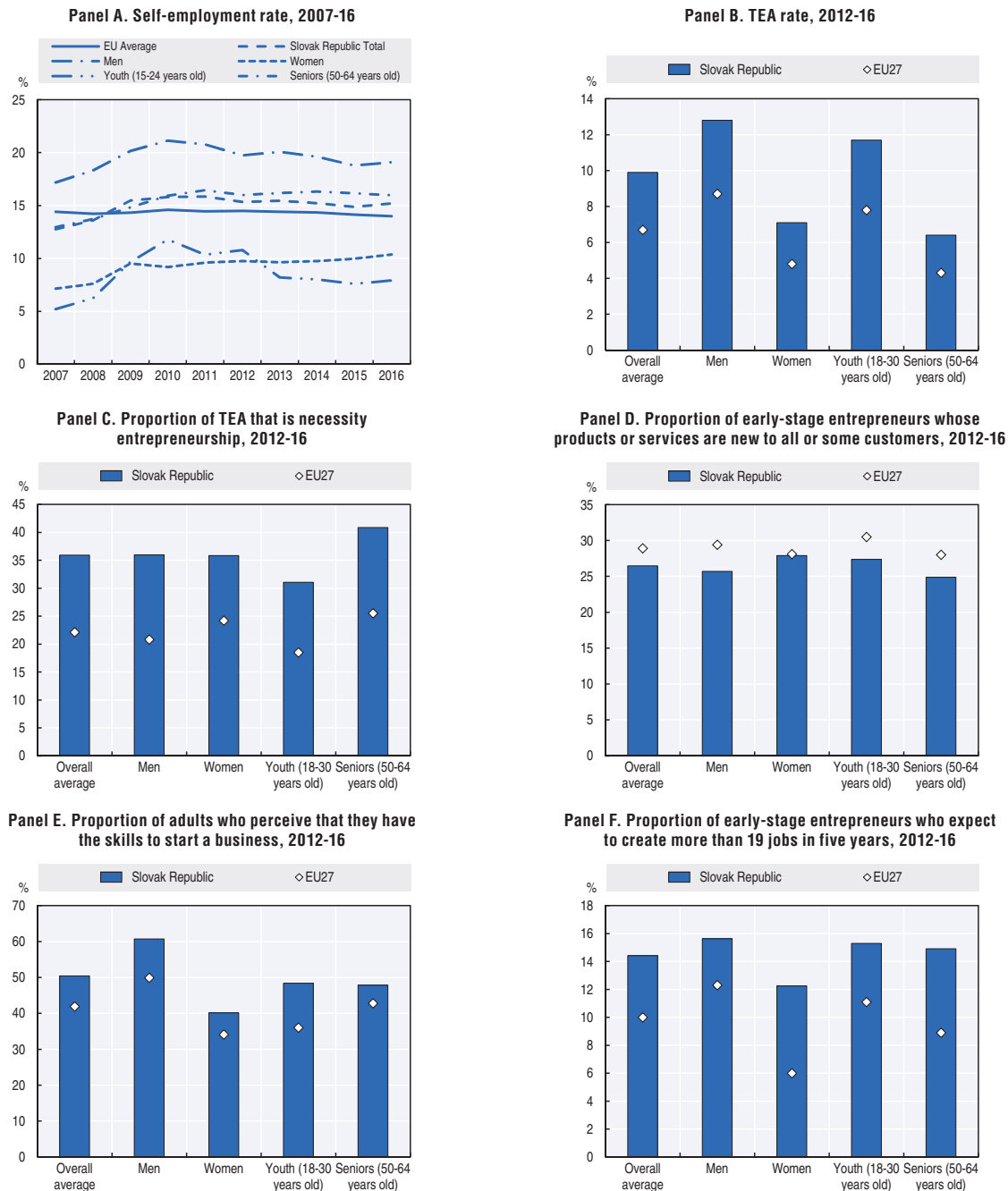
Hot issue: While the overall framework for entrepreneurship needs to be strengthened, there is some debate among policy makers and entrepreneurship stakeholders about whether there is a need to increase support for youth and women entrepreneurs. Entrepreneurship training and education for youth is under-developed and they often also struggle with a heavy administrative burden for start-ups. Women often perceive entrepreneurship as a difficult and undesirable type of employment and would benefit from more financial literacy training. More targeted outreach and promotion could help to support women in accessing the existing financial support available.

Recent policy developments: A cohesive national policy framework for inclusive entrepreneurship has not yet been developed but several objectives and actions related to business creation and self-employment have been introduced into the new EU Structural Funds Operational Programmes 2014-20. For example, the HR OP seeks to strengthen financial literacy and improve entrepreneurial skills among youth through entrepreneurship education in primary, secondary and higher education, and also includes entrepreneurship training for youth who are not in employment, education or training (NEETs). A number of specific regulatory measures have also been introduced to support different groups in the labour market, regardless of whether they are self-employed or employees. Youth entrepreneurs can benefit from preferential treatment by the health insurance system if they are students as they are not required to make a contribution for their coverage. Seniors can benefit from reduced social security contributions when they are active in employment (both as employees and in self employment), which is an incentive for continued labour market participation. People with disabilities who start a business can benefit from reduced contributions to health insurance.

The full Country Assessment Note can be found at: www.oecd.org/cfe/leed/inclusive-entrepreneurship.htm.

Key inclusive entrepreneurship data

Figure 32.1. Entrepreneurship and self-employment data for the Slovak Republic



Notes: 1. The self-employment rate is defined as the number of self-employed people (15-64 years old) divided by the number of people in employment. 2. The TEA rate is the proportion of adults (18-64 years old) involved in setting up a business or managing a business that is less than 42 months old. 3. Necessity entrepreneurship is defined as entrepreneurship activities that were launched because the individual did not have other options in the labour market. 4. Early-stage entrepreneurs are those who are in the process of setting up a business or manage a business that is less than 42 months old. 5. In Panels B, C, D, E and F, the population covered are those 18-64 years old.

Sources: Panel A: Eurostat (2017), Labour Force Survey, available at: <http://ec.europa.eu/eurostat/web/lfs/data/database>; Panels B, C, D, E, and F: GEM (2017), Special tabulations of the Global Entrepreneurship Monitor adult population survey, 2012-16.

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Reader's guide to the country profiles

This section of the book provides a short overview of inclusive entrepreneurship trends and recent policy actions in each European Union Member State. Each Country Profile highlights recent trends for key inclusive entrepreneurship indicators, focusing on activity rates, quality and barriers to business creation for people in under-represented and disadvantaged groups, drawing on a set of charts (see below). In addition, the Country Profiles briefly describe a current policy issue relevant for inclusive entrepreneurship policy development. Finally, each Country Profile describes a recent policy action that was introduced to support the unemployed, women, youth or seniors in business creation and self-employment.

The country overviews are complemented with a common set of country-specific data that benchmark key inclusive entrepreneurship indicators against the European Union average and over time. Data are presented for men, women, youth, seniors and the overall population total. These data help to show the scale of the challenge and its recent evolution. All Country Profiles contain six figures (except for the Malta profile, which does not participate in the Global Entrepreneurship Monitor survey):

Panel A: Self-employment rate, 2007-16. This presents the proportion of those in employment who are self-employed.

Panel B: Total Early-stage Entrepreneurship Activity (TEA) rate, 2012-16. This presents the proportion of the population who is actively involved in starting a business or who is the owner-operator of a business that is less than 42 months old.

Panel C: Proportion of TEA that is necessity entrepreneurship, 2012-16. This presents the proportion of early-stage entrepreneurship that was launched due to a lack of other opportunities in the labour market.

Panel D: Proportion of early-stage entrepreneurs whose products or services are new to all or some customers, 2012-16. This presents the proportion of early-stage entrepreneurs who self-report that they offer products and/or services that are new to potential customers.

Panel E: Proportion of adults who perceive that they have the skills to start a business, 2012-16. This presents the proportion of the population who believe that they have the knowledge and skills needed to start a business.

Panel F: Proportion of early-stage entrepreneurs who expect to create more than 19 jobs in five years, 2012-16. This presents the proportion of early-stage entrepreneurs who anticipate the creation of at least 19 additional new jobs over the next five years.



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