

33 Slovak Republic

This country profile presents recent trends in entrepreneurship by women, youth and seniors, including indicators that benchmark the Slovak Republic against the European Union average. It also reports on the conditions for entrepreneurship and highlights recent inclusive entrepreneurship policy developments.

Conditions for inclusive entrepreneurship

The overall entrepreneurship conditions are favourable compared to most of the European Union (EU) Member States. The share of the population with entrepreneurship skills and who intend on pursuing entrepreneurship are above average but the level of administrative burden on new start-ups remains an issue. Despite government action in addressing the regulatory environment through simplifying measures, improving the quality of laws and streamlining regulation, administrative burden still ranks in the bottom 5 EU countries in the period 2016-20. However, many policies and programmes aim to support SME's access to finance through providing loans and guarantees through specialised state banks as well as the Slovak Business Agency (SBA), which led to SME lending trending upwards as of 2012 as well as gradual improvement of credit conditions. As a result, the share of loans going to SMEs is high compared to other EU Member States, and conditions for SME lending rank in the top 5 EU countries.

Recent trends

Early-stage entrepreneurship rates for women (9%), youth (18-30 years old) (12%) and seniors (50-64 years old) (9%) were all above the EU average (5% for women, 7% for youth and 4% for seniors) for the period 2016-20. However, many of these new entrepreneurs started their businesses out of necessity – about twice as likely than the EU average across all population groups. Eliminating all of the gaps in entrepreneurship activity rates across population groups (i.e. applying the early-stage entrepreneurship rate of men who are 30-49 years old to the whole population) would result in an additional 200 000 entrepreneurs. Of these “missing” entrepreneurs, about 75% are female, 45% seniors and 20% youth.

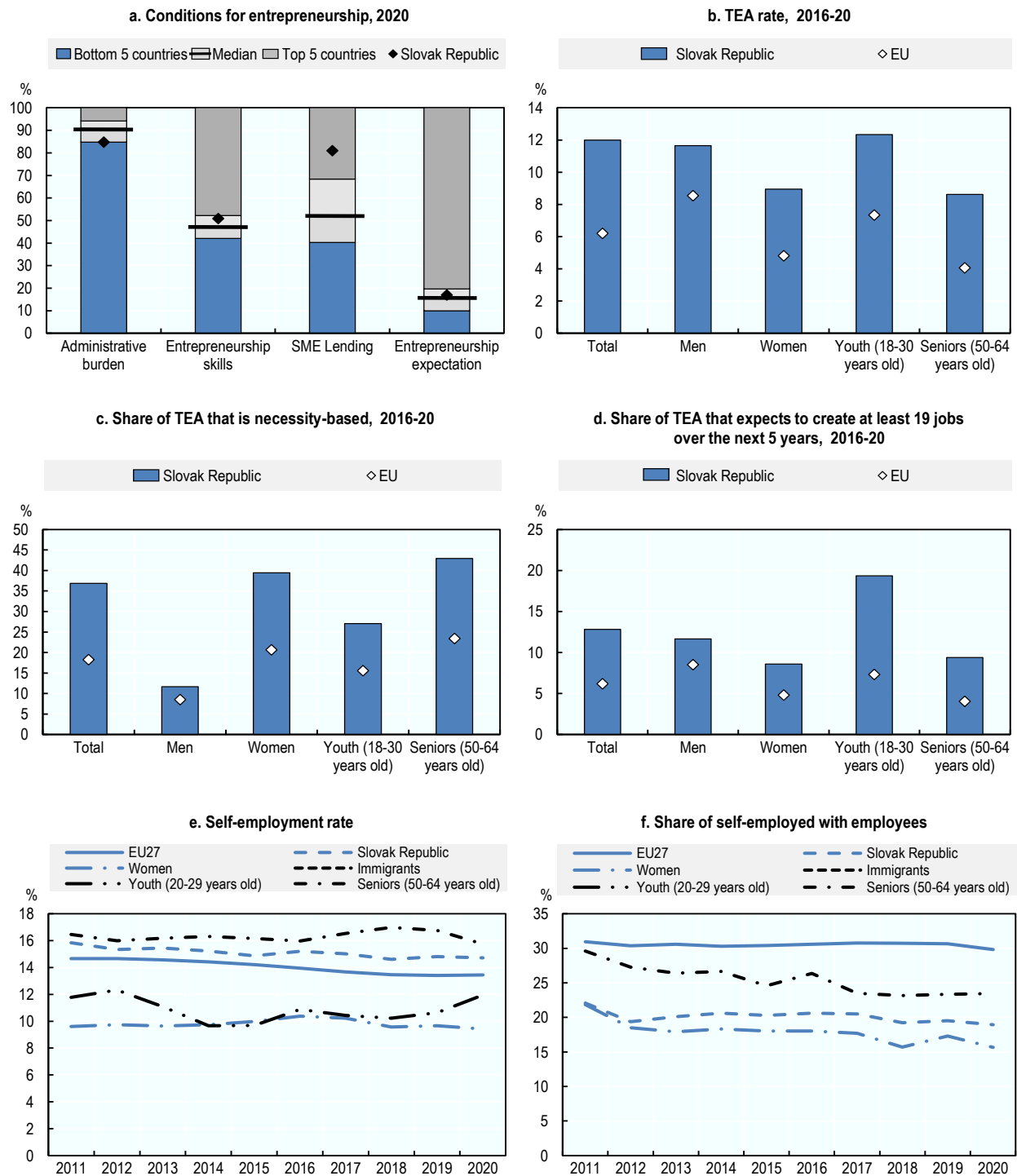
Overall, the self-employment rate slightly declined over the decade yet remained above the EU average (15% vs. 14% in 2020). The self-employed population is younger on average due to high levels of self-employed youth (12%) – nearly double the EU average (7%).

Hot policy issue

Many measures were introduced in response to the COVID-19 crisis. Self-employed workers received compensation for up to 80% of lost wages and could defer social security contributions and tax payments. As the crisis continued scaled benefits were provided and the average monthly subsidy for a self-employed worker increased from EUR 435 (July 2020 to September 2020) to EUR 745 (January 2020). Low-interest, state-guaranteed loans for self-employed workers were introduced, allowing loan payments to be deferred for up to nine months and deadlines for tax duties to be extended to reduce administrative burden.

Inclusive entrepreneurship indicators

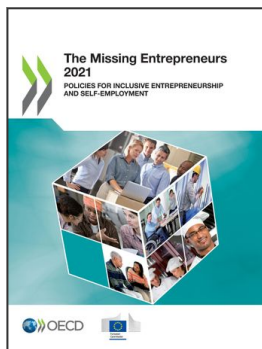
Figure 33.1. Entrepreneurship and self-employment in the Slovak Republic



Note: The EU average in panels b-d excludes Belgium, Czech Republic, Denmark, Lithuania, Malta and Romania. Please see Chapter 9 for notes on the figures.

Source: Panel a: (World Bank, 2020^[1]; Global Entrepreneurship Monitor (GEM), 2021^[2]; OECD, forthcoming^[3]); Panels b-d: (Global Entrepreneurship Monitor (GEM), 2021^[2]); Panels e-f: (Eurostat, 2021^[4]). Please see Chapter 9 for the full citations.

StatLink  <https://doi.org/10.1787/888934281714>



From:

The Missing Entrepreneurs 2021

Policies for Inclusive Entrepreneurship and Self-Employment

Access the complete publication at:

<https://doi.org/10.1787/71b7a9bb-en>

Please cite this chapter as:

OECD/European Commission (2021), "Slovak Republic", in *The Missing Entrepreneurs 2021: Policies for Inclusive Entrepreneurship and Self-Employment*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/765eb804-en>

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