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NON-AGRICULTURAL ENTREPRENEURSHIP OF RURAL WOMEN AS A FACTOR ELIMINATING SOCIO-ECONOMIC INEQUALITIES AND INFLUENCING RURAL AREA DEVELOPMENT

Key words: entrepreneurship, women, rural areas, development

ABSTRACT. On the basis of unpublished data from GUS (Central Statistical Office), in the years 2014-2016, as well as a review of literature, an analysis of the socio-economic situation of rural women, who make a living by running own non-agricultural businesses, was conducted. Income stemming from various sources of earnings was compared with reference to the situation on the labour market. Rural women were characterized on the basis of various types of self-employment undertaken, underlining the major role of such forms of labour in levelling out opportunities and the development of rural areas. Their average age was 45 and the number of people in the family 3.8. Only 2.4% of female entrepreneurs were from single-person households. Types of non-agricultural entrepreneurship were presented, where trade prevailed and 25.9% of entrepreneurs also employed other employees. By applying the coefficient of variation, many differences in the household income of female entrepreneurs were noted.

INTRODUCTION

The need for deagrarianization is an important problem in the development of rural areas. This might be attributed to the development of non-agricultural economic activity, and thus the non-agricultural labour market in the countryside, while economic inactivity is a destimulant. [Rosner, Stanny 2014]. Although non-agricultural entrepreneurship in the countryside faces many barriers [Stolarska 2006], its further development is expected [Sadura et al. 2017], which is also supported by the cooperation of entrepreneurs. Additional facilitation comes with the possibility of using external financing after Poland's accession to the European Union, which, to a greater extent, concerns young entrepreneurs [Bański 2015].

Non-agricultural economic activity in the countryside influences the development of regions and improves the quality of life of residents [Bański 2008], whose incomes are, on average, significantly lower than in cities [Stolarska 2014, GUS 2017b], while the poverty level is higher [Sadura et al. 2017]. It is particularly important for women in rural areas, due to the possibility of limiting their migration to cities and abroad, resulting in an unfavourable decrease in the feminization ratio of the village [Krzyżanowska 2014].

It can effectively reduce unemployment, the highest level of which is recorded among women in rural areas [MRPiPS 2018].

Women's entrepreneurship fits in perfectly with the EU's guidelines for gender equality in the EU, where it is recommended to increase female participation in political, economic and social life [EU 2012]. The significance of this issue led to the European Institute for Equality being founded in Vilnius in 2007 for Women and Men (European Institute for Gender Equality) [EU 2018]. The aim of it is to support the equal treatment of men and women and combat discrimination in EU countries, where the strategic goal is to achieve an employment rate of 75% by 2020, both among men and women [EIGE 2011].

MATERIAL AND RESEARCH METHODS

The study uses unpublished data from GUS (the Central Statistical Office) household budget surveys for 2014-2016, secondary data and GUS studies, as well as available literature.

The purpose of the conducted analyses was to learn about the economic and social situation of households of adult women in rural areas, living mainly from non-agricultural entrepreneurship, against a background of earnings from other sources and in relation to the weaker position of women than men on the labour market. It was indicated which women undertake self-employment and its types as well as most popular activities were characterized.

In order to check which factors influence the income of female entrepreneurs, correlation relationships were examined, and the variation coefficient was used to show the degree of their differentiation. The descriptive and graphic method was used to present the results obtained.

THE SITUATION OF WOMEN ON THE LABOUR MARKET

Women and their functioning in society are perceived as different from those of men, which is partly associated with cultural and religious norms and common stereotypes, often leading to prejudice and discrimination [Firlit-Fensak, Szyłko-Skoczy 2018, Majewska, Rutkowska 2008, Sawicka 2008, 2013]. All over the world, women are mainly assigned to such tasks as looking after children and other people, as well as running household chores. This causes a lot of disproportion on the labour market, which is not only characterized by lower employment rates of women (Figure 1) and lower remuneration for the same work [Sawicka, Skwara 2015, GUS 2017c], but also other forms of discrimination towards women can be observed. These are, among others, situations referred to as the "sticky floor" (with reference to female-dominated professions with low salaries, small bonuses and no possibility of promotion, such as: cleaners, secretaries, clerks; the "glass ceiling", i.e. hindering promotion, caused by the inability to gain necessary experience and lack of support from senior directors (men) and "glass escalators" (privileging men in feminized professions) [Brannon 2002, Titkow 2003, Gawrycka et al. 2007]. When a woman reaches a prominent position, she may face a "glass cliff" when she is overly burdened with difficult tasks and much more severely judged than men, with hope of her degradation [Szaban 2013].

Figure 1. Percentage of the work active population according to sex, in Poland and the world

Source: own elaboration based on [GUS 2017a]

Although, in light of legal regulations in democratic countries, women have equal opportunities with men, the reality is different, which is reflected in the indicators used to assess and compare the level of economic and social inequalities in different countries. One of them is GII (the Gender Inequality Index), the higher value of which indicates greater disparities [Krzymieniewska 2013]. In 2017, GII values (among countries with a “very high level of development” of human capital) ranged from 0.039 in Switzerland (the smallest gender inequalities), 0.04 in Denmark and below 0.05 in Sweden, the Netherlands, Norway and Belgium, to above 0.3 in Romania, Chile and Argentina. The index for Poland was 0.132, which placed it in 32nd place. The highest GII values (0.834) were recorded for Yemen, and in Arab countries this value, on average, exceeded 0.53 [UNDP 2019].

The activity rates for women¹ are lower in every country than for men, although they increase in following years. The largest discrepancies in 2017 (except for Arab countries) concerned: Italy, Malta, Romania, Greece and Croatia, and the highest values of women’s professional activity were recorded in: Iceland (72.8% compared with 81.8% for men), Switzerland (62.9% and 74.1% men) and Norway (60.8%; 67.6% for men). Among the professionally active in 2016, women accounted for 31.5% in Turkey and less than 39% in Malta, to over 60% in Latvia and Lithuania. A relatively higher percentage of professionally active women (over 47%) was recorded in France, Russia, Estonia, Portugal, Israel, Canada, New Zealand and Cyprus as well as the following Scandinavian countries: Finland, Denmark, Norway and Sweden, which is confirmed by research in this area for other years.

However, Mediterranean countries and many Central-Eastern countries of Europe are characterized by a smaller share of women on the labour market [Sawicka et al. 2017, EIGE 2011]. In Poland, it was 48.8% for women, respectively, compared to 65.1% for men [GUS 2018]. For women of working age in Poland, the economic activity rate was 71.2% in 2017 and was nearly 9 p.p. lower than for men, whilst larger disproportions occurred in years of a generally worse situation on the labour market (Figure 2).

¹ Percentage share of the economically active in the total population.

Figure 2. Economic activity of the working age population in Poland according to sex

Source: own elaboration based on [GUS 2019]

Despite women, on average, having a better education, higher unemployment occurs among them. They often only work part-time and their employment is related to the number of children in the family, while their earnings are smaller than for men², and the differences in the level of average wages have widened in recent years [Łopatka 2015]. In addition, larger inequalities at higher wages were observed, despite the fact that women have features which are more sought after by employers, which should theoretically compensate for the pay gap [Landmesser, Urbańczyk 2018].

SELF-EMPLOYMENT OF WOMEN³ IN VILLAGES IN POLAND

In the inferior situation of women on the labour market⁴, an alternative may be self-employment, especially in rural areas, where it is additionally more difficult for females to find well-paid and prestigious, non-agricultural employment. This is particularly important due to the different economic situation of women in the countryside than men, although large individual disparities are mitigated in households (Table 1).

Own entrepreneurship brings many economic and social benefits, both at the time it is conducted and in future periods. It not only enables the more efficient use of labour resources, which forms the basis for development in poorer countries [Czapiński, Panek 2012], but through setting a “good example”, lower labour costs [Rykowska et al. 2013], as well as a general increase in consumption creating supply, it stimulates the further development of self-employment.

² In 2013, 33% of women and 29% of men had a higher education in the EU, though women’s earnings were 16% lower (in Poland by 7.7%). In managerial positions, women earned 23% less than men [GUS 2017b].

³ Running a registered, non-agricultural sole proprietorship by a physical person pursuant to the Act of 2 July 2004 on Freedom of Economic Activity, Journal of Laws, 2004.173.1807.

⁴ According to the Central Statistical Office, the employment rate of women in rural areas in 2016 was only 43.6%, and for men 61.7% [GUS 2019].

Table 1. The economic situation of women and men in the countryside in 2016

Specification	Monthly available income [PLN]		Monthly consumption [PLN]	
	per household	per person	per household	per person
Women – average	3,855	1,096	2,827	804
Men – average	8,179	2,218	6,035	1,636
Women-manager households	3,531	957	2,409	672
Men-manager households	4,256	1,290	3,084	945

Source: own elaboration

Own business activity conducted outside agriculture in 2016 was the main source of income for 6.26% of households in the countryside (7.16% of households in cities)⁵. It also constituted an additional source of income for another 2.2% of households in the countryside. It maintained 19.02% of rural households, which were managed by females. Over 36% of all adult women living mainly from non-agricultural self-employment lived in rural areas. They were of different ages (22-72 years), but the average age was 45 and only in the case of approx. 17% did it not exceed 35, while more than half was aged 40-55, so generally, already with a stable family situation. Approx. 35% had a higher education and some even had a degree.

Woman who undertook their own business activity were mainly those with families, who no longer had dependent children. In 2016, female entrepreneurs living in marriages with 2-3 dependent children (26.5%), followed by 1 child and other persons (20.1%) dominated. There were 18% living in informal relationships without children and a further 17.2% in marriages without children and 11.6% in marriages with one child. There were only 3.1% of mothers with children and 2.4% living in single-person households. The average number of people in the family was 3.8, which is more than in other socio-professional groups.

Among rural female entrepreneurs (away from agriculture) in 2016, women conducting permanent business activity in the country, but without employing employees, dominated (65.8%). Another important group (25.9 %) were employers employing other people, i.e. also influencing the local labour market. Only approx. 7% conducted activity periodically, or helped other family members (spouses, parents) conduct it, and approx. 1.5% declared conducting non-agricultural activities abroad, without employing additional people. In previous years, the structure of self-employed women in the countryside was similar.

Among the types of non-agricultural activities undertaken by women living in the countryside, trade predominated (retail 30.6%; wholesale 2.7%), followed by service activities (5.4%). Widely-propagated agritourism was only conducted by about 5.4% of female entrepreneurs, which not only results from landscape and other conditions, but also limited demand for services for which only selected regions are predestined. About 4.8% of women dealt in the field of clothing production and healthcare, and another 4.3% provided legal and tax consultancy as well as accounting and bookkeeping services. 3.2% of self-employed women in the countryside dealt with food-related services and a similar percentage concerned those running services related to the development of green areas and

⁵ Share in accordance with Central Statistical Office nomenclature.

maintaining order in buildings. Women living in the countryside also dealt with transport activities (2.7%), furniture production, construction of facilities and buildings, as well as specialized construction work, trade and the repair of vehicles. The declared professions were dominated by saleswomen (approx. 30%), followed by managers in service industries (9.5%) and production managers, as well as middle staff in business and administration (8.6% each). Only about 4% of self-employed women functioned as domestic help and cleaners. This leads to the observation that women undertake their own activities in order to achieve higher income and self-realization, achieve prestige and stand out in the community. Non-agricultural entrepreneurship in the countryside enables structural changes and an increase in the population's income, although, it is, on average, smaller than in cities, both in general and as a result of self-employment [Stolarska 2018]⁶.

In 2016, the average monthly disposable income in rural households of women living from self-employment was PLN 5,763 per household and PLN 1,458 per person (Figure 3Ai 3B) and from 2014 this income has steadily increased. On the other hand, the high value of the variation coefficient, exceeding 85%, indicates their significant variation.

While female entrepreneurs obtained the highest income per household due to a greater number of people in their families, a slightly higher income per person was recorded in the households of women employed in white-collar positions, although the income from self-employment grew at a faster pace. In the longer term, this can significantly improve the situation of entrepreneurial women in the countryside and their families, who are also more prone to saving than women working in white-collar positions. Women in the countryside had a higher income from self-employment than men, which was the opposite in the group employed in white-collar positions (Figure 4).

The correlation dependencies analysis did not show a significant impact of age, education, form and type of conducted activity on obtained income, while the highest level was characteristic for households in which other people obtained additional income from white-collar employment.

Figure 3. Monthly disposable income in women's households in the countryside, earning a living from work in 2014-2016 – per household (A) and per person (B)

Source: own elaboration

⁶ The highest average income is obtained by employees in salaried (white-collar) positions.

Figure 4. Monthly disposable income in female and male households of highest income in the countryside in 2016

Source: own elaboration

SUMMARY

The non-agricultural entrepreneurship of women in the countryside not only enables the improvement of their socio-economic situation, but is also an important factor in equalizing opportunities and improving the standard of living of households, both against a background of other forms of professional work, in comparison with women in cities and even men. Due to the limited possibilities of finding well-paid and satisfying gainful employment, which is especially difficult for women in the countryside, it is an alternative that cannot only bring in more income, but is also rewarding and satisfies aspirations.

Self-employment is undertaken by women who are better educated, have, on average, larger families, but have already managed to “raise” their children, which proves that their role in comparison to men is still different. The income achieved varies greatly, but in the years 2014-2016 it increased the most (among the employed) and in combination with the additional income of other family members places them at the highest level, higher than the income of self-employed men in the countryside. Combined with a greater propensity to save, this creates an opportunity for the further improvement of the socio-economic situation of the whole family and development of rural areas.

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PRZEDSIĘBIORCZOŚĆ NIEROLNICZA KOBIEC NA WSI CZYNNIKIEM NIWELOWANIA NIERÓWNOŚCI SPOŁECZNO-EKONOMICZNYCH I ROZWOJU OBSZARÓW WIEJSKICH

Słowa kluczowe: przedsiębiorczość, kobiety, wieś, rozwój

ABSTRAKT

Na podstawie niepublikowanych danych jednostkowych GUS z lat 2014-2016 oraz przeglądu literatury przeprowadzono analizę sytuacji ekonomiczno-społecznej gospodarstw domowych kobiet na wsi, utrzymujących się głównie z własnej przedsiębiorczości nierolniczej. Porównano dochody gospodarstw z różnych źródeł zarobkowych oraz w odniesieniu do ogólnej sytuacji na rynku pracy. Scharakteryzowano kobiety podejmujące samozatrudnienie, których przeciętny wiek wynosił 45 lat, a średnia liczba osób w rodzinie 3,8. Zauważono, że najmniejszy odsetek – jedynie 2,4% – dotyczył przedsiębiorczyń z jednoosobowych gospodarstw domowych. Przedstawiono rodzaje prowadzonej przedsiębiorczości nierolniczej, wśród której przeważał handel, a 25,9% przedsiębiorczyń zatrudniało też innych pracowników. Wskazano na duże znaczenie tej formy pracy w wyrównywaniu szans i zaspokajaniu aspiracji oraz rozwoju obszarów wiejskich. Za pomocą współczynnika zmienności wykazano znaczne różnice w dochodach gospodarstw domowych przedsiębiorczyń.

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