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# Motherhood-related determinants of women's entrepreneurship in Poland

## Introduction

According to the Article 33 point 1 of the Constitution of the Republic of Poland, "men and women shall have equal rights in family, political, social and economic life in the Republic of Poland". Therefore, the constitution guarantees the same rights in respect to conducting one's own economic activity to both women and men. Nevertheless, economic phenomena occur within a particular social and cultural context. Particular cultural patterns of gender roles function within this context, and there are different social expectations regarding women and men. Therefore, the real possibilities for self-employment (conducting own economic activity) are different in case of men and women. The article discusses determinants of conducting own economic activity by women, which are strongly related to social roles ascribed to mothers and performed by them.

The issue of female entrepreneurship in Poland is included in the area combining existing and relatively vast studies and analyses. On the one hand, they concern barriers to economic activity of Polish women, albeit without taking particular account of female entrepreneurship (*inter alia* [Matysiak 2011; Kurowska 2010a, 2010b; Kotowska (ed.) 2009; Kotowska, Sztanderska, Wóycicka 2007; Firlit-Fesnak (ed.) 2008; Auleytner (ed.) 2007; ASM 2006]). On the other hand, they address the issue of barriers to entrepreneurship without taking into account gender-related differences (*inter alia* [PKPP Lewiatan 2011; Doing Business 2013; Kantorowicz, Żuk, Wojciechowski (ed.) 2008; Starczewska-Krzysztozek 2008, NIK 2008]). There are only few studies addressing the issue of barriers to female entrepreneurship (e.g. [Rolnik-Sadowska

2010; Lisowska 2001; Kurowska (ed.), Dwórznik, Franczak 2011]). In particular, the studies stressing the cultural context of gender roles are lacking. The objective of this article is accentuation of these determinants of entrepreneurship that eventuate from culturally determined gender roles and consequently are conducive to discrimination against women-mothers who want to conduct their own business as compared to men-fathers.

The first part presents the theoretical background of the issues discussed in the paper. The second part discusses beliefs prevailing in the Polish society regarding the roles performed by women/mothers (cultural context), while the third part presents structural barriers to female entrepreneurship in Poland related to motherhood (barriers related to shouldering family responsibilities and providing childcare for a young child outside family). The fourth part comprises statistical data illustrating the significance of family situation for female economic activity and entrepreneurship in Poland. The final part presents conclusions drawn from the presented analysis.

## Cultural and structural determinants of women-mothers' entrepreneurship

Decisions of women concerning economic activity are much stronger connected with proactive decisions, e.g. because of their biological determinants (pregnancy, delivery and childbed, breastfeeding), than decisions of men. Decisions regarding labor supply and women's fertility depend also on cultural and

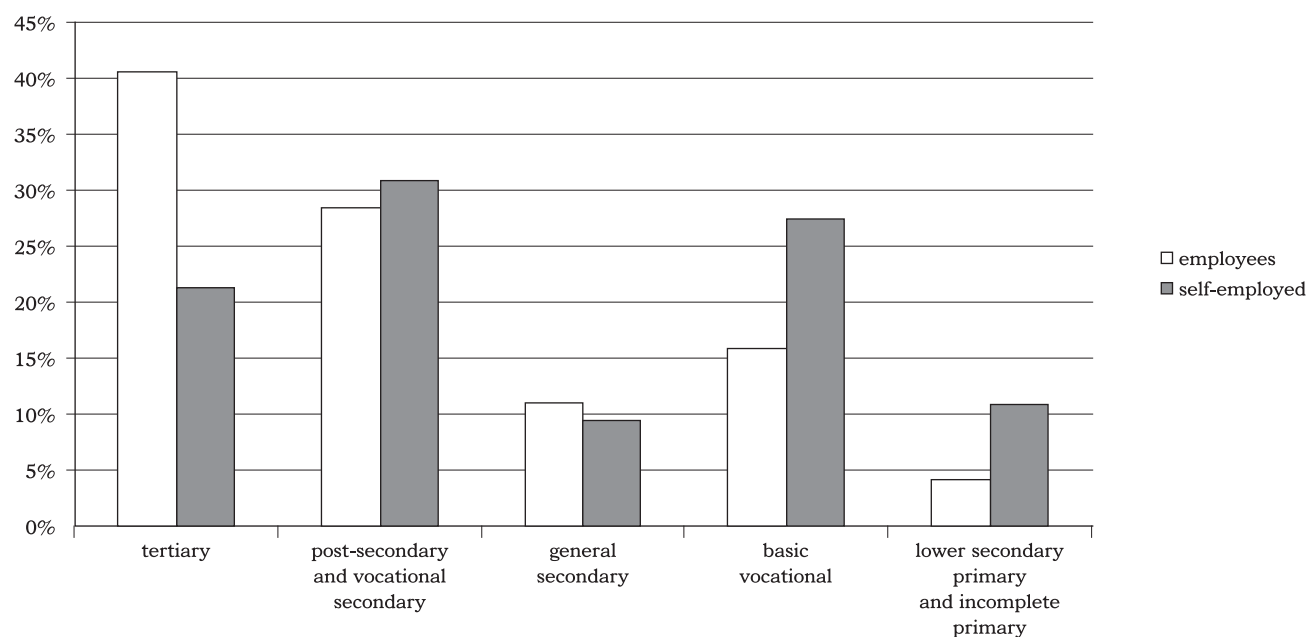
structural determinants [Muszyńska 2007], sometimes referred to as cultural and structural contexts.

Cultural determinants comprise mainly dominant in a particular country social expectations regarding the role of a woman in family and society [Leifbroer, Corijn 1999]. They determine the model of “job and family-related career” of women which is socially accepted: whether and to what extent a woman should work, and who and to what extent should look after a child/children [Muszyńska 2007]. In the societies where the belief that it is a woman herself who should take care of a young child (below 3 or 6 years old), society pressure may effectively limit decisions of young mothers regarding taking up work (see, e.g.: [Matysiak 2011]). In such circumstances, mothers of young children face much more significant psychological barriers (costs) of continuation or taking up employment, including their own self-employment, than fathers. Moreover, in the countries where shouldering household and family responsibilities characterize significant disproportion, the fact that women could devote much fewer hours to activities connected with setting up and conducting own economic activity significantly reduces their chances in this field. Compared to men, women characterize also lower flexibility as regards the time of a day which they may devote to work (because of childcare responsibilities).

Cultural determinants are strongly connected with the structural context. This context refers to actual possibilities and barriers faced by women performing double roles of mothers and workers [Leifbroer, Corijn 1999]. These “structural” barriers comprise, *inter alia*, the access to institutional childcare and respective costs. The studies carried out by Del Boca, Pasqua and Pronzato [2009] in the EU countries indicate that institutional childcare for children aged 0–2 years has a strong positive impact on probability of women’s employment, particularly those with low and medium level of education.

Positive relations between availability of institutional childcare during the first two years of the child’s life and economic activity of women with low and secondary level of education is particularly significant in case of Poland, as these women comprise the main group of mothers with low economic activity (see Figure 1). Moreover, women with secondary (post-secondary or vocational secondary) and low (basic vocational) levels of education dominate among self-employed women in Poland. Compared to female employees, percentage shares of women with secondary vocational, basic vocational and lower secondary/primary education among self-employed women are much higher.

**Figure 1.** Level of education of female employees and self-employed women



Source: own elaboration based on: Labour Force Survey in Poland, the second quarter of 2011.

## Perception of the role of a woman as a young child's mother in the Polish society

The EEAFR<sup>1</sup> studies, carried out in Poland in 2005, indicated that the majority of the respondents declared that in the situation when there is a young child in a family (below 3 years of age), the preferred solution is the one where a father works full-time while a mother partially or entirely resigns from her Labor market involvement [Kotowska (ed.) 2009]. The questionnaire survey *Generation and Gender Survey* carried out in 2011 (GGs-PL 2011) indicates that over 64% of the respondents in Poland believe that young children suffer when their mothers work. According to the results of the European Value Study (2008) even more respondents (67% women and 70% men) agree with the opinion that mothers can work, but what the most of them really want is home and children. The analyses of Kurowska and Kocot-Górecka [2013] show that the stronger mothers agree with the opinion that young children suffer when their mothers work, the lower is probability of mothers' employment. The studies of Słotwińska-Roslanowska [2013] indicate that a decided majority of the Polish society believe that childcare of a child up to 3 years old is mainly family responsibility (see Figure 2).

It is also worth to present the last results of the public opinion poll (CEBOS 2013), which indicate that as many as 61% of men declare that if they earned enough to provide for their families, they would prefer their female partner to resign from

paid work for the sake of maintaining a household and bringing up children.

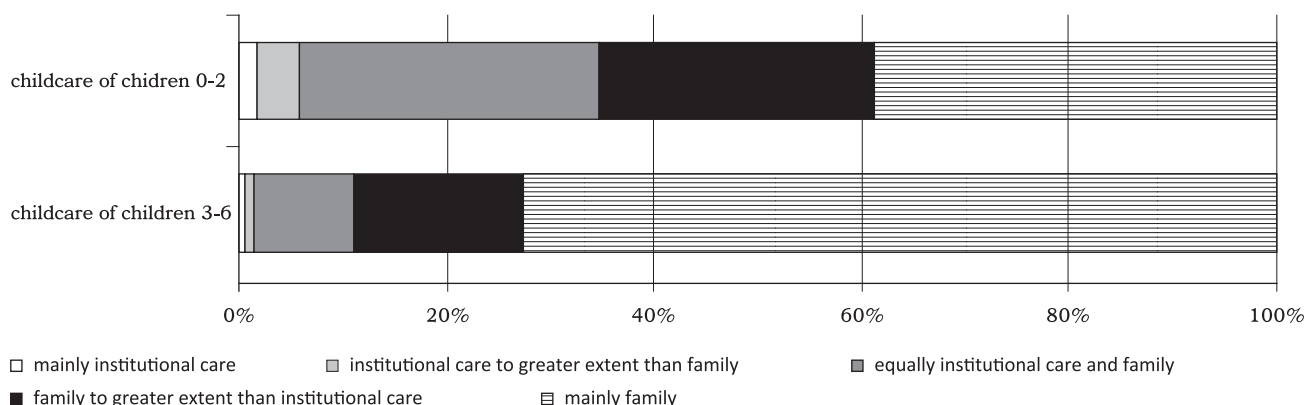
The consequence of the dominant in the Polish society belief concerning the significance of the mother's care for the wellbeing of a young child, is the fact that mothers of young children face much stronger psychological barriers (costs) hindering continuation or taking up employment, including self-employment, than fathers.

## Burdening of women with motherhood-related responsibilities vs. freedom of doing business

In case of women, the decision concerning realization of their own career-related ambition requires not only at the risk of defying social expectations regarding the role of a woman as a mother, but also at the expense of the necessity to combine occupational and family responsibilities. The research project *Generations and Gender Survey-PL 2011* indicated that the decided majority of women with the youngest child below six years of age declare that they themselves shoulder exclusively or mainly the childcare responsibilities (see Table 1).

This means that in Poland women are more burdened with household duties and can spend fewer hours at work, including business activity. This lower number of hours is particularly severe when doing business is accompanied by legal-administrative restrictions. Despite the fact that the ease of doing

**Figure 2.** Who should be responsible for childcare?



Source: respondents' answers based on question 218 of GGS-PL 2011 questionnaire [Słotwińska-Roslanowska 2013, p. 13].

**Table 1.** Distribution of answers given by mothers with the youngest child aged below 6 years of age to the question who in a household performs particular activities connected with childcare (Generations and Gender Survey-PL 2011)

Activities	Always mother	Usually mother	Mother and father <sup>2</sup> equally	Always or usually father
Dressing up children	44.1%	31.4%	21%	1.7%
Getting children off to sleep	37.4%	25.5%	31.7%	3.5%
Staying with children when they are ill	49.6%	27.3%	16.8%	2.1%
Playing with children and spending free time with them	22.4%	21.7%	50.8%	2.5%

Note: Percentage shares of activities perform by other household members are not included. The number of female-respondents: 1345.

Source: own elaboration based on the data received from E. Slotwińska-Roslanowska.

business has improved over the last few years, Poland is still classified at remote positions in the rankings of economic freedom *Doing Business* (World Bank and IFC) or the *Index of Economic Freedom* (Heritage Foundation). Within the framework of *Doing Business 2012* ranking, Poland received the lowest score in respect to formalities required to obtaining various permits allowing setting up own business and conducting own economic activity. In this last category, Poland occupies 160<sup>th</sup> place among 183 assessed countries in the world. Also, compared to the year 2011 Poland observed a drop by 11 positions in this category, similarly to the “company liquidation” category (a drop by 13 positions). As regards easiness of paying taxes, Poland was classified at 128<sup>th</sup> place. According to the report *Doing Business*, a male or female entrepreneur who would like to meet requirements of the Polish tax regulations would have to make on average 29 payments amounting to overall of 43.6% of the gross profit and they should spend 296 hours a year doing this. Facing the fact that mothers shoulder family responsibilities to a greater extent, time-consuming and significant costs related to formal requirements imposed on entrepreneurs barrier to female entrepreneurship.

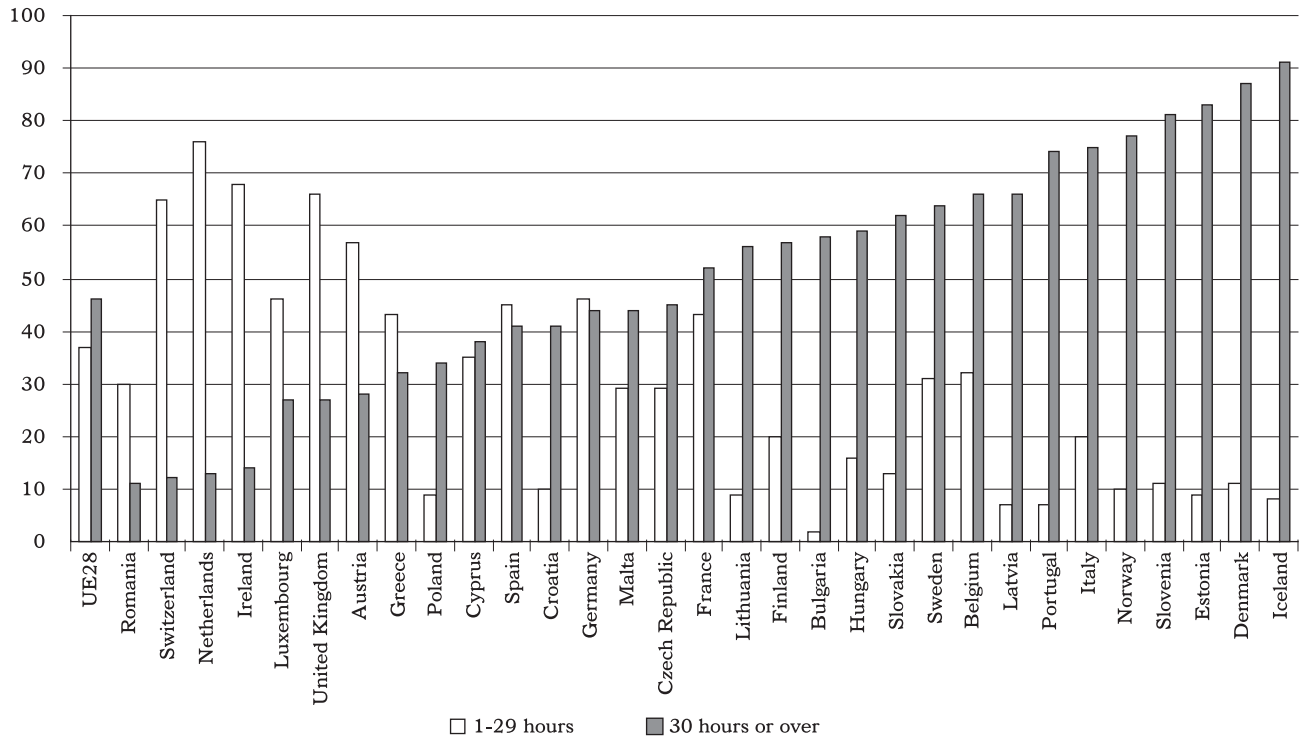
Finally, it is worth to mention, following the fact that mothers not fathers take advantage of maternity leaves, the women planning conception and birth of a child and looking after a child themselves during the first year of the child’s life, have to pay a tax towards sickness insurance, which is basically optional for all entrepreneurs. Therefore, the costs borne by entrepreneurs due to social insurance taxes are higher in case of women planning motherhood than in case of men planning fatherhood who can resign from such insurance.

## Problems with obtaining external childcare

Direct costs of conducting own economic activity are not the only economic costs borne by mothers who want to set up their own business. In case when a woman resigns from providing her personal childcare in order to conduct a business, she must also take into the account the costs related to obtaining external childcare for her child (kindergarten/crèche/childminder). Thus, the so-called *reservation wage* [Matysiak 2011], i.e. minimal level of earnings (income) at which doing business becomes profitable, is in case of mothers higher than in case of fathers.

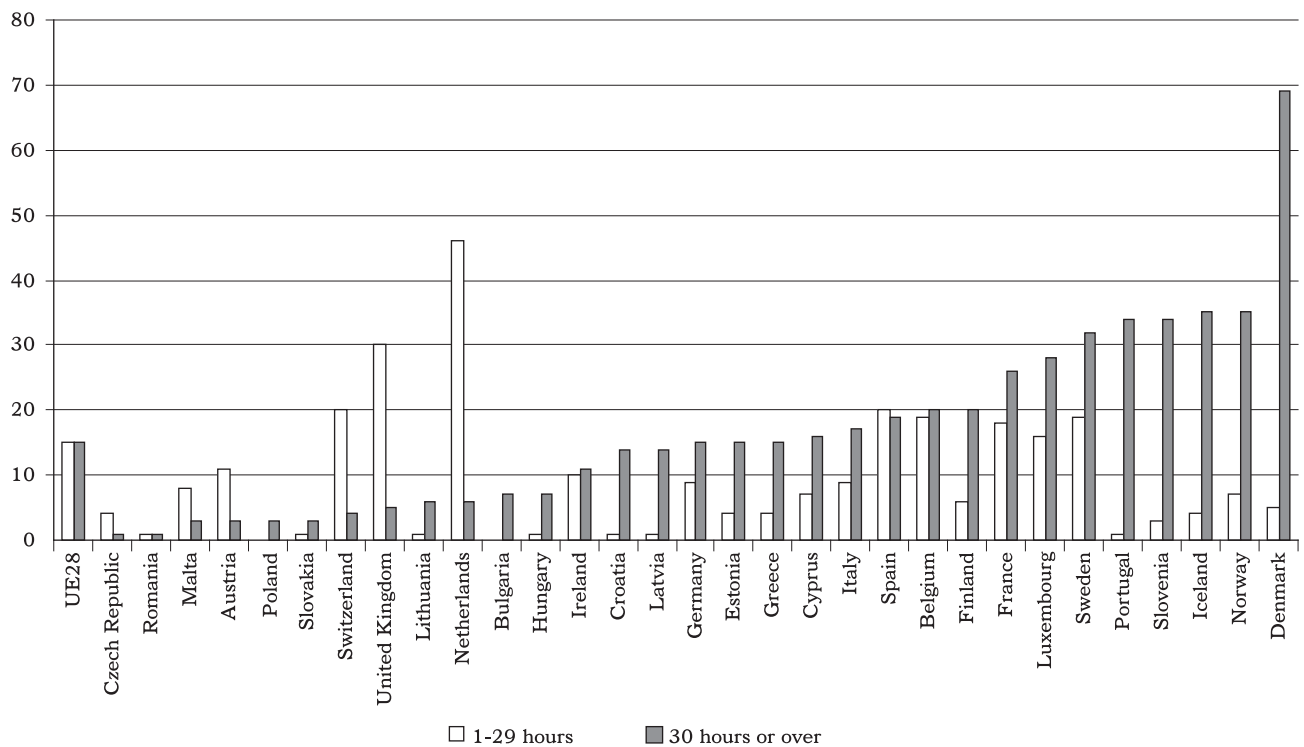
As was already mentioned, the key factor increasing the level of female economic activity is availability of institutional childcare. Compared to other OECD countries, Poland has one of the lowest percentage shares of children below 5 years old participating in institutional childcare (crèches, kindergartens). Despite the fact, that availability of institutional forms of pre-school education for children aged 3–5 years has improved significantly, Poland still stays behind most European countries (Figure 3 and 4). As regards childcare of the youngest children (aged up to 3 years), no significant changes took place in the years 2003–2011. According to the CSO data, the ratio of the number of children staying during a year in crèches or crèche wards in kindergartens to the total number of children aged 0–2 years increased on average from 4.2% in 2003 to 5% in 2011. In the year 2011, the law came into force<sup>3</sup> on the childcare of children up to 3 years old, which introduced new forms of childcare and reduced some barriers hindering setting up new crèches. Nevertheless, according to the statistics for the year 2012, the ratio

**Figure 3.** Percentage share of children aged 3–5 years participating in institutional forms of childcare in 2011 by duration of staying in a facility (the number of hours per week) according to the Eurostat data



Source: own elaboration based on the Eurostat, EU-SILC data, downloaded on 8<sup>th</sup> January 2014.

**Figure 4.** Percentage share of children below 3 years of age participating in institutional forms of childcare in 2011, by the duration of their stay in a facility (weekly number of hours) according to the Eurostat data



Source: own elaboration based on the Eurostat, EU-SILC data, downloaded on 8<sup>th</sup> January 2014.

of the number of children staying during a year in one of the three institutional forms of childcare (crèche, nursery ward or children club) amounts to slightly over 6% [GUS 2013]. It should be added that in the year 2012, there were 72 676 children per 46 983 places in the childcare facilities for children below the age of 3 years. It means that demand for such services is relatively high.

It is worth to add that Poland has one of the lowest, in relations to GNP, expenditures on pre-school education (kindergartens) and pre-school childcare (crèches), among the OECD countries. Overall in Poland, they amounted to 0.3% GNP in 2009, whereas the average in the OECD countries it was 0.7% [OECD Family Database 2010]. Therefore, the state support regarding pre-school childcare, particularly for children below the age of 3 years, is very weak.

## The child's age, employment and entrepreneurship of women in Poland

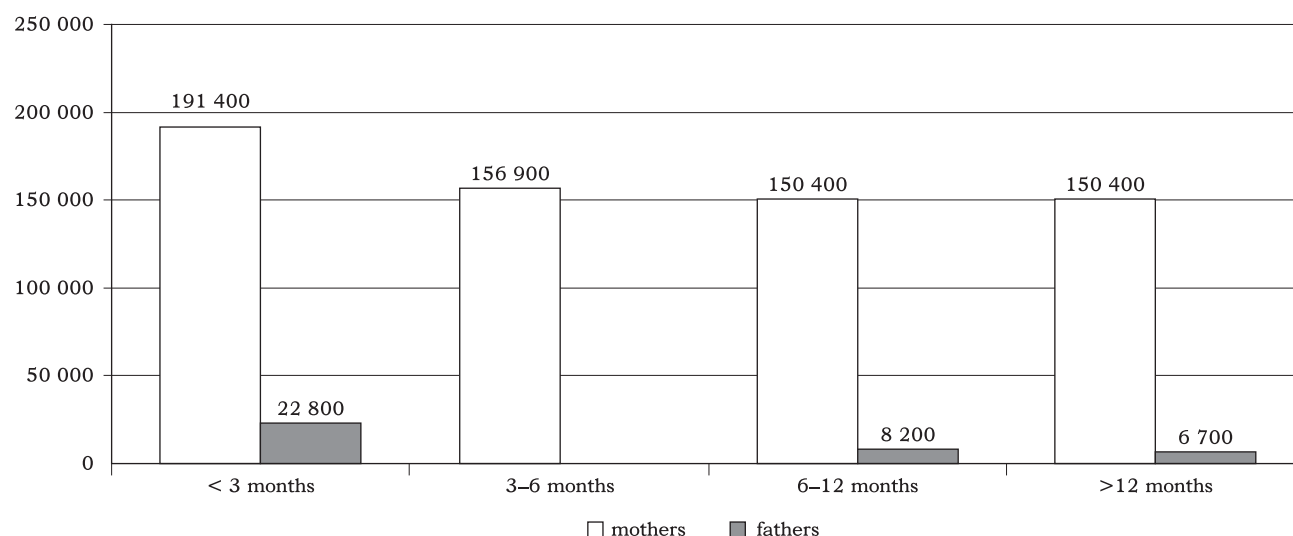
The above-presented determinants of the economic activity (including self-employment) of mothers of young children influence female employment rates. The structure of economic activity by the age

of the youngest child differs significantly depending on sex. Among men, employment rate is higher for fathers with the youngest child below 6 years of age (86.7%) as compared to fathers with a child aged 6–11 years (84.3%)<sup>4</sup>. Among women, the reverse situation is observed: employment rate of women with a child below 6 years of age comprises 57.5%, while for women with a child aged 6–11 years – 69.8%.

The impact of parenthood in the period when there are young children evidently varies in case of women and men. For men, having a young child probably comprises a positive incentive to work, while in case of women – it is a demotivating factor (see Figure 5).

The level of economic activity of mothers is lower than among fathers. Similar situation is observed in case of participation of the self-employed among the employed. The share of the self-employed among men is on average 22.3%, while among women – 13.9%. The proportion of self-employed persons in case of both men and women increases with the age of the youngest child. However, in case of women the increase is higher (for men with two children – from 23%, when the youngest child is aged below 6, to 25.2%, in case of the youngest child aged 6–11 years; the respective rates for women are 13.2% and 16.4%). Nevertheless, worth noting is the fact that it is not the presence or number of children in

**Figure 5.** The number of fathers and mothers declaring resignation from work in order to take care of the youngest child (0–8 years) by duration of staying outside for this reason, in Poland in 2010



Note: For fathers there are no data for the period when a child is aged 3–6 months.

Source: Eurostat: 2010 Reconciliation between work and family life (ad hoc module to the LFS Survey).

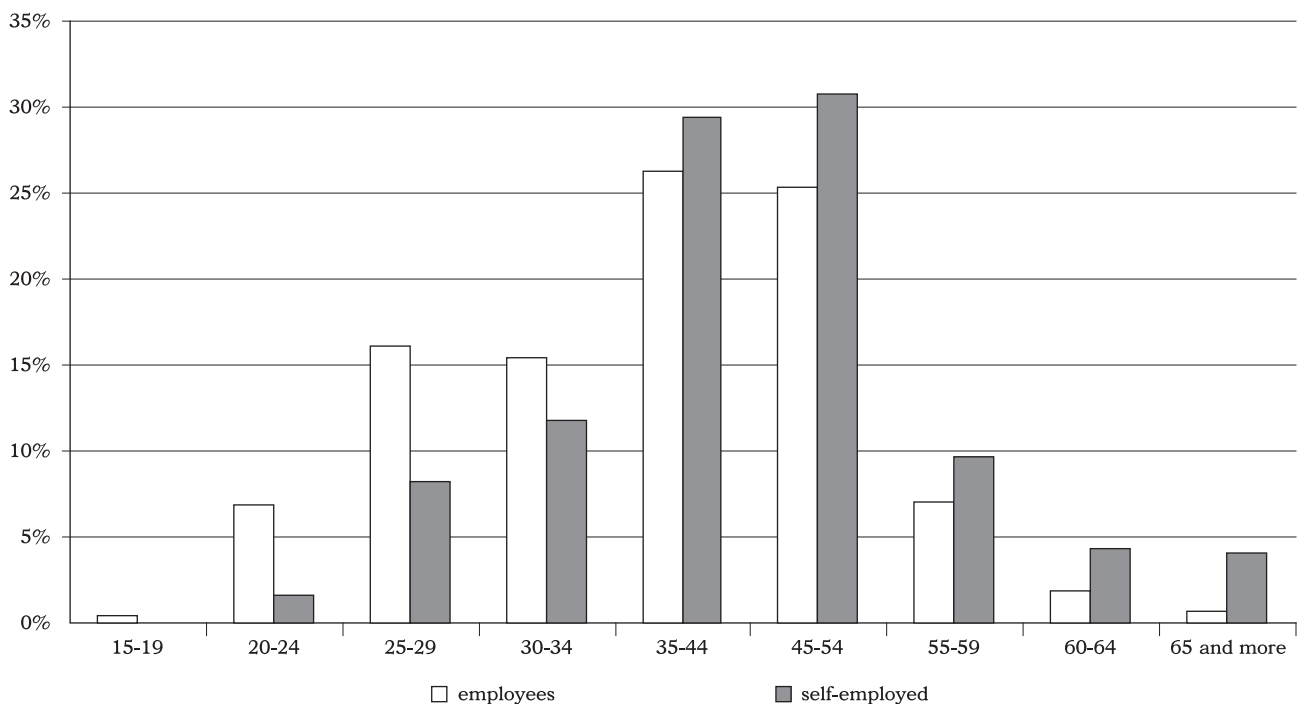
family, but the young age of children that lowers the share of self-employed women among all employed women, as among women with many children (3 or more) the percentage share of self-employed constituted 21.8%. Also, the comparison between age structures of women-employees and self-employed women (Figure 6) provides useful information. It is clearly observed that percentage shares of women aged over 35, thus usually not having to look after young children, as compared to the shares of women in the younger age groups, are much higher in case of self-employed women than in case of female-employees. On the one hand, it may be caused by the fact that setting up own business requires more experience (the stronger tendency towards setting up own business may also characterize women disappointed with the hitherto paid work). On the other hand, the figures suggest that for young women just starting a family combining self-employment with looking after young children is more difficult.

Nevertheless, the character (quality) of self-employment among women and men (mothers and fathers) in relation to their age (see Figures 7 and 8) should be taken into account. In the younger age group, respective to the family formation stage (young children in a family)<sup>5</sup>, conducting one's own

business among women consists mainly in one-person self-employment (without hiring employees), thus it is a smaller-scale activity. The percentage share of employers among self-employed women aged 20–29 years comprises about 11%, while among self-employed men it amounts to almost 35%. The gender-related differences in the shares of employers in older age groups are significantly lower (Figure 7). Moreover, the average number of weekly working hours is significantly lower for self-employed men than women (Figure 8).

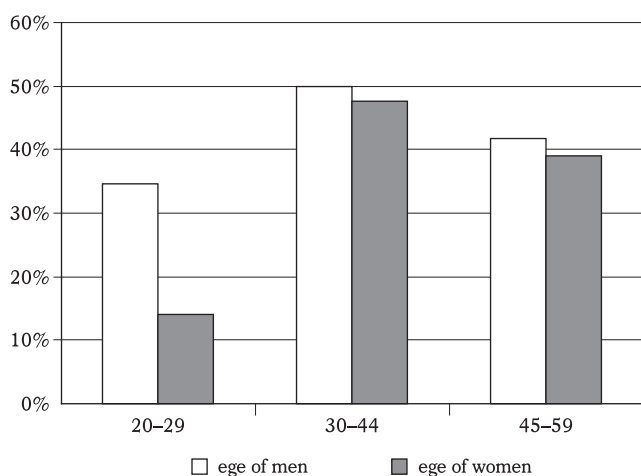
It should also be added that while the share of women among own-account workers and employers is in Poland much lower than the share of men, in case of persons who declared their employment status as contributing family members, the proportions are reverse. Among contributing family members (who amounted to total of 496 thousand persons in the first quarter of 2013), as many as 64.5% constituted women. It is also worth to mention that whereas the share of women among the own-account workers and employers decreased in the years 1992 – 2010 (from 39.5% to 34.5%), then the share of women among contributing family members increased (from 55.2% to 64.6%).

**Figure 6.** Age structure of women employees and self-employed women in Poland (2011)



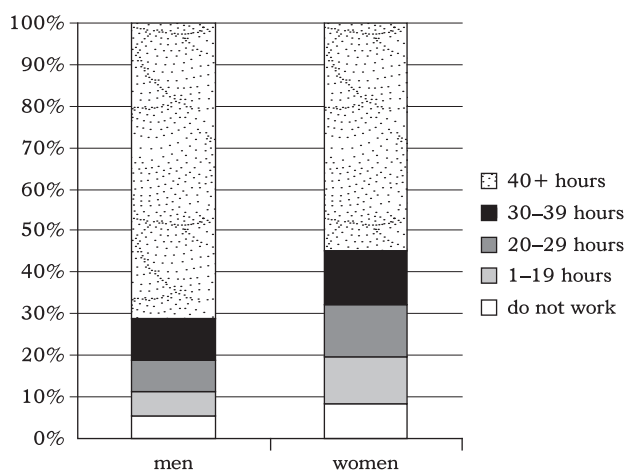
Source: own elaboration based on the CSO data, Labour Force in Poland in the first quarter 2011.

**Figure 7.** The share of employers among the self-employed by age and sex (2012)



Source: own elaboration based on the CSO data, Labour Force Survey in the first quarter of 2013, CSO (2013).

**Figure 8.** Self-employed by the number of hours worked in the reference week by sex (2012)



Source: own elaboration based on the CSO data, Labour Force Survey in the first quarter of 2013, CSO (2013).

## Recapitulation and conclusion

The Constitution of the Republic of Poland guarantees both women and men the same rights to self-employment. Nevertheless, economic changes take place within a particular social and cultural context, with cultural patterns of gender roles and different social expectations of mothers and fathers of young children. In Poland, a traditional model where mainly mothers are expected to shoulder childcare responsibility in case of a young child is still dominant.

Therefore, setting up and maintaining own business by mothers incurs higher costs than in case of fathers. Among these costs may be, *inter alia*, included psychological costs (related to the need for defying social expectations and combining work and family roles or responsibilities). There are also the costs related to ensuring external childcare for a young child and payment of social (sickness) insurance in order to obtain the right to a paid maternity leave (economic costs). Significant obstacles pose difficulties caused by all administrative and tax related requirements due to setting up and doing business encountered by entrepreneurs in Poland. Considering the fact that mothers are less flexible and have fewer hours at their disposal that they can appoint to paid work, they meet additional barriers to conducting economic activity as compared to fathers.

Therefore, postulating support not only of entrepreneurship as such but also entrepreneurship of women-mothers seems justified. The support should be directed towards:

- 1) increasing availability of diversified and flexible institutional childcare for children at the crèche and kindergarten age
- 2) encouraging fathers to increase their involvement in personal childcare and supporting this involvement by the state.

As regards improvement of institutional childcare accessibility, the important thing is ensuring that mothers/parents can really choose between various forms of childcare, particularly in case of children below 3 years of age (public kindergarten, subsidized place in private kindergarten or subsidized care provided by a childminder) depending on the needs instigated in their business activity. It means that the state should provide equal financial support to parents regardless of the forms of childcare, i.e. nanny, and public or private crèche/children club. This objective may be achieved through, e.g., childcare-educational vouchers, which are, *inter alia*, used in such countries as the UK, the Netherlands, the USA or Australia.

The equally significant, although more long-term action facilitating equal chances for female and male entrepreneurs, is carrying out social campaigns promoting increased participation of fathers themselves in taking care of their children, including taking parental/paternal leaves. The instrument of family policy that had a significant positive impact on increased participation of fathers in childcare for a young child, *inter alia*, in Sweden, is 60 day's parental leave available exclusively to fathers.



- 1 Cross-sectional survey *Economic and Educational Activities and Family Responsibilities*, conducted in 2005 in cooperation of Social Insurance Fund, Institute of Market Economy Studies, University of Warsaw and Warsaw School of Economics, on the representative LFS sample of 3940 households.
- 2 Or mother's partner who is not the child's father.
- 3 The Law on childcare for children below 3 years of age of 4 February 2011 ("Journal of Laws", No. 45, item 235).
- 4 Eurostat Database: Labour Force Survey Statistics. Data for 2012.
- 5 It should be also remembered that women at this age more often than men continue education at tertiary schools.

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