

CHANGES OF THE AGE STRUCTURE OF ENTREPRENEURS IN NITRA REGION COMPARED TO THE REGIONS' DEMOGRAPHY

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Abstract

Demographic changes in our society have a huge impact on different parts of the economy. This paper surveys the changes in the age structure of entrepreneurs in Nitra region. The aim of this paper is to expand how does the age structure of individual entrepreneurs look like in the region, and how it has changed compared to the 2011 data and to the demographic state of the region. Small and medium-sized enterprises (SMEs) have a huge impact on the development of a region. In Slovakia, SMEs make 53% of the employment rate and approximately more than 30% of the GDP. Hence, the aim of this paper is to present the age characteristics of small and medium-sized enterprises. Moreover we examine the percentage of young entrepreneurs in the region compared to the 2011 data. Using the regional data we estimate the number of entrepreneurs in Nitra region then we model our findings on a graph.

Key words: age structure, Nitra region, entrepreneurs

JEL Code: J11, J10, L26

Introduction

Examining the age structure of entrepreneurs and comparing its changes with the general demographic data of the region gives a picture of the typical age group of entrepreneurs. Research on the topic provides an answer to the questions of whether entrepreneurship has become more attractive for younger generations in the last ten years, or the average age of entrepreneurs increased in the previous period. The districts of Slovakia have different characteristics, their examination is important for the development of the region as well. The age structure of entrepreneurs in a region gives a picture of the age group of entrepreneurs and shows that how much this follows from the regions demographics.

1 Theoretical summary

Business demography is based on examining business challenges and opportunities in the light of demographics. It provides an opportunity to examine problems in business using demographic methods, examining how these factors affect business factors. Demographics help to get a picture about making decisions about trade-related strategies (Thomas R. K., 2018).

According to European Union research, small and medium-sized enterprises (SMEs) are one of the most important pillars of a country's economy. Hence states are increasingly providing opportunities to help. SMEs help create jobs in their region, have local economic impacts, and increase gross domestic product (GDP) (Jean Vasile et al 2021).

Therefore the Government of the Slovak Republic puts a lot of weight on creating a motivating business environment. This is important not just for the big investors but for the small and medium-sized regional enterprises, which category has a huge impact on the development of the country (T. Peráček et al., 2020).

In the Slovak Republic, enterprises have an irreplaceable role to play, especially in the field of job creation and regional development. The business environment, in the broadest sense, reflects economic quality, the conditions and opportunities for the economic activity of business organizations. A better quality business environment creates the conditions for long-term economic growth and is a fundamental precondition for business development to increase its competitiveness (Fabus, 2018).

In Slovakia, research shows that the size of a company and the length of time it operates have the greatest impact on what risk factors affect it. SMEs are much more sensitive to changes in the business environment compared to large companies. The main risk factors include the loss of customers, the presence of strong competition, the stagnation of the market, the unreliability of suppliers (Hudáková & Masár, 2018).

The economic situation of a region is highly dependent on the business environment of the region. In Slovakia, the analysis of the operation of SMEs is carried out nationwide. However, the region-based analysis is important because different districts have different characteristics. Nitra district also provides several financial and development opportunities for SMEs, which alas, based on research, are used by only a small extent of enterprises (Korcsmáros, 2018).

The majority of companies operating in Slovakia implement their innovations from revenues, using European Union funds only to a small extent. In Slovakia, the environment is

not motivating enough for SMEs to develop, the size of enterprises greatly influences their success (Ivanová, 2017).

The main sector in Slovakia of SMEs is the service sector which is considered to be a key factor in tourism sector development. For countries like Slovakia, it is important to try to map out what opportunities there are in the service sector, as this sector has the greatest potential for the development of SMEs (Mura et al. 2021).

2 Research methodology

The aim of the research is to get an idea of the age group distribution of the district's entrepreneurs and to compare it with the situation ten years ago. For this, we chose a secondary research method. In the theoretical phase of our research, we formed a picture of the general economic situation of the region and the types of enterprises operating in the region. The research was done by comparing secondary data and comparing data from analyzes prepared by the Slovak Business Agency. In the first half of our study, we prepared an analysis of the economic situation of the region, presenting the characteristics and basic data of enterprises, as well as the various changes in the demography of the district. In addition, we primarily compared the data of entrepreneurs under the age of 30 in the region to their proportion ten years ago. The data were obtained from the annual reports of the Slovak Statistical Office and from the DATACUBE database. This database contains the main informations and statistics of the country. The results obtained were compared and conclusions were drawn. It is assumed in advance that there are differences between the age groups of entrepreneurs, and the age composition of entrepreneurs has also changed compared to the data of ten years ago.

3 Research results

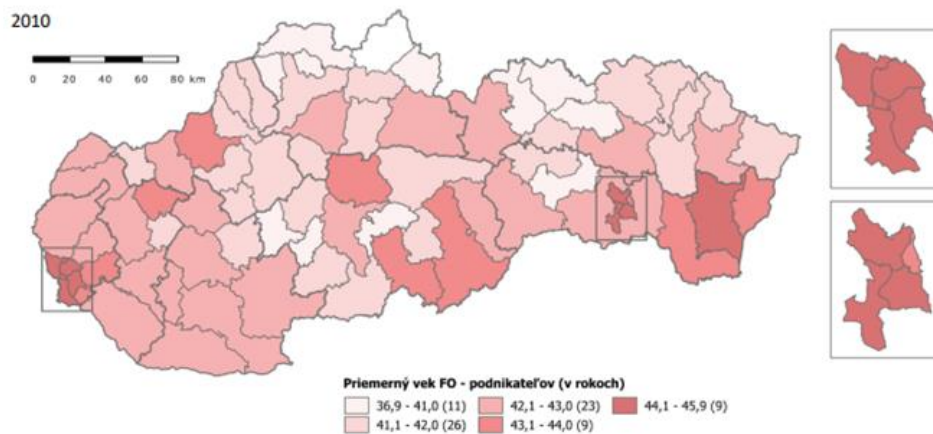
In the Nitra Region, there were 71,429 enterprises in 2020, an increase of 6% compared to 2019, with the largest share coming from micro-enterprises, 97.2%. The number of small and medium-sized enterprises increased compared to the previous year. In 2011, there were 49,936 enterprises operating in the Nitra Region, based on 2020 data, the number of enterprises increased by 143% compared to 2011. 12% of enterprises located in Slovakia are located in the Nitra Region, their number has increased by 33.6% in the last 15 years. 26.3% of the enterprises are based in Nitra. 45.1% of enterprises operate in the service sector, 16.4%

in the industrial and construction sectors and 3.6% in the agricultural sector (Slovak Business Agency, 2021).

The population of the Nitra district in 2020 was 672,907, the average age of the inhabitants was 42.8 years, and the aging index was 132.4. The aging index shows the proportion of older people in the population aged 14 and under (65 years and older), the higher its value, the older the society.

The figure below shows the average age of entrepreneurs in Slovakia by district in 2010. It turns out that the average age of entrepreneurs in the district was 42.1-43.0 years.

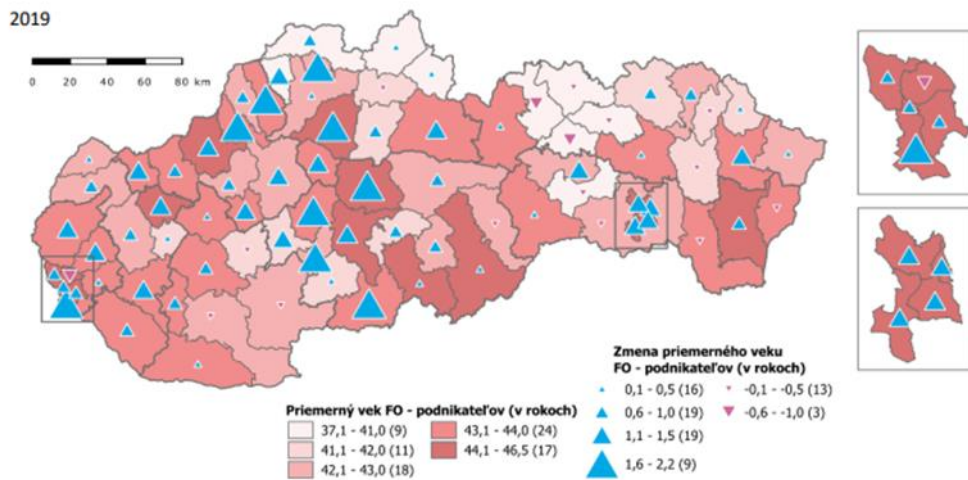
Fig. 1: Age groups of entrepreneurs in 2010



Source: Slovak Business Agency

Compared to the data of 2019, the average age of entrepreneurs in the district of Levice and Nové Zámky was between 42.1 and 43.0 years, while in the other districts of the region were between 43.1 and 44.0 years. The figure shows that this average age shift is typical for the whole country, the average age of entrepreneurs increased in most regions.

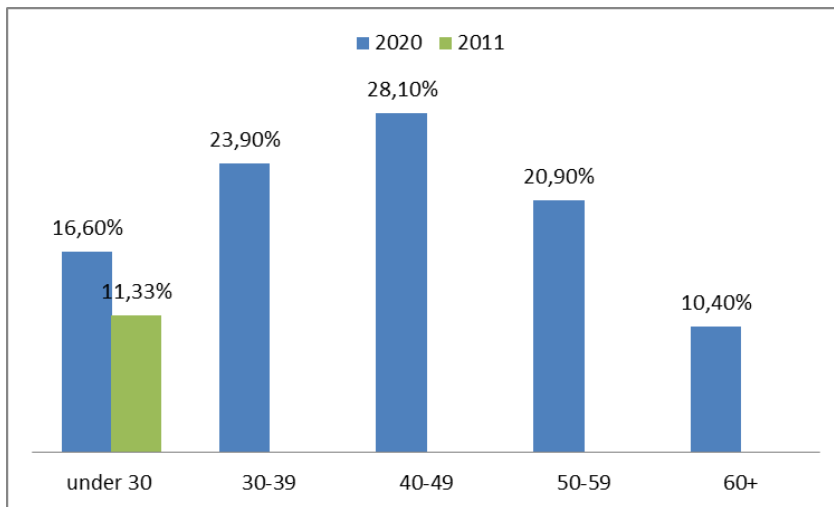
Fig. 2: Age groups of entrepreneurs in 2019



Source: Slovak Business Agency

The age breakdown of entrepreneurs is shown in the figure below based on 2020 data. Most entrepreneurs are in the 40-49 age group, which is the same as the data obtained when examining the average age. The proportion of entrepreneurs under the age of 30 is 16.6%, which means 11,858 entrepreneurs. The figure shows the 2011 data for the proportion of entrepreneurs under the age of 30, which represented 11.33% of the entrepreneurs at the time. In 2011, there were 49,936 entrepreneurs in the region, bringing the number of entrepreneurs under the age of 30 to approximately 5,658. Compared to 10 years ago, the number of entrepreneurs under the age of 30 shows an increase of 210%.

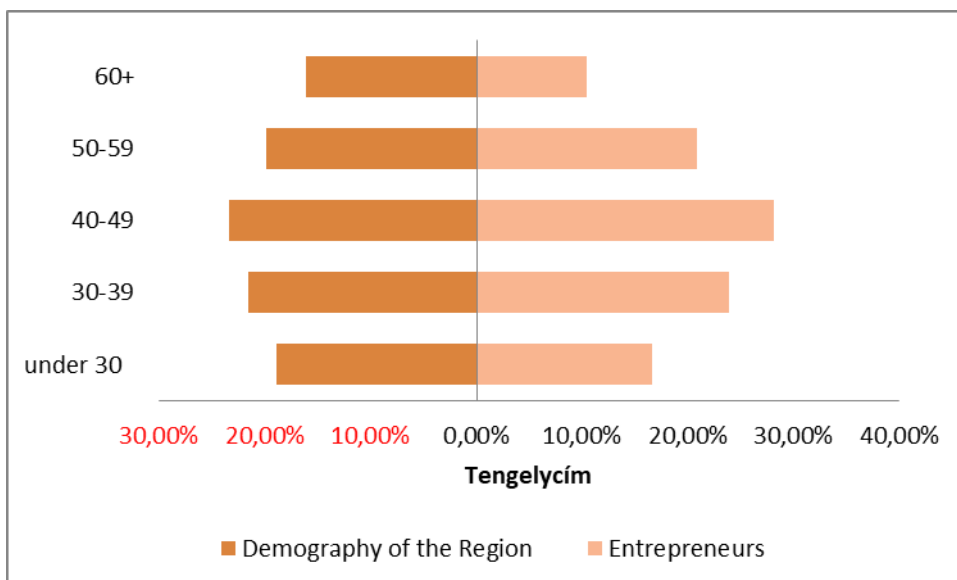
Fig. 1: Age groups of entrepreneurs in Nitra Region in 2020 compared to 2011 data



Source: Own figure

The age structure of the entrepreneurs compared to the demographics of the district is illustrated in the figure below, showing the 18-65 age groups. The demographics of the district and the age structure of the entrepreneurs show differences. 28.1% of entrepreneurs belong to the 40-49 age group, the demographics of the district are less prominent.

Fig. 1: Age structure of Nitra Region demography compared to the entrepreneurs demography



Source: Own figure

Based on these, the age composition of entrepreneurs show differences from the age composition of the region. Most entrepreneurs are in the 30-59 age group, with a lower proportion of young entrepreneurs. 20, 9% of entrepreneurs belong to the 50-59 age group, 23.9% to the 30-39 age group. 16.6% of entrepreneurs are under 30 and 10.4% are over 60.

Conclusion

The aim of our research was to examine the distribution of entrepreneurs in the Nitra Region by age group in comparison with the demographic data of the region and the characteristics of entrepreneurs ten years ago. Based on the theoretical part, small and medium-sized enterprises play an important role in the economic situation of the region and the country. Their examination and presentation of their characteristics is therefore also important for the development of the region. In Slovakia, enterprises in the Nitra Region are characterized by the fact that their size and time spent in the market are the key to their success and ensure that they are less sensitive to various economic changes.

There are currently 71,429 companies operating in the Nitra Region, an increase of 143% compared to 2011 data. 97.2% of enterprises are micro-enterprises, while the number of small and medium-sized enterprises has increased compared to previous years.

Our research was performed in a secondary way by analyzing statistical data. Based on the data of the Slovak Business Agency, we characterized the composition of entrepreneurs in the region by age group. Based on the data of ten years ago, we can say that the average age of entrepreneurs has increased in the region, the entrepreneurs belong to the older age group. However, the proportion of young entrepreneurs has increased. Ten years ago, 11.33% of entrepreneurs were under the age of 30, now 16.6% of entrepreneurs belong to this age group, with 210% more young entrepreneurs working in the region. We continued our research by analyzing the demographics of the region. The average age of the region is 42.8 years. 28.1% of entrepreneurs belong to the 40-49 age group.

The aim of the work was to present the economic demographic characteristics of the region and its possible changes. It can be said that the average age of entrepreneurs has increased, however, a higher proportion of entrepreneurs under the age of 30 also start in the district than in the previous decade. Examining the demographic setting of the region can refer to the reactions for the global changes of the region, therefore ageing of entrepreneurs can affect respond of the SMEs in the region for the risk factors.

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