

# Ewa Masłyk-Musiał

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## Women's Economic Empowerment in Poland and in the World

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Ewa MASŁYK - MUSIAŁ

**Polish Women's Economic Empowerment  
in Poland and in the World \***

Udział kobiet w rozwoju ekonomicznym w Polsce i na świecie

**ECONOMIC FRAMEWORK AND PRIVATIZATION FIGURES**

In 1989, prof. Leszek Balcerowicz<sup>1</sup>, deputy premier and finance minister, opened a new era in Poland's economy. He launched a campaign against raging inflation and made Polish currency internally exchangeable. Poland began to rise from its economic slump. Everyone was given the chance to open his own business, exchange money. Goods and services have gradually become more available. Poles have shown stoical determination to get through falling standards of living and unemployment in order to reach stabilization and steady economic growth. Last year the national budget deficit was reduced and the four percent economic growth noted in Poland set a European record. A five percent annual increase in GDP and a 3.5 percent increase in consumption is planned during the next three years by Finance Minister Grzegorz Kołodko in his very ambitious "Strategy for Poland" programme approved

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\* The Author is professor at the Economy Department of the Maria Curie-Skłodowska University (UMCS) in Lublin, Poland. All the quotations are from interviews with ladies participating in the study entitled: "Businesswomen in Poland and in the USA". December 1993. International project was designed in DePaul University, Chicago by: Miriam Ben-Yoseph, Lisa Gundry and the author of this article.

<sup>1</sup> Balcerowicz L. has pointed out at least seven basic ingredients of development and rapid, steady economic expansion. These are: a strong, stable and convertible currency, and efficient system of financial institutions; a clear dominance of the private sector in the economy; economic liberty and competition; labor relations which favor long-term growth, a relatively low tax level in the economy as well as political stability.

of by parliament in June. The government hopes that investments and exports would stimulate growth. To encourage investments, the government will — among other measures — offer tax reliefs and try to maintain a positive interest rate. The most difficult problem will be that of reducing inflation. The government plans to bring it down from this year's 24 percent to about 9 percent in 1997. It should decrease faster than the unemployment rate.

Strategic figures for the Polish economy are presented below in Table 1.

Tab. 1. Strategic figures for Poland  
Liczby strategiczne dla Polski

	1993	1994	1995	1996	1997	1997 (1993= 100)
GDP (previous year=100, constant prices)	104.0	104.5	105.0	105.2	105.5	121.8
Average wage (previous year=100, constant prices)	101.1	101.5	102.8	103.0	103.1	110.8
Consumption (previous year=100, constant prices)	105.6	103.1	106.0	107.0	103.6	114.3
Investments (previous year=100, constant prices)	104.5	106.0	103.1	103.3	108.0	132.4
Inflation (December/December)	37.6	23.6	16.1	12.0	8.7	47.7
Budget deficit (in relation to GDP)	2.8	3.7	3.3	2.8	2.5	
Unemployment	15.7	17.2	16.7	15.6	14.0	

Source: The Strategy for Poland, June 1994.

The dominance of the private sector in the economy was singled out as the main ingredient of economic development by many Polish economists. In the fifth year of Polish reforms, the private companies and partnerships continue to rise rapidly. Total firms owned wholly by Polish nationals increased by 8,239, or 14.2%, and firms with foreign capital by 4,922, or 48.6%. Most of the domestically owned businesses were those involved in trade (34.8 percent), followed by manufacturing (19.4 percent) and construction (18.7 percent) companies. Last year the fastest growth of the number of Polish owned private businesses was observed among those involved in agriculture and industrial goods production.

The number of individual proprietorships increased by 153,000, that is by 9.4 percent, the rate of increase in new entries in trade and services exceeded 13 percent. Despite this growth in the number of business firms

Tab. 2. Number of individual private firms by branch and employment  
Liczba firm prywatnych według branży i zatrudnienia

Periods	Total		Industry		Construction		Trade		Services and Others	
	numb.	empl.	numb.	empl.	numb.	empl.	numb.	empl.	numb.	empl.
1992/XII	1420.0	2591.1	348.	835.2	171.7	399.0	550.3	871.5	349.1	485.4
1993/XII	1783.9	3220.7	345.2	10 4.4	195.9	534.5	708.6	1117.9	534.2	483.9
a	105.6	103.7	101.4	105.4	102.5	103.3	107.	103.7	107.6	100.5

a — previous period = 100

the employment there decreased by about 150,000 people. It was most substantial in services, particularly in catering and no-material services (c. 200.000). While total employment declined in individual proprietorships, it increased in firms involved in manufacturing.

In 1993 the relatively large increase in the number of private firms was accompanied by growth of employment in this sector amounting to 206,000 persons. Simultaneously it fell by 463,000 in the public sector. All in all, it fell by 7.1 percent in the public sector.

Since 1992 the private sector's share in employment has been larger than that of the public sector. A further increase was noted in 1993 r. In agriculture almost 3.7 million of its total labor force of some 4 million are employed in the private sector. Private companies and partnerships outside the agriculture sector have been employing 2.8 million persons, and the number of individual proprietorships reached 2.6 million. Employment in the public sector totalled 6.3 million. Thus in 1993 the private sector in Poland accounted for 59 percent of employment and the public sector for 41 percent. If account is taken of the existence of an extensive black economic sphere (its size is estimated at 15—25 percent) it would appear that some two-thirds of the Polish population is effectively employed outside the public sector.

In 1993 industrial output rose by over 7 percent. The private sector recorded an increase of 38.6 percent in value terms, while the public sector registered a decrease of 5.9 percent. As a result further growth of the private sector's share in industrial output was noted: it increased from 31 percent in 1992 to over 35 percent in 1993. The private sector's share in construction grew in the same period from 78 to almost 85 percent and in transportation from 39 percent to over 45 percent.

However, the profitability rate of state-owned enterprises was higher than that of private firms. Operating profit from sales in state-owned enterprises amounted to 4.5 percent and only to 1.8% in the private sector. Though the profitability rate of state-owned enterprises was higher than that of private companies their net profits from sales were lower. This

was largely due to a lower tax burden in the private sector and its smaller debt liabilities. Private firms performed worse than the public sector enterprises despite a 2—3 times smaller direct and indirect tax burden.

The expansion of the private sector and the process of privatization.<sup>2</sup> have not yet been reflected in an improvement of economic efficiency as measured by financial performance or an increase in budget revenues. This has much to do with the tendency to underreport operating profits and overreport costs and to deflate wage bills so as to lower the liability for social security contributions which are high in Poland.

#### PROFESSIONAL ACTIVITY OF WOMEN IN POLAND

It follows from statistical data that a consistent increase in women's employment was typical of almost the whole post-war period of Poland's economic development. The only exception were the 1980s, when a certain decrease in women's professional activity was observed, especially among the youngest and oldest age groups. The beginning of the 1990s noted a decrease in the number of working women mostly due to the growth of unemployment<sup>3</sup> resulting from the transformation and restructuring of the economy. In 1993 women accounted for 46.2 percent of the total work force, while the rate of women's professional activity amounted to 53.1 percent and employment rate to 44.9 percent.

The highest rates of participation in the labour force are among women aged: 35—39 years (71%), 40—44 years (75%) and 45—49 years (72%). The higher the education level of women, the higher the participation rates: 76% for women with a university degree and 27 percent for women with elementary school education. Statistical data have shown that women employees dominate in such fields as health care and social services (80%), education (74%), hotels and restaurants (70%), financial services (58%) and trade (57%).

In 1993 women constituted 44 percent of the total number of those

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<sup>2</sup> Launched three and a half years ago, the privatization process has now encompassed 4,035 state-owned enterprises. That is 46 percent of the total number of owned companies operating on 30 June 1990. Of these 522 enterprises have been transformed into state-treasury-owned companies and in 202 cases the equity share capital has been paid into the National Investment Funds (NIF). Poland. International Economic Report 1993/94. World Research Institute.

<sup>3</sup> As a result of changes in the Polish economic system, 1,008,400 unemployed women were registered in 1993, that is 27.5% of the total number of those unemployed. There are 37 women for one job offer and only 10 unemployed men for one job offer. Felicja Borzykowska, "Ways of Transformation of Polish Women from the Position of a Fireside's Vestal into Fully Equal Partnership", May 1994, Warsaw.

employed in the private sector. It should be noted that these were mainly uneducated women, working in agriculture. Of all working women, those working on their own constituted 22 percent and of these two percent were employers.<sup>4</sup> According to the "Magister" statistical system covering individuals with a university degree, the share of women employed in managerial posts amounted to 28.5 percent. Only 17.7 percent of all graduate women occupied managing posts. While there has been a general tendency of decline in the overall number of working women an increase in the number of women starting their own business has been observed. The number of such women has increased from 298,500 in 1989 to 566,500 in 1991. More importantly, the participation of businesswomen in the total number of working women has increased (from 3.7 percent in 1989 to 7.5 percent in 1991). The tendency of growth has also been reflected in the participation of businesswomen in the total number of entrepreneurs (an increase from 27% in 1989 to 33% in 1991), and that increase in the number of businesswomen was more dynamic than in the number of men-entrepreneurs.

Figures in Table 3 show that women prefer engaging themselves as

Tab. 3. Employment structure broken down into employment status and national economy sectors

Struktura zatrudnienia według statusu zatrudnienia i krajowych sektorów gospodarki

1	% of employees falling into given category					
	Employers and the self-employed				Free of charge contributing family members	
	Total		Employers included		women	men
	women	men	women	men		
2	3	4	5	6	7	
Total broken down as follows:	100.0	100.0	100.0	100.0	100.0	100.0
industry	4.3	6.7	17.0	22.7	1.5	1.6
construction	0.5	60.1	3.4	20.6	0.2	2.3
agriculture	75.0	8.8	26.5	16.5	92.2	90.7
transport						
trade	15.5	4.0	0.7	2.5	0.2	0.5
education and upbringing	0.3	13.4	45.6	26.8	4.3	4.0
health service	0.3	0.1	0.7	0.3	—	—
and social welfare	0.4	0.1	1.4	—	0.4	—

Source of data: Business Activity Research, Head Statistical Office — May 1993, Tables 2, 4, pp. 30—31.

<sup>4</sup> In Czechoslovakia, figures from 1991 show that out of the total female force, women held only 10% of positions in top management, 25% at the medium level and 65% at the lower level of management, J. Stastna, Czechoslovak Women Yesterday, Today and Tomorrow, The European University Institute, Florence 1993.

contributing family members. The number of self-employed women is growing. The highest number of running their own business has been in commerce (approximately 46%) and in industry (17%). Less women do in construction (3.4%) and transport (0.7%).

#### WOMEN IN THE ROLE OF BUSINESS-OWNERS

Very little research work has been done so far on women entrepreneurs — owners of companies in Poland. In 1993 Institute for Private Enterprise and Democracy launched a research programme encompassing a group of 100 women-owners (co-owners) of companies situated in the areas of Łódź, Gdańsk and Warsaw (big industrial cities) and in 1993/94 the School for New Learning in Chicago in cooperation with the Economy Department of UMCS (The Maria Curie-Skłodowska University) in Lublin started a comparative research project on women-owners (co-owners) in Chicago and Warsaw. The demographic pictures of business-women that emerged in both research projects appeared to be similar. In both the prevailing group of those interviewed fell within the 40—49 years of age category, followed by that of women between 30 to 39 years of age. Companies covered by the research included firms operating in different branches of the national economy, most often involving production and trade (IPED sample) and services (Warsaw—Chicago sample). When asked to name some of the main factors that prompted them to start business activities, women most often indicated the following ones:

— professional experience and knowledge. This stemmed from previous life experience when "gaining professional skills by women was unavoidably connected with achieving still higher professional prestige".<sup>5</sup>;

— perceived opportunities (facility of entering the market, availability of premises, easy access to relevant markets, small capital etc.);

— family traditions and adjusting to the profile of the firm already in existence;

— the desire to improve the financial situation of the family. The most important reason why women choose a business career are: independence, economic incentive and self-fulfilment.

Most of the women interviewed are confident of their companies' success and that the firms will develop dynamically. They trust they will have the chance of facing new challenges and use the new opportunities effectively. Taxes and other financial obligations (including social security

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<sup>5</sup> Janowska Z., Economic Transformation and Professional Activity of Women, Paper presented at a conference, Warsaw, May 1994.

contributions) are mentioned by women as main obstacles in their company's development (limited resources for investment). Women are also anxious about the small demand on the market (economic crisis in Poland, high rate of unemployment).

The sources of financing consisted mainly of the companies' profits. A reluctance to use external sources of financing (bank credits) is a peculiar and common phenomenon in the Polish economy.

In the research project carried out by the Institute for Private Enterprise and Democracy, answers to the question about whether being a woman influences the effectiveness of some functions associated with running a company suggest that there is a relation between performing these functions and being a woman. Women believe that gender is of no importance while implementing objectives such as: the choice and management of personnel, negotiating with Polish and foreign partners, directing technical and technological processes, managing the company, obtaining loans, credits etc. in Polish and foreign banks and financial institutions, dealing with local and central administration, holding talks etc.<sup>6</sup> In a comparative research study carried out in the form of an international project, businesswomen found it more difficult to deal with banks and financial institutions. They mentioned their gender as a reason for difficulties encountered in efforts to a credit or loan.

Generally, the manner of managing companies is in the opinion of businesswomen not a function of gender, but many other variables, among which the most important ones are: the market, economic policy, spouse's contribution (reconciling work with family duties). The main reasons why men and women have an unequal start in business are due to traditional stereotypes and assumptions on "woman's role", "women's fear of success" or "women preferring to stay at home". In many Western countries, cultural stereotypes kept women away from managerial posts in companies. They are allowed to work at home, to be invisible assets of national economy.<sup>7</sup> There is still a conflict between family interests and the interests of a woman as an independent individual. Many businesswomen have found a way to reconcile successful work in business with family life. Women's organizations could play an important role in promoting a model of a successful woman and in encouraging women to become self-employed.

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<sup>6</sup> Rogut A., Polish Women in Private Business, Institute for Private Enterprise and Democracy, a paper prepared for a conference organized by the Polish Chamber of Commerce, Warsaw 1994.

<sup>7</sup> Women's home services as essential for life as air. And they are also "invisible" like air. Siniugina L., What is a feminism? "State and Political Culture", vol. 12, 1991.



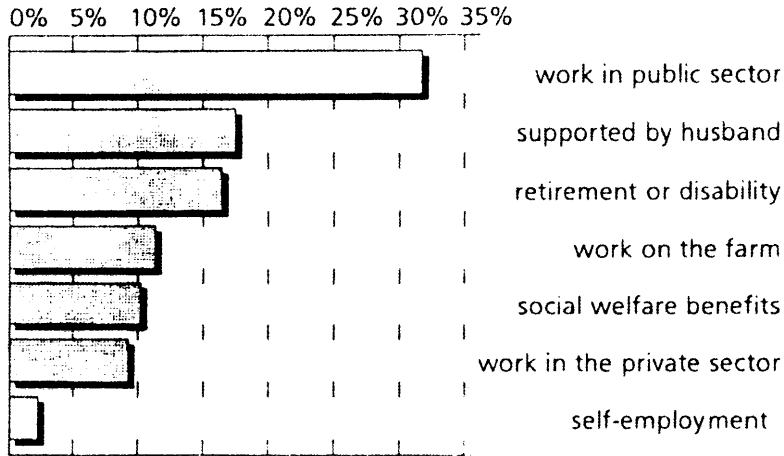


Fig. 1. How do women make their living

#### THE ART OF BEING A WOMAN ENTREPRENEUR

The setting up of own business has become a mile stone for many women. It has led to some extraordinary careers (that is true not only in the Polish environment) and to a new phenomenon: the appearance of women of success. Ladies like Ewa Plucińska and Henryka Bochniarz became models to be followed and their popularity has been frequently enhanced by the media. Women's clubs have been formed, ironically called the "Average Woman Clubs" or more worldly — "Women's Forum". The clubs enabled them to "watch each other", to discuss things that they had in common to get stronger through learning from each other's experiences.

Meeting many obstacles on their way treated by men sometimes as competitors and on other occasions as partners in business, surprised by their courage to take risks, including risks in their private lives (like running the family), hiding their gender under sexless uniforms, Polish women entered the path of enterprise and of strengthening their independence. Did they succeed in maintaining their femininity? Macho-women were in fashion for not very long (perhaps they never were at all — perhaps they were invented by enemies of women in business?). They managed to turn their inherent features, primarily intuition, into an excellent tool to success in business. Still lacking self-assurance, vulnerable to critics and afraid of being laughed at, they decided to act independently ready to bear all the consequences that could ensue. A "Polish Mother" seems to have no chance while competing with "Polish Business Woman". When asked whether: they would rather stop working? owners

of partners in different companies answered unanimously: "We want to work!". When tempted with promises of comfort and the prospect of having more free time and a happy life, they answered: "We want to develop. We want to be partners for our husbands and be able to have interesting conversations with our children..." And they also said that "life without work would be dull... and drag on".

The ability to make decisions and to prove themselves, to plan the company's development, to understand new ways of doing things, to learn and first of all to "have the responsibility for all the successes and failures", that's what attracts women in business. They devote a lot of time to their enterprises. Business becomes their passion. They try to remain good members of their families. That's where the most serious problems occur. The question to answer is: "Who really am I?" This results from their traditional upbringing from an emerging feeling of guilt and the anxiety of neglecting somebody. A loss of their beloved happens sometimes to be the price for loving business. Each woman solves that dilemma in her own heart. Some would say: "I am a poor businesswoman and a poor family member since I never have enough time to do everything in a perfect way". Others would calmly agree: "I try to be good in both areas". Businesswomen know very well their lady friends' complaints: "You were different. You used to have time for me. Now we are not good enough for you. You don't need us any more". This is true. Businesswomen do not have time. What changed is perhaps not them but their way of life. They have to make choices all the time and most often it is business that wins.

There neither your nanny nor your grandma would take your place. Although they realize the firm and the family being like "connected vessels" they choose "the firm but for the family".

The feeling of guilty conscience hardly reduces their degree of involvement in business. Families have no choice but to collaborate. And even more, they still provide the main source of financial (initial capital) and moral support. There are problems and there are changing moods and there are migraines.

The ladies interviewed told us that they have the same problems as men but in addition, they have also problems related to running the household. Certainly, there are also problems caused by the need to prove that "a woman can be a partner in business, a brave, professional and hard working human being". According to many in this patriarchal world there is need for women not only to run a business but also to change the man's mentality. One way of doing this is by removing the isolation being able to present oneself to build one's own position, such traits as being consistent and industrious are helpful. And besides they

remain females. To be a woman of success does not exclude being sexy. "We do not have to be colorless and remain in the background. To hide ourselves in shapeless outfits". A businesswoman wants to be a butterfly and not a moth.

To maintain a proper ratio between being a woman and a professional is a difficult thing everywhere in the world and in Poland in particular. According to the ladies we interviewed women in Poland are attacked by males more often than in the United States. The art of creating a proper ratio is even more important because the presence of females softens in business. Women introduce more intellect into business. Their names are not associated with scandals but on the contrary, with welfare and charity activities with helping others. For all the ladies interviewed their credo in business consisted of professional attitude and fair play. Learning these was not easy. They started their business very often in their private apartments and were lucky if they had a computer "to help them". When they look back for a while, the thing that they most regret is the energy wasted on learning how to live by the rules of political economy. "One must make up for everything now, both as a country and as individual". So they learn. They invest in themselves. With enthusiasm they talk about managerial training, about learning assertiveness, checking whether decisions they are making in their businesses are good. They think about the future, about the prospects in their activities (they are optimists). They plan to upgrade their companies. They set up new constructions, buy machines, broaden the scopes of their activities, establish joint ventures, increase quality standards. They talk about long-term strategies, business plans, financial results, credits, tax policy. They concentrate on the development and employment policy of their firms and on their leaflets, prospects, bulletins. They exchange their business cards and run to banks, out to meet Chris' and Betty's teachers at school and on their way there they stop for a quick snack.

So we are witnessing changes in the role of the woman and in her work style. Next to a man walks sometimes his lady — a partner who can surprise him with her managerial skills and her business sense. And yet she remains a female — tender, sensitive and with a foresight. She will manage in a difficult environment and will enjoy it. Business has become an integral part of her life. Women can be as charming when working on a computer as when wearing old laces or exploring a chest of drawers inherited from their great grandmother. They can also hang on the wall of their office the landscapes that they painted themselves and even convince their husbands into serving coffee to the company's guests.

## STRESZCZENIE

Wiele jest intrygujących pytań, które dotyczą ogólnie kobiet w zarządzaniu, a szczególnie kobiet przedsiębiorczych, a więc tych, które zarządzają własnymi firmami. Wyłonienie się na świecie, w ostatnich latach, szczególnie licznej grupy kobiet przedsiębiorczych jest między innymi wynikiem ograniczonego ich dostępu do wyższych stanowisk kierowniczych i istniejącej dyskryminacji płacowej. Trafiając na tzw. „szklany sufit” uniemożliwiający im awans, kobiety realizują swe preferencje i ambicje życiowe zakładając własne firmy.

W Polsce, podobnie jak i w innych krajach postkomunistycznych, firmy zakładają najczęściej kobiety w średnim wieku. Okres transformacji systemowej jest przez nie postarzegany jako okazja do samodzielności ekonomicznej i uniezależnienia się od, jak uważają, często niekompetentnych przełożonych, trosk rodzinnych, ograniczeń finansowych itp. Obawa przed bezrobociem stanowi również czynnik aktywizujący kobiety do przedsiębiorczości wyrażonej w zakładaniu i kierowaniu firmą.

W artykule przedstawiam panoramę prywatyzacji w Polsce w zakresie powstawania małych i średnich firm oraz wzrastającą rolę kobiet w tym sektorze gospodarki. Opisuję także kształtowanie się aktywności zawodowej kobiet w Polsce i jej wyrażenie się obecnie w formie wzrostu przedsiębiorczości i liczby firm prowadzonych przez kobiety.

Przedstawiam charakterystykę kobiety biznesu w Polsce zarówno od strony demograficznej, jak też społeczno-ekonomicznej. Sposób zarządzania firmami przez kobiety-właścicielki opisuję w podrozdziale — sztuka bycia przedsiębiorczą.

W artykule zawarte są także dane porównawcze pochodzące z badań nad kobietami przedsiębiorczymi w Polsce i w USA, przeprowadzonymi przez zespół polsko-amerkański w tych krajach na przełomie 1993/1994 roku. Wyniki badań wskazują na istnienie dużych podobieństw w zakresie trudności napotykaných przez kobiety w prowadzeniu własnych firm a także na podobne motywacje, oczekiwania i źródła satysfakcji występujące wśród kobiet biznesu w obu badanych krajach.