

Dynamics of Enterprises in the Slovenian Textile Industry

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The article deals with the dynamics of reducing the size structure and the number of employees in large and medium-sized textile enterprises, which influence the entry of new micro and small enterprises into the Slovenian textile industry. Before the Slovenian independence in 1991, the Slovenian textile industry was considered to be a strong labour-intensive industry, with 69,454 employees in 1990, while in 2017 it counts only 9,800. In analysing the dynamics of enterprises in the textile industry, we use enterprise accounts data on micro, small, medium and large enterprises in the period from 1995 to 2017.

The main thesis of the research is that the entry of micro and small enterprises in the textile industry has been less driven by the reduction in the size structure and the age of the enterprises in the industry and that the exit of enterprises in the textile industry has been driven by the enterprise's financial performance indicators. From this thesis, by using panel regression analysis, two hypotheses (H) are tested: H1: The rate of entry of enterprises increase with the reduction in the age and size of the existing enterprises in the textile industry.

H2: The rate of exit of enterprises increase with the enterprise debt to assets ratio.

The research contributes a detailed insight into the process of restructuring the Slovenian textile industry with a significant reduction in the number of employees in large and medium-sized textile enterprises that were uncompetitive, rigid, inflexible and long-lasting compared to small and medium-sized global manufacturers of textile products, and exits of enterprises, and relatively small entry of new micro and small enterprises. The research deals with a narrower scientific field within the manufacturing industry in the textile industry, which refers to the reduction in size structure and age of enterprises as a result of exits of textile enterprises and the creation of new micro and small enterprises within the industry.

Keywords: dynamics of enterprises, entry of enterprises, exit of enterprises, textile industry, Slovenia

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