

## Chapter 2

# Self-employment and entrepreneurship by women

*This chapter presents data on the self-employment and entrepreneurship activities undertaken by women in the European Union. It reports on the number of women involved in self-employment and the key characteristics of their activities. Some evidence is also presented on a lack of skills as a barrier to entrepreneurship. Data are presented at the European Union and Member State levels.*

### Note by Turkey:

The information in this document with reference to « Cyprus » relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the “Cyprus issue”.

### Note by all the European Union Member States of the OECD and the European Union:

The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

## Self-employment activities by women

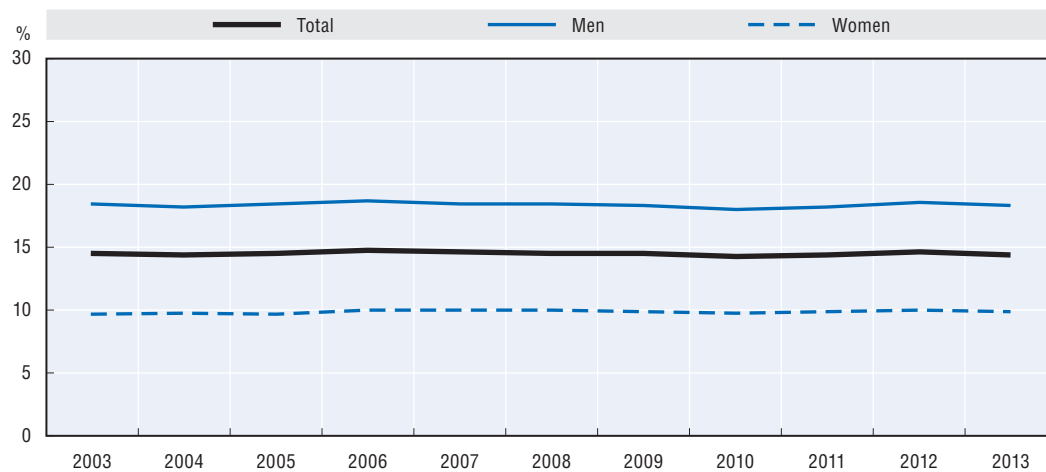
- In 2013, there were 9.6 million self-employed women in the European Union, which was less than half of the number of self-employed men (21.0 million).
- The self-employment rate for women in the European Union was 9.7% in 2013. While this varies by Member State, it was approximately half of the self-employment rate of men (18.3%).
- Of the self-employed women in 2013, 24.0% had employees compared with 31.1% of self-employed men. However, there are many Member States where women were more likely to have employees, including Hungary where approximately 40% of self-employed women had employees.
- The proportion of self-employed women with employees has declined over the last decade.

Employment can come in many forms. Some people work as employees, some work for themselves as a self-employed person and others work in family businesses. These employment activities can be part-time or full-time, temporary or permanent. None of these characteristics are fixed; people change their employment activities often and many people work in more than one activity at the same time. For example, some people have several part-time jobs, or a full-time job complemented with part-time self-employment.

Self-employment is where an individual works for their own business, farm or professional practice and receives some economic benefit for their work. This benefit is typically one or more of the following: wages, profits, in-kind benefits or family gain (for family workers). Volunteer work is excluded from this definition self-employment. While many self-employed people work on their own account, others have employees. Please see the Reader's Guide at the beginning of this book for additional information on the concepts and data sources used.

Figure 2.1 presents the self-employment rates in the European Union between 2003 and 2013 for men and women, i.e. the proportion of employed people that work as self-employed. There were 9.6 million self-employed women in the European Union in 2013, which was less than half of the 21.0 million self-employed men. The self-employment rate for women in 2013 was 9.7%, substantially lower than the rate for men of 18.3%. These rates were constant at the European Union-level between 2003 and 2013.

Figure 2.1. **Self-employment rates for men and women in the EU28, 2003-13**  
Percentage of 15-64 year olds



Source: Eurostat (2014), Labour Force Survey 2003-13.


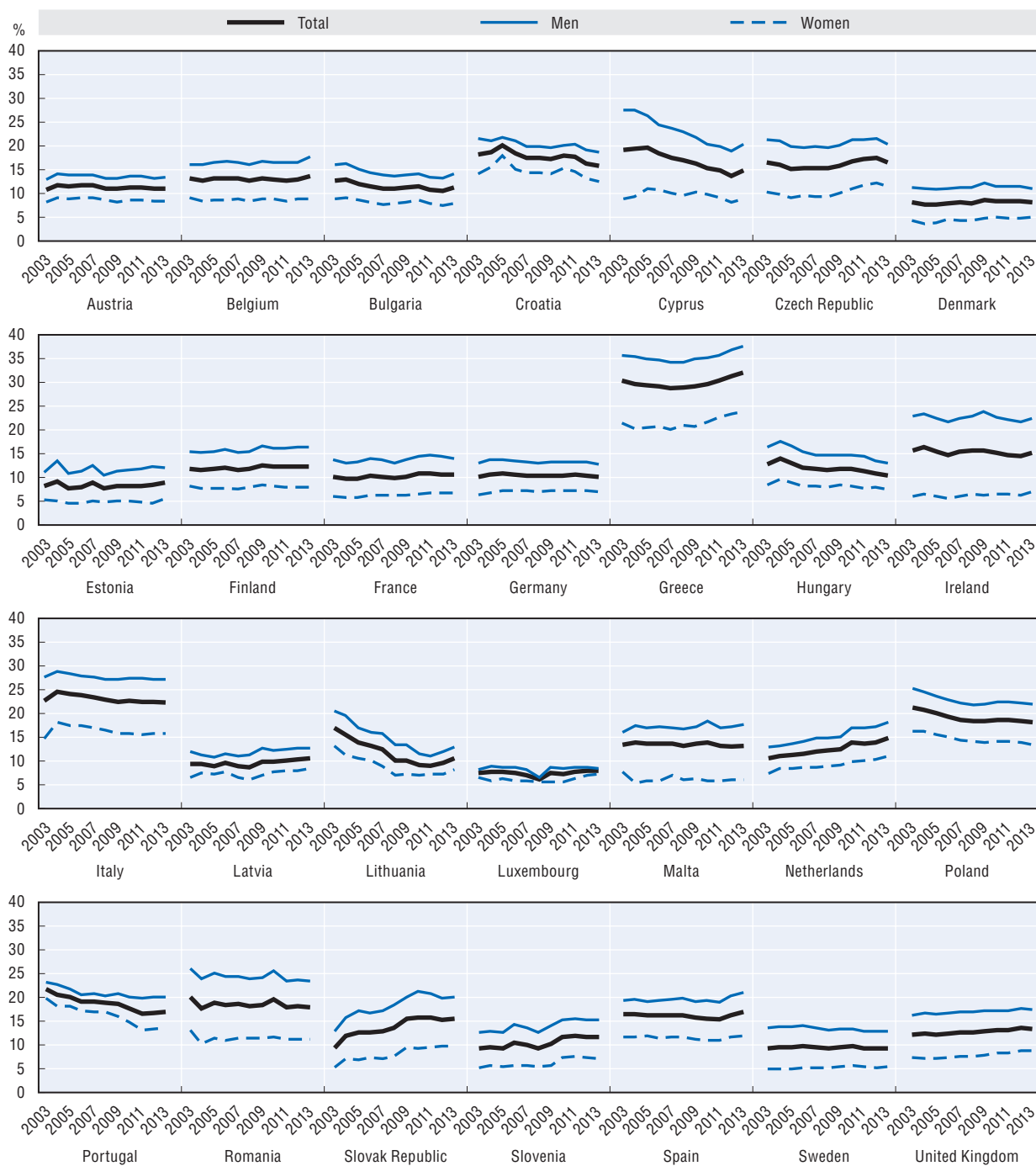
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Figure 2.2 presents the self-employment rates for men and women over the same period for each European Union Member State. There was a significant variation in the self-employment rates of women across the Member States. In 2013, the rate ranged from 5.0% in Denmark to 23.5% in Greece. The large differences across Member States can be explained by several factors such as current labour market conditions, opportunities for employment, social attitudes towards the participation of women in the labour market and macro-economic factors.


Although the self-employment rates for women were lower than those of men in all Member States, it is not true that the self-employment rate of women was low in all Member States. Indeed, the self-employment rate for women in Greece in 2013 was higher than the self-employment rate for men in all Member States except for Italy (and Greece).

The self-employment rates for women also varied within each Member State between 2003 and 2013. Over this period, the rates increased in 18 Member States and decreased in 10. Self-employment rates for women increased the most in the Slovak Republic (4.4. percentage points) and decreased the most in Poland (6.1 percentage points).

Figure 2.2. **Self-employment rates for men and women by country, 2003-13**  
 Percentage of 15-64 year olds



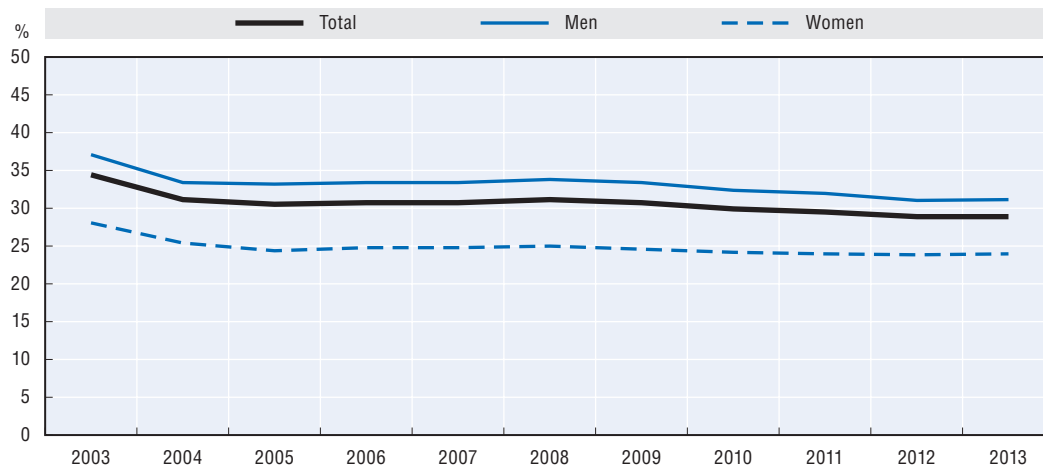
Source: Eurostat (2014), Labour Force Survey 2003-13.

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The proportion of the self-employed with employees is presented in Figure 2.3 for women and men. In 2013, 24.0% of self-employed women had employees compared with 31.1% of self-employed men. Thus, of the 9.6 million self-employed women in 2013, only 2.3 million had employees. The proportion of self-employed men and women with employees declined between 2003 and 2013 at essentially the same rate – 15% for women and 16% for men.

Figure 2.3. **Proportion of self-employed men and women with employees in the EU28, 2003-13**

Percentage of 15-64 year olds



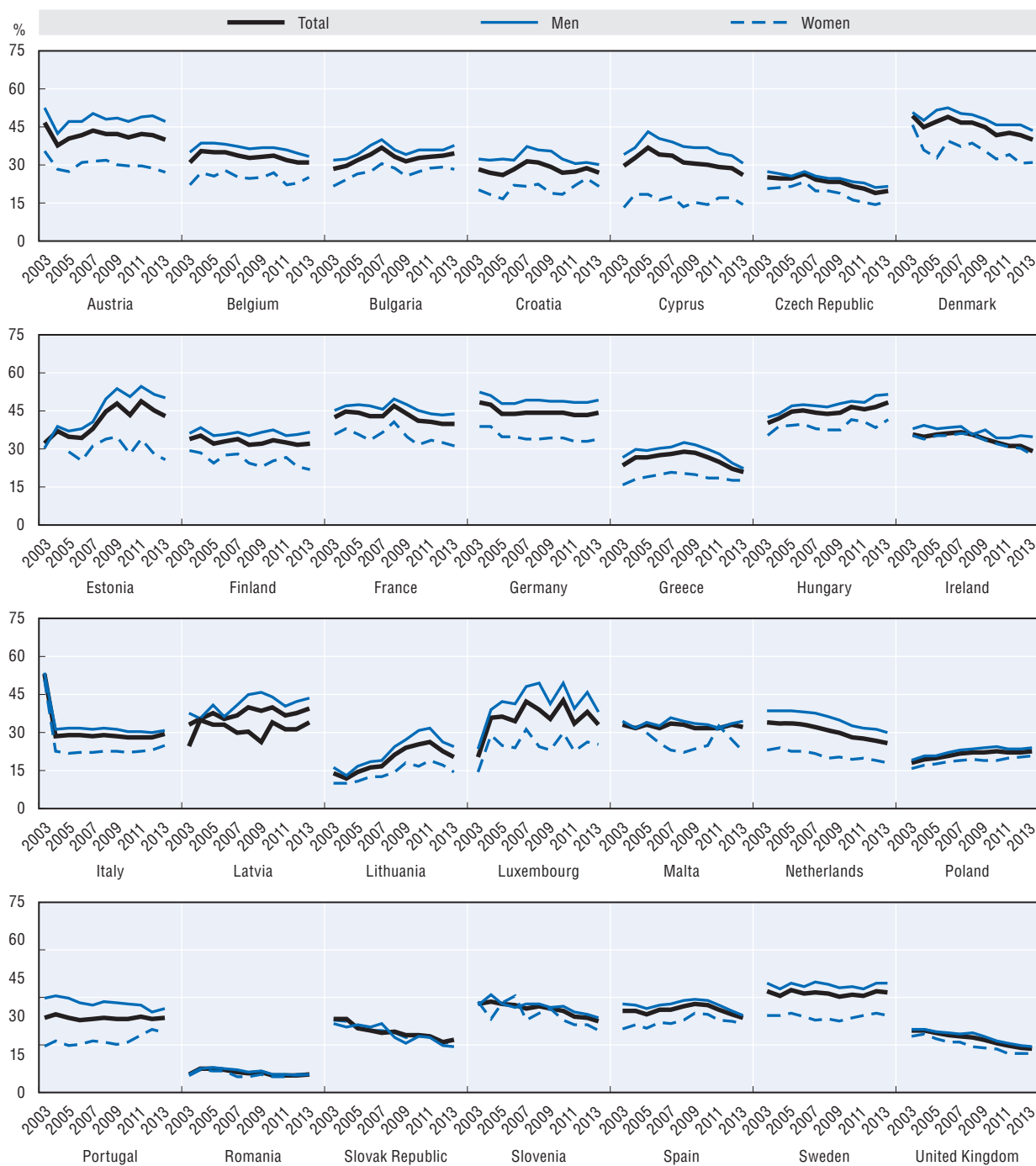
Source: Eurostat (2014), Labour Force Survey 2003-13.

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Figure 2.4 presents the proportion of self-employed with employees by Member State and gender. Self-employed women in Hungary were the most likely to have employees in 2013 – more than 40% of self-employed women had at least one employee. Further, more than one-third of self-employed women in Denmark, Germany, Ireland and Luxembourg had employees. At the other end of the scale, self-employed women in Romania were the least likely to have employees; only 7.3% had employees in 2013.

The self-employment rates for men and women by industry in 2013 are presented in Figure 2.5. While the rates vary substantially for women by industry, the rates are lower than they are for men in all industries except for other service activities (e.g. activities of membership organisations, repair of computers and personal and household goods). The self-employment rates for women were slightly higher than they were for men in this industry (30.2% vs. 28.1%). The self-employment rates for women were less than half the rate for men in the following industries: construction, transportation and storage, financial and insurance activities, real estate activities and education.

Figure 2.4. **Proportion of self-employed men and women with employees by country, 2003-13**  
Percentage of 15-64 year olds

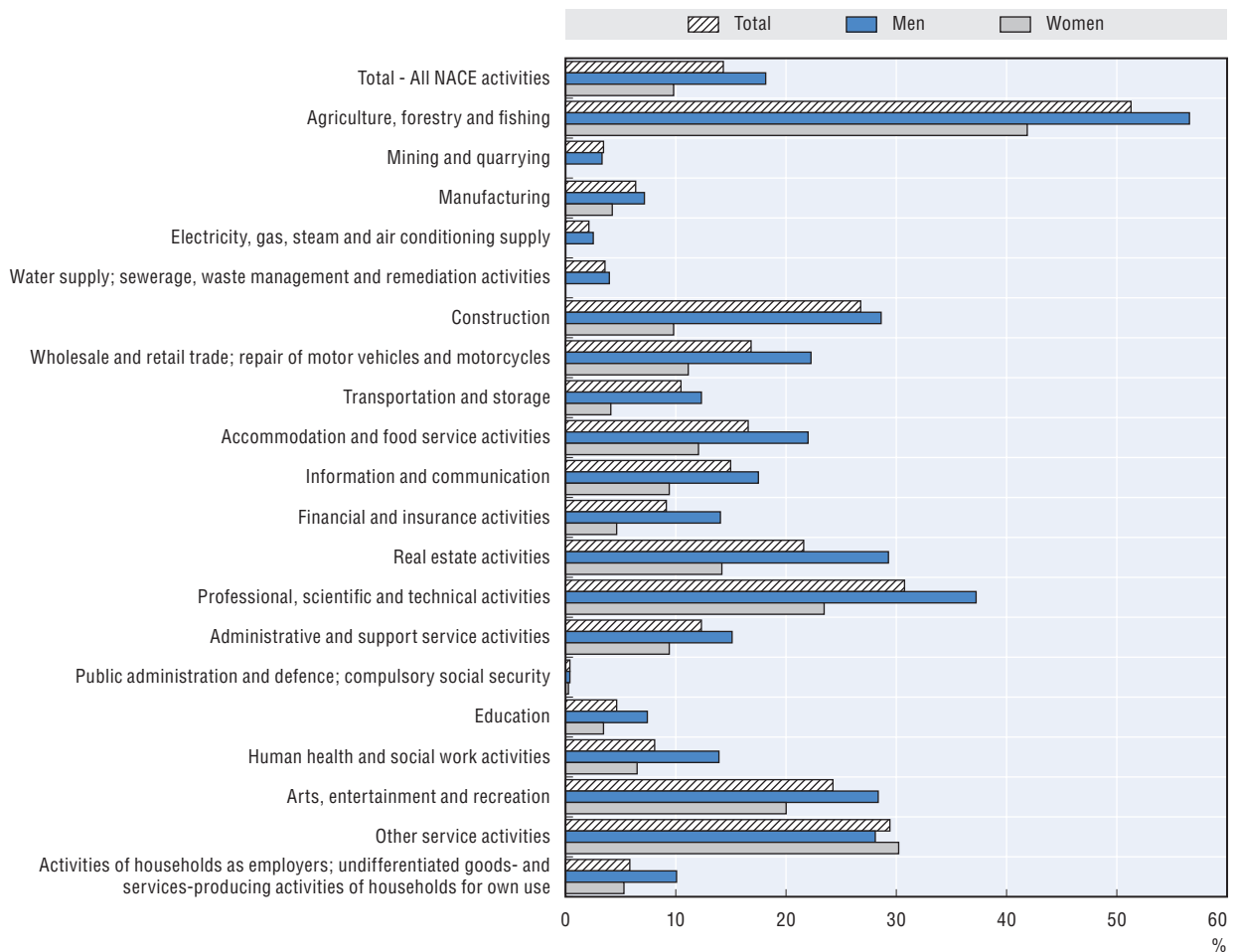


Source: Eurostat (2014), Labour Force Survey 2003-13.

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Figure 2.5. **Self-employment rates for men and women by industry in the EU28, 2013**

Percentage of 15-64 year olds



Source: Eurostat (2014), Labour Force Survey 2013.

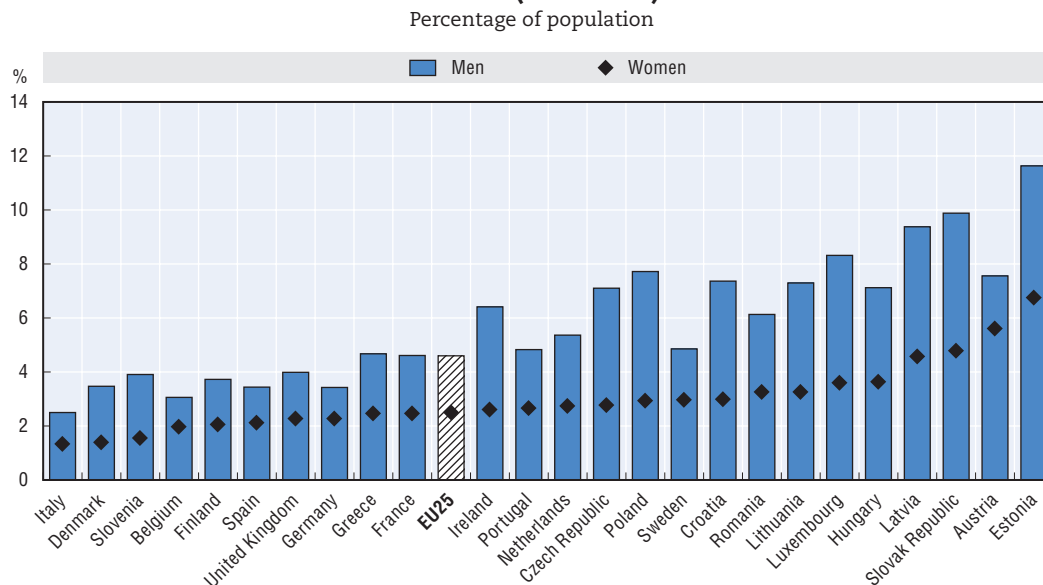
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## Activities by women over the entrepreneurship life-cycle

- Women were less likely than men to be active in the process of starting a business in European Union countries between 2009 and 2013 (2.5% vs. 4.6%).
- Similarly, women were about half as likely as men to be owners of new businesses over this period in the European Union (1.8% vs. 3.5%).
- Women were also less likely than men to be owners of established businesses (3.7% vs. 7.8%).
- However, women were very active in all three stages of the entrepreneurship life-cycle in several European Union Member States, notably Latvia and Austria.

Figures 2.6, 2.7 and 2.8 present entrepreneurship activity rates for women and men in European Union Member States for different phases of the entrepreneurship life-cycle. First, Figure 2.6 presents the nascent entrepreneurship rates for men and women by

Figure 2.6. **Nascent entrepreneurship rates for men and women, 2009-13 (combined)**



Notes: 1. The European Union countries that participated in the Global Entrepreneurship Monitor survey over this period are: Austria, Belgium, Croatia, Czech Republic, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden and the United Kingdom. 2. Data presented in this figure are pooled data, combining the annual survey results over the 2009-13 period. A number of countries did not participate in the GEM surveys in every year but were included in the tables: Austria (2012, 2013), Czech Republic (2011, 2013), Denmark (2009, 2010, 2011, 2012), Estonia (2012, 2013), Ireland (2010, 2011, 2012, 2013), Italy (2009, 2010, 2012, 2013), Lithuania (2011, 2012, 2013), Luxembourg (2013) Poland (2011, 2012, 2013), Portugal (2010, 2011, 2012, 2013), Slovak Republic (2011, 2012, 2013) and Sweden (2010, 2011, 2012, 2013). 3. The Nascent Entrepreneurship Rate is defined as the proportion of the adult population (18 to 64 years old) that is actively involved in setting up a business they will own or co-own; this business has not paid salaries, wages or any other payments to the owners for more than three months.

Source: Global Entrepreneurship Monitor (GEM) (2014), Special tabulations of the 2009-13 adult population surveys from Global Entrepreneurship Monitor.

StatLink  <http://dx.doi.org/10.1787/888933286756>

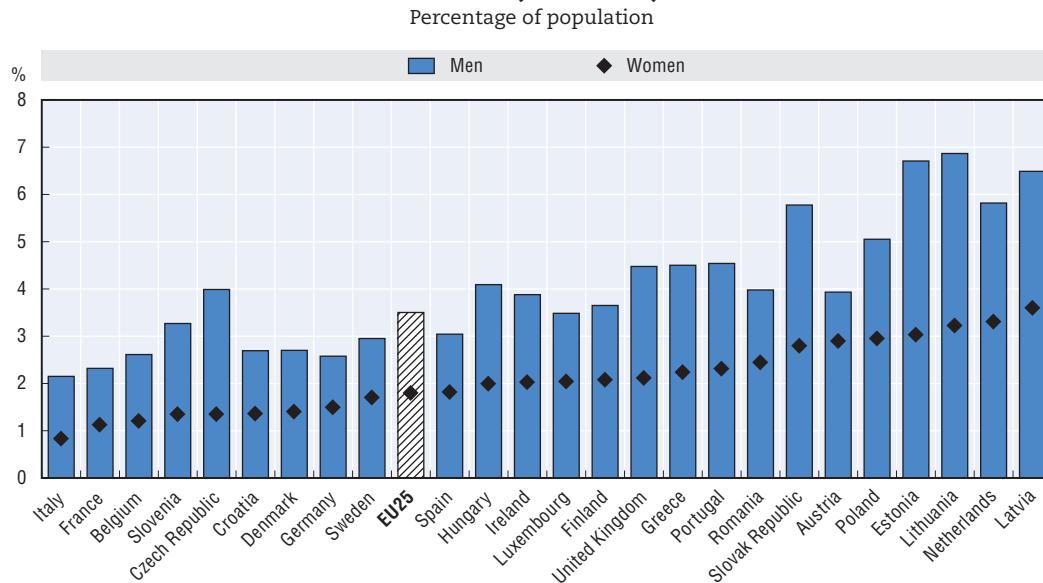
Member State over the period 2009 to 2013. This rate measures the proportion of the adult population who say that they are actively involved in setting up a business that they will own or co-own. The business must not have paid salaries, wages or any other payments to the owners for more than three months. For more information on this concept and data source, please refer to the Reader's Guide at the beginning of this book.

Overall in the European Union, women were less likely than men to be nascent entrepreneurs between 2009 and 2013 (2.5% vs. 4.6%). These rates varied by Member State. For women, the rates ranged from 1.3% in Italy to 6.8% in Estonia. This shows that although women were less likely than men to be involved in the process of starting a business, there are Member States where women are quite active in becoming entrepreneurs. Women in Latvia, the Slovak Republic, Austria and Estonia were more likely to be nascent entrepreneurs than men (and women) in Italy, Denmark, Slovenia, Belgium, Finland, Spain and the United Kingdom.

Figure 2.7 presents the new business ownership rate. This is the proportion of the adult population who report that they are currently an owner-manager of a new business that has paid salaries, wages or any other payments to the owners for more than three months, but not more than 42 months. At the European Union-level, women were half as likely as



Figure 2.7. **New business ownership rates for men and women, 2009-13 (combined)**



Notes: 1. The European Union countries that participated in the Global Entrepreneurship Monitor survey over this period are: Austria, Belgium, Croatia, Czech Republic, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden and the United Kingdom. 2. Data presented in this figure are pooled data, combining the annual survey results over the 2009-13 period. A number of countries did not participate in the GEM surveys in every year but were included in the tables: Austria (2012, 2013), Czech Republic (2011, 2013), Denmark (2009, 2010, 2011, 2012), Estonia (2012, 2013), Ireland (2010, 2011, 2012, 2013), Italy (2009, 2010, 2012, 2013), Lithuania (2011, 2012, 2013), Luxembourg (2013) Poland (2011, 2012, 2013), Portugal (2010, 2011, 2012, 2013), Slovak Republic (2011, 2012, 2013) and Sweden (2010, 2011, 2012, 2013). 3. The New Business Ownership Rate is the proportion of the adult population that is currently an owner-manager of a new business that has paid salaries, wages or any other payments to the owners for more than three months, but not more than 42 months.

Source: Global Entrepreneurship Monitor (GEM) (2014), Special tabulations of the 2009-13 adult population surveys from Global Entrepreneurship Monitor.

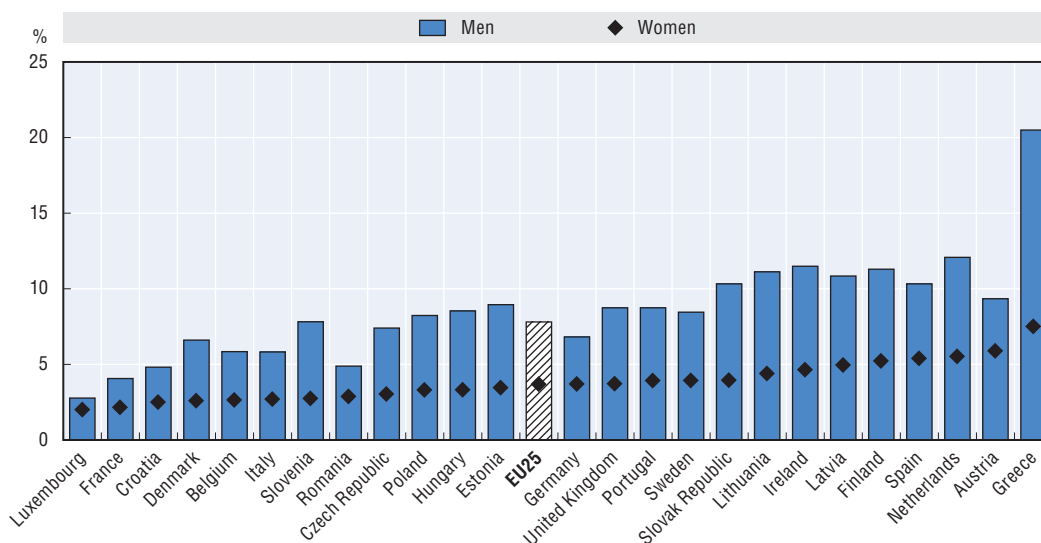
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men to be new business owners (1.8% vs. 3.5%). However, consistent with Figure 2.6, the rates varied across countries. The Member States where women were the least likely to be new business owners were Italy (0.8%), France (1.1%) and Belgium (1.2%). They were the most likely to new business owners in Lithuania (3.2%), the Netherlands (3.3%) and Latvia (3.6%).

The existing business ownership rates are presented in Figure 2.8. This refers to the proportion of the adult population who report that they are currently an owner-manager of an established business that has paid salaries, wages or any other payments to the owners for more than 42 months. Since women were less likely than men to be involved in starting a business or new business owners, it is not surprising that they were also less likely to be the owner of an established business (3.7% vs. 7.8%). While there was some variation in the established business ownership rate for women across Member States, the variation was not as great as it was for men. The existing business ownership rates for women were the lowest in Luxembourg (2.0%), France (2.2%) and Croatia (2.5%) and highest in the Netherlands (5.5%), Austria (5.9%) and Greece (7.5%). The established business ownership rate for women in Greece was higher than the rate for men in Belgium, Croatia, Denmark, France, Germany, Italy, Luxembourg and Romania.

Figure 2.8. **Established business ownership rates for men and women, 2009-13 (combined)**

Percentage of population



Notes: 1. The European Union countries that participated in the Global Entrepreneurship Monitor survey over this period are: Austria, Belgium, Croatia, Czech Republic, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden and the United Kingdom. 2. Data presented in this figure are pooled data, combining the annual survey results over the 2009-13 period. A number of countries did not participate in the GEM surveys in every year but were included in the tables: Austria (2012, 2013), Czech Republic (2011, 2013), Denmark (2009, 2010, 2011, 2012), Estonia (2012, 2013), Ireland (2010, 2011, 2012, 2013), Italy (2009, 2010, 2012, 2013), Lithuania (2011, 2012, 2013), Luxembourg (2013) Poland (2011, 2012, 2013), Portugal (2010, 2011, 2012, 2013), Slovak Republic (2011, 2012, 2013) and Sweden (2010, 2011, 2012, 2013). 3. The Established Business Rate measures the proportion of the adult population that is currently an owner-manager of an established business that has paid salaries, wages or any other payments to the owners for more than 42 months. This measure provides information on the stock of business in an economy.

Source: Global Entrepreneurship Monitor (GEM) (2014), Special tabulations of the 2009-13 adult population surveys from Global Entrepreneurship Monitor.

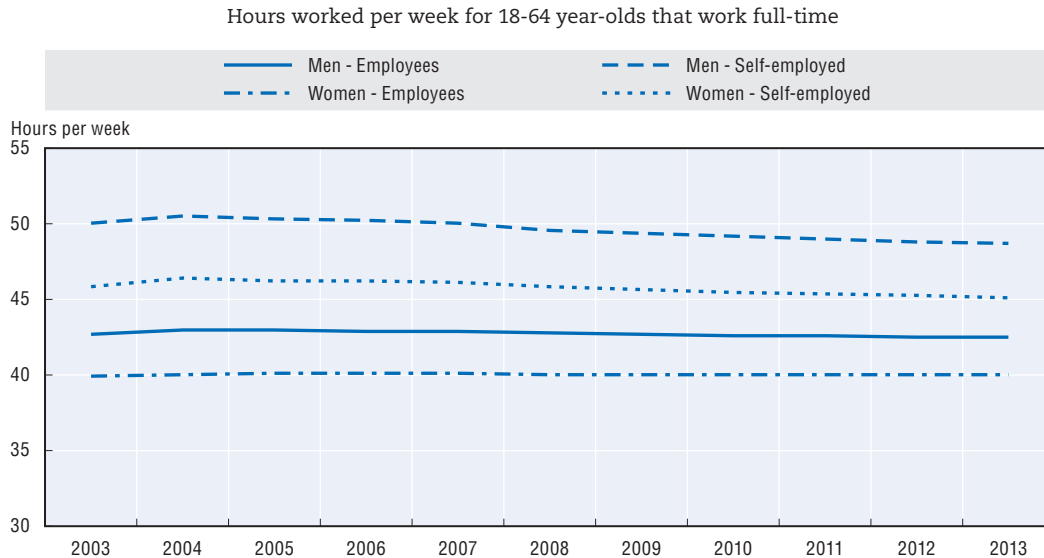
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## Hours worked by self-employed women

- Self-employed women worked more hours per week in 2013, on average in the European Union, than those who were employees, but fewer hours than men who were self-employed.
- The median number of hours worked per week by self-employed women varied greatly across European Union countries in 2013. Self-employed women worked the greatest number of hours per week in Austria and Belgium, exceeding 50 hours per week.
- Self-employed women with employees worked approximately 3 hours per week more than those without employees.

Women who work in self-employment typically work more hours in a week, on average, than those who work as employees (Figure 2.9). In 2013, self-employed women worked 45.1 hours per week, relative to 40.0 hours for those who were employees. Relative to self-employed men, self-employed women worked, on average, 3.6 hours less per week in 2013 (48.7 hours per week vs. 45.1). The number of hours worked per week declined slightly for self-employed women between 2004 and 2013 (1.3 hours).

**Figure 2.9. Average number of hours worked per week by self-employed men and women in the EU28, 2003-13**



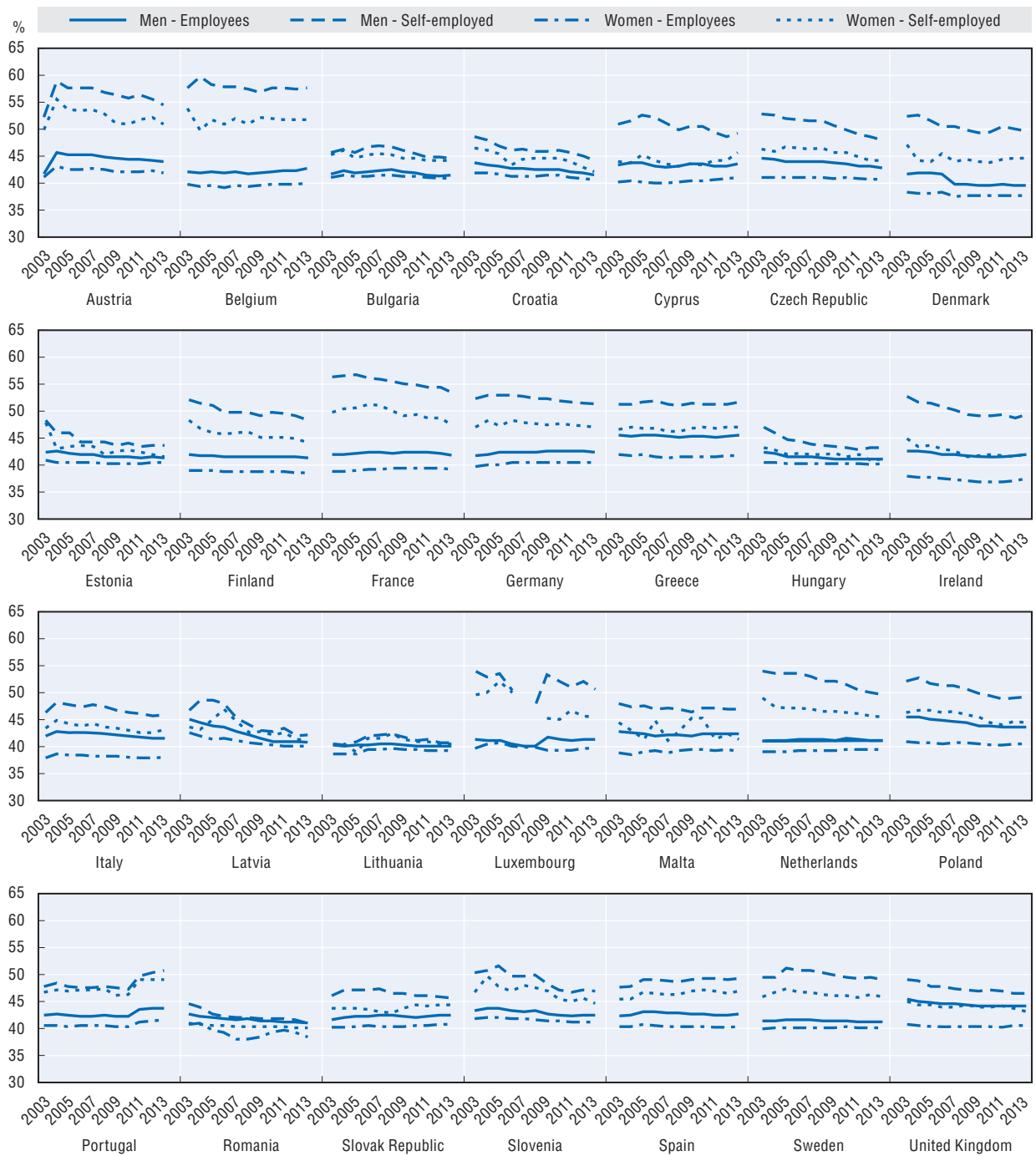
Source: Eurostat (2014), Labour Force Survey 2003-13.

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Figure 2.10 shows the average number of hours worked per week by the self-employed and employees in each Member State between 2003 and 2013. The average number of hours worked per week by self-employed women varies greatly across European Union countries. In 2013, self-employed women in Austria and Belgium worked more than 50.0 hours per week on average. They worked, on average, the fewest hours per week in Lithuania (40.5 hours) and Romania (38.3 hours). The average number of hours per week for self-employed women increased in 5 Member States and decreased in 17.

Figure 2.10. **Average number of hours worked per week by self-employed men and women by country, 2003-13**

Hours worked per week for 18-64 year-olds that work full-time



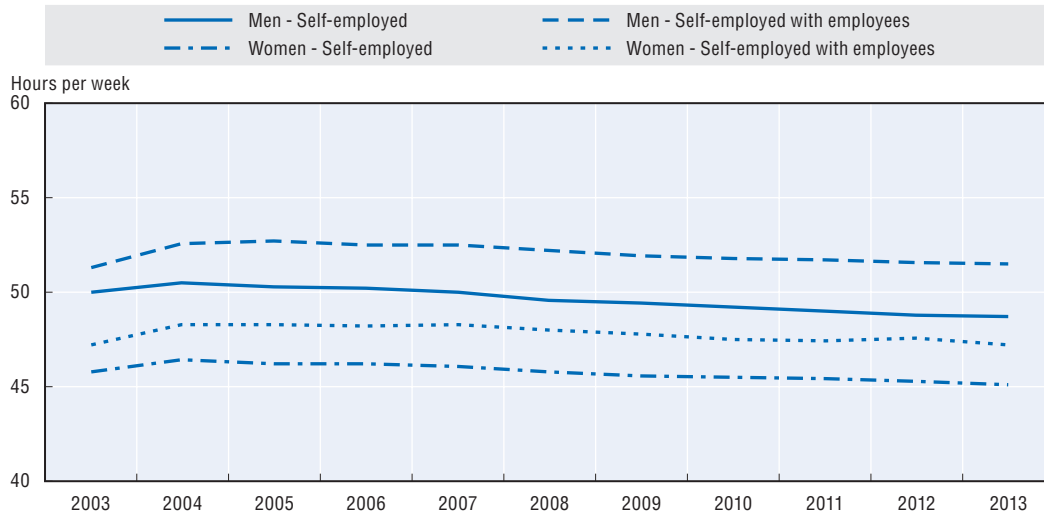
Source: Eurostat (2014), Labour Force Survey 2003-13.

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Among self-employed women, those with employees work, on average, more hours per week than those without (Figure 2.11). In 2013, self-employed women with employees worked 2.1 hours per week more, on average, than those without employees (47.2 hours vs. 45.1 hours). The average number of hours worked per week by self-employed women with employees is 4.3 hours per week, on average, which is lower than the number of hours worked per week by self-employed men with employees.

Figure 2.11. **Average number of hours worked per week by self-employed men and women with employees in the EU28, 2003-13**

Hours worked per week for 18-64 year-olds that work full-time



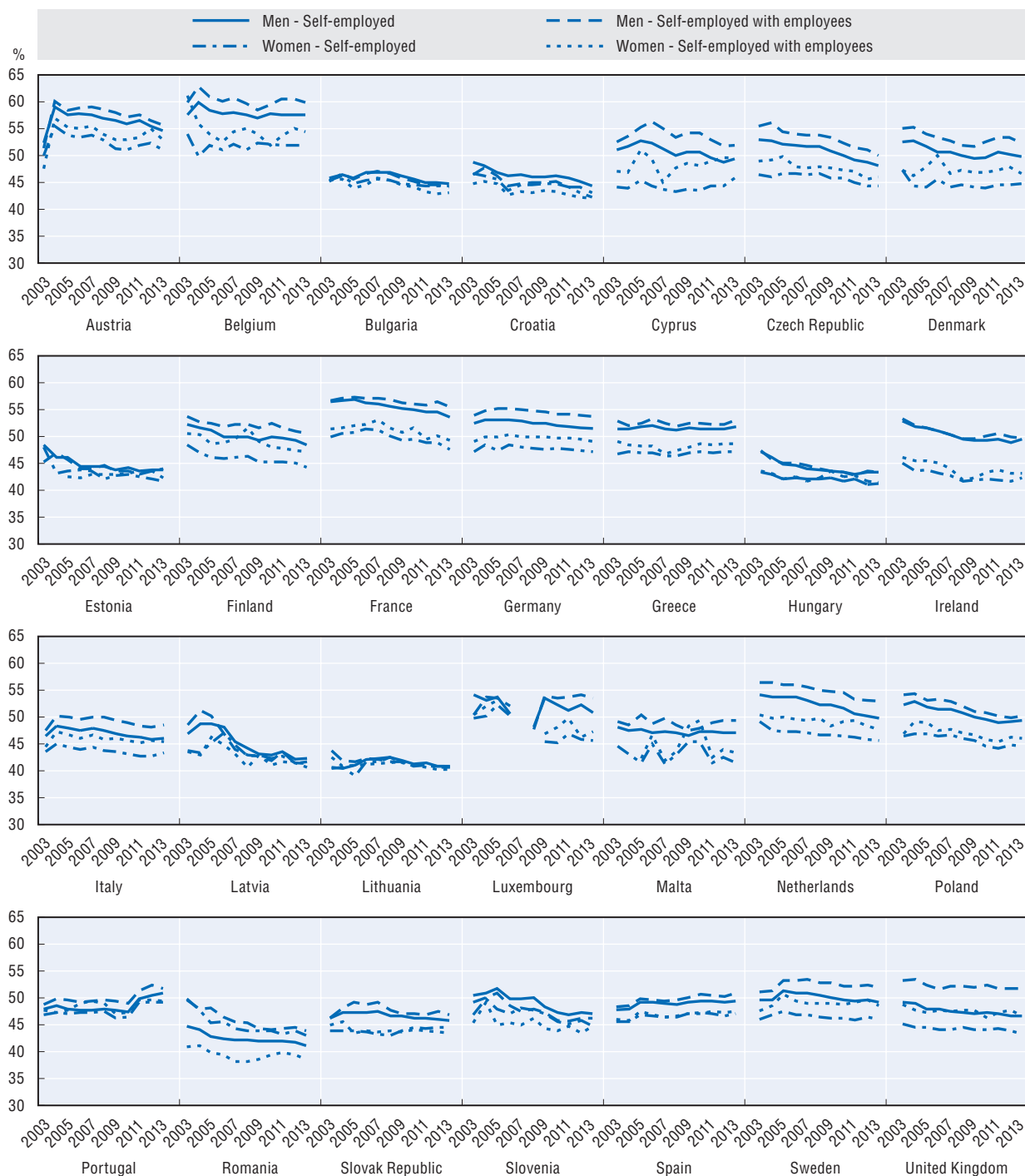
Source: Eurostat (2014), Labour Force Survey 2003-13.

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Across Member States, the average number of hours worked by self-employed women with employees varied greatly between 2003 and 2013 (Figure 2.12). In Bulgaria, Estonia, Hungary, Latvia and Lithuania, there was very little difference between the average number of hours worked per week by self-employed women with or without employees.

Figure 2.12. **Average number of hours worked per week by self-employed men and women with employees by country, 2003-13**

Hours worked per week for 18-64 year-olds that work full-time



Source: Eurostat (2014), Labour Force Survey 2003-13.

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## Self-employment earnings for women

- Self-employed women earned slightly less than self-employed men in the European Union in 2012.
- Women who worked as employees earned approximately EUR 4 200 more per year than women who worked in self-employment in 2012.

The median annual income earned by self-employed women in 2012 was EUR 14 554 in the European Union. This is lower than the amount earned by women who worked as employees: EUR 18 771 (Figure 2.13). Across most Member States, the median income earned by women employees was higher than the median income earned by self-employed women (Figure 2.14). The exceptions were Bulgaria, Czech Republic, France, Hungary, and Luxembourg, where self-employed women had a slightly higher median income than those who worked as employees.

Figure 2.13. **Annual income earned by women, 2012**  
Net median income earned for full-time labour market activities

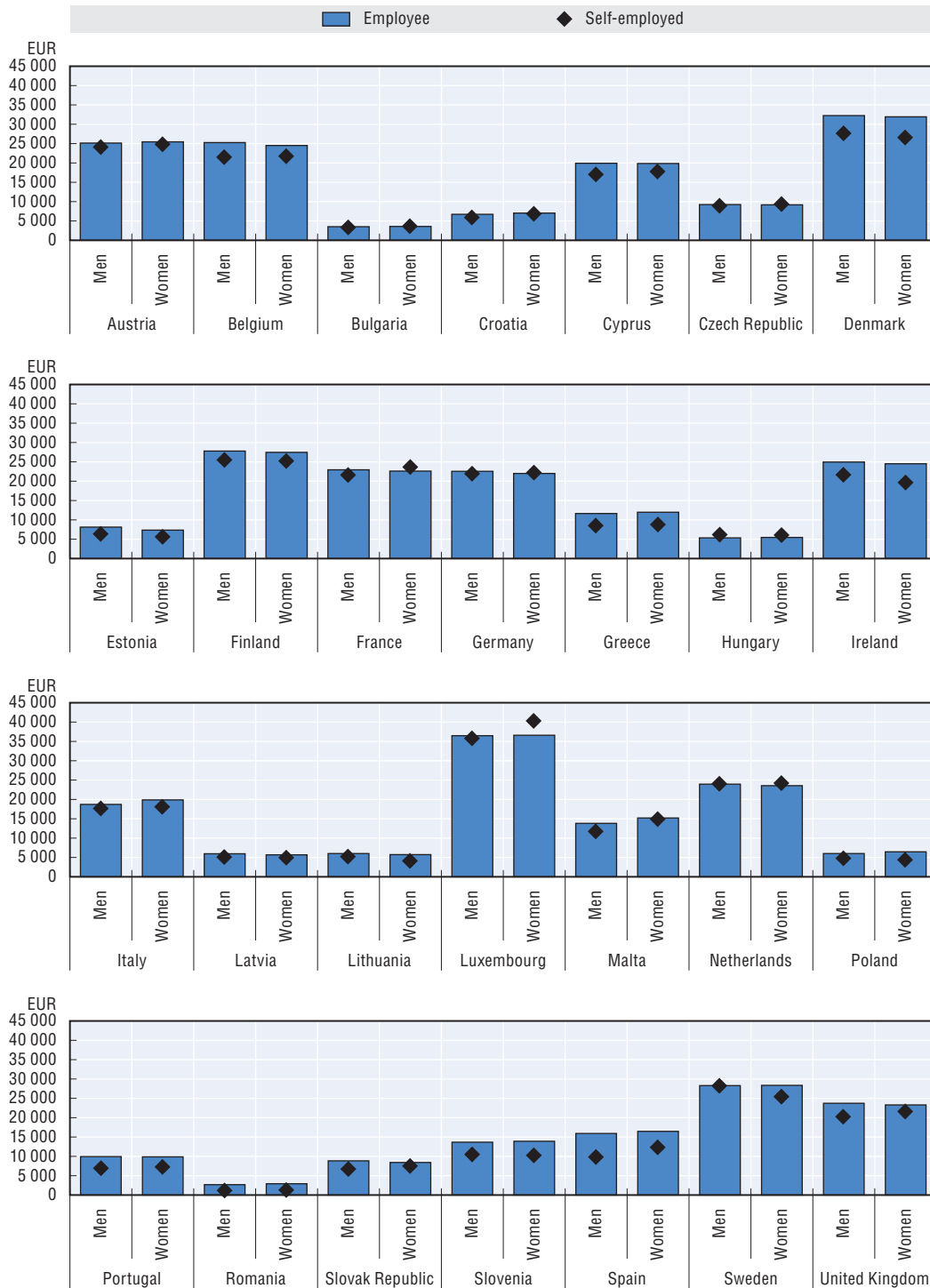


Source: Eurostat (2014b), Statistics on Income and Living Conditions 2013.

StatLink  <http://dx.doi.org/10.1787/888933286829>

Self-employed women had the same median income as self-employed men in 2012 at the European Union-level (Figure 2.13). However some variation is notable across Member States. In most Member States there was very little difference between the median income of self-employed men and women, but in France, Luxembourg, Malta and Spain, self-employed women had a substantially higher median income than self-employed men (Figure 2.14).

Figure 2.14. **Annual income earned by women by country, 2012**  
 Net median income earned for full-time labour market activities



Source: Eurostat (2014b), Statistics on Income and Living Conditions 2013.

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## Entrepreneurship skills as a barrier to business creation for women

- Between 2009 and 2013, women were much less likely than men in the European Union to believe that they have the knowledge and skills to start a business.
- The perception of having the skills and knowledge to start a business varied across European Union countries over this period. Women in Austria, Greece, Slovenia and Spain were more than twice as likely as women in Luxembourg to believe that they had the skills for entrepreneurship.

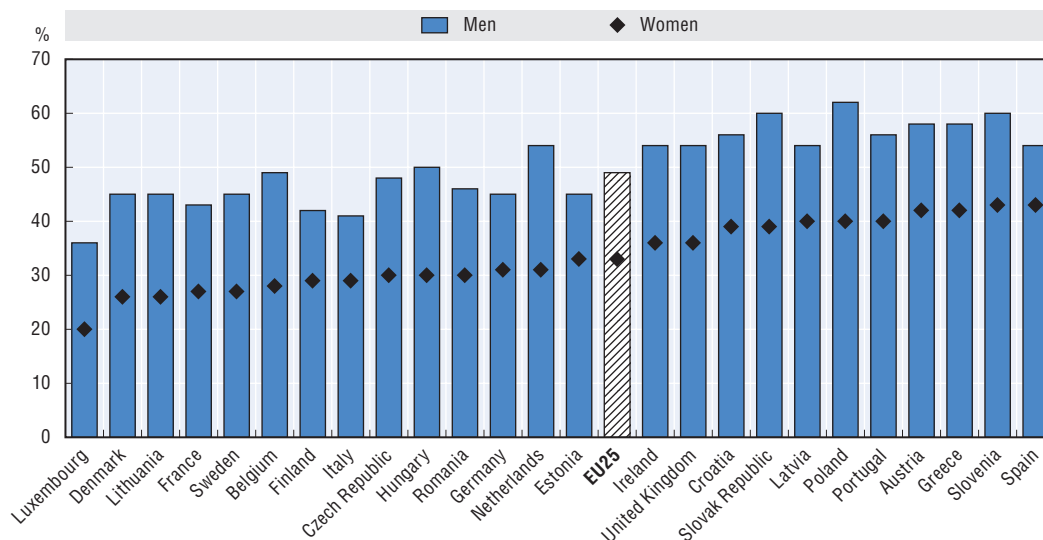
A lack of entrepreneurship skills is often considered to be one of the most significant barriers to business creation. Entrepreneurship skills are a bundle of skills that include risk management, opportunity identification, planning, financial management, as well as personal traits such as personal initiative and the ability to motivate others. Although entrepreneurship skills are not always necessary to operate a successful business, they increase the chances of business survival and growth.

Figure 2.15 presents the proportion of the adult population across the Member States who believe that they have the knowledge and skills to start a business. Overall, one-third of women in the European Union believed that they have the knowledge and skills to start a business between 2009 and 2013, relative to 49% of men. Turning this around, two-thirds of women believed that they do not have the knowledge or skills to start a business. This clearly highlights an area where policy intervention has the potential to make a difference.

Across European Union Member States, the proportion of women who believe that they have the knowledge and skills to start a business ranged from 20% in Luxembourg to 43% in Slovenia and Spain. In all Member States, women were less likely than men to believe that they have the knowledge and skills to start a business. In absolute terms, the gap between men and women was the largest in the Netherlands (23 percentage points) and the smallest in Spain (11 percentage points).

Figure 2.15. **Entrepreneurship skills as a barrier to business creation for men and women in the EU28, 2009-13**

“Do you have the knowledge and skills to start a business?”  
Percentage of 18-64 year-olds who responded “yes”



Notes: 1. The European Union countries that participated in the Global Entrepreneurship Monitor survey over this period are: Austria, Belgium, Croatia, Czech Republic, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden and the United Kingdom. 2. Data presented in this figure are pooled data, combining the annual survey results over the 2009-13 period. A number of countries did not participate in the GEM surveys in every year but were included in the tables: Austria (2012, 2013), Czech Republic (2011, 2013), Denmark (2009, 2010, 2011, 2012), Estonia (2012, 2013), Ireland (2010, 2011, 2012, 2013), Italy (2009, 2010, 2012, 2013), Lithuania (2011, 2012, 2013), Luxembourg (2013) Poland (2011, 2012, 2013), Portugal (2010, 2011, 2012, 2013), Slovak Republic (2011, 2012, 2013) and Sweden (2010, 2011, 2012, 2013).

Source: Global Entrepreneurship Monitor (GEM) (2014), Special tabulations of the 2009-13 adult population surveys from Global Entrepreneurship Monitor.

StatLink  <http://dx.doi.org/10.1787/888933286844>

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