

Chapter 2

Women's self-employment and entrepreneurship activities

This chapter presents a range of data on the self-employment and entrepreneurship activities by women in European Union and OECD countries. This includes reporting the proportion of employed women who are self-employed and indicators on their sector of activity, the proportion that introduce new products and services or have employees. The chapter also presents recent evidence on the barriers that women face in entrepreneurship, including the proportion of women that report that they lack the skills for entrepreneurship and the proportion that report that a fear of failure is a barrier to business creation. Data are reported at the country level, and averages are repeated for European Union and OECD countries.

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.

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Key messages

Women were less likely than men to be self-employed in 2016. There were 9.6 million self-employed women in the European Union in 2016, representing 9.9% of working women. This was far below the proportion of men in self-employment (17.5%). Similarly, women are less likely than men to be active in starting a business. Over the period 2012-16, 2.8% of women in the European Union were trying to set up a business or were owners of a business relative to 5.3% of men. A similar pattern is found across OECD economies, with 4.9% of women actively working to start a business over this period, relative to 7.4% of men.

Those women who do go on to successfully start a business typically operate smaller businesses. Self-employed women are less likely to have employees than self-employed men. Approximately one-third of self-employed men in the European Union had at least one other employee in 2016, whereas less than one quarter of women did. However, women entrepreneurs were as likely as men to offer new products and services for potential customers over the 2012-16 period, but only half as likely to expect to create at least 19 jobs over the next five years.

On average, self-employed women work more hours per week than women who work as employees and those self-employed with employees tend to work more than those without. In the European Union, self-employed women with employees worked 47.3 hours per week in 2016 relative to 43.9 hours for those without employees. However, men worked more hours than women in 2016 across all categories: employees, self-employed with employees and self-employed without employees.

In 2015, the net median annual income for women who worked full-time in self-employment in the European Union was approximately equal to the median income for self-employed men.

Women face several barriers to entrepreneurship. Data from the 2012-16 period indicate that women are less likely than men to report that they have the knowledge and skills to start a business. Only 34.1% of women in the European Union and 36.8% of women in the OECD countries felt that they had the knowledge and skills for entrepreneurship, relative to half of men. Furthermore, women were more likely to report a fear of failure. Between 2012 and 2016, 52.2% of women in the European Union reported this barrier, which was more than the proportion in OECD countries (43.7%).

Self-employment activities by women

- There were 9.6 million self-employed women in the European Union in 2016. This accounted for 9.9% of employed women, well below the proportion of men in self-employment (17.5%).
- Within the European Union, women in southern Member States were the most likely to be self-employed, e.g. 22.9% of employed women in Greece and 15.8% in Italy. Self-employment rates for women were the lowest in northern Member States.
- Self-employed women are less likely to have employees than self-employed men. In 2016, nearly one-third of self-employed men in the European Union had at least one other employee whereas less than one quarter of women did.

There are several ways in which a person can participate in the labour market. While the vast majority of people work as employees, some work for themselves and others work in family businesses. However the lines between the categories are increasingly blurred as the nature of work evolves. A growing number of people combine various labour market activities together, e.g. full-time and part-time employment, employment and self-employment, or several part-time jobs.

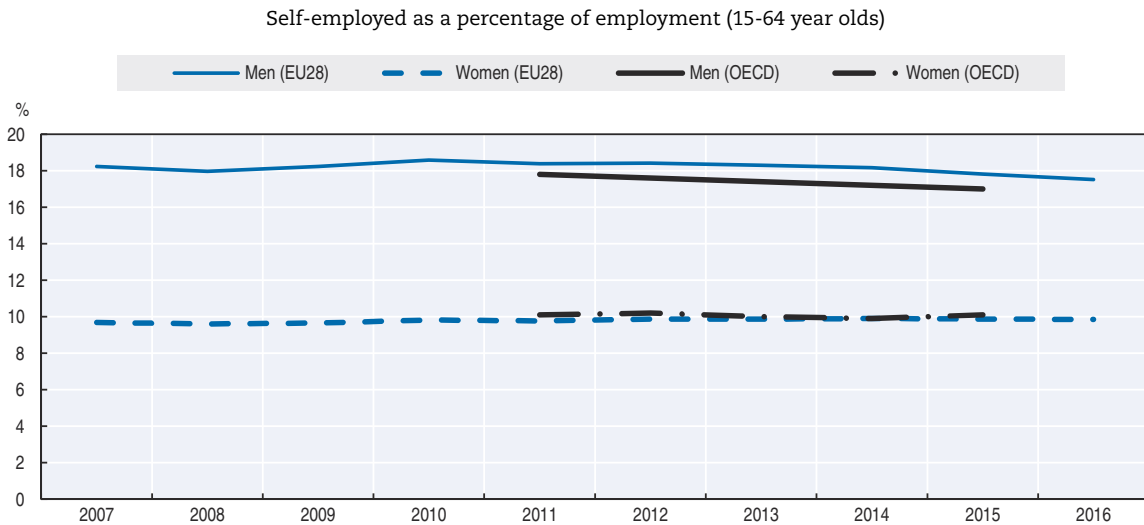
Self-employment is where an individual works for a business that they own. This could include farms or professional practices (e.g. doctor's offices). A key characteristic of the self-employed is that they derive some form of economic benefit from their work, which typically includes wages, profits, in-kind benefits or family gains for those who work in family businesses. This sets the self-employed apart from those who undertake voluntary activities, which is excluded from the definition of self-employment. Most self-employed people work on their own for their business, but some hire employees to work with them in their business. Please see the Reader's Guide for additional information on the self-employed and how they differ from entrepreneurs.

The self-employment rate for men and women over the period 2007-16 is presented in Figure 2.1 for the European Union and for the average of OECD countries. This rate shows the proportion of those in employment who work as self-employed. In 2016, there were approximately 30.6 million self-employed people in the European Union, of which 9.6 million were women. Thus, women accounted for just under one-third of the number of self-employed. Relative to all women in employment in the European Union in 2016, the self-employed accounted for 9.9%. This was slightly above half of the self-employed rate for men, which was 17.5%. Over the last 10 years, the self-employment rates have been stable for both men and women but the gap between the two has closed slightly. This was due to a slight decline in the self-employment rate for men.


An identical picture emerges when looking at OECD economies.¹ The self-employment rate for women in 2015 was 10.1% and the rate for men was 17.0%. As in the European Union, the self-employment rate for women has been constant over the last decade but the rate for men declined nearly one percentage point since 2011.

The self-employment rate for men and women are presented at the country level in Figure 2.2 for the 2007-16 period. Within the European Union, the highest self-employment rates for women in 2016 were in the southern Member States: Greece (22.9%) and Italy (15.8%). The lowest self-employment rates were found in the northern Member States: Denmark (4.9%) and Sweden (5.3%). Over the last decade, the self-employment rate for women increased most in the Slovak Republic and the Netherlands, where the

Figure 2.1. **Self-employment rates for men and women in European Union and OECD countries, 2007-16**



Source: Eurostat (2017a), Labour Force Survey, available at: <http://ec.europa.eu/eurostat/web/lfs/data/database>; OECD (2016), "Indicators of gender equality in entrepreneurship", OECD Gender Portal, available at: www.oecd.org/gender/data/.

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self-employment rates increased to approximately 1.4 times the value in 2007. There were also several other EU Member States where the self-employment rate for women increased to nearly 1.3 times the 2007 value: United Kingdom, Luxembourg, Slovenia and Estonia. The greatest decreases were in Croatia and Portugal, where the self-employment rates nearly halved. These trends were broadly similar to those in the self-employment rate for men.

Among the non-European Union OECD countries where comparable data are available, the self-employment rate for women in 2015 was the highest in Latin American countries: Mexico (23.5%) and Chile (23.3%). These levels are slightly above those observed in Greece. The lowest self-employment rate for women in 2015 among OECD countries was 3.5% in Japan. In the United States, often considered one of the most entrepreneurial countries, the self-employment rate for women in 2015 was 6.9% in 2015.

Across European Union and OECD countries, self-employed women are less likely than self-employed men to have hired additional employees to work for their businesses (Figure 2.3). In 2016, nearly one-third of self-employed men in the European Union had at least one other employees whereas less than one quarter of women did. Similarly, 31.8% of self-employed men in OECD countries had employees and 21.8% of self-employed women did.

The proportion of self-employed men and women with employees has changed only slightly over the last decade. Within EU Member States, the percentage of self-employed men with employees has declined nearly three percentage points. For self-employed women, the proportion has declined approximately one percentage point. While this signals a slight reduction in the gap in the proportion of men and women who are employers, it is indicative of a growing trend towards solo self-employment (see Figure 1.4 in Chapter 1). A partial explanation for the slight decline in the share of employers is the rise in freelancers (see Box 7.2 in Chapter 7).

There was a wide variation at the country level in the proportion of self-employed men and women who had employees (Figure 2.4). The EU Member States where self-employed women were the most likely to have employees in 2016 were Croatia (42.2%) and Hungary (40.8%).

Figure 2.2. **Self-employment rates for men and women by country, 2007-16**
 Self-employed as a percentage of employment (15-64 year olds)

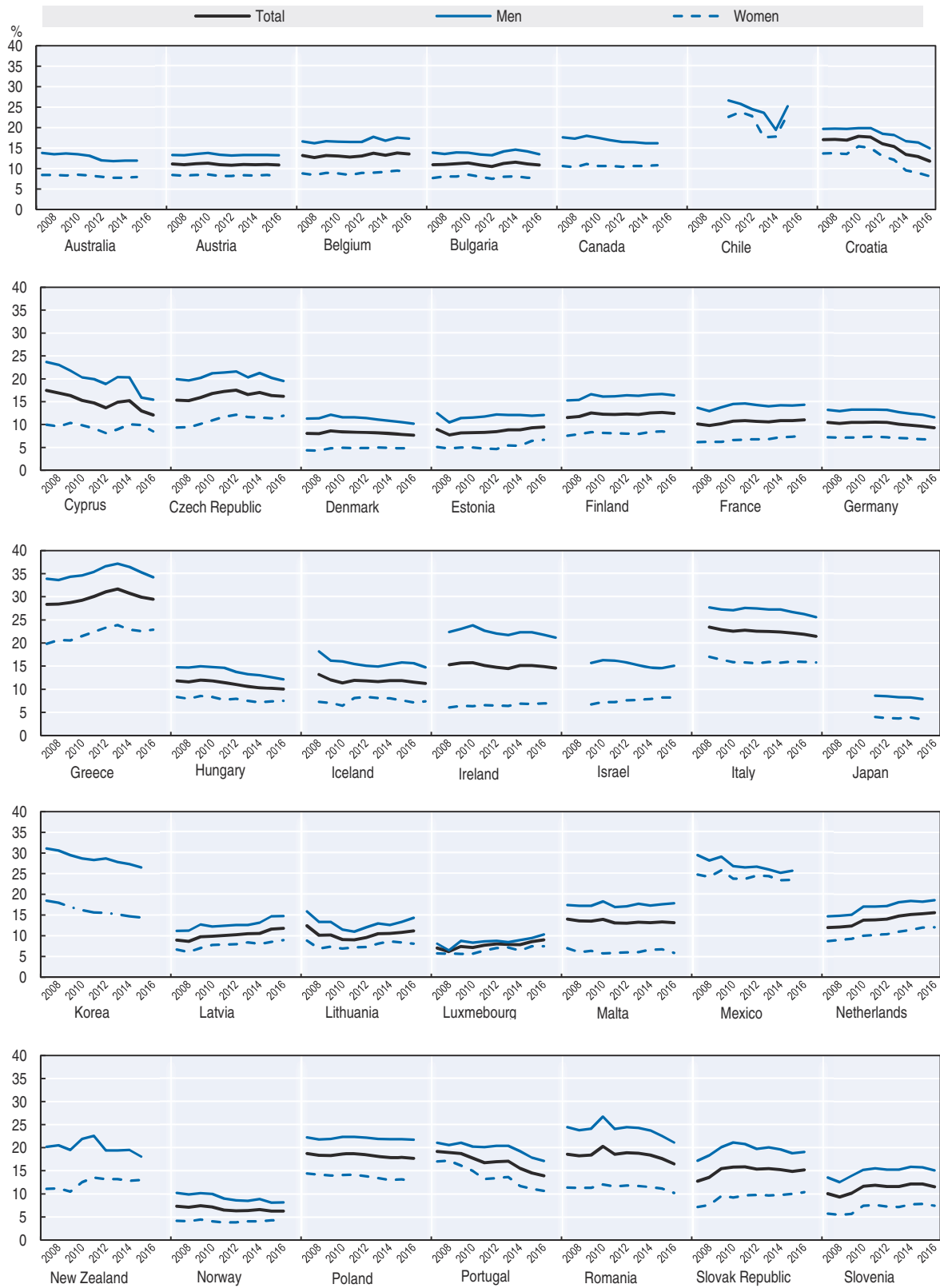
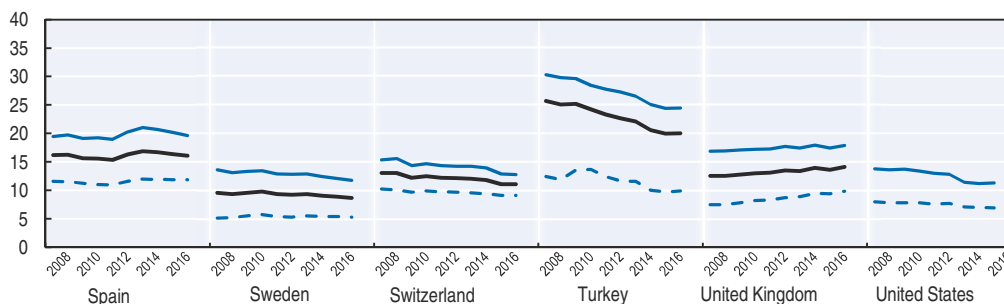


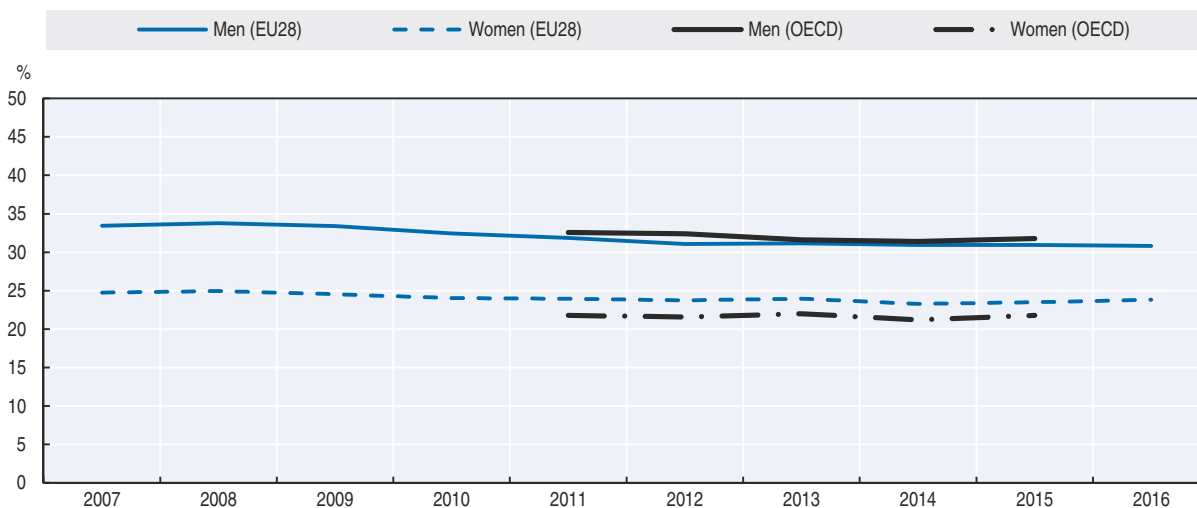
Figure 2.2. **Self-employment rates for men and women by country, 2007-16** (cont.)
Self-employed as a percentage of employment (15-64 year olds)



Source: Eurostat (2017a), Labour Force Survey, available at: <http://ec.europa.eu/eurostat/web/lfs/data/database>; OECD (2016), "Indicators of gender equality in entrepreneurship", OECD Gender Portal, available at: www.oecd.org/gender/data/.

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Figure 2.3. **Proportion of self-employed men and women with employees in European Union and OECD countries, 2007-16**
Percentage of self-employed (15-64 year olds)



Source: Eurostat (2017a), Labour Force Survey, available at: <http://ec.europa.eu/eurostat/web/lfs/data/database>; OECD (2016), "Indicators of gender equality in entrepreneurship", OECD Gender Portal, available at: www.oecd.org/gender/data/.

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Within the European Union, there was only one country where self-employed women were more likely than self-employed men to have employees: Ireland. However, self-employed men and women in Romania were approximately as likely to have employees. In all other European Union Member States, self-employed men were more likely than self-employed women to have employees. The gap was the greatest in Cyprus, the Czech Republic and the Netherlands where self-employed men were 2.1 times, 1.6 times and 1.6 times more likely to have employees.

These observations also generally hold for OECD countries. The OECD countries with the highest proportion of self-employed women with employees were in the European Union, plus Switzerland. Australia was the only OECD country where self-employed men and women were equally as likely to have employees. There were three non-EU OECD countries where self-employed men were more than twice as likely as self-employed women to have employees: Israel (2.2 times), Mexico (2.1 times) and Chile (2.0 times).

Figure 2.4. **Proportion of self-employed men and women with employees by country, 2007-16**
 Percentage of self-employed (15-64 year olds)

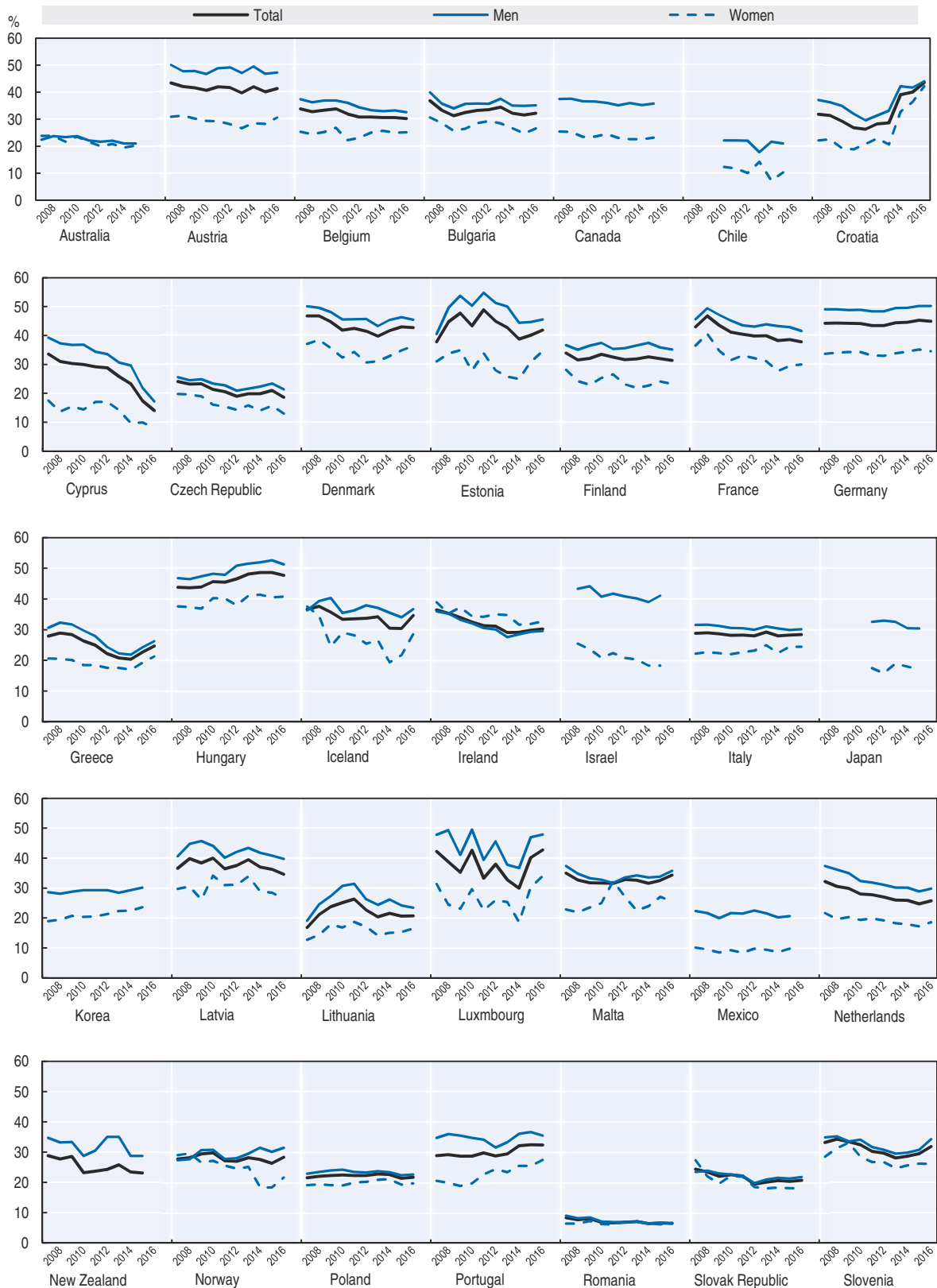
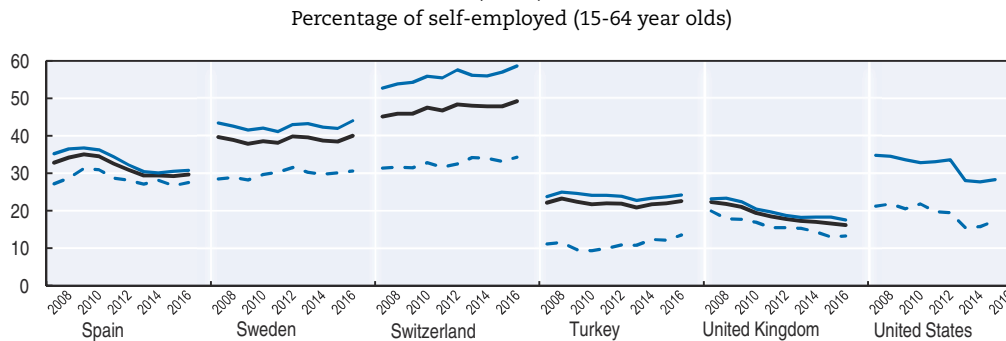



Figure 2.4. **Proportion of self-employed men and women with employees by country, 2007-16**
(cont.)



Source: Eurostat (2017a), Labour Force Survey, available at: <http://ec.europa.eu/eurostat/web/lfs/data/database>; OECD (2016), "Indicators of gender equality in entrepreneurship", OECD Gender Portal, available at: www.oecd.org/gender/data/.

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Activities by women over the entrepreneurship life-cycle

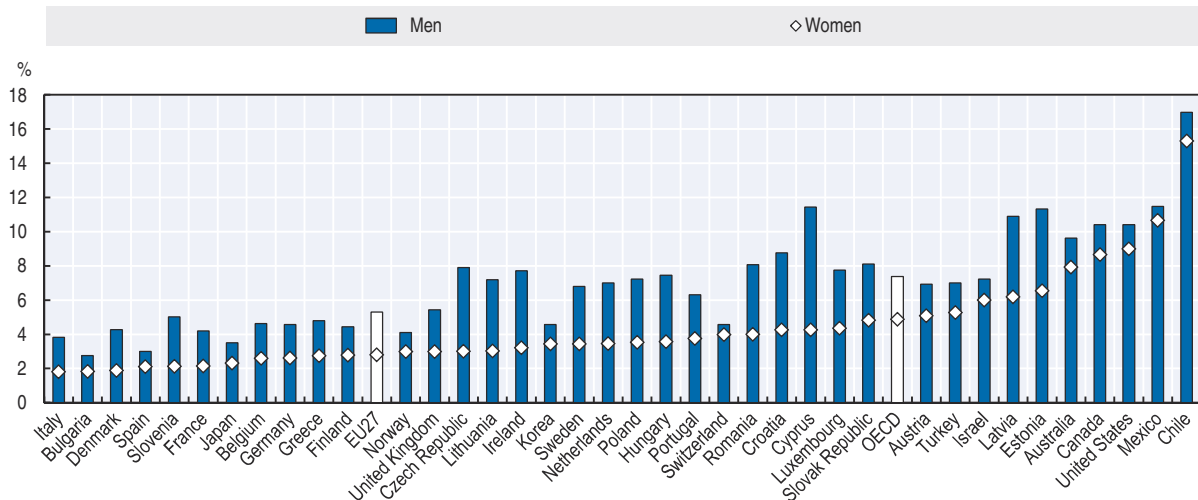
- Women were less likely than men to be involved in setting up a business over the 2012-16 period in European Union (2.8% vs. 5.3%) and OECD countries (4.9% vs. 7.4%).
- Similarly, women were slightly more than half as likely as men to be owners of new (less than 3.5 years old) and established business (3.5 years old). This was true in both European Union and OECD countries.
- Although the average rates of entrepreneurship activity are lower for women than men, there are many countries where women are very active in starting businesses, notably in eastern EU Member States such as Latvia, as well as Chile, Mexico, the United States, Canada and Australia.
- The most frequently cited reason for business discontinuation for both men and women was that it was not profitable. Approximately one-third of people who ceased the business' activities cited this reason.

Another way to examine entrepreneurship activities by women is to consider the proportion of women who are involved in starting or managing businesses. The Global Entrepreneurship Monitor (GEM) is an international study of entrepreneurship that is produced by a consortium of researchers and research institutions using a common household survey. This survey divides entrepreneurship activities into four stages: nascent entrepreneurship, new business ownership, established business ownership and business exit.

The nascent entrepreneurship rates for men and women are presented in Figure 2.5 for European Union and OECD countries for the period 2012-16. This rate measures the proportion of the population who are actively involved in setting up a business they will own or co-own but have not yet paid salaries, wages or any other payments to the owner(s) for more than three months. The data were pooled over a five year period to increase the sample size and reliability of the estimates. For more information on this rate and other indicators develop by the GEM, please refer to the Reader's Guide at the beginning of this book.


Across EU Member States, 2.8% of women were involved in setting up a business between 2012 and 2016. This is approximately half of the proportion of men (5.3%). The nascent entrepreneurship rate varied across Member States, ranging from 1.8% in Italy to 6.5% in Estonia. There was a clear gap in the level of nascent entrepreneurship activities for

Figure 2.5. **Nascent entrepreneurship rates for men and women, 2012-16**
Percentage of population (18-64 year olds)



Notes: 1. All European Union Member States participated in the GEM survey at least once during the 2012-16 period except for Malta. 2. All OECD countries participated in the GEM survey at least once during this period except for Iceland and New Zealand. 3. Data presented in this figure were pooled over the 2012-16 period. A number of countries did not participate in the GEM surveys in every year but were included in the figure: Australia (participated in 2014, 2015, 2016); Austria (2012, 2014, 2016); Belgium (2012, 2013, 2014, 2015); Bulgaria (2015, 2016); Cyprus (2016); Czech Republic (2013); Denmark (2012, 2014); France (2012, 2013, 2014, 2016); Israel (2012, 2013, 2015, 2016); Japan (2012, 2013, 2014); Korea (2012, 2013, 2015, 2016); Latvia (2012, 2013, 2014); Lithuania (2012, 2013, 2014); Luxembourg (2013, 2014, 2015, 2016); Norway (2012, 2013, 2014, 2015, 2017); Romania (2012, 2013, 2014, 2015); and Turkey (2012, 2013, 2016). 4. The nascent entrepreneurship rate is defined as the proportion of the adult population (age 18 to 64) that are 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) (2017), Special tabulations of the 2012-16 adult population surveys from the Global Entrepreneurship Monitor.

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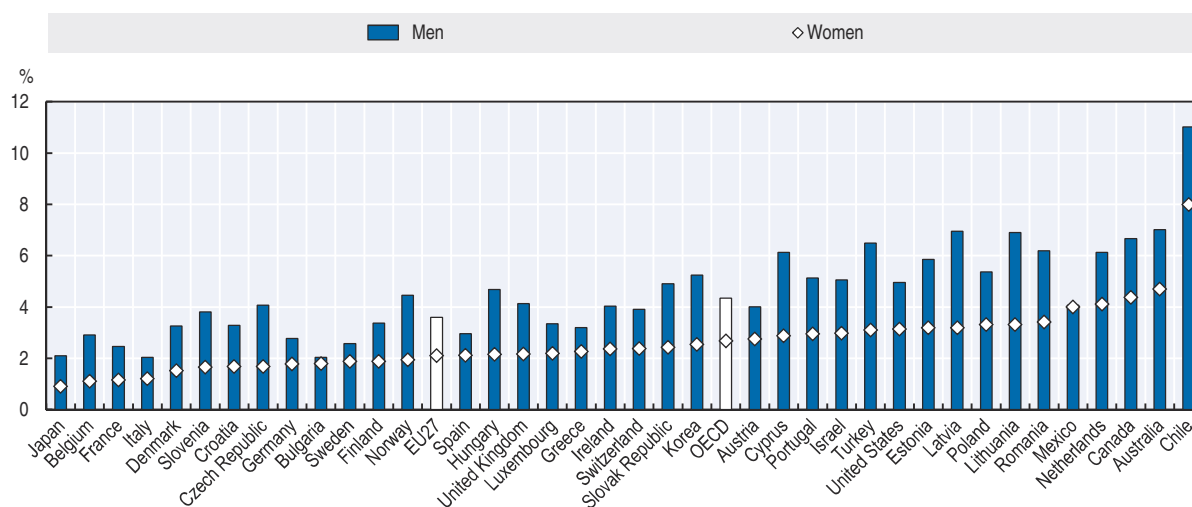
men and women over this period in all countries. Among EU Member States, the gap was the smallest in Austria where men were 1.4 times more likely than women to be involved in pre start-up activities, and greatest in Cyprus and the Czech Republic, where men were 2.7 times more likely than women to be engaged in pre start-up activities.

The nascent entrepreneurship rate for women was slightly higher in OECD countries over this period. The average rates over the 2012-16 were 4.9% for women and 7.4% for men. While women were less active in starting a business than men, the gender gap was smaller than in the European Union Member States. Among OECD countries, women were the most likely to be setting up a business over this period in Chile (15.7%), Mexico (10.3%) and the United States (9.0%).

The second stage of entrepreneurship defined by the GEM is new business ownership. That is, the proportion of the 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.


Over the 2012-16 period, women were approximately 60% as likely as men to be an owner-manager of a new business across the European Union and OECD countries. This proportion varied greatly across both European Union and OECD countries (Figure 2.6). Within the European Union, the new business ownership rate was lowest in Belgium over this period (1.1%) and highest in the Netherlands (4.1%). Among OECD countries, the rate ranged from 0.9% in Japan to 9.0% in Chile. There appears to be a correlation between the nascent entrepreneurship rates and new business ownership rates. That is, countries

Figure 2.6. **New business ownership rates for men and women, 2012-16**
Percentage of population (18-64 year olds)



Notes: 1. All European Union Member States participated in the GEM survey at least once during the 2012-16 period except for Malta. 2. All OECD countries participated in the GEM survey at least once during this period except for Iceland and New Zealand. 3. Data presented in this figure were pooled over the 2012-16 period. A number of countries did not participate in the GEM surveys in every year but were included in the figure: Australia (participated in 2014, 2015, 2016); Austria (2012, 2014, 2016); Belgium (2012, 2013, 2014, 2015); Bulgaria (2015, 2016); Cyprus (2016); Czech Republic (2013); Denmark (2012, 2014); France (2012, 2013, 2014, 2016); Israel (2012, 2013, 2015, 2016); Japan (2012, 2013, 2014); Korea (2012, 2013, 2015, 2016); Latvia (2012, 2013, 2014); Lithuania (2012, 2013, 2014); Luxembourg (2013, 2014, 2015, 2016); Norway (2012, 2013, 2014, 2015, 2017); Romania (2012, 2013, 2014, 2015); and Turkey (2012, 2013, 2016). 4. The new business ownership rate measures the proportion of the population (18-64 years old) 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) (2017), Special tabulations of the 2012-16 adult population surveys from the Global Entrepreneurship Monitor.

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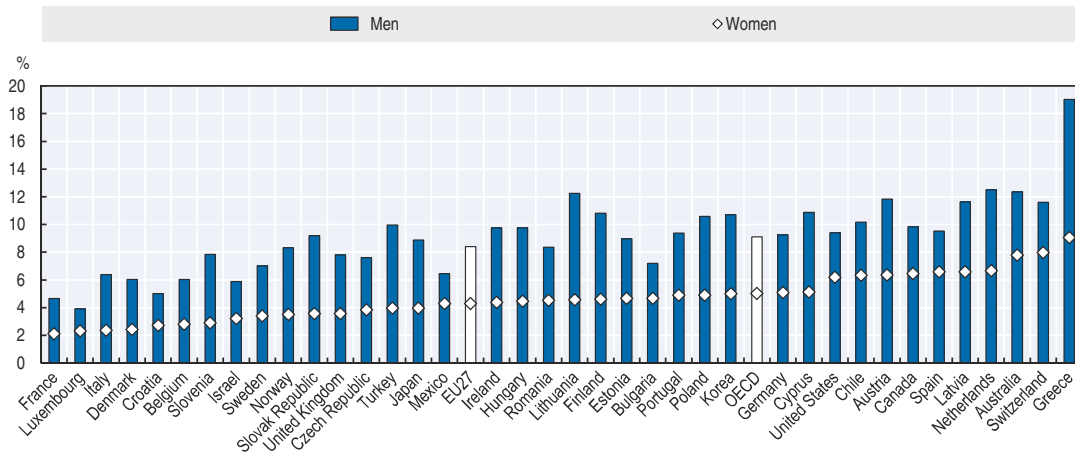
where women had low nascent entrepreneurship rates also have low rates of new business ownership and vice versa. This is unsurprising since an individual must be a nascent entrepreneur before they are a new business owner.

Established business ownership is the third phase of the GEM cycle. This indicator is defined as the proportion of the adult population that are currently owner-managers of an established business that has paid salaries, wages or any other payments to the owners for more than 42 months.

Across the European Union, 4.3% of women were established business owners over the period 2012-16, which is not far below the average for OECD countries (5.0%) (Figure 2.7). This is approximately half of the proportion of men who were established business owners (8.4% in the European Union and 9.0% in OECD countries). At the country level, the established business ownership rate for women ranged from 2.1% in France to 9.1% in Greece. The gender gap was the greatest in Slovenia, where the established business ownership rate for women was only 37% of the rate for men. The gender gap was the smallest in Spain.

The GEM household survey also asks questions about business exit. Approximately 7% of the population are involved in a business discontinuation each year (GEM, 2017), and Figure 2.8 presents the reasons cited for exiting the business. In the European Union over the 2012-16 period, women were slightly more likely than men to report that they were involved in a business discontinuation due to the business not being profitable (31.6% vs. 28.7% for men) or personal reasons (20.5% vs. 15.3% for men). Otherwise, there was little

Figure 2.7. **Established business ownership rates for men and women, 2012-16**
Percentage of population (18-64 year olds)

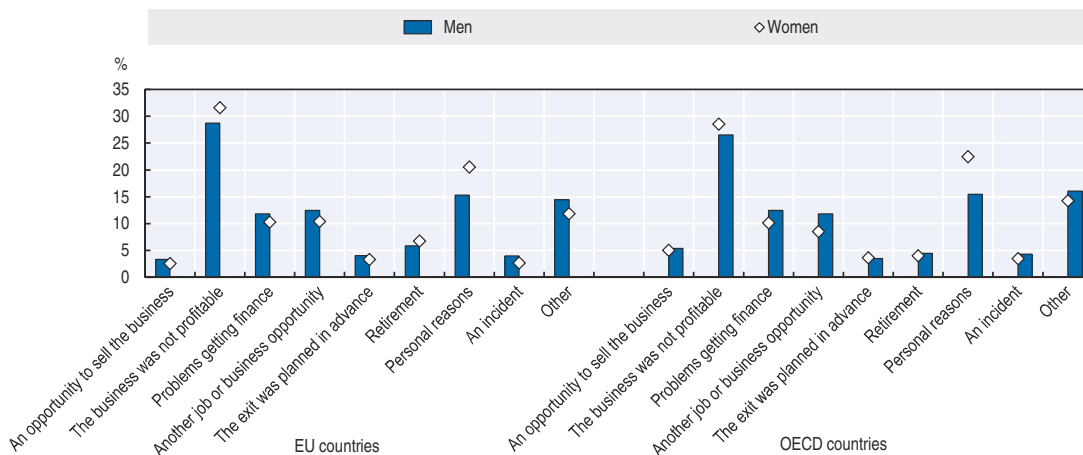


Notes: 1. All European Union Member States participated in the GEM survey at least once during the 2012-16 period except for Malta. 2. All OECD countries participated in the GEM survey at least once during this period except for Iceland and New Zealand. 3. Data presented in this figure were pooled over the 2012-16 period. A number of countries did not participate in the GEM surveys in every year but were included in the figure: Australia (participated in 2014, 2015, 2016); Austria (2012, 2014, 2016); Belgium (2012, 2013, 2014, 2015); Bulgaria (2015, 2016); Cyprus (2016); Czech Republic (2013); Denmark (2012, 2014); France (2012, 2013, 2014, 2016); Israel (2012, 2013, 2015, 2016); Japan (2012, 2013, 2014); Korea (2012, 2013, 2015, 2016); Latvia (2012, 2013, 2014); Lithuania (2012, 2013, 2014); Luxembourg (2013, 2014, 2015, 2016); Norway (2012, 2013, 2014, 2015, 2017); Romania (2012, 2013, 2014, 2015); and Turkey (2012, 2013, 2016). 4. The established business ownership rate is defined as the proportion of the adult population that are currently owner-managers of an established business that has paid salaries, wages or any other payments to the owners for more than 42 months.
Source: Global Entrepreneurship Monitor (GEM) (2017), Special tabulations of the 2012-16 adult population surveys from the Global Entrepreneurship Monitor.

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Figure 2.8. **Reasons for business exit cited by men and women entrepreneurs in European Union and OECD countries, 2012-16**

Percentage of the population involved in a business exit in the past 12 months (18-64 year olds)



Notes: 1. All European Union Member States participated in the GEM survey at least once during the 2012-16 period except for Malta. 2. All OECD countries participated in the GEM survey at least once during this period except for Iceland and New Zealand. 3. Data presented in this figure were pooled over the 2012-16 period. A number of countries did not participate in the GEM surveys in every year but were included in the figure: Australia (participated in 2014, 2015, 2016); Austria (2012, 2014, 2016); Belgium (2012, 2013, 2014, 2015); Bulgaria (2015, 2016); Cyprus (2016); Czech Republic (2013); Denmark (2012, 2014); France (2012, 2013, 2014, 2016); Israel (2012, 2013, 2015, 2016); Japan (2012, 2013, 2014); Korea (2012, 2013, 2015, 2016); Latvia (2012, 2013, 2014); Lithuania (2012, 2013, 2014); Luxembourg (2013, 2014, 2015, 2016); Norway (2012, 2013, 2014, 2015, 2017); Romania (2012, 2013, 2014, 2015); and Turkey (2012, 2013, 2016).

Source: Global Entrepreneurship Monitor (GEM) (2017), Special tabulations of the 2012-16 adult population surveys from the Global Entrepreneurship Monitor.

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difference in the motivations behind an exit between men and women, including both positive (e.g. an opportunity to sell the business, retirement) and negative factors (e.g. problems getting finance, another job or business opportunity).

Across all EU and OECD countries, the most frequently cited factor by women for a business discontinuation over the 2012-16 period was that the business was not profitable, accounting for more than half of the business exits in Greece (61.1%), Bulgaria (58.9%), Portugal (55.6%) and Spain (53.1%). Women were less likely than men in all EU and OECD countries to have exited their business due to a positive factor such as an opportunity to sell the business, another job or business opportunity came up or retirement. However, women in Germany were more likely than men to indicate that they discontinued their business due to another opportunity (15.4% vs. 11.5% for men). Similarly, women in the United Kingdom were nearly as likely as men to exit their business due to another opportunity (23.7% vs. 26.1% for men).

Business activities by self-employed women and women entrepreneurs

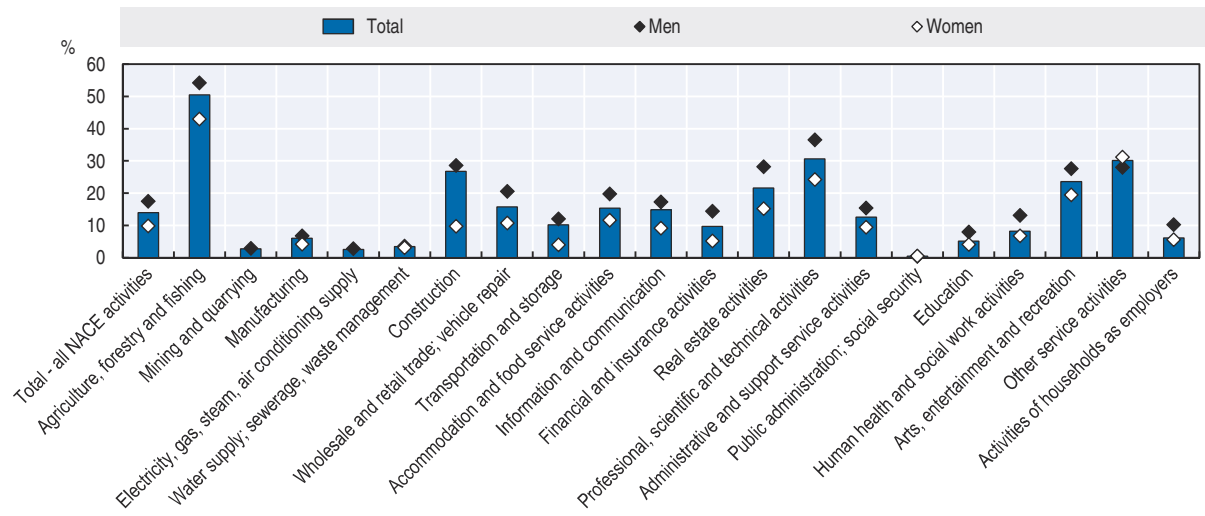
- Women were less likely than men to be self-employed across all industries in 2016 except for “other services”, which includes personal and household goods and services.
- Women were also slightly less likely than men to start their businesses in teams between 2012 and 2016. Across the European Union, 14.8% of women nascent entrepreneurs reported that they are working in teams of three or more, relative to 21.1% of men. In OECD countries, the proportions were 16.2% for women and 22.1% for men.
- Women entrepreneurs were as likely as men to offer new products and services for potential customers over the 2012-16 period, but only half as likely to expect to create at least 19 jobs over the next five years.

Women tend to operate different types of businesses than men. For example, the first section in this chapter showed that women often operate smaller businesses than men, i.e. self-employed women are less likely to have employees. They also tend to operate in different sectors.

Figure 2.9 presents the self-employment rates for men and women by industry for 2016. It is clear that women have lower self-employment rates than men in all industries, with the exception of Other service activities (e.g. activities of membership organisations, repair of computers, personal and household goods and other personal service activities). In this industry, the self-employment rate for women was 31.2% in 2016 slightly higher than the rate for men (28.1%). In addition, the self-employment rates for women and men were essentially the same in Water supply, sewage and waste management and Public administration and social security (while acknowledging that there is very little self-employment in both sectors). However, women were much less likely than men to be self-employed in Construction, Transportation and storage and Financial and insurance activities.

OECD/EU (2017) points to the importance of the introduction of gender-neutral entrepreneurship education for changing social attitudes towards entrepreneurship for women to help close the gender gap across many industries. This includes encouraging women to go into STEM fields (i.e. science, technology, engineering and mathematics) where there can be strong opportunities for high-potential entrepreneurship.

Figure 2.9. **Self-employment rates for men and women by industry in the European Union, 2016**
Self-employed as a percentage of employment (15-64 year olds)



Source: Eurostat (2017a), Labour Force Survey, available at: <http://ec.europa.eu/eurostat/web/lfs/data/database>.

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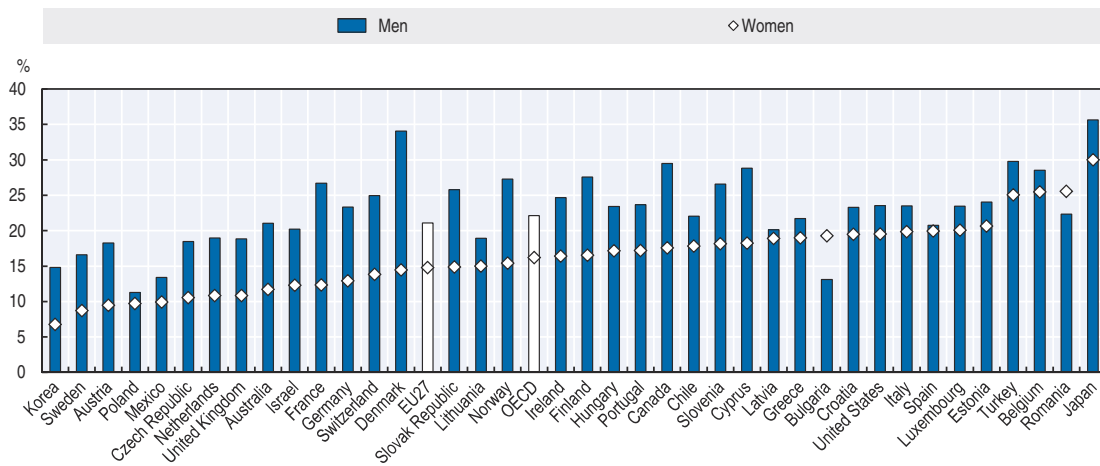
Furthermore, women appear to manage their businesses differently. For example, they were less likely to start their businesses in teams (Figure 2.10). Across the European Union, 14.8% of women nascent entrepreneurs reported that they are working in teams of three or more, relative to 21.1% of men. These proportions were essentially the same for OECD countries. This finding held in all European Union Member States over the 2012-16 period except for Bulgaria and Romania, where women were more likely than men to start in teams.

Figure 2.11 presents the proportion of men and women entrepreneurs who offered products or services that were new and unfamiliar to potential customers over the 2012-16 period. Overall, there was no gender gap at the European Union level, where just under 30% of entrepreneurs offered new products and services over this period. However, there was some variation across Member States. Entrepreneurs were the most likely to offer new products and services in Luxembourg (49%) and women were as likely as men to report this. Entrepreneurs in Bulgaria were the least likely to offer new products and services. Only 14.4% of men and 12.0% of women entrepreneurs reported offering new products and services. Women were slightly more likely than men to operate businesses that offered new products and services in several countries and the difference was the greatest in Finland (27.8% vs. 22.7% for men).

Similarly, across OECD countries there was no gender gap in the proportion of entrepreneurs who offered new products and services. This was true in nearly all OECD countries. The proportion of women entrepreneurs who offered new products and services ranged from 18.2% in Norway to 57.2% in Chile.

Overall, women entrepreneurs were less likely than men entrepreneurs to expect that their business would generate a substantial amount of new jobs over the next five years (Figure 2.12). At the European Union level, 6.0% of women entrepreneurs reported in the 2012-16 period that they expected to create at least 19 jobs over the next five years. This is less than half of the proportion of men (12.3%). Across European Union Member States, women were less likely to expect to create more than 19 jobs over the next five years in all countries except Bulgaria, Belgium and Cyprus, where women were as likely as men.

Figure 2.10. Proportion of new men and women entrepreneurs who operate in teams, 2012-16

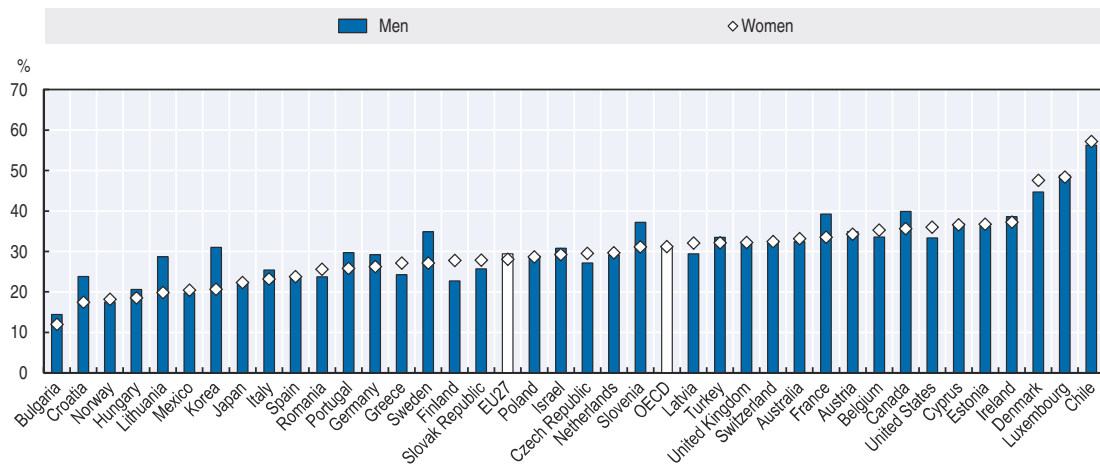


Notes: 1. All European Union Member States participated in the GEM survey at least once during the 2012-16 period except for Malta. 2. All OECD countries participated in the GEM survey at least once during this period except for Iceland and New Zealand. 3. Data presented in this figure were pooled over the 2012-16 period. A number of countries did not participate in the GEM surveys in every year but were included in the figure: Australia (participated in 2014, 2015, 2016); Austria (2012, 2014, 2016); Belgium (2012, 2013, 2014, 2015); Bulgaria (2015, 2016); Cyprus (2016); Czech Republic (2013); Denmark (2012, 2014); France (2012, 2013, 2014, 2016); Israel (2012, 2013, 2015, 2016); Japan (2012, 2013, 2014); Korea (2012, 2013, 2015, 2016); Latvia (2012, 2013, 2014); Lithuania (2012, 2013, 2014); Luxembourg (2013, 2014, 2015, 2016); Norway (2012, 2013, 2014, 2015, 2017); Romania (2012, 2013, 2014, 2015); and Turkey (2012, 2013, 2016). 4. Nascent entrepreneurs are those who are 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) (2017), Special tabulations of the 2012-16 adult population surveys from the Global Entrepreneurship Monitor.

StatLink <http://dx.doi.org/10.1787/888933624027>

Figure 2.11. Proportion of new men and women entrepreneurs who offer new products and services, 2012-16

“Do all, some, or none of your potential customers consider this product or service new and unfamiliar?”
Percentage of early-stage entrepreneurs (18-64 year olds) who responded “yes”



Notes: 1. All European Union Member States participated in the GEM survey at least once during the 2012-16 period except for Malta. 2. All OECD countries participated in the GEM survey at least once during this period except for Iceland and New Zealand. 3. Data presented in this figure were pooled over the 2012-16 period. A number of countries did not participate in the GEM surveys in every year but were included in the figure: Australia (participated in 2014, 2015, 2016); Austria (2012, 2014, 2016); Belgium (2012, 2013, 2014, 2015); Bulgaria (2015, 2016); Cyprus (2016); Czech Republic (2013); Denmark (2012, 2014); France (2012, 2013, 2014, 2016); Israel (2012, 2013, 2015, 2016); Japan (2012, 2013, 2014); Korea (2012, 2013, 2015, 2016); Latvia (2012, 2013, 2014); Lithuania (2012, 2013, 2014); Luxembourg (2013, 2014, 2015, 2016); Norway (2012, 2013, 2014, 2015, 2017); Romania (2012, 2013, 2014, 2015); and Turkey (2012, 2013, 2016). 4. Early-stage entrepreneurs are those who are in the process of setting up a new business and those who operate a business that is less than 42 months old.

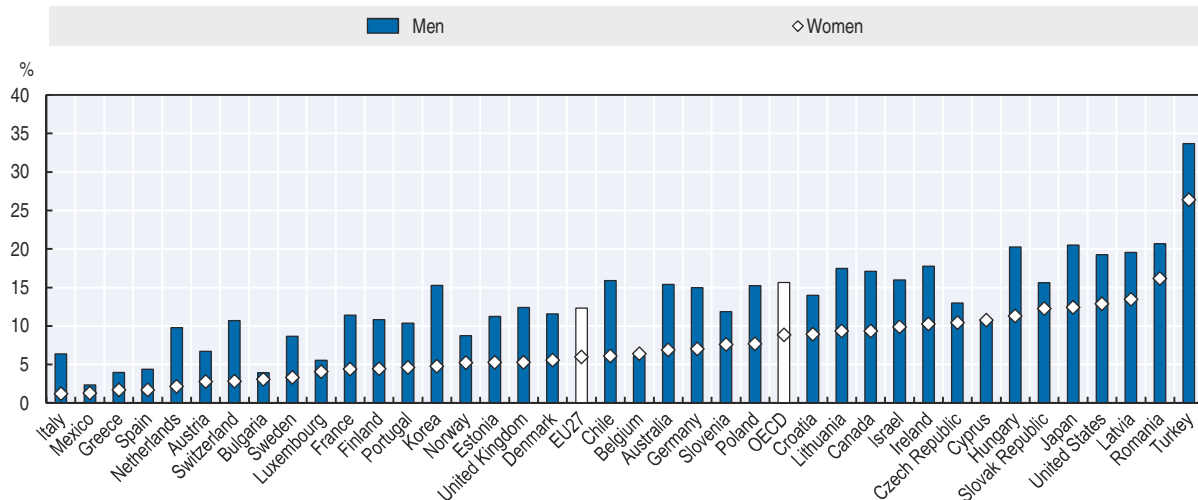
Source: Global Entrepreneurship Monitor (GEM) (2017), Special tabulations of the 2012-16 adult population surveys from the Global Entrepreneurship Monitor.

StatLink <http://dx.doi.org/10.1787/888933624046>

Figure 2.12. **Growth expectations among new men and women entrepreneurs, 2012-16**


“Not counting owners, how many people, including both present and future employees, will be working for this business five years from now? Please include all exclusive subcontractors, meaning people or firms working only for this business, and not working for others as well.”

Percentage of early-stage entrepreneurs (18-64 year olds) who indicated at least 19 new jobs would be created over the next five years



Notes: 1. All European Union Member States participated in the GEM survey at least once during the 2012-16 period except for Malta. 2. All OECD countries participated in the GEM survey at least once during this period except for Iceland and New Zealand. 3. Data presented in this figure were pooled over the 2012-16 period. A number of countries did not participate in the GEM surveys in every year but were included in the figure: Australia (participated in 2014, 2015, 2016); Austria (2012, 2014, 2016); Belgium (2012, 2013, 2014, 2015); Bulgaria (2015, 2016); Cyprus (2016); Czech Republic (2013); Denmark (2012, 2014); France (2012, 2013, 2014, 2016); Israel (2012, 2013, 2015, 2016); Japan (2012, 2013, 2014); Korea (2012, 2013, 2015, 2016); Latvia (2012, 2013, 2014); Lithuania (2012, 2013, 2014); Luxembourg (2013, 2014, 2015, 2016); Norway (2012, 2013, 2014, 2015, 2017); Romania (2012, 2013, 2014, 2015); and Turkey (2012, 2013, 2016). 4. Early-stage entrepreneurs are those who are in the process of setting up a new business and those who operate a business that is less than 42 months old.

Source: Global Entrepreneurship Monitor (GEM) (2017), Special tabulations of the 2012-16 adult population surveys from the Global Entrepreneurship Monitor.

StatLink  <http://dx.doi.org/10.1787/888933624065>

The proportion of women entrepreneurs who expect to create at least 19 new jobs was slightly higher in OECD countries (8.8%) than in the European Union (6.0%) over this period. However, the proportion was also approximately half of that of men. Women entrepreneurs were the most likely to expect to create a high number of jobs in Turkey, where 26.4% of women entrepreneurs self-reported that they expect to create at least 19 jobs over the next 5 years.

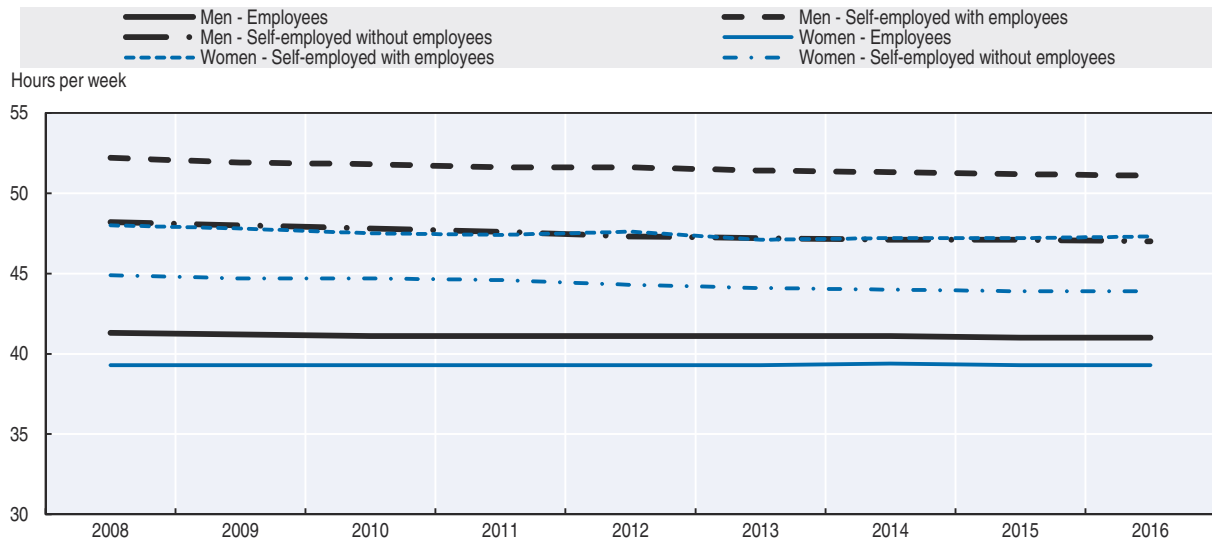

Hours worked by self-employed women

- Self-employed women work more hours per week, on average, than women who work as employees. However, there is a substantial difference between the hours worked of self-employed women with and without employees (47.3 hours per week for those with employees vs. 43.9 for those without).
- Men worked more hours per week than women in 2016 across all categories: employees, self-employed with employees and self-employed without employees.

Relative to women who work as employees, women in self-employment work more hours per week. In 2016, self-employed women in the European Union with employees worked, on average, 47.3 hours per week and those without worked 43.9 hours (Figure 2.13).

Figure 2.13. **Hours worked per week by men and women in the European Union, 2008-16**

Average number of hours worked per week for full-time workers (15-64 year olds)

Source: Eurostat (2017a), Labour Force Survey, available at: <http://ec.europa.eu/eurostat/web/lfs/data/database>.StatLink  <http://dx.doi.org/10.1787/888933624084>

This was above the average number of hours that women employees worked: 39.3 hours per week. The average number of hours worked per week by self-employed women, both those with and without employees, declined approximately one hour per week between 2008 and 2016.

Furthermore, the average number of hours worked per week by self-employed women was also lower than the average number of hours worked by self-employed men in 2016 (47.3 hours vs. 51.1 hours for self-employed men with employees and 43.9 hours vs. 47.0 hours for self-employed men without employees). Similarly, the average number of hours worked per week by self-employed men declined approximately one hour per week since 2008.

The average number of hours worked per week by self-employed women varies greatly by country (Figure 2.14). Self-employed women with employees worked, on average, more than 50 hours per week in four EU Member States in 2016: Belgium (53.4 hours), Austria (52.1 hours), Cyprus (50.9 hours) and France (50.6 hours). The average number of hours worked was the lowest in Lithuania (40.3 hours) and Latvia (40.6 employees). The average number of hours worked per week by self-employed women without employees was the highest in Bulgaria (40.8 hours) and lowest in Italy (37.0 hours).

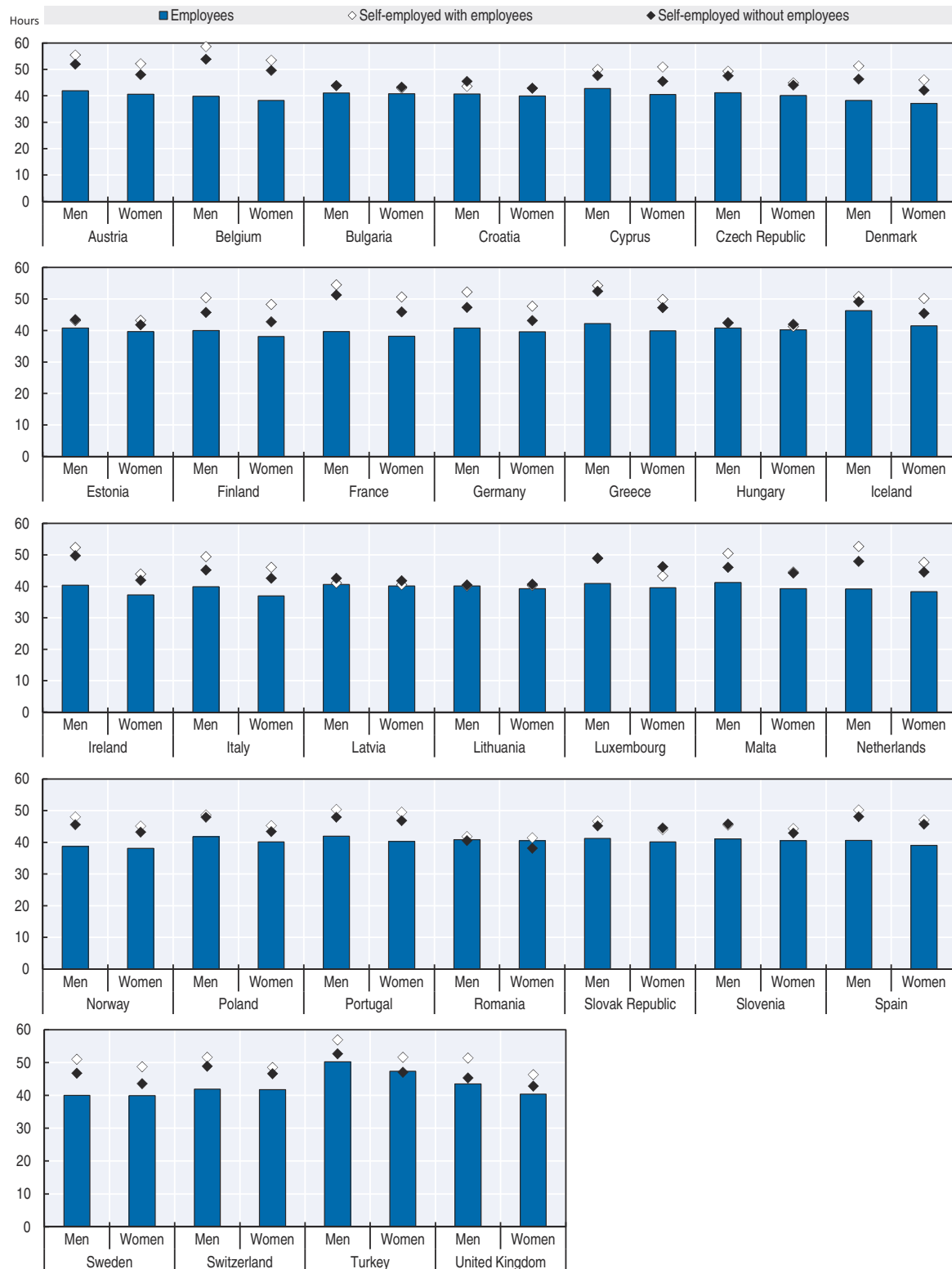
For further discussion on hours worked by the self-employed, please see Chapter 7.

Self-employment earnings for women


- In 2015, the median annual income for women who worked full-time in self-employment was approximately equal to the median income for self-employed men.
- Women who were employees had a median annual income that was EUR 4 360 higher than those who worked in self-employment.

The median annual income earned by women who worked full-time in self-employment in the European Union in 2015 was approximately equal to the median

Figure 2.14. Hours worked per week by men and women by country, 2016
Average number of hours worked per week for full-time workers (15-64 year olds)



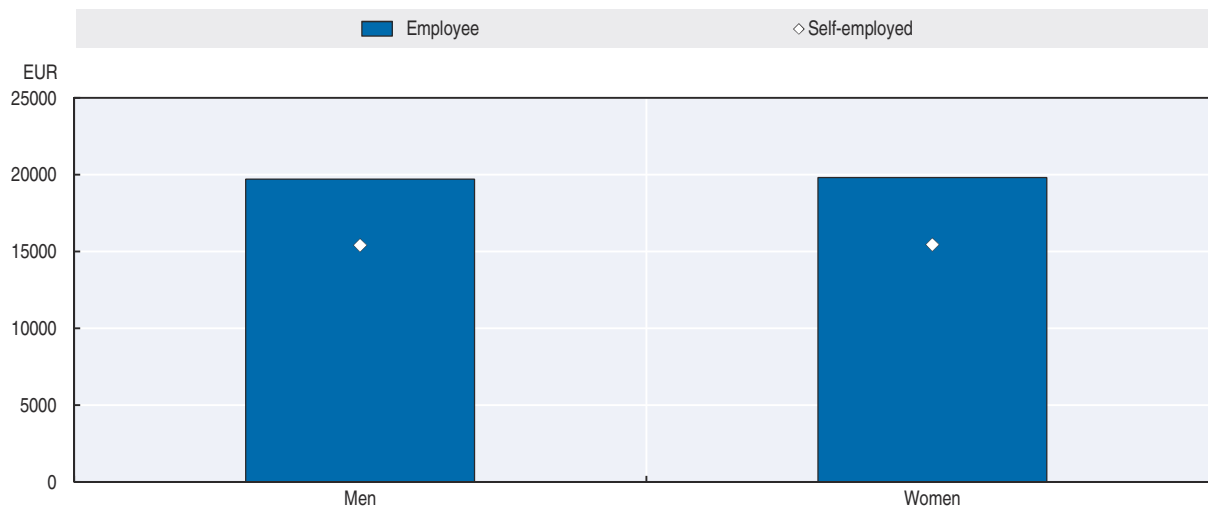
Source: Eurostat (2017a), Labour Force Survey, available at: <http://ec.europa.eu/eurostat/web/lfs/data/database>.

StatLink  <http://dx.doi.org/10.1787/888933624103>

income for self-employed men (Figure 2.15). While the median income for self-employed women is well below the median income earned by women who work as employees (EUR 15 455 vs. EUR 19 815), this is to some extent explained by international evidence that identifies that the self-employed significantly under-report their earnings (see Chapter 7).

Figure 2.15. **Annual income earned by men and women in the European Union, 2015**

Net median income earned for full-time labour market activities (15-64 year olds)



Source: Eurostat (2017b), Statistics on Income and Living Conditions, available at: <http://ec.europa.eu/eurostat/web/income-and-living-conditions/data/database>.

StatLink  <http://dx.doi.org/10.1787/888933624122>

At the country level, the median income earned varies substantially (Figure 2.16). In most EU Member States there was little difference between the median income of self-employed women and that of self-employed men. However, self-employed women earned more than self-employed men in France, Italy, Luxembourg, Malta, Spain and the United Kingdom. The only EU Member State where self-employed women earned more than those who worked as employees in 2015 was in Luxembourg (EUR 39 280 vs. EUR 37 709 for employees).

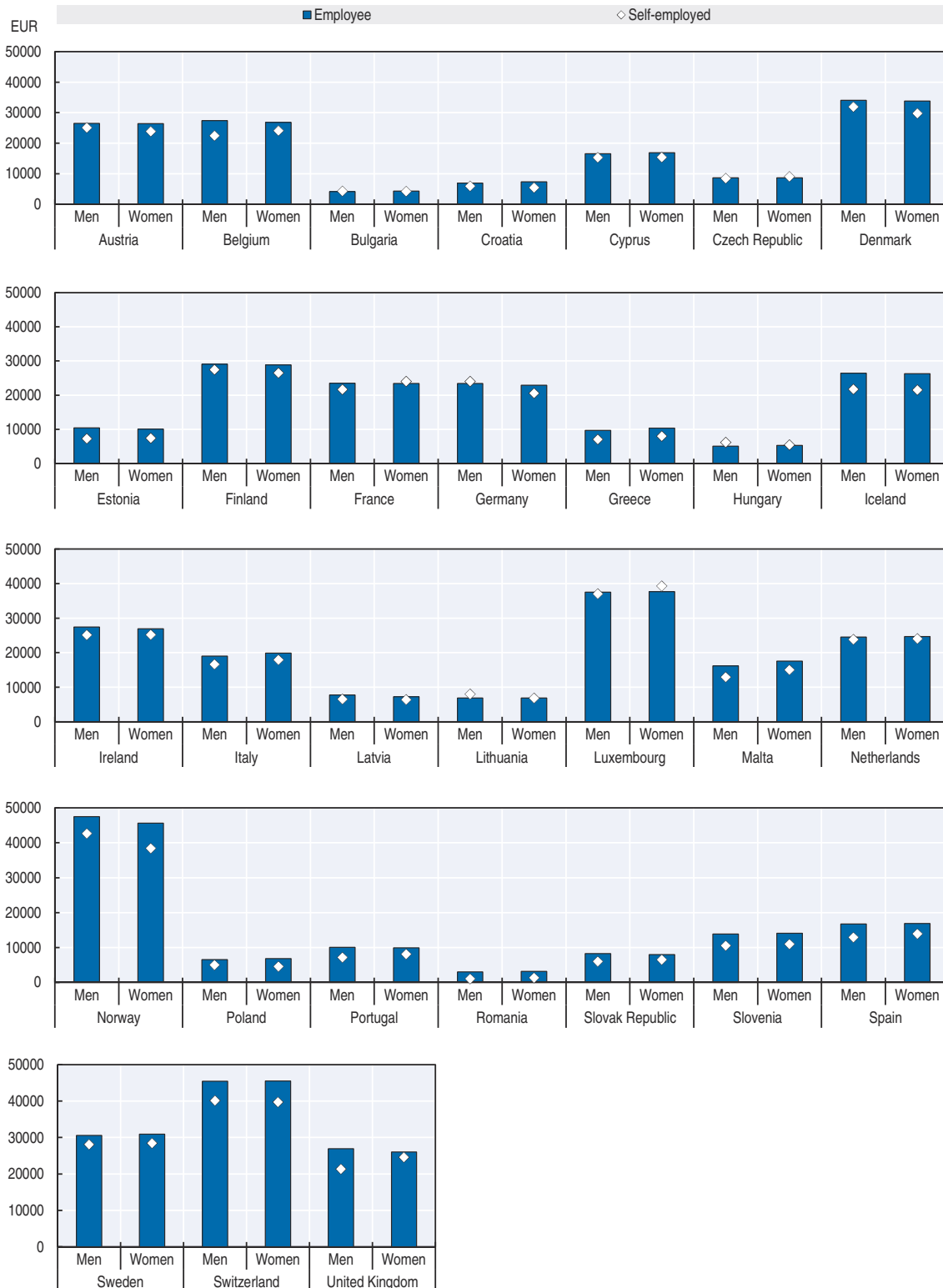
For further discussion on the income earned by the self-employed, please see Chapter 7.

Barriers to business creation for women

- A lack of entrepreneurship skills appears to be a greater barrier for women than for men. Over the 2012-16 period, only 34.1% of women in the European Union and 36.8% of women in OECD countries felt that they had the knowledge and skills to start a business. Approximately half of men felt that they had the necessary knowledge and skills.
- More women reported that a fear of failure was a barrier to entrepreneurship than men between 2012 and 2016. In the European Union, 52.2% of women reported this barrier. This was greater than the proportion of women in OECD countries (43.7%).

A lack of entrepreneurship skills is often considered to be one of the most significant barriers to successful business start-up. This set of skills refers to business management skills (e.g. business and financial planning), personal skills and traits (e.g. a sense of initiatives, risk

Figure 2.16. **Annual income earned by men and women by country, 2015**
 Net median income earned for full-time labour market activities (15-64 year olds)



Source: Eurostat (2017b), Statistics on Income and Living Conditions, available at: <http://ec.europa.eu/eurostat/web/income-and-living-conditions/data/database>.


StatLink <http://dx.doi.org/10.1787/888933624141>

Figure 2.17. **Entrepreneurship skills as a barrier to business creation for men and women, 2012-16**



Notes: 1. All European Union Member States participated in the GEM survey at least once during the 2012-16 period except for Malta. 2. All OECD countries participated in the GEM survey at least once during this period except for Iceland and New Zealand. 3. Data presented in this figure were pooled over the 2012-16 period. A number of countries did not participate in the GEM surveys in every year but were included in the figure: Australia (participated in 2014, 2015, 2016); Austria (2012, 2014, 2016); Belgium (2012, 2013, 2014, 2015); Bulgaria (2015, 2016); Cyprus (2016); Czech Republic (2013); Denmark (2012, 2014); France (2012, 2013, 2014, 2016); Israel (2012, 2013, 2015, 2016); Japan (2012, 2013, 2014); Korea (2012, 2013, 2015, 2016); Latvia (2012, 2013, 2014); Lithuania (2012, 2013, 2014); Luxembourg (2013, 2014, 2015, 2016); Norway (2012, 2013, 2014, 2015, 2017); Romania (2012, 2013, 2014, 2015); and Turkey (2012, 2013, 2016).

Source: Global Entrepreneurship Monitor (GEM) (2017), Special tabulations of the 2012-16 adult population surveys from the Global Entrepreneurship Monitor.

StatLink  <http://dx.doi.org/10.1787/888933624160>

management) and technical skills (e.g. problem solving). Although these skills will increase the chances of business survival and growth, formal education and training in these areas does not guarantee success.

In the European Union, about one-third of women (34.1%) reported that they had the knowledge and skills to start a business over the 2012-16 period relative to half of men (49.9%) (Figure 2.17). This indicates that two-thirds of women believe that they do not have the skills to successfully start a business. This is clearly an area where policy actions are needed. In the European Union there is currently a great deal of momentum behind the inclusion of entrepreneurship in formal school curricula at all levels. Entrepreneurship education is the most developed at the higher education level, but the quality of entrepreneurship training and start-up support varies across countries. Similarly, entrepreneurship education at lower education levels is also uneven in terms of availability and quality. There is, however, also scope for policy makers to improve entrepreneurship training programmes (outside of education) and to increase the use of coaching and mentoring.

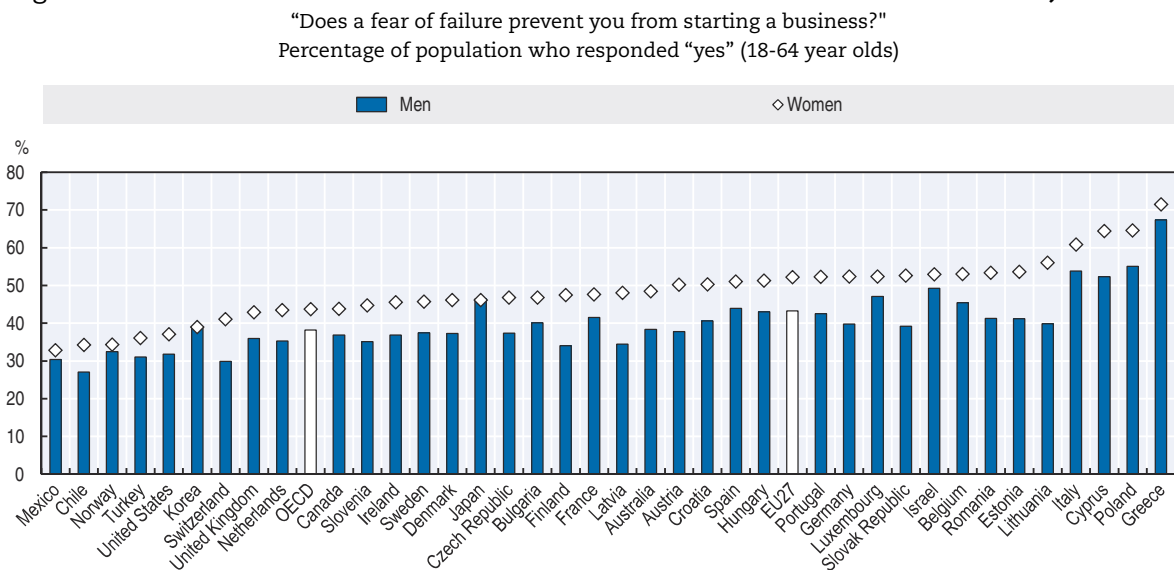
Across European Union Member States, the proportion of women who reported that they had the skills to successfully start a business ranged from 23.7% in Denmark to 48.1% in Poland. Women were less likely than men to feel that they had the skills for entrepreneurship in all countries. This gap ranged, in absolute terms, from 9.3 percentage points in Spain to 21.3 percentage points in Cyprus.

A similar picture emerges when examining OECD countries. Between 2012 and 2016, 36.8% of women felt that they had the skills for entrepreneurship. This was substantially lower than

the proportion of men (51.2%). However, approximately half of women self-reported that they have the knowledge and skills for entrepreneurship in the United States, Poland and Chile.


A “fear of failure” is also an important barrier to entrepreneurship because it can prevent people from even considering entrepreneurship as a career or part-time activity. Figure 2.18 shows that women in the European Union were more likely than men to indicate over the 2012-16 period that a fear a failure prevented them from starting a business. Slightly more than half of women (52.2%) cited this barrier, relative to 43.3% of men. Women were the most likely to cite this barrier in Greece (71.5%), Poland (64.6%), Cyprus (64.4%) and Italy (60.8%) and the least likely in the United Kingdom (42.9%) and the Netherlands (43.5%).

Figure 2.18. **Fear of failure as a barrier to business creation for men and women, 2012-16**



Notes: 1. All European Union Member States participated in the GEM survey at least once during the 2012-16 period except for Malta. 2. All OECD countries participated in the GEM survey at least once during this period except for Iceland and New Zealand. 3. Data presented in this figure were pooled over the 2012-16 period. A number of countries did not participate in the GEM surveys in every year but were included in the figure: Australia (participated in 2014, 2015, 2016); Austria (2012, 2014, 2016); Belgium (2012, 2013, 2014, 2015); Bulgaria (2015, 2016); Cyprus (2016); Czech Republic (2013); Denmark (2012, 2014); France (2012, 2013, 2014, 2016); Israel (2012, 2013, 2015, 2016); Japan (2012, 2013, 2014); Korea (2012, 2013, 2015, 2016); Latvia (2012, 2013, 2014); Lithuania (2012, 2013, 2014); Luxembourg (2013, 2014, 2015, 2016); Norway (2012, 2013, 2014, 2015, 2017); Romania (2012, 2013, 2014, 2015); and Turkey (2012, 2013, 2016).

Source: Global Entrepreneurship Monitor (GEM) (2017), Special tabulations of the 2012-16 adult population surveys from the Global Entrepreneurship Monitor.

StatLink  <http://dx.doi.org/10.1787/888933624179>

Women in OECD countries were less likely to report that fear of failure was a barrier to business creation. Over the 2012-16 period, 43.7% of women reported this barrier. In addition, the gender gap is slightly smaller in OECD countries than in EU Member States. Over the same period, 38.2% of men indicated that a fear of failure prevented them from starting a business.

Conclusions

Women are clearly under-represented in self-employment and entrepreneurship and the available evidence suggests that they tend to operate smaller and less dynamic businesses than men. However, the reasons for this gender gap are not so clear-cut. Some of the gender differences can be explained by the institutional barriers that constrain women in entrepreneurship, including family and tax policies that discourage labour

market participation and entrepreneurship, and negative social attitudes towards women's entrepreneurship. Further, there are market failures that make it more difficult for women to be successful in business creation and self-employment. Notable examples of market failure include bias in financial markets and public policy initiatives that are not effective at reaching potential women entrepreneurs. However, it is important not to overlook the element of personal choice. Women can have different motivations for self-employment, including the ability to better manage work-life balance and avoiding the "glass ceiling" in employment. Policy makers should therefore not aim to eliminate all differences between men and women entrepreneurs, but instead attempt to remove institutional influences that affect motivations and intentions and correct market failures that constrain women's entrepreneurship.

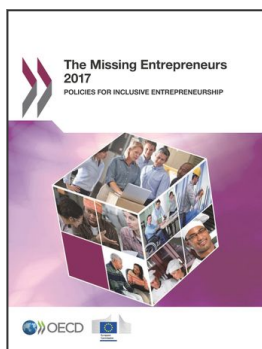
For further policy discussion on women's self-employment and entrepreneurship activities, please see OECD/EU (2017).

Note

1. The OECD has 35 member economies: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.

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