

## 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 the European Union. It also presents recent evidence on the barriers that women face in entrepreneurship, including the proportions of women that report that they lack the skills for entrepreneurship and that a fear of failure is a barrier to business creation. Data are reported for European Union Member States and OECD countries, as well as averages for the European Union and OECD.*

### Key messages

- **A substantial gender gap in self-employment remains** in the European Union (EU). Less than one in ten (9.6%) working women were self-employed women in 2018, significantly below the share for men (16.9%). Although this gender gap has closed slightly over the past decade, it is due to a decline in the number of self-employed men.
- **Women are less likely than men to be active in starting a business.** Over the period 2014-18, 2.9% of women in the EU were trying to start a business. This was almost half of the share seen for men (5.3%). Similar gaps occur across OECD economies, where 5.3% of women were actively working to start a business over the period, compared to 7.9% 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 EU had at least one other employee in 2018, whereas less than one quarter of women did. In addition, new women entrepreneurs in the EU were only half as likely to report an expectation that they would create at least 19 jobs over the next five years (5.5% vs. 12.3%). The proportions were similar in OECD countries.
- **Self-employed women also tend to operate different types of businesses than men.** Self-employed women were more likely than self-employed men to be working in personal and household services in 2018 (31.6% vs. 27.1%). Moreover, they were more likely to be working as Professionals (28.3% vs. 18.2%) or as Service and sales workers (27.0% vs. 11.1%).
- **Women entrepreneurs were as likely as men to offer new products and services for potential customers** over the 2014-18 period. About 27% of early-stage female and male entrepreneurs in the EU introduced new products and services. This was slightly below the average for OECD countries (31.3% of early-stage female entrepreneurs and 32.0% of males).
- **The net median annual income for women and men who worked full-time in self-employment was approximately equal** in the EU in 2018. However, women that worked full-time in self-employment earned less, on average, than those who worked full-time as employees.
- **Women face several barriers to entrepreneurship**, notably in the area of entrepreneurship skills. Over the 2014-18 period, only 34.5% of (all) women in EU Member States and 37.7% of women in the OECD countries felt that they had the knowledge and skills to start a business, compared to about half of men in the EU and OECD countries. Furthermore, women were more likely to report a fear of failure than men (49.3% vs. 40.6%).
- **Even though the gender gap is has closed slightly over the past decade, policy makers can do much more to unleash the potential of women entrepreneurs.** More can be done to boost entrepreneurship skills among women and to improve access to start-up financing. Policy is also increasingly supporting growth-oriented entrepreneurship by women and addressing gaps in family policies.

## The policy context for female self-employment and entrepreneurship

Public policy support for women's entrepreneurship dates back to the 1970s as a response to the growing numbers of women entering the labour market. Since this time, women's entrepreneurship policies and programmes have become common in both developed and developing countries. While much progress has been made in helping women overcome barriers to business creation and self-employment, women, on average, continue to face disproportionate barriers. This calls for continued public policy action. Within the European Union (EU), this is clearly articulated in the Entrepreneurship 2020 Action Plan, which calls for awareness raising, entrepreneurship training, improved access to financing, stronger networks and support in reconciling business and family life (European Commission, 2013<sup>[1]</sup>).

The rationale for targeted policies and programmes to promote women's entrepreneurship and to support women in business creation and self-employment is generally based on three arguments. First, women are under-represented in entrepreneurship relative to men and closing this gap would result in welfare gains for the economy, society and for individual women. Second, there is evidence that women are held back in entrepreneurship by institutional and market failures. This includes social attitudes that discourage women from creating businesses or self-selecting into certain activities (e.g. personal service sector), as well as market failures that make it more difficult for women entrepreneurs to access resources (e.g. finance, skills). Finally, there is some evidence to suggest that women are under-represented in public support programmes in many countries (OECD/The European Commission, 2013<sup>[2]</sup>), and that in-take mechanisms favour men entrepreneurs (ICIC (Initiative for a Competitive Inner City), 2016<sup>[3]</sup>; Jaffee and Johnson, 2015<sup>[4]</sup>).

While the specific policy aims of different governments vary, they tend to include:

- Addressing under-representation among business owners;
- Offering an option to integrate women into the labour force;
- Increasing economic independence through empowerment;
- Promoting job creation and economic growth;
- Promoting equity and social inclusion;
- Reducing poverty;
- Creating more equal access to resources, skills and experience, opportunities, and business networks; and
- Improving access to mainstream business support mechanisms.

It is clear that women tend to be less involved in entrepreneurship and that women entrepreneurs often operate different types of businesses than men (please see: Characteristics of the self-employed). However, this, at least in part, reflects different motivations and intentions of women in entrepreneurship (please see: Women are more likely to report that their motivation for self-employment was flexible working hours). Therefore, policy makers should not aim to eliminate all differences between men and women entrepreneurs but instead focus on removing institutional influences that may negatively affect motivations and intentions and correct market failures that constrain women's entrepreneurship.

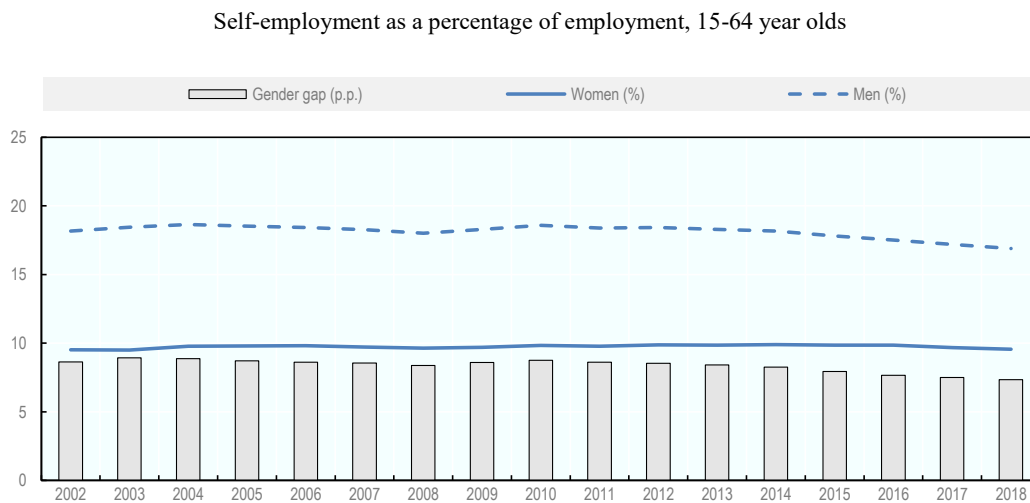
## Self-employment

### *Women are less likely to be self-employed than men*

The self-employment rate (i.e. the share of the self-employed relative to the total number of people in employment) for women in the EU was essentially constant between 2002 and 2018 (Figure 2.1). Of the 224.4 million employed people in the EU in 2018, 30.3 million people were self-employed. Of these, 9.9 million were women. Thus, 9.6% of employed women were self-employed compared to 16.9% of employed men. The share of men in self-employment has declined (by 1.3 percentage points, p.p.) since 2002, while the share of women has remained constant. The result is that the gender gap has closed from 8.6 p.p. to 7.4 p.p.

Among EU Member States, the self-employment rates in 2018 were highest in southern Member States, notably in Greece (22.1%) and Italy (14.9%) (Figure 2.2). The rates were lowest in Denmark (4.4%) and Sweden (5.0%). Over the past decade, self-employment rates for women increased at least one percentage point in nine EU Member States. This includes modest increases in Greece (20.5% in 2009 to 22.1% in 2018) and the Netherlands (10.1% to 12.0%). However, women self-employment rates decreased by at least one percentage point in six EU Member States, notably in Croatia (13.5% in 2009 to 7.8% in 2018) and Portugal (16.1% to 9.8%).

**Figure 2.1. Women in employment in the EU are 60% as likely as men to be self-employed**



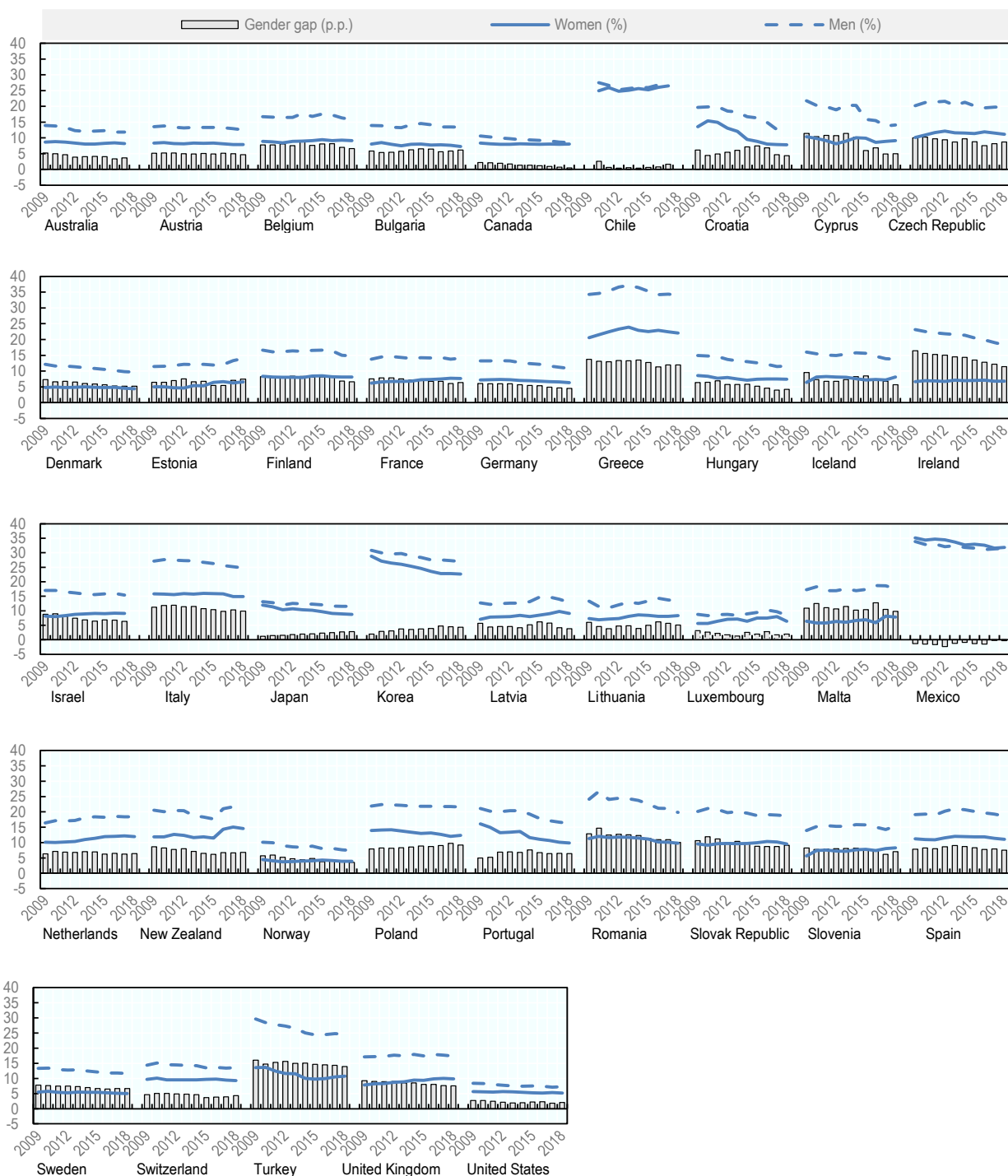
Source: (Eurostat, 2019<sup>[5]</sup>)

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On average, self-employment rates were slightly higher in EU countries than in OECD countries. But among all countries, the rates were highest in non-EU OECD countries in 2018 – Mexico (31.8%) and Chile (26.5%). Non-EU OECD countries also tended to have smaller gender gaps, including in Chile (1.7 p.p.) and Canada (0.5 p.p.), and was even negative in Mexico, i.e. the self-employment rate for women exceeded that of men.

**Figure 2.2. Self-employment rates for women vary by country**

Self-employment as a percentage of employment, 15-64 years olds



Source: (OECD, 2019<sup>[6]</sup>)

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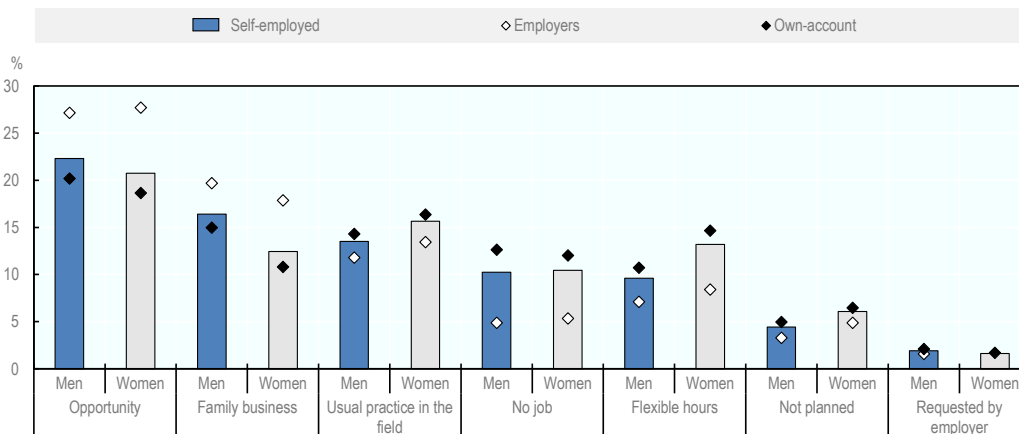
### *Women are more likely to report that their motivation for self-employment was flexible working hours*

Women identify many of the same motivations for self-employment as men, but there are some notable differences. Women were more likely to report being motivated to become self-employed by flexible working hours (13.2% vs. 9.6%) (Figure 2.3). This was relatively more important for women who were own-account workers (i.e. those self-employed workers that do not employ others) than for those who were employers (14.7% vs. 8.4%).

About one-fifth of self-employed women indicated in 2017 that their main motivation was to pursue an opportunity marginally below the comparable rate for men (22.3%). Among self-employed women, those that are employers were more likely to be motivated by opportunity than those without employees (27.7% vs. 18.6%). Self-employed women were also as likely as self-employed men to report that they started their business because they could not find a job (10.3% vs. 10.5% for men).

**Figure 2.3. Self-employed women in the EU are nearly 40% more likely than men to be motivated by flexible working hours**

Percentage of self-employed, 15-64 years old, 2017



Source: (Eurostat, 2018<sup>[7]</sup>)

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### *Self-employed women are less likely to be employers*

Overall, self-employed women are less likely than self-employed men to have employees. In 2018, 2.3 million self-employed women in the EU had employees, accounting for 23.3% of those in self-employment (Figure 2.4). This was lower than the proportion of self-employed men with employees in 2018 (30.9%). The proportion of self-employed workers with employees is declining, but the rate of decline has been greater for self-employed men than for self-employed women. Thus, the gap between the two is closing. In 2002, the gender gap was 9.1 p.p. and it had closed to 7.6 p.p. in 2018. The decline in the share of employers among the self-employed is indicative of a growing trend towards solo self-employment. A partial explanation for this is the increase in part-time self-employment to generate income that supplements income earned in employment, and the growth of freelance workers (OECD/EU, 2017<sup>[8]</sup>).

There were substantial differences across countries in the share of self-employed women who are employers (Figure 2.5). The EU Member States where self-employed women were the most likely to have employees in 2018 were Croatia (43.8%), Hungary (34.4%) and Germany (34.1%). The gap between men and women was greatest in Cyprus (2.1 times), the Czech Republic (1.6 times) and the Netherlands (1.6 times), while it was essentially zero in Romania. Ireland was the only Member State where self-employed women were more likely to have employees than self-employed men.

Among non-European OECD countries, the countries with the greatest shares of self-employed women that were employers were Australia (33.7%), New Zealand (25.2%) and Korea (25.0%).

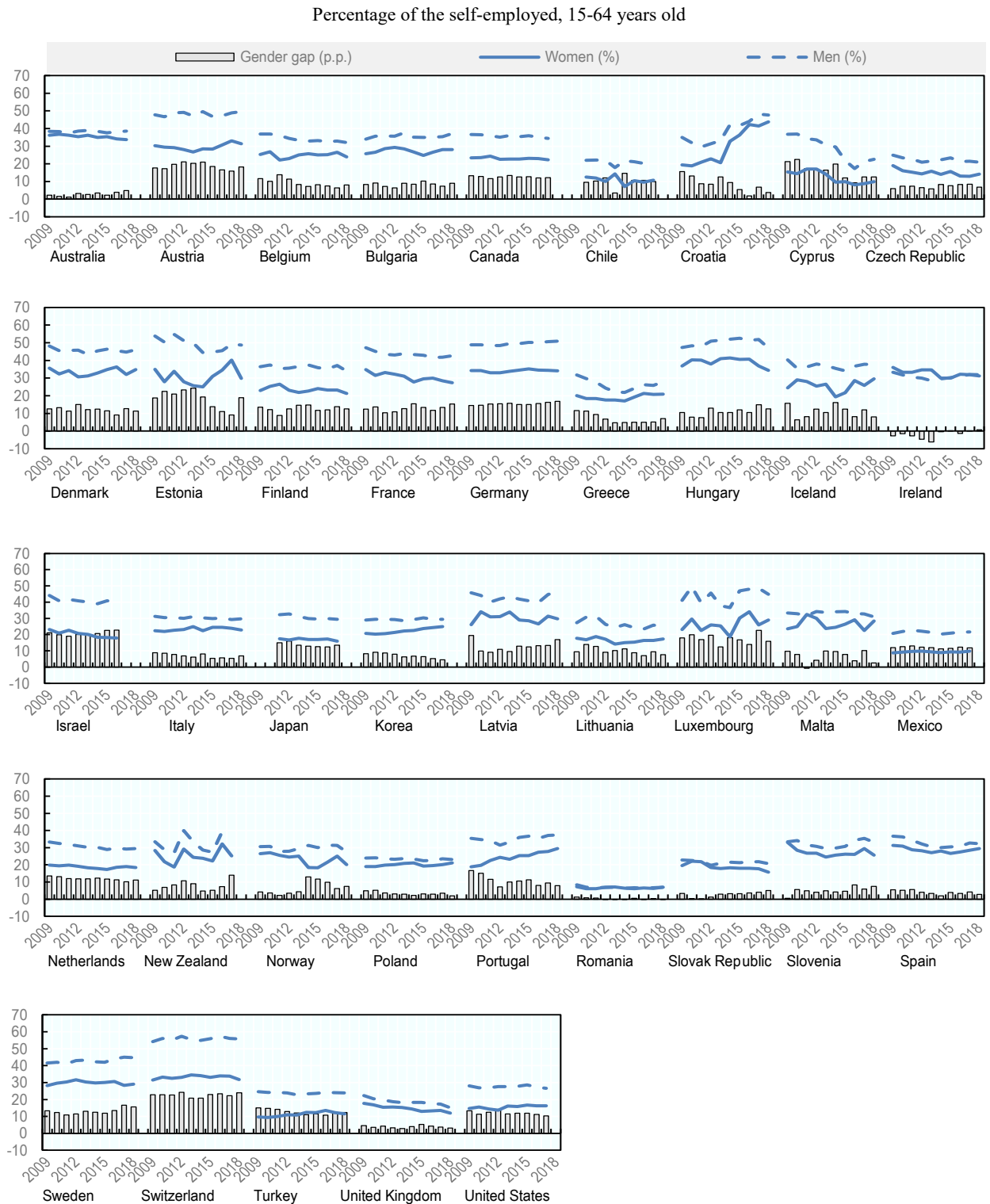
**Figure 2.4. Fewer than one-quarter of self-employed women in the EU have employees**



Source: (Eurostat, 2019<sup>[5]</sup>)

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**Figure 2.5. The share of women as employers varies greatly by country**



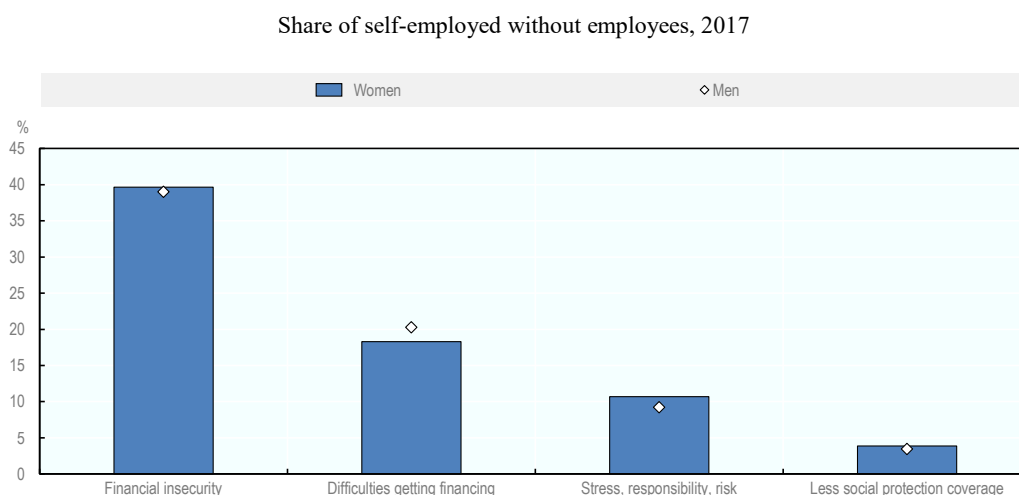
Source: (OECD, 2019<sup>[6]</sup>)

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There are many reasons why self-employed women do not hire employees. The most commonly cited reasons in 2017 were that there was not enough work (30.5%) and that they preferred to work alone (25.5%) (Figure 2.6). The shares of self-employed men who gave these responses were essentially the same. However, self-employed women were slightly more likely to report that it was not possible due to their occupation (12.5% vs. 9.3%).

**Figure 2.6. Self-employed women and men in the EU report similar reasons for not taking on employees**



Source: (Eurostat, 2018<sup>[7]</sup>)

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## Entrepreneurship cycle

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 population survey. This survey divides entrepreneurship activities into four stages: nascent entrepreneurship, new business ownership, established business ownership and business exit. For more information, please see the Reader's Guide at the beginning of the report.

### *Women are less likely than men to be involved in starting a business*

The *nascent entrepreneurship 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.

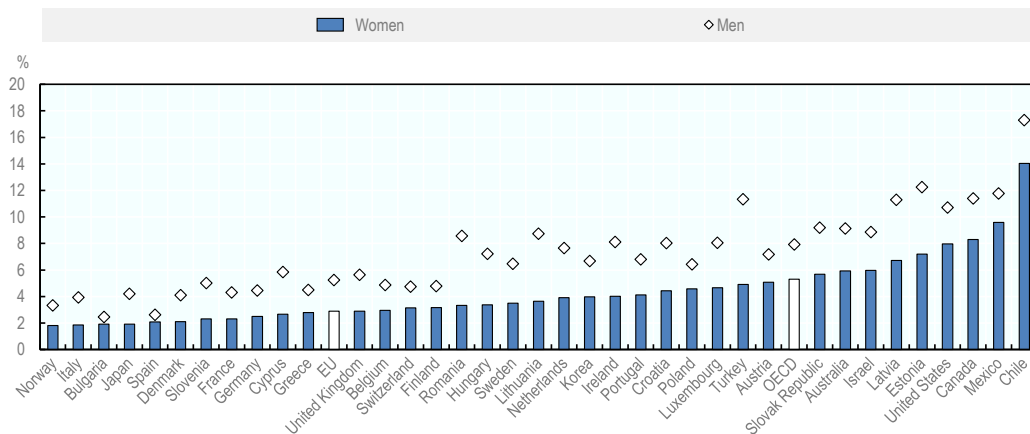
Between 2014 and 2018, about 2.9% of women in the EU (18-64 years old) were involved in nascent entrepreneurship activities (Figure 2.7). This was about half of the proportion of men during this period (5.3%). Women were the most active in nascent entrepreneurship

activities in Estonia (7.2%) and Latvia (6.7%), and the least active in Italy (1.8%) and Bulgaria (1.9%). The gender gap in the nascent entrepreneurship rate was the largest in Romania (3.3% vs. 8.6%) and Lithuania (3.7% vs. 8.7%) during this period. The gap was smallest in Bulgaria (1.9% vs. 2.5%) and Spain (2.1% vs. 2.6%).

Across OECD countries, women were about twice as likely to be involved in nascent entrepreneurship activities over this period (5.3%) than in the EU (2.9%). Nonetheless, a gender gap was observed over this period in most OECD countries, although the gap was relatively smaller than among EU Member States.

**Figure 2.7. Less than 3% of women in the EU are involved in business creation**

Nascent entrepreneurship as a percentage of the population, 18-64 years old, 2014-18



*Note:* The nascent entrepreneurship rate is defined as the proportion of the adult population (18-64 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. All EU and OECD countries participated in the GEM survey between 2014 and 2018 except the Czech Republic and Malta. Several countries did not participate in the survey in every year: Australia (2018), Austria (2015, 2017), Belgium (2016-18), Bulgaria (2014), Cyprus (2014-15), Denmark (2015-18), Estonia (2018), Finland (2017-18), France (2015), Hungary (2017-18), Japan (2015-16), Korea (2014), Latvia (2014, 2018), Lithuania (2015-18), Mexico (2018), Norway (2016-18), Portugal (2017-18), Romania (2016-18), Turkey (2014-15, 2017).

*Source:* (Global Entrepreneurship Monitor, 2019<sup>[9]</sup>)

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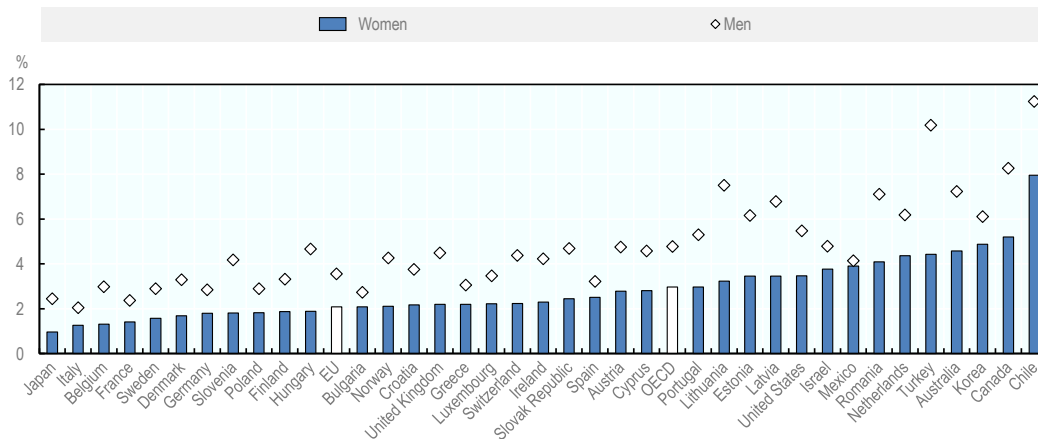
### ***Women are two-thirds as likely as men to be new business owners***

The second stage of entrepreneurship defined by the GEM is *new business ownership*. That is, the proportion of the population that is currently the 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. Between 2014 and 2018, women in the EU were about two-thirds as likely as men to be the owner-manager of a new company (2.1% vs. 3.6%) (Figure 2.8). Among EU Member States, the new business ownership rate was highest in the Netherlands (4.4%) and lowest in Italy (1.3%) and Belgium (1.3%).

Overall, women in the EU were slightly less likely to be new business owners than women in OECD countries over this period. About 3.0% of women were new business owners in OECD countries, and as in the EU, this was about two-thirds of the share of men (4.8%).

**Figure 2.8. About 2% of women in the EU are new business owners**

New business ownership as a percentage of the population, 18-64 years old, 2014-18



*Note:* The new business ownership rate measures the proportion of the population (18-64 years old) that is currently the 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. All EU and OECD countries participated in the GEM survey between 2014 and 2018 except the Czech Republic and Malta. Several countries did not participate in the survey in every year: Australia (2018), Austria (2015, 2017), Belgium (2016-18) Bulgaria (2014), Cyprus (2014-15), Denmark (2015-18), Estonia (2018), Finland (2017-18), France (2015), Hungary (2017-18), Japan (2015-16), Korea (2014), Latvia (2014, 2018), Lithuania (2015-18), Mexico (2018), Norway (2016-18), Portugal (2017-18), Romania (2016-18), Turkey (2014-15, 2017).

*Source:* (Global Entrepreneurship Monitor, 2019<sup>[9]</sup>)

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### ***Few women are established business owners***

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

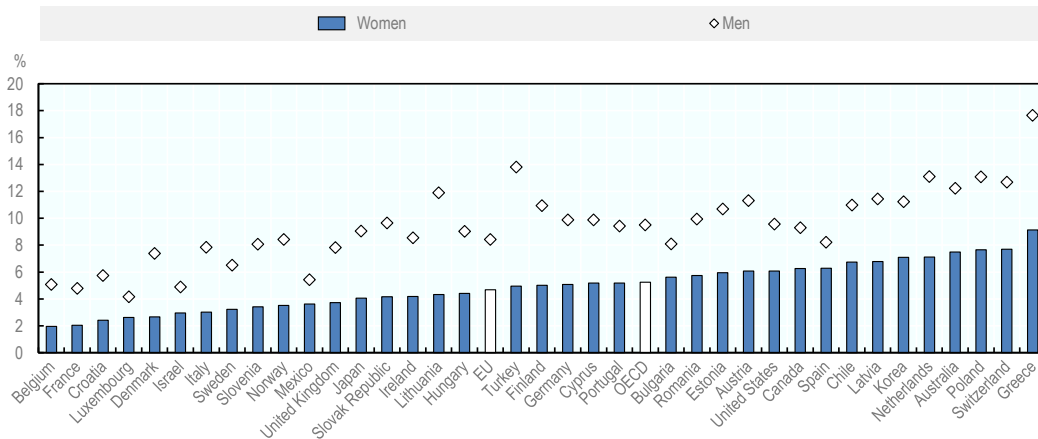
Just under 5% of women in the EU were established business owners between 2014 and 2018, which was below the share of men (8.4%) (Figure 2.9). The rate of established business ownership for women was the highest in Greece during this period (9.1%) and lowest in Belgium (2.0%). The gender gap was significant in all EU Member States, notably Greece (9.1% vs. 17.7%), Lithuania (4.3% vs. 11.9%), Denmark (2.7% vs. 7.4%), Croatia (2.4% vs. 5.7%) and Belgium (2.0% vs. 5.1%).

A similar picture emerges in OECD countries over this period. Overall, 5.2% of women were established business owners relative to 9.5% of men. Besides Greece, the rate for women was highest in Korea (7.1%), the Netherlands (7.1%), Australia (7.5%), Poland (7.7%), and Switzerland (7.7%). In addition to the already noted countries, there was a

large gender gap in the established business ownership rate in Turkey over this period (4.9% vs. 13.8%).

**Figure 2.9. About 5% of women are established business owners in the EU**

Established business ownership as a percentage of the population, 18-64 years old, 2014-18



*Note:* The established business ownership rate is defined as the proportion of the adult population (18-64 years old) that is currently the owner-manager of an established business that has paid salaries, wages or any other payments to the owners for more than 42 months. All EU and OECD countries participated in the GEM survey between 2014 and 2018 except the Czech Republic and Malta. Several countries did not participate in the survey in every year: Australia (2018), Austria (2015, 2017), Belgium (2016-18) Bulgaria (2014), Cyprus (2014-15), Denmark (2015-18), Estonia (2018), Finland (2017-18), France (2015), Hungary (2017-18), Japan (2015-16), Korea (2014), Latvia (2014, 2018), Lithuania (2015-18), Mexico (2018), Norway (2016-18), Portugal (2017-18), Romania (2016-18), Turkey (2014-15, 2017).

*Source:* (Global Entrepreneurship Monitor, 2019<sup>[9]</sup>)

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### ***Most women entrepreneurs exit their business because it is not profitable***

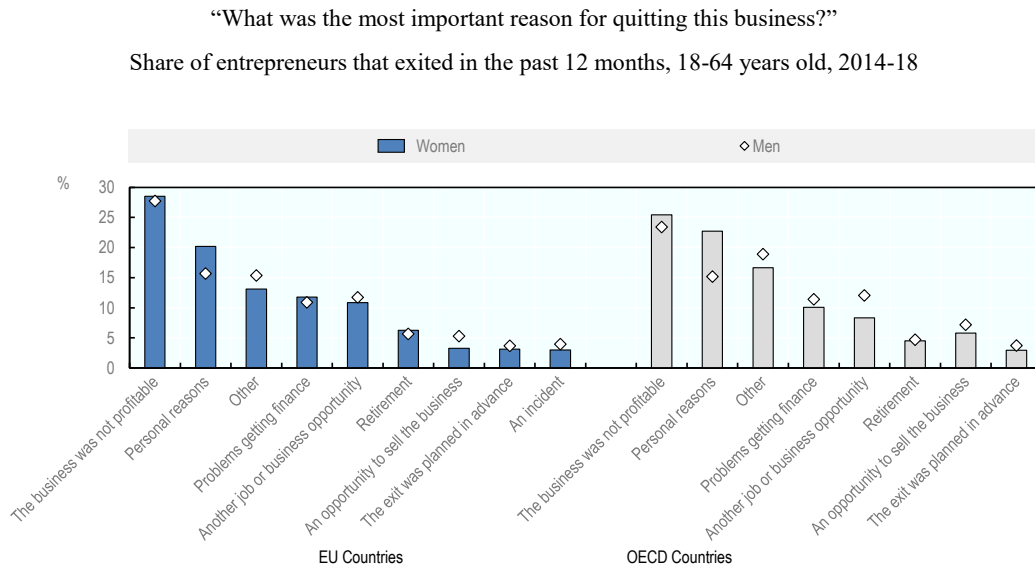
The GEM survey also asks questions about *business exit*, covering the frequency of business exit as well as the reasons for exit. Perhaps not surprisingly, in general, there is a correlation between rates of business exit and measures of early-stage entrepreneurship (i.e. nascent entrepreneurship activities and new business ownership). Where early-stage entrepreneurship rates are relatively low, business exit rates are also typically relatively low (Global Entrepreneurship Monitor, 2019<sup>[10]</sup>).

The most frequently cited reason for business exit by women in the EU between 2014 and 2018 was that the business was not profitable (Figure 2.10). Nearly 30% of women reported this, which was about the same proportion as men. The second most cited reason was personal reasons (20.2%), which was less frequently reported by men (15.7%). Otherwise, there was little 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).

Overall, a similar picture emerges in OECD countries. About one-quarter (25.4%) of women involved in a business exit reported that the reason for exiting was that the business

was not profitable. This was about the same as the proportion for men (23.4%). Relative to EU countries, women in OECD countries were slightly more likely to report that they exited for personal reasons (22.4% vs. 20.2%).

**Figure 2.10. Women exit their business mostly because it is not profitable**



*Note:* All EU and OECD countries participated in the GEM survey between 2014 and 2018 except the Czech Republic and Malta. Several countries did not participate in the survey in every year: Australia (2018), Austria (2015, 2017), Belgium (2016-18) Bulgaria (2014), Cyprus (2014-15), Denmark (2015-18), Estonia (2018), Finland (2017-18), France (2015), Hungary (2017-18), Japan (2015-16), Korea (2014), Latvia (2014, 2018), Lithuania (2015-18), Mexico (2018), Norway (2016-18), Portugal (2017-18), Romania (2016-18), Turkey (2014-15, 2017).

*Source:* (Global Entrepreneurship Monitor, 2019<sup>[9]</sup>)

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## Barriers to business creation and sustainable self-employment

### *Women are less likely to report that they have the skills for business creation*

A lack of entrepreneurship skills is often considered to be one of the most significant barriers to successful business creation. This set of skills refers to business management skills (e.g. business and financial planning), personal skills and traits (e.g. a sense of initiative, risk 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 do not guarantee success.

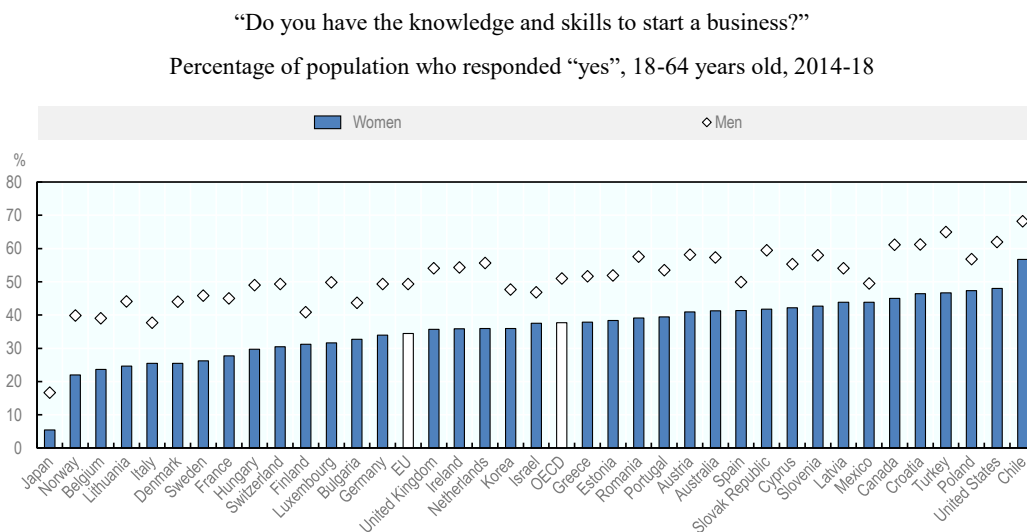
About one-third of women in the EU (34.5%) reported during the period 2014-18, that they had the skills and knowledge to start a business, relative to about half of men (49.4%) (Figure 2.11), in other words, about two-thirds of women believe that they do not have the skills to successfully start a business. This is clearly an area where policy can have an important impact. There is currently a great deal of momentum behind the inclusion of entrepreneurship in formal school curricula at all levels in the EU (OECD/EU

(forthcoming), n.d.<sup>[11]</sup>). Entrepreneurship education is the most developed within higher education, but the quality of entrepreneurship training and start-up support varies greatly 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.

Among EU Member States, women were the most likely to report that they had the skills and knowledge to start a business in Croatia (46.4%) and Poland (47.3%). Conversely, fewer than one quarter of women reported having sufficient skills to start a business in Belgium (23.6%) and Lithuania (24.7%). The gender gap in the proportion of entrepreneurs indicating that they had the skills and experience for business creation ranged, in absolute terms, from 9.6 p.p. in Poland and Finland to 16.7 p.p. in the Netherlands.

Women were slightly more likely to report having entrepreneurship skills in OECD countries than in EU Member States during this period (37.7% vs. 34.5%). Nonetheless, a substantial gender gap also exists in OECD countries since half of men (51.0%) reported having the skills to start a business.

**Figure 2.11. Only one-third of women in the EU indicate that they have entrepreneurship skills needed to start a business**



*Note:* All EU and OECD countries participated in the GEM survey between 2014 and 2018 except the Czech Republic and Malta. Several countries did not participate in the survey in every year: Australia (2018), Austria (2015, 2017), Belgium (2016-18) Bulgaria (2014), Cyprus (2014-15), Denmark (2015-18), Estonia (2018), Finland (2017-18), France (2015), Hungary (2017-18), Japan (2015-16), Korea (2014), Latvia (2014, 2018), Lithuania (2015-18), Mexico (2018), Norway (2016-18), Portugal (2017-18), Romania (2016-18), Turkey (2014-15, 2017).

*Source:* (Global Entrepreneurship Monitor, 2019<sup>[9]</sup>)

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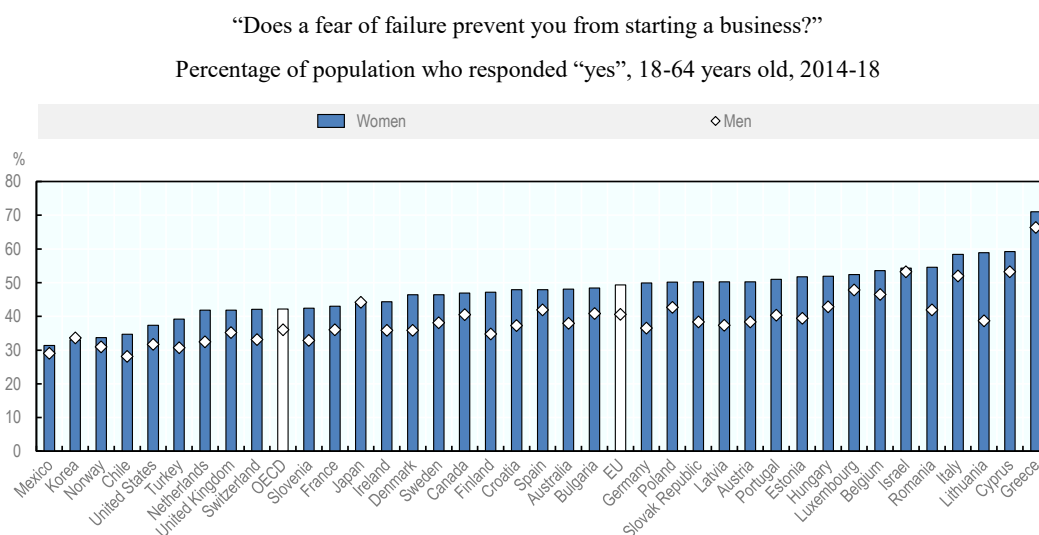
### *Women are more likely to report a fear of failure*

A “fear of failure” is also an important barrier to entrepreneurship because it can prevent people from considering entrepreneurship as a career or part-time activity. It can also lead to people down-sizing their ambitions.

Between 2014 and 2018, women in the EU were more likely than men to report that a fear of failure prevented them from starting a business (49.3% vs. 40.6%) (Figure 2.12). Women were the most likely to cite this barrier in Greece, where 71.0% of women reported this obstacle relative to 66.4% of men. The gender gap, however, was greatest in Lithuania where 58.9% of women indicated that a fear of failure was an obstacle to business creation relative to 38.7% of men.

On average, women were more likely to indicate that a fear of failure is a barrier to business creation in EU Member States than in OECD countries (49.3% vs. 42.2%). However, women in OECD countries were also more likely than men to cite this barrier (42.2% vs. 36.0%). There was no gender gap in the share of population reporting this barrier in Korea, Japan and Israel.

**Figure 2.12. Nearly half of women in the EU report that a fear of failure prevented them from starting a business**



*Note:* All EU and OECD countries participated in the GEM survey between 2014 and 2018 except the Czech Republic and Malta. Several countries did not participate in the survey in every year: Australia (2018), Austria (2015, 2017), Belgium (2016-18) Bulgaria (2014), Cyprus (2014-15), Denmark (2015-18), Estonia (2018), Finland (2017-18), France (2015), Hungary (2017-18), Japan (2015-16), Korea (2014), Latvia (2014, 2018), Lithuania (2015-18), Mexico (2018), Norway (2016-18), Portugal (2017-18), Romania (2016-18), Turkey (2014-15, 2017).

*Source:* (Global Entrepreneurship Monitor, 2019<sup>[9]</sup>)

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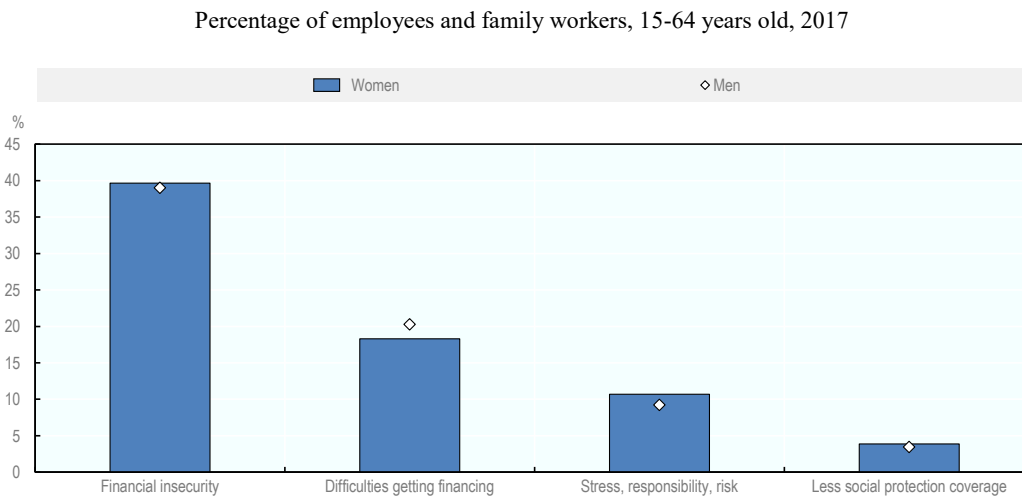
### *Financial insecurity prevents many women employees from moving into self-employment*

All entrepreneurs face a range of challenges when setting-up and sustaining their business. While many of these barriers are common to both men and women, in many cases they are

more significant for women entrepreneurs. As a result, many women entrepreneurs scale-down their business plans and ambitions (OECD/EU, 2016<sub>[12]</sub>).

Financial insecurity was the most frequently cited barrier to self-employment in the EU for those working as employees or family workers (Figure 2.13). However, there was essentially no difference in the share of women (39.6%) and men (39.0%) who cited this barrier in 2017. Similarly, there was no substantial gender gap in the share of people who expected to have difficulties getting financing (18.3% of women vs. 20.3% of men), likely, at least in part, because women entrepreneurs are less likely to seek external finance (OECD/EU, 2016<sub>[12]</sub>). Stress, responsibility and risk were cited by about 10% of men and women, while fewer than 4% cited lower levels of social protection.

**Figure 2.13. Financial insecurity is the main reason that female employees and family workers in the EU are not self-employed**



Source: (Eurostat, 2018<sub>[7]</sub>)

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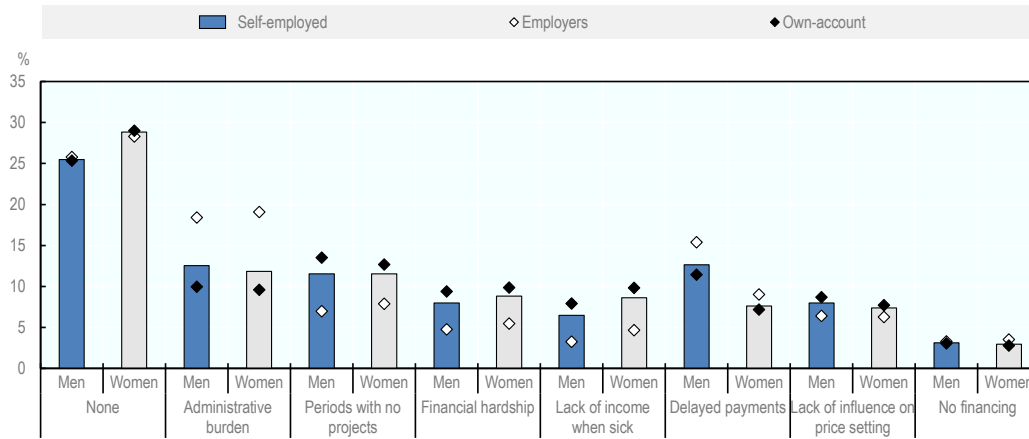
### ***There are little gender differences in the main challenges to sustaining self-employment***

The 2017 Eurostat Labour Force Survey had an *ad-hoc* module on self-employment, which asked self-employed people about their greatest challenge. Women were slightly more likely than men to report that they did not face any challenges (28.8% vs. 25.5%) (Figure 2.14). Women were also slightly more likely to report that a lack of income when sick was a challenge (8.6% vs. 6.5%), but less likely to report that collecting delayed payments from customers was a challenge (7.6% vs. 12.6%). Otherwise, the gender gaps were small for difficulties related to administrative burden, periods with no projects, financial hardship, lack of influence on pricing and no financing.



**Figure 2.14. Women are more likely than men in the EU to self-report no difficulties in self-employment**

Percentage of self-employed, 15-64 years old, 2017

Source: (Eurostat, 2018<sup>[7]</sup>)StatLink  <http://dx.doi.org/10.1787/888934064810>

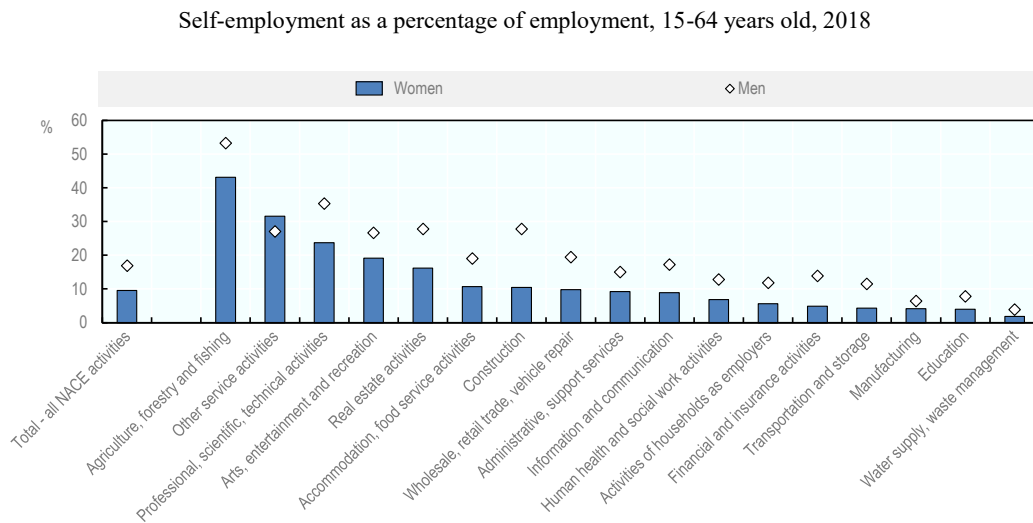
## Characteristics of the self-employed

### *Women have lower self-employment rates across all sectors except Other services*

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. Other characteristics also tend to vary because, on average, women tend to have different motivations and intentions for their businesses. This influences the nature of the activities undertaken, including the sector, hours worked and more.

Women were the most likely to be self-employed in Agriculture, forestry and fishing, where 43.1% of women working in this sector were self-employed (Figure 2.15). However, this was below the share of men (53.1%). Women were more likely than men to be self-employed in Other service activities (31.6% vs. 27.1%), which includes activities of membership organisations, repair of computers, personal and household goods and other personal service activities (e.g. Washing and (dry-)cleaning of textile and fur products, Hairdressing and other beauty treatment, Physical well-being activities). The greatest gap in the self-employment rate between men and women was in Construction (10.0% vs. 27.8%).

**Figure 2.15. Women in the EU are more likely than men to be self-employed in personal service activities**



*Note:* The following sectors were excluded because the self-employment rate was less than 1% or the data were could not be reported due to a low reliability of the estimate: Public administration and defence, compulsory social security; Mining and quarrying; and Electricity, gas, steam and air conditioning supply.

*Source:* (Eurostat, 2019<sup>[5]</sup>)

StatLink  <http://dx.doi.org/10.1787/888934064829>

### ***The majority of self-employed women are working as Professionals or Service and sales workers***

Differences in the industries where self-employed men and women are active also drive differences in occupations, (Figure 2.16). More than half of self-employed women worked as Professionals (28.3%) or Service and sales workers (27.0%) in 2018, compared to 29.3% of men (18.2% as Professionals and 11.1% as Service and sales workers). Conversely, women were much less likely than men to be working as Craft and related trades workers (3.6% vs. 21.8%).

**Figure 2.16. More than half of self-employed women in the EU are Professionals or Service and sales workers**



Source: (Eurostat, 2019<sup>[5]</sup>)

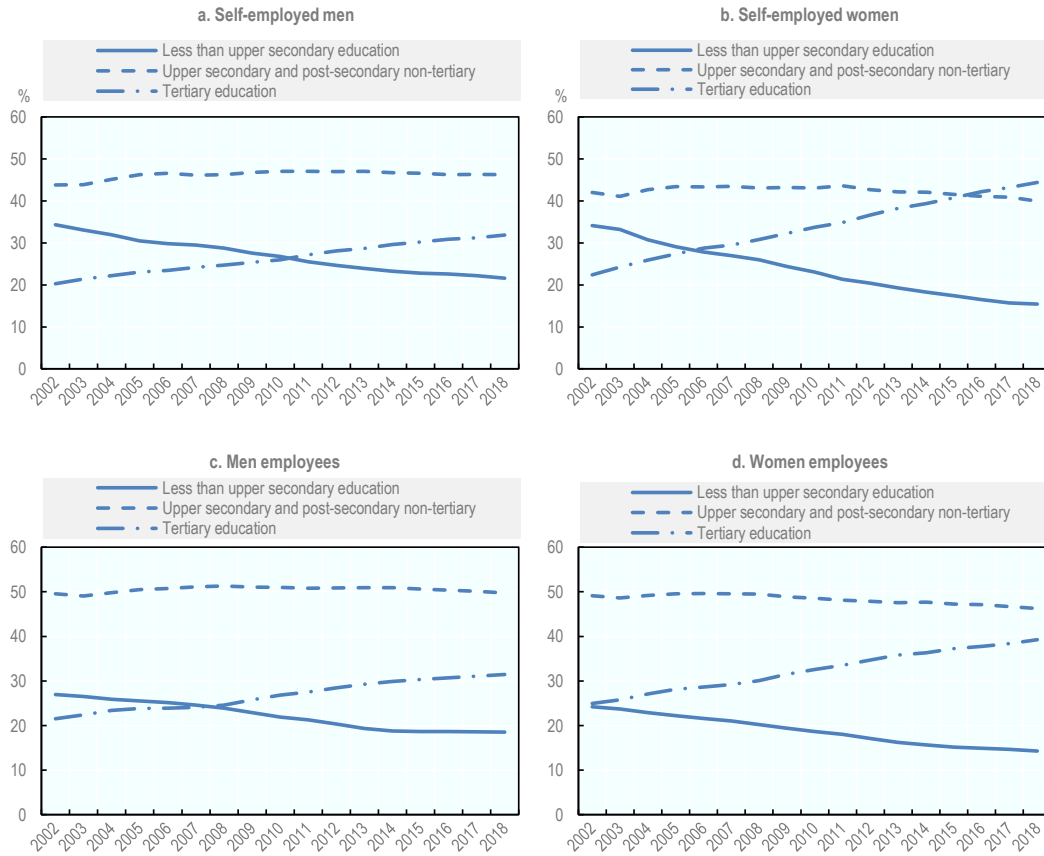
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***The share of self-employed women with a tertiary education is growing much faster than for men***

Overall, the share of the self-employed with a tertiary education increased from 20.9% in 2002 to 36.0% in 2018. At the same time, the share with less than an upper secondary education decreased from 33.1% in 2002 to 19.6% in 2018. These trends were broadly similar among self-employed men and women (Figure 2.17), but the increase in the share of the self-employed with a tertiary education was greater among self-employed women than among self-employed men. The share of self-employed women with a tertiary education doubled between 2002 and 2018 (22.4% in 2002 to 44.4% in 2018), whereas it only increased 50% for self-employed men (20.3% in 2002 to 31.9% in 2018). The increase in the share of self-employed women with a tertiary education was also greater than it was among women working as employees, which increased from 24.9% in 2002 to 39.3% in 2018.

Among EU Member States, self-employed women were more likely than women working as employees to have a tertiary education. However, the share of women with a tertiary education who were working as employees in 2018 was greater than the share who were self-employed in Croatia, Finland, Greece, Lithuania, Poland, Portugal, Romania, Spain and Sweden. In 2018, self-employed women were the most likely to have a tertiary education in Belgium (62.0%), France (60.7%), Cyprus (56.4%), the United Kingdom (54.3%) and Estonia (50.8%) (Figure 2.18).

**Figure 2.17. The share of self-employed women in the EU with a tertiary education is increasing faster than for men**

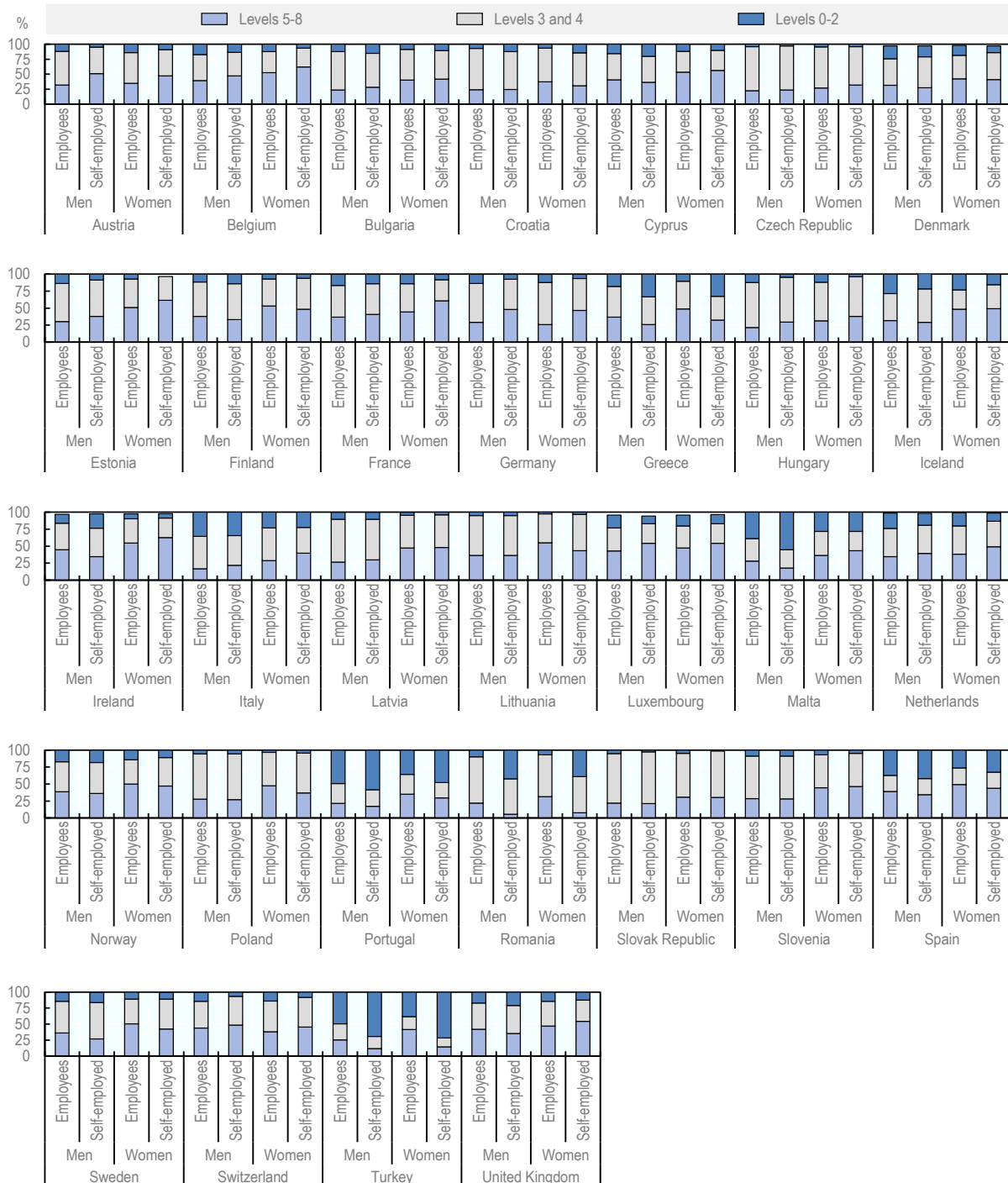


Source: (Eurostat, 2019<sup>[5]</sup>)

StatLink  <http://dx.doi.org/10.1787/888934064867>

**Figure 2.18. Educational attainment of self-employed women varies greatly by country**

2018



*Note:* Levels 0-2 refers to less than upper secondary education, while Levels 3-4 refers upper secondary and post-secondary non-tertiary education. Levels 5-8 refers to tertiary education.

*Source:* (Eurostat, 2019<sup>[5]</sup>)

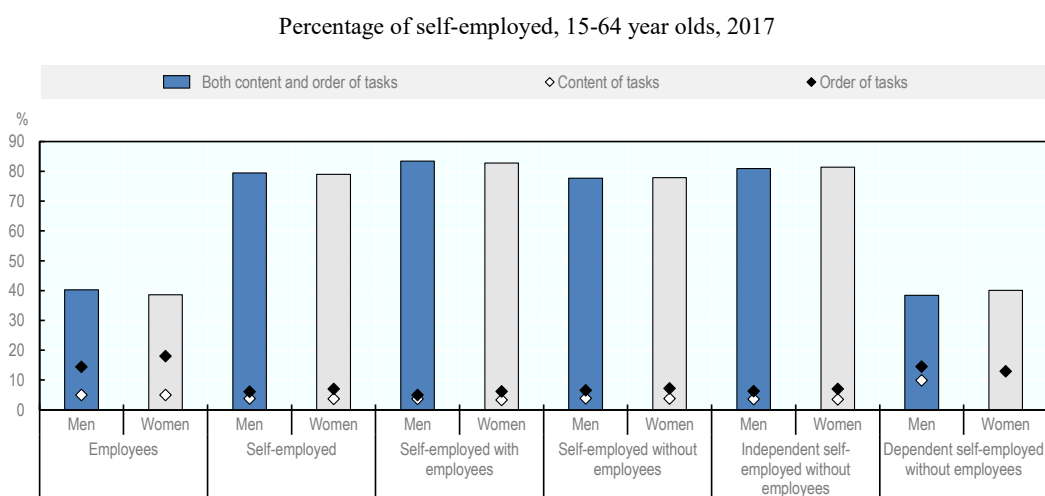
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### *Self-employed women have as much control over their work as self-employed men*

Nearly 80% of the self-employed in the EU reported autonomy in both content and order of tasks in their work in 2017, which was twice as likely as employees at 40% (Figure 2.19). Those self-employed that employ others reported a slightly higher level of autonomy than those without employees. However, there does not appear to be a substantial gender gap in the reporting of job autonomy among the self-employed with or without employees.

Furthermore, the independent self-employed appear to have much higher levels of job autonomy than so-called dependent self-employed, i.e. those who have only one or two clients. The dependent self-employed appear to have job autonomy levels similar to those who work as employees. The gender gaps were very small across these categories of work.

**Figure 2.19. Self-employed women in the EU are as likely as men to report job autonomy**



Source: (Eurostat, 2018<sup>[7]</sup>)

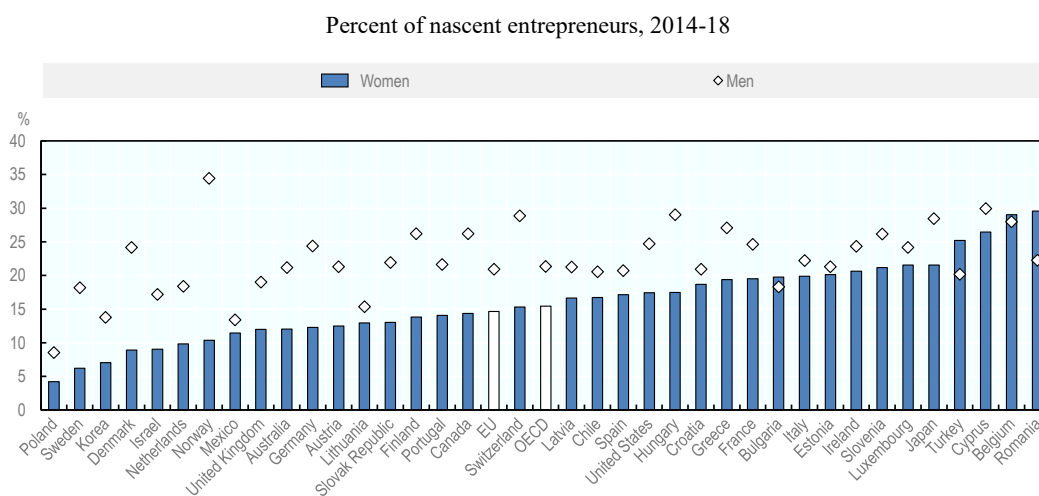
StatLink  <http://dx.doi.org/10.1787/888934064905>

### *Women are less likely to start businesses in teams*

New women entrepreneurs were less likely to work in teams than new men entrepreneurs between 2014 and 2018 (Figure 2.20). In EU Member States, 14.6% of nascent women entrepreneurs were working in teams relative to 20.9% of nascent men entrepreneurs. These proportions were essentially the same as the proportions in OECD countries – 15.4% for new women entrepreneurs and 21.4% of new men entrepreneurs.

EU Member States where nascent women entrepreneurs were the most likely to be working in teams were Belgium (29.0%) and Romania (29.6%). However, nascent women entrepreneurs were not likely to be working in teams in Poland (4.2%) and Sweden (6.2%). Nascent women entrepreneurs were more likely than nascent men entrepreneurs to be working in teams in Romania (29.6% vs. 22.2%), while they were about as likely in Bulgaria (19.7% vs. 18.3%) and Belgium (29.0% vs. 28.0%).

**Figure 2.20. New female entrepreneurs in the EU are about 75% as likely as new male entrepreneurs to work in teams**



*Note:* All EU and OECD countries participated in the GEM survey between 2014 and 2018 except the Czech Republic and Malta. Several countries did not participate in the survey in every year: Australia (2018), Austria (2015, 2017), Belgium (2016-18) Bulgaria (2014), Cyprus (2014-15), Denmark (2015-18), Estonia (2018), Finland (2017-18), France (2015), Hungary (2017-18), Japan (2015-16), Korea (2014), Latvia (2014, 2018), Lithuania (2015-18), Mexico (2018), Norway (2016-18), Portugal (2017-18), Romania (2016-18), Turkey (2014-15, 2017).

*Source:* (Global Entrepreneurship Monitor, 2019<sup>[9]</sup>)

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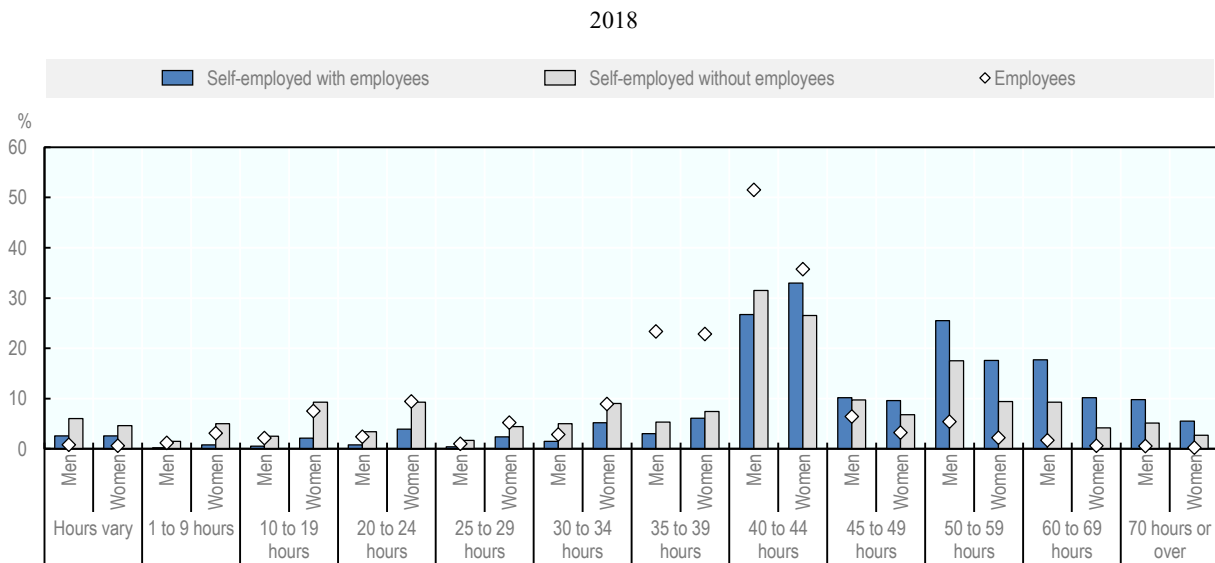
## Performance of self-employed women and female entrepreneurs

### *Self-employed women tend to work fewer hours than self-employed men*

In 2018, about one-third of self-employed women with employees worked, on average, 40 to 44 hours per week (Figure 2.21). This was more than the share of self-employed without employees (26.5%) and slightly less than the share of women who worked this much as employees (35.7%).

Self-employed women were more likely to work part-time than self-employed men. About 10% of self-employed women with employees and 28% of those without employees worked less than 30 hours per week relative to 1.9% of self-employed men with employees and 9.1% of those without employees.

Self-employed women were also less likely than self-employed men to work more than 60 hours per week, on average. In 2018, 15.7% of self-employed women with employees and 6.9% of those without employees worked, on average, more than 60 hours per week. More than one-quarter of self-employed men with employees worked (27.5%), on average, more than 60 hours per week, which was about double the share of those without employees (14.4%).

**Figure 2.21. Self-employed women in the EU are more likely to work part-time**

Source: (Eurostat, 2019<sup>[5]</sup>)

StatLink  <http://dx.doi.org/10.1787/888934064943>

### ***The median earnings of self-employed women are about the same of those of self-employed men***

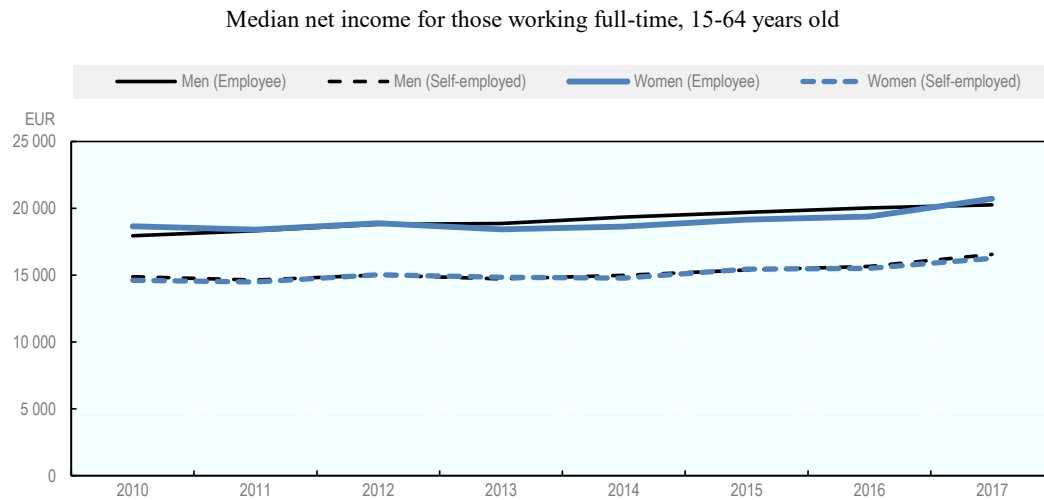
The median net income for self-employed women and self-employed men working full-time was approximately equal between 2010 and 2017 (Figure 2.22). However, it is clear that the median net income of self-employed women was below that of women who worked as employees (EUR 16 266 vs. EUR 20 716). However, several cautionary notes are needed when examining the earnings of the self-employed, particularly when comparing them with the earnings of employees. First, the self-employed are more likely to work more hours per week than employees and they undertake different types of activities. Moreover, the self-employed have much greater latitude in terms of what they report as earnings to their tax authorities than employees whose salaries are often taxed at source and are more likely to have non-salary earnings (e.g. business profits for the self-employed that operate incorporated businesses). There is now an established body of international evidence that identifies that the self-employed under-report their earnings (OECD/EU, 2017<sup>[8]</sup>). This income under-reporting reflects a number of issues. For example, the taxation system present difficulties for many self-employed people, making it difficult for them to understand their tax obligations. There may also be opportunities to under-report earnings if tax information is not collected in real time or if the tax system struggles to identify who amongst the self-employed are more likely to under-report their earnings.

A second issue is that the earnings of the self-employed are more likely to be found among the upper and low tails of the income distribution than those working as employees (OECD/EU, 2017<sup>[8]</sup>). Since the earnings of the most successful self-employed people can be several thousand times that of those at the lower end of the income distribution, the



median is likely a better representation of the “average” self-employed person than the mean.

**Figure 2.22. There is little gender gap in the median income of the self-employed in the EU**



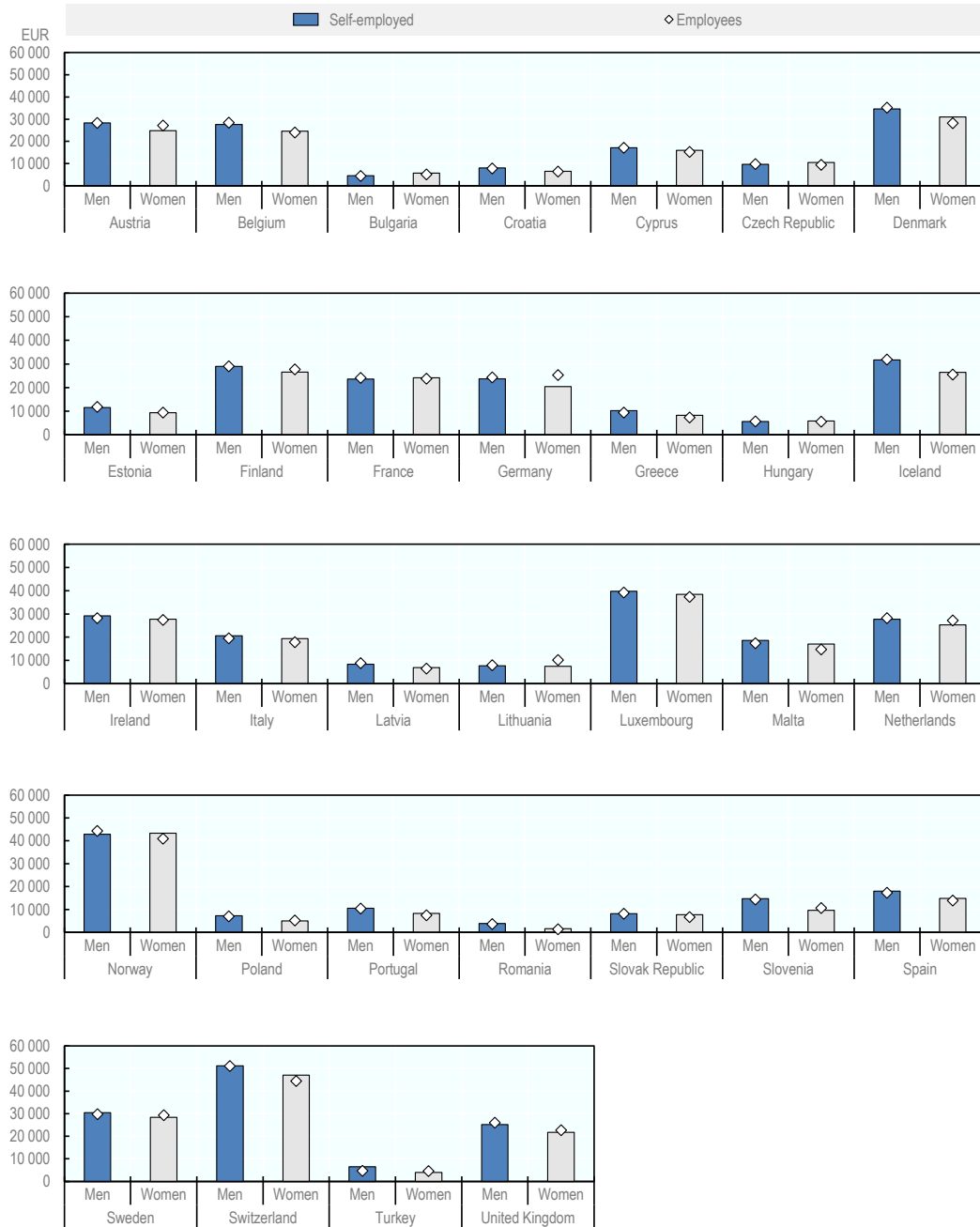
Source: (Eurostat, 2019<sup>[5]</sup>)

StatLink  <http://dx.doi.org/10.1787/888934064962>

Self-employed women earned slightly less, on average, than those working as employees in all EU Member States (Figure 2.23). There were EU Member States where, on average, the median net income was higher for self-employed women than for self-employed men: Bulgaria and Germany. The gap was the largest between self-employed men and women in Denmark (EUR 7 056).

**Figure 2.23. Earnings of the self-employed vary by country**

Median net earnings for those working full-time, 15-64 years old, 2017



Note: Data reported for Iceland and Switzerland are for 2016.

Source: (Eurostat, 2019<sup>[5]</sup>)

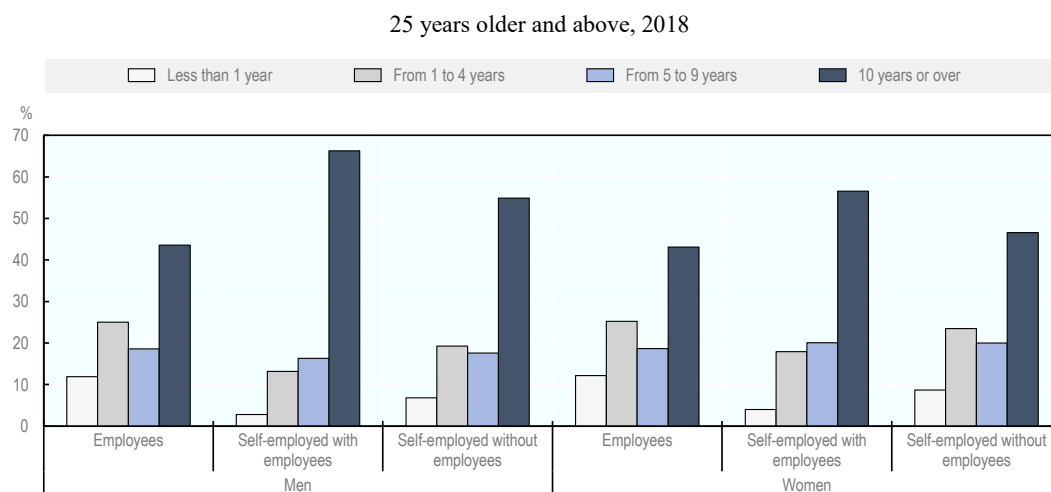
StatLink  <http://dx.doi.org/10.1787/888934064981>

***Self-employed women are less likely than self-employed men to have a long job tenure***

One of the stylised features of self-employment is that there are very high exit rates, reflecting difficulties in assessing future returns and over-estimating the likelihood of success (OECD/EU, 2017<sup>[8]</sup>). As a result of high exit rates for new businesses, data on job tenure show that the self-employed were about half as likely as employees to have been in their “job” for four years or less in 2018 (Figure 2.24). At the same time, the self-employed were also much more likely to have been in their “job” for more than ten years, particularly those who employed others. More than half of self-employed women with employees (56.6%) had been in their jobs for at least ten years, whereas 46.6% of self-employed women without employees had been working in their jobs for at least ten years. These proportions are lower than those of men – 66.3% for those with employees and 54.9% for those without employees.

These broad conclusions were true in many countries (Figure 2.25). The countries where self-employed women were the most likely to be in their jobs for at least ten years in 2018 were: Belgium (62.8% for employers), Czech Republic (64.3% for employers), Greece (64.2% for employers and 71.8% for those without employees), Italy (64.6% for employers), the Netherlands (63.2% for employers) and the Slovak Republic (63.2% for employers).

**Figure 2.24. Self-employed women in the EU are less likely to have worked at their job for more than 10 years than self-employed men**

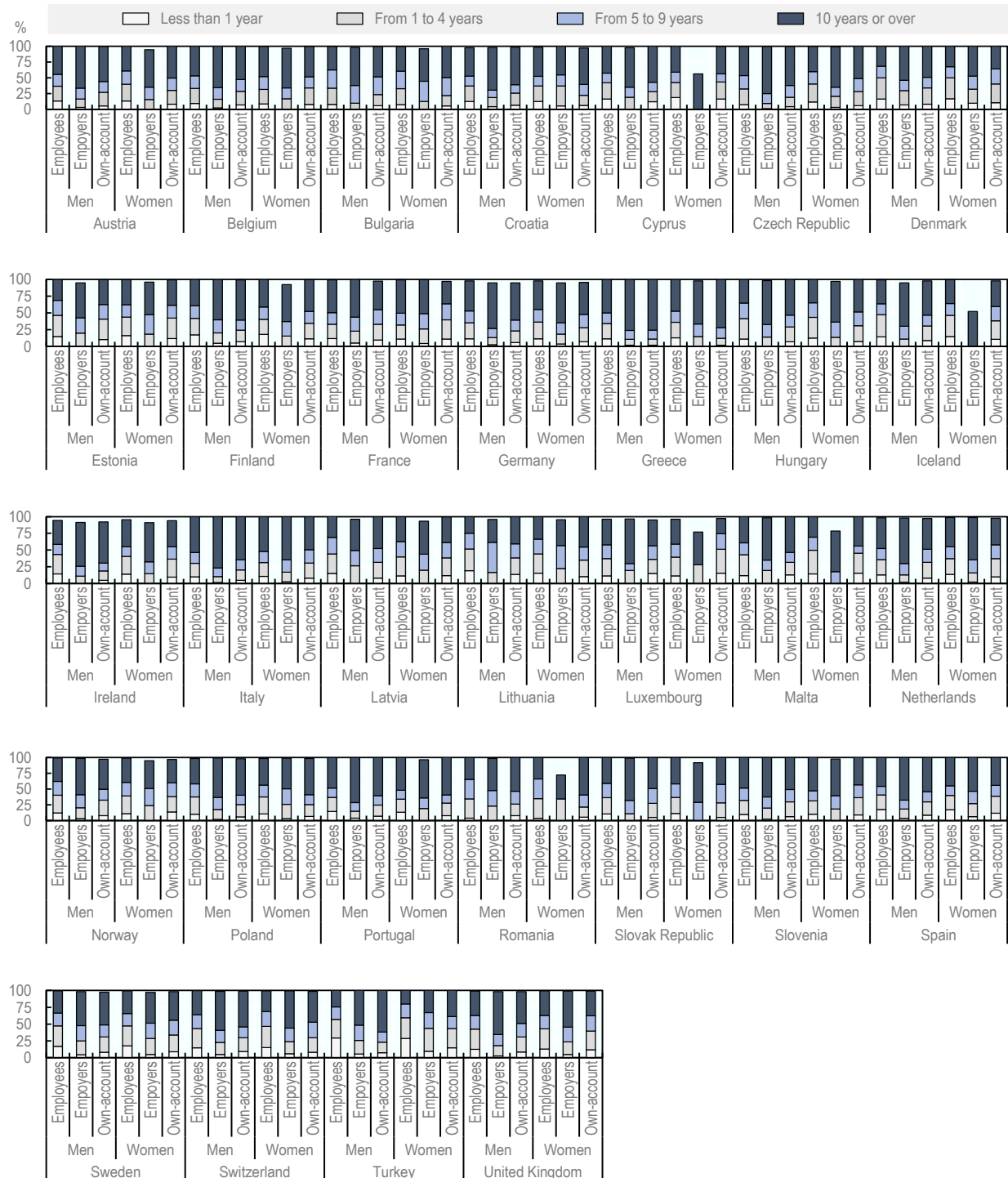


Source: (Eurostat, 2019<sup>[5]</sup>)

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**Figure 2.25. Job tenure of the self-employed varies greatly by country**

25 years older and above, 2018



Note: Own-account workers are those self-employed people who do not have any employees.

Source: (Eurostat, 2019<sup>[5]</sup>)

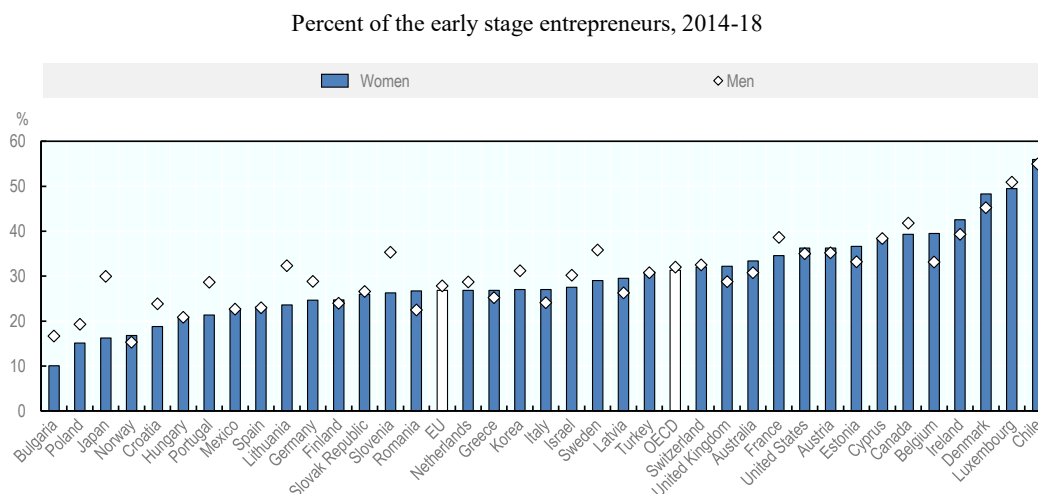
StatLink  <http://dx.doi.org/10.1787/888934065019>

### *Women entrepreneurs appear as likely to be innovative*

Overall, early-stage women entrepreneurs were about as likely as early-stage men entrepreneurs during the 2014-18 period to indicate that they offered new products and services to potential customers (Figure 2.26). In EU Member States, about 27% of early-stage men and women entrepreneurs offer new products and services, which was slightly below the proportion that did in OECD countries (31.3% of early-stage women entrepreneurs and 32.0% of early-stage men entrepreneurs).

About half of early-stage women entrepreneurs offers new products and services in Denmark (48.3%) and Luxembourg (49.4%). However, early-stage entrepreneurs were less likely to be innovative in Bulgaria (10.1%) and Poland (15.1%).

**Figure 2.26. About one-third of women entrepreneurs in the EU offer new products and services**



*Note:* All EU and OECD countries participated in the GEM survey between 2014 and 2018 except the Czech Republic and Malta. Several countries did not participate in the survey in every year: Australia (2018), Austria (2015, 2017), Belgium (2016-18) Bulgaria (2014), Cyprus (2014-15), Denmark (2015-18), Estonia (2018), Finland (2017-18), France (2015), Hungary (2017-18), Japan (2015-16), Korea (2014), Latvia (2014, 2018), Lithuania (2015-18), Mexico (2018), Norway (2016-18), Portugal (2017-18), Romania (2016-18), Turkey (2014-15, 2017).

*Source:* (Global Entrepreneurship Monitor, 2019<sup>[9]</sup>)

StatLink  <http://dx.doi.org/10.1787/888934065038>

### *Female entrepreneurs are less likely than male entrepreneurs to export*

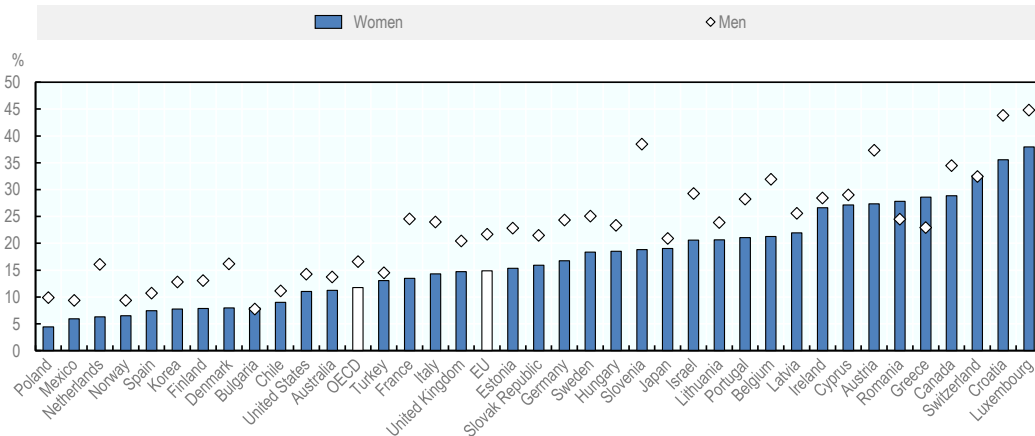
Between 2014 and 2018, 14.9% of early-stage women entrepreneurs in the EU sold to customers in another country (inside or outside of the EU) while 21.7% of early-stage men entrepreneurs did. In OECD countries, the proportions were slightly lower – 11.8% of early-stage women entrepreneurs and 16.6% of early-stage men entrepreneurs sold to foreign customers.

Among EU Member States, the country with the highest shares of early-stage women entrepreneurs that exported was Luxembourg (37.9%). Moreover, early-stage women entrepreneurs were more likely than early-stage male entrepreneurs to sell to foreign customers in Romania (27.8% vs. 24.5%) and Greece (28.6% vs. 22.9%). In Bulgaria, the

proportion of early-stage men and women entrepreneurs that sold to foreign customers was essentially the same (8%).

**Figure 2.27. Less than 15% of women entrepreneurs in the EU export**

Percent of early-stage entrepreneurs that sold to customers in another country, 2014-18



*Note:* All EU and OECD countries participated in the GEM survey between 2014 and 2018 except the Czech Republic and Malta. Several countries did not participate in the survey in every year: Australia (2018), Austria (2015, 2017), Belgium (2016-18) Bulgaria (2014), Cyprus (2014-15), Denmark (2015-18), Estonia (2018), Finland (2017-18), France (2015), Hungary (2017-18), Japan (2015-16), Korea (2014), Latvia (2014, 2018), Lithuania (2015-18), Mexico (2018), Norway (2016-18), Portugal (2017-18), Romania (2016-18), Turkey (2014-15, 2017).

*Source:* (Global Entrepreneurship Monitor, 2019<sup>[9]</sup>)

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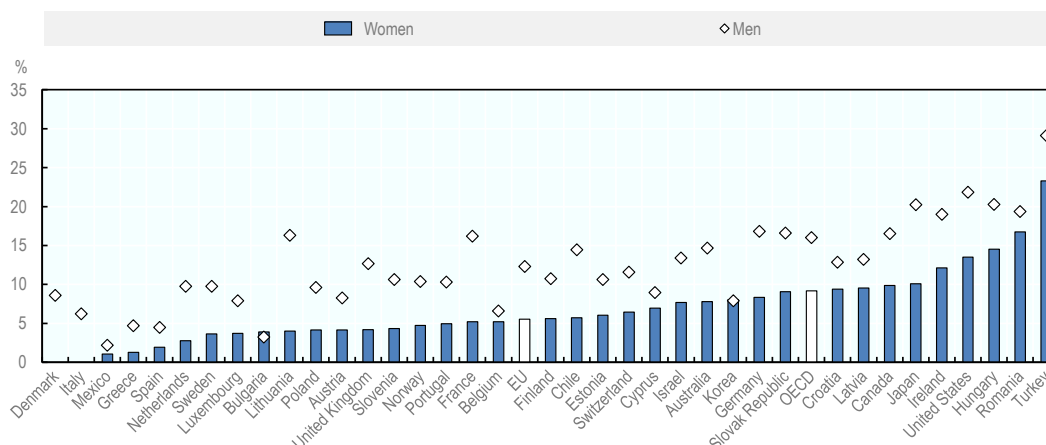
### ***Less than 10% of early-stage women entrepreneurs pursue growth***

Overall, women entrepreneurs were less likely than men entrepreneurs to expect that their business would create a substantial number of new jobs over the next five years (Figure 2.28). In the EU, 5.5% of early-stage women entrepreneurs reported in the 2014-18 period that they expected to create at least 19 jobs over the next five years. This was less than half of the proportion of early-stage men entrepreneurs that reported this level of expected growth (12.3%). The share of early-stage women entrepreneurs that expected this level of job creation was higher in OECD countries, where 9.2% of early-stage women entrepreneurs expected this level of job creation relative to 16.8% of men.

The EU Member State where early-stage women entrepreneurs were the most likely to report an expectation to create at least 19 jobs in the next five years was Romania, where 16.7% reported this expected level of job creation.

**Figure 2.28. Women entrepreneurs in the EU are half as likely as men to pursue growth**

Percent of early-stage entrepreneurs reporting that they expected to create at least 19 jobs over the next five years, 2014-18



*Note:* All EU and OECD countries participated in the GEM survey between 2014 and 2018 except the Czech Republic and Malta. Several countries did not participate in the survey in every year: Australia (2018), Austria (2015, 2017), Belgium (2016-18) Bulgaria (2014), Cyprus (2014-15), Denmark (2015-18), Estonia (2018), Finland (2017-18), France (2015), Hungary (2017-18), Japan (2015-16), Korea (2014), Latvia (2014, 2018), Lithuania (2015-18), Mexico (2018), Norway (2016-18), Portugal (2017-18), Romania (2016-18), Turkey (2014-15, 2017).

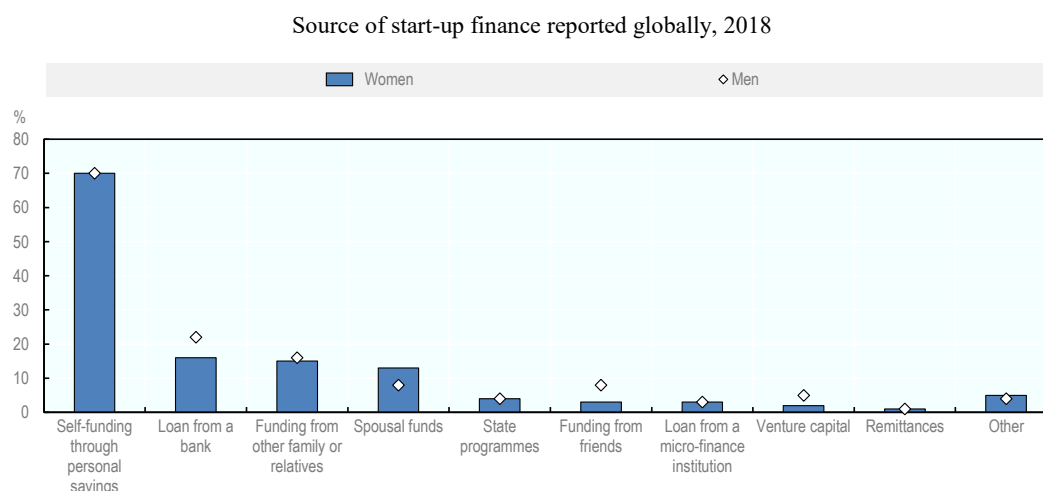
*Source:* (Global Entrepreneurship Monitor, 2019<sup>[9]</sup>)

StatLink  <http://dx.doi.org/10.1787/888934065076>

## Start-up financing

### *Most self-employed women use self-funding*

By far the most commonly used source of funding identified by self-employed men and women globally is own-finance (Figure 2.29). Among external sources of financing, bank loans are the most commonly used source, followed closely by friends and family and funds from their space. Very few firms report that they venture capital.

**Figure 2.29. The most common source of financing for self-employed women is self-funding**

Note: Respondents could identify more than one source of funding.

Source: (Facebook / OECD / The World Bank, 2018<sup>[13]</sup>)

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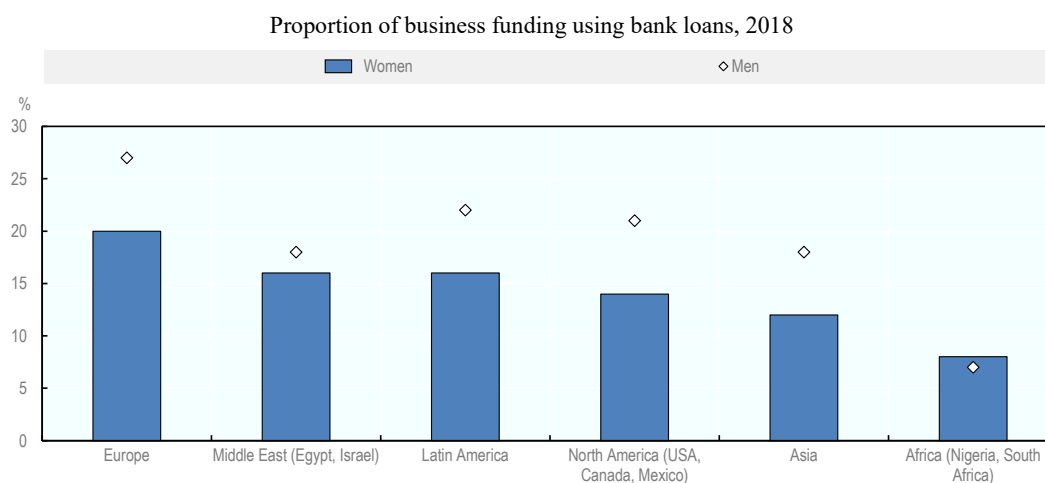
### ***Less than 20% of women entrepreneurs use bank financing***

The proportion of entrepreneurs using bank loans was high in EU countries in 2018. About 20% of women entrepreneurs in the EU indicated that they used bank loans, relative to 27% of men entrepreneurs (Figure 2.30). Women were less likely to report using bank loans than men in the Latin America (16% vs. 22%), North America (14% vs. 21%) and Asia (12% vs. 7%). However, the differences between men and women were not statistically significant in the Middle East or Africa.

There were differences across sectors in the shares of entrepreneurs reporting that they used bank loans. Globally, the use of bank loans was most frequent in Goods production and repair (22% of women entrepreneurs vs. 26% of men entrepreneurs), Personal and hospitality services (20% vs. 27%) and Retail (17% vs. 27%) (Figure 2.31).



**Figure 2.30. Bank financing for women entrepreneurs is the most common funding source in Europe**

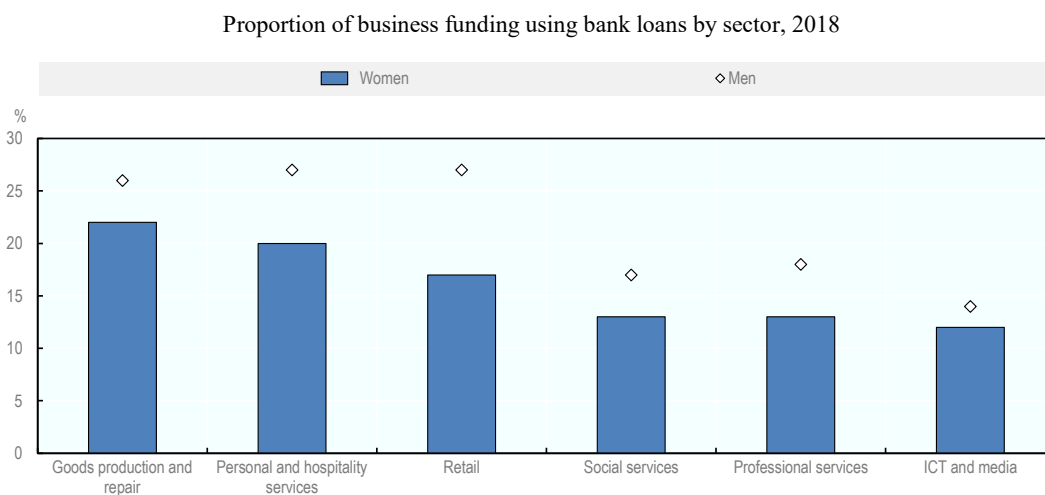


Note: Gender differences for the Middle East and Africa are not statistically significant at 95% level.

Source: (Facebook / OECD / The World Bank, 2018<sup>[13]</sup>)

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**Figure 2.31. Bank loans to women entrepreneurs are most likely to go to the goods production and repair sector**



Source: (Facebook / OECD / The World Bank, 2018<sup>[13]</sup>)

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**Box 2.1. Country spotlight: Bank loans to women entrepreneurs, Romania**

Romania was hit relatively hard by the financial crisis, with decreasing employment, falling productivity and a credit crunch (IFC, 2019<sub>[14]</sub>). These challenges were felt disproportionately by the SMEs sector. While access to finance has improved since the crisis, the SME finance gap in Romania was estimated to be USD 32.7 billion in 2017 (approximately EUR 31.0 billion, or 18% of GDP); and of this, the finance gap for women-led SMEs was USD 2.6 billion (approximately EUR 2.5 billion) (IFC, 2019<sub>[14]</sub>).

Garanti Bank is one of the largest private banks in Romania. It has operated since 1998. With a diverse portfolio of personal and commercial banking products and services, it received support from the International Finance Corporation (IFC) in 2011 to develop a loan product for seniors. This quickly expanded into women-specific products and led to the Garanti Bank lending more than EUR 145 million to women-owned enterprises as of end-December 2017.

To better understand the needs of women entrepreneurs, the Garanti Bank and IFC conducted a survey of women entrepreneurs. This included those that benefited from the Garanti Bank Romania's Women SME Banking Programme, as well as a control group of women entrepreneurs that used loans and financial services at other banks in Romania.

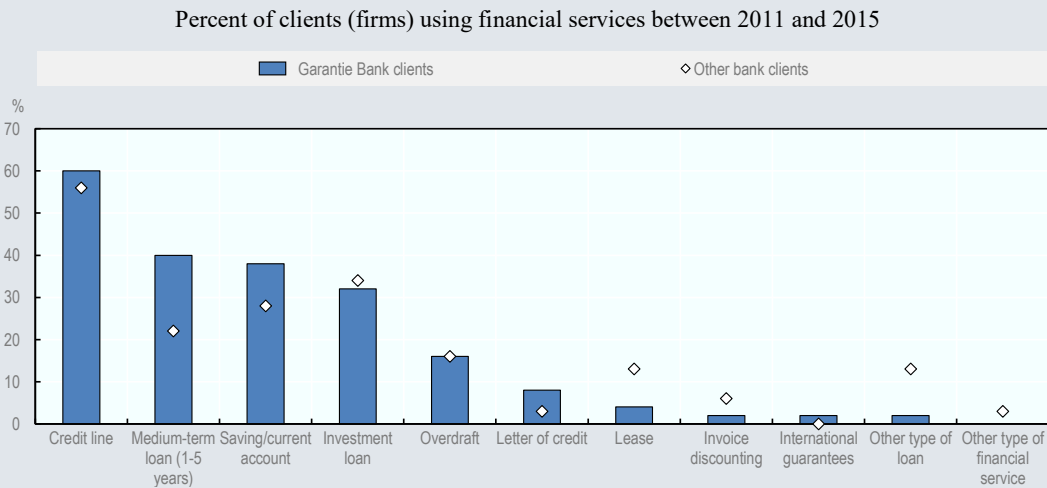
About 60% of women entrepreneurs used a credit line between 2011 and 2015 (Figure 2.32), which was true of clients of Garanti Bank and other banks. Other frequently used financial products were medium-term loans, savings accounts and investment loans. The first two products were used substantially more frequently by Garanti Bank clients than by clients at other banks.

The most common use of bank loans was for working capital (Figure 2.33). Nearly 45% of women entrepreneurs that banked with Garanti Bank cited this relative to about one-third of women entrepreneurs that banked elsewhere. The purchase or upgrade of equipment was the second most cited reason for obtaining a bank loan, followed closely by acquiring premises.

The reported impact of financial services by Garanti Bank clients on employment was mixed. About 36% reported an increase, 60% indicated no change, and 4% reported a decline in employment, partly driven by mechanisation. The clients of other banks also

reported a similar impact from the financial services they received on their business performance.

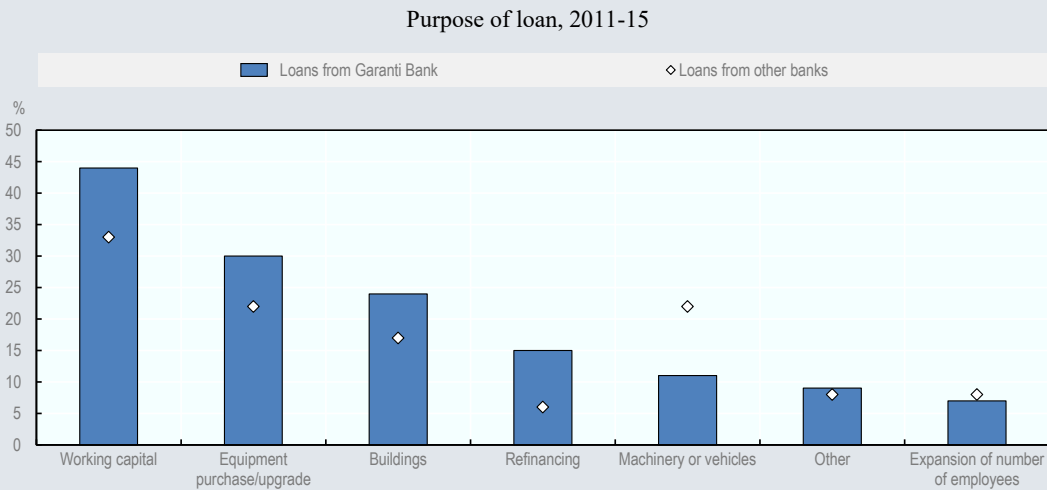
**Figure 2.32. The most common bank financial service used by women entrepreneurs in Romania is a credit line**



Source: (IFC, 2019<sup>[14]</sup>)

StatLink  <http://dx.doi.org/10.1787/888934065152>

**Figure 2.33. Most loans to women entrepreneurs in Romania are for working capital**



Source: (IFC, 2019<sup>[14]</sup>)

StatLink  <http://dx.doi.org/10.1787/888934065171>

***Women are a major target group of the microfinance sector***

Another approach that is used to support women entrepreneurs is microcredit, which aims to improve financial inclusion by overcoming market and social barriers in the financial market for disadvantaged groups. These are small loans of up to EUR 25 000 to finance

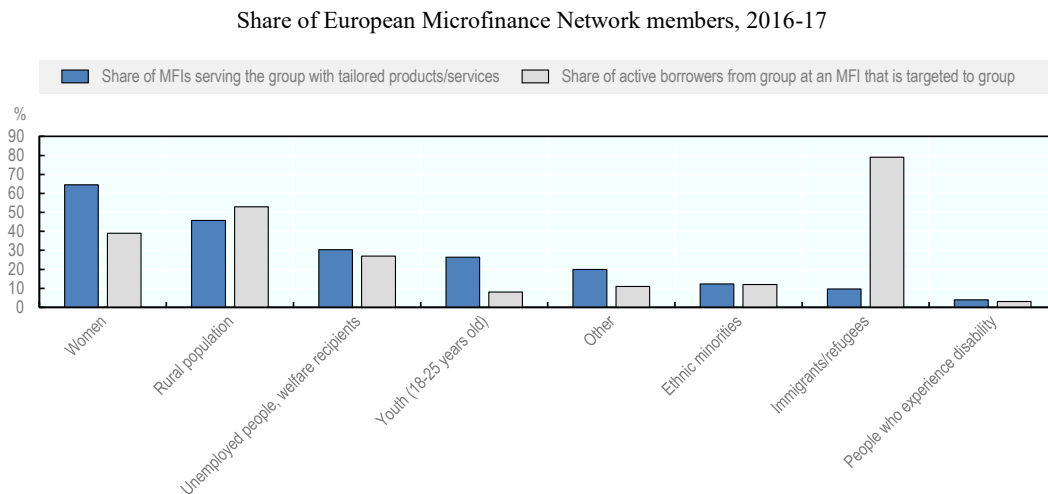
income-generating activities and are often packaged with business development support such as entrepreneurship training, mentoring, coaching, financial education and business advice. When microcredit is coupled with “soft” business development support, it is typically referred to as microfinance.

The advantage of microfinance is that, as a credit product, entrepreneurs have strong incentives for creating a sustainable business since they must repay the loan. Another advantage is that, unlike other financial products (e.g. loan guarantees, bank loans), the instrument is designed specifically for the needs of people who experience difficulties in obtaining access to conventional credit. However, the loans are typically offered at higher interest rates than mainstream financial products given the higher levels of risk involved. The sector has been steadily growing over recent years and in 2017 microfinance institutions in the EU reported almost one million total active borrowers, with a gross microloan portfolio outstanding of more than EUR 3.1 billion (Diriker, Landoni and Benaglio, 2018<sup>[15]</sup>).

Women are one of the most important target groups for microfinance in the EU (Figure 2.34). About two-thirds of microfinance institutions have tailored products for women, and nearly 40% of women using microfinance used tailored products from one of these specialised institutions. Moreover, women accounted for slightly more than 40% of business and personal borrowers, which is above the share in self-employment (Figure 2.35).

Different types of institutions offer microfinance, including NGOs, private banks, co-operatives and credit unions, government agencies and institutions, and non-bank financial institutions. For women borrowers, NGOs account for the greatest share of loans followed by private banks (Figure 2.36).

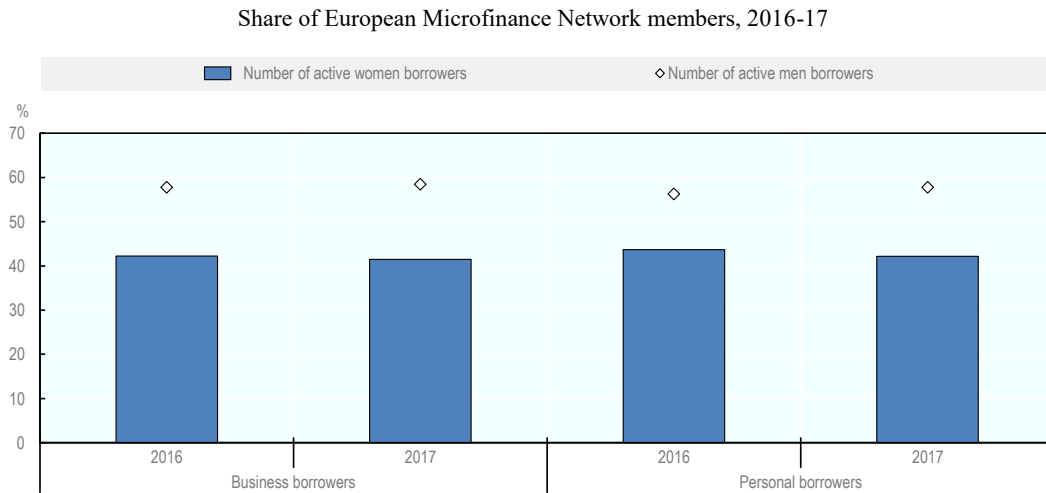
**Figure 2.34. Women are the most important target group served by microfinance in the EU**



Source: (Diriker, Landoni and Benaglio, 2018<sup>[15]</sup>)

StatLink  <http://dx.doi.org/10.1787/888934065190>

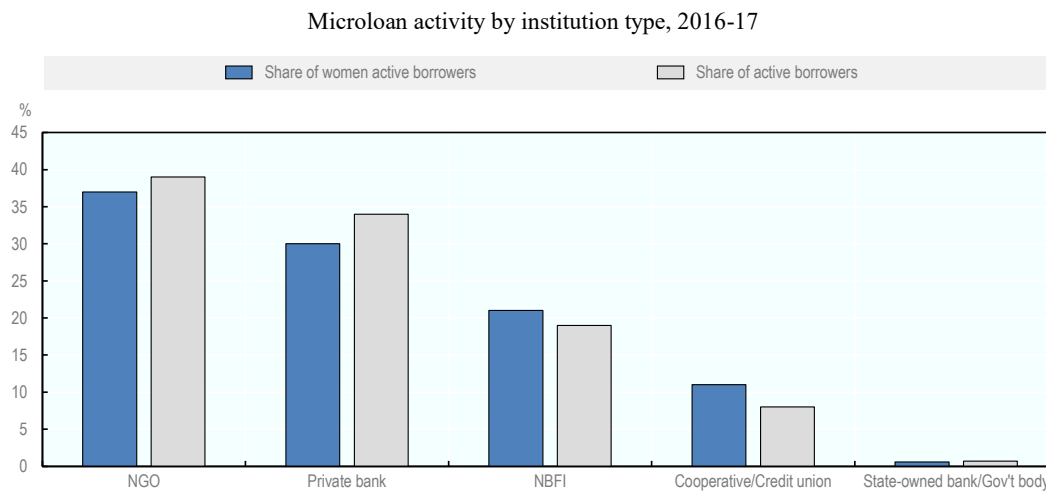
**Figure 2.35. Women account for about 40% of business microfinance loans in the EU**



Source: (Diriker, Landoni and Benaglio, 2018<sub>[15]</sub>)

StatLink  <http://dx.doi.org/10.1787/888934065209>

**Figure 2.36. Most microfinance loans are made by NGOs in the EU**



Source: (Diriker, Landoni and Benaglio, 2018<sub>[15]</sub>)

StatLink  <http://dx.doi.org/10.1787/888934065228>

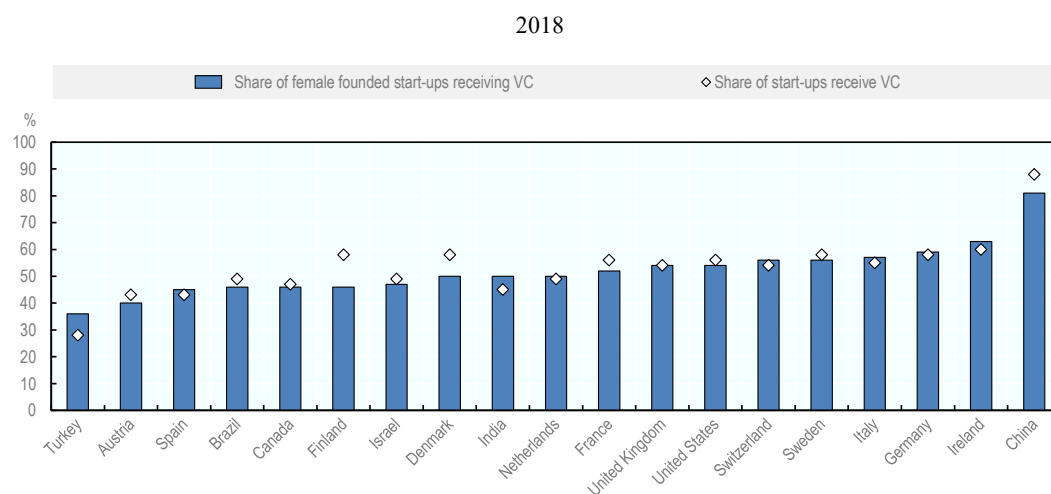
***On average, female-owned businesses are as likely as male-owned businesses to receive venture capital but receive less***

Venture capital (VC) can be broadly defined as a form of equity financing that is particularly important for young companies with innovation and growth potential but untested business models and no track record (OECD, 2017<sup>[16]</sup>). This includes equity investments made to support the pre-launch, launch and early-stage development phases of a business. VC is often used by new firms with limited access to other forms of financing. They are typically innovative, high-potential (and also high-risk) start-ups with no or few physical assets that could serve as collateral and no credit history.

A recent OECD study examined the gender gap in VC using the Crunchbase database (Lassébie et al., 2019<sup>[17]</sup>). This database is a popular online platform that connects venture capitalists with seed stage start-ups. It defined female-led businesses as those with at least one founder or co-founder that is female. Overall 15% of start-ups have at least one woman as the founder, while less than 6% have only female founders.

There is only a very small difference in terms of likelihood of receiving VC between men and women founders, and the gap is not statistically significant in most countries (Figure 2.37). However, on average, women founders in OECD countries receive considerably less than male founders (USD 9 million vs. USD 13 million) (Figure 2.38). Further, female founders are less likely than male founders to have a successful exit (9% vs. 13%) (Lassébie et al., 2019<sup>[17]</sup>).

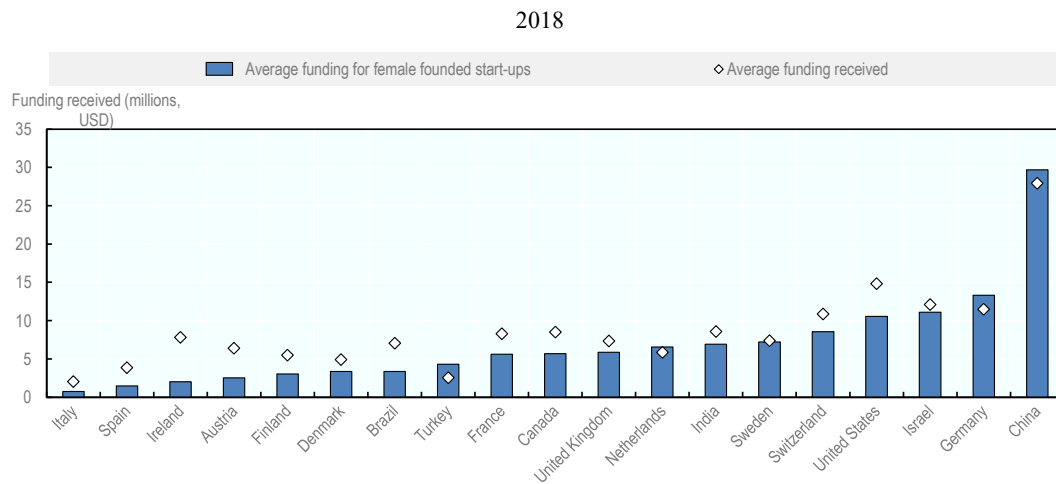
**Figure 2.37. Women entrepreneurs are about as likely as men to receive VC**



Note: Female founded start-ups are those with at least one female founder.

Source: (Lassébie et al., 2019<sup>[17]</sup>)

StatLink  <http://dx.doi.org/10.1787/888934065247>

**Figure 2.38. Women entrepreneurs receive less venture capital**

Note: Data for the United Kingdom is for Great Britain.

Source: (Lassébie et al., 2019<sup>[17]</sup>)

StatLink  <http://dx.doi.org/10.1787/888934065266>

## 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, 2016<sup>[12]</sup>). Examples of recent policy actions to support women's entrepreneurship can be found in several country profiles in Part III of this report: Austria, Bulgaria, Croatia, Cyprus, Estonia, France, Ireland, the Netherlands, Poland, Romania, the Slovak Republic and the United Kingdom.

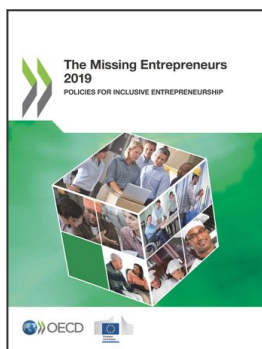
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