



Defining entrepreneurship: Key questions and gender issues

Lauren Pandolfelli

Social and Housing Statistics Section - UNSD



Outline

- Purpose of session
- Defining entrepreneurship
- Key questions
- Key gender issues
- Implications for EDGE initiative



Purpose

- To set the stage for our discussions
- To highlight key issues and questions emerging from
 - Extant literature
 - Pre-meeting country assignments

Defining entrepreneurs/ entrepreneurship



- *One who owns and manages a business; a person who takes the risk of profit or loss (Oxford English Dictionary).*
- *Those persons (business owners) who seek to generate value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets (OECD/Eurostat EIP).*

Defining entrepreneurs/ entrepreneurship (cont'd.)



Owner-managers of incorporated enterprises

- *Workers who have arrangements whereby the worker and the establishment they own and operate are separate legal entities (ILO 2013).*
 - Legally, and for SNA, considered as employees of the enterprises they own;
 - Exposed to less financial and legal risk than other self-employed persons.

Defining entrepreneurs/ entrepreneurship (cont'd.)



- *One who converts ideas into economic opportunities and creates wealth and employment, offering products and services and generating taxes for government (India).*
- *A process of transforming ideas into economic opportunity by creating an environment that encourages change, creativity, knowledge, innovation and flexibility (South Africa).*

Defining entrepreneurs/ entrepreneurship (cont'd.)



- *The initiative and voluntary act of managing risk and assuming responsibility in transforming creativity and innovation to unique products for the purpose of providing effective and efficient solutions to consumers, while achieving long-term profitability and contributing growth to the economy as a whole (Philippines).*

Defining entrepreneurs/ entrepreneurship (cont'd.)



- *The technical, economic and moral capacity of the people to begin an enterprise or a company (Mexico).*
- *The combination of resources to produce products for sale so as to earn income (Ghana).*

Defining entrepreneurs/ entrepreneurship (cont'd.)



Types of entrepreneurs identified by countries:

- Large firm owners
 - Sole proprietors; multi owners
- Small, medium, micro entrepreneurs
- Family business owners
- Self-employed
- Youth entrepreneurs
- In both formal and informal sectors



Defining entrepreneurs/ entrepreneurship (cont'd.)

No universal definition, but similar elements:

- More than a business owner;
- Capacity to manage
- Capacity to innovate & add value;
- Willingness to assume risk & accept uncertainty;
- Willingness to invest time & grow enterprise;
- Alert to opportunities
- Self-confident
- Driver of economic growth

Key questions



**To what extent are these definitions relevant
to an analysis of gender and
entrepreneurship?**



Key questions (cont'd)

- Do entrepreneurs, by definition, need to employ another person?
 - Employers rarely comprise more than 5 % of total employment (ILO 2013);
 - Men more likely to be employers (ILO 2013);
 - Implications for (poor) female entrepreneurs if non-employers are excluded?



Key questions (cont'd)

- If an enterprise remains small and unprofitable, is the owner an entrepreneur?
 - Enterprise as poverty trap? (Banerjee and Dufflo 2007)
 - Implications for the inclusion of poor women?



Key questions (cont'd)

- To what extent do the definitions apply to both the formal and informal sectors?
- To what extent do they apply to necessity-based entrepreneurs?
 - Motivated by “push” factors (e.g. poverty, divorce unemployment, dissatisfaction w/ current job)
 - Push factors more prevalent among women in both developed/developing countries (Robb)



Key gender issues

Occupational divisions of labour reproduced among self-employed

- Women entrepreneurs predominate in poorly paid service and retail sectors (Cohen 1996).
- Is women's entrepreneurship likely to alter their structural positions in labour market/household?
- Are rising rates of women's entrepreneurship always positive?
 - Glamorized depiction of female entrepreneurs?
 - What policies can render entrepreneurship positive for women?



Key gender issues (cont'd.)

Embeddedness of entrepreneurship in family system

- Entrepreneurship as a means to balance work & family;
- Competing demands affect time spent on enterprise;
- Marriage status and assets brought to marriage
- Family supply of labour
- Men's co-optation of management decisions;
- Raiding of cash from enterprises to meet domestic expenditure needs



Key gender issues (cont'd).

Gender differences in perceptions of success

- Women less likely to define success according to earnings and firm size (Carter et al., 2003; Kepler & Shane, 2007)
- Are women less likely to take risks and embrace rapid enterprise growth, which may interfere with family priorities (Cliff 1998; Morris et al. 2006)?
- Implications for outcome indicators?



Implications for EDGE

- Does entrepreneurship mean different things in different countries/contexts?
 - If so, how does EDGE reconcile this?
- Need for a standardized definition that:
 - Facilitates gender analysis in both developed and developing countries
 - Can be measured by statistical community
 - Informed by instrument and policy purpose
- Many facets of gender and entrepreneurship
 - Where will EDGE contribute methodologically?



Thank you.

We look forward to a fruitful discussion!