



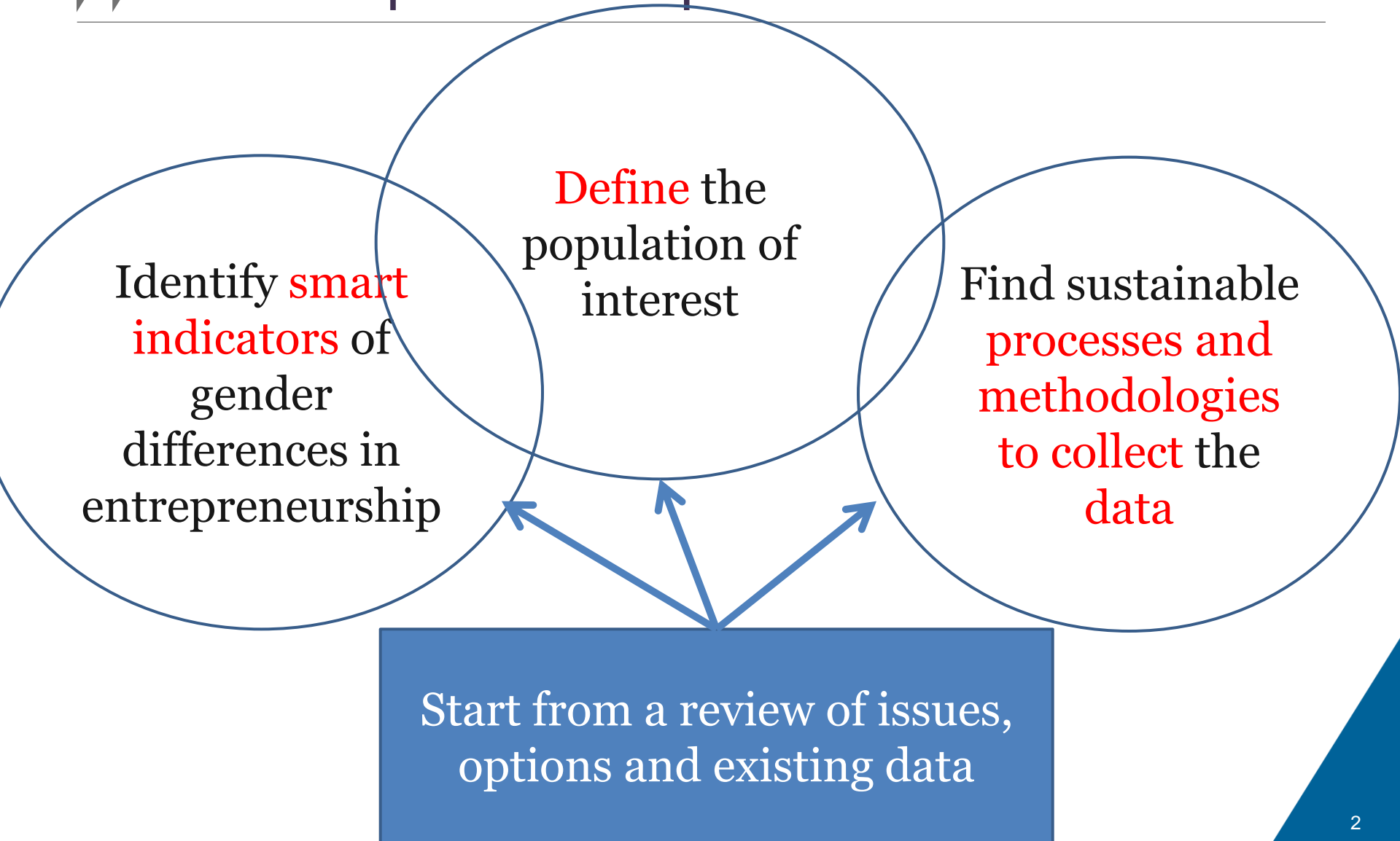
HOW DO WE MEASURE ENTREPRENEURSHIP FROM A GENDER PERSPECTIVE? OVERVIEW OF CURRENT APPROACHES AND EXISTING DATA SOURCES

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Objective: measure gender differences in entrepreneurship





Defining the entrepreneurs

- Who is an entrepreneur?
 - *The founder of a start-up?*
 - *A board member of a publicly listed company?*
 - *The owner of a small, home-based business?*
 - *An innovating manager?*
- Little convergence on definitions among researchers
- The typical traits of ‘entrepreneurs’ – willingness to take risk, innovativeness, problem-solving – are difficult to observe and measure.



Definition of entrepreneur in the EIP

The OECD/Eurostat Entrepreneurship Programme (EIP) defines entrepreneurs as:

“Entrepreneurs are 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.”

The entrepreneurs are business owners who:

- 1) Make an investment to put in place and manage an activity involving a degree of risk and uncertainty;
- 2) the outcome of their activity needs to be ‘novel’;
- 3) the innovation embodied in the activity needs to generate economic value.

Ownership



Management



From a conceptual to an operational definition: some open questions

Size thresholds for the business

Minimum size: Only employer enterprises?

- + : comparability; ‘casual’ businesses are excluded
- - : exclusion of a relevant population; possible gender bias

Maximum size: only SMEs?
Specific legal forms?

- +: defining the gender of large corporations is problematic
- - : upper bound is difficult to define in practice





Definition: Open questions

Mode of acquisition of ownership

Only business
founders?

- + : more homogeneous population
- - : possible to be entrepreneurial no matter the mode of acquisition





POPULATION-BASED DATA



Self-employment data from labour force or general household surveys

Advantages:

- high quality;
- timely;
- good international coverage.

Shortcomings:

- not all the self-employed are entrepreneurs;
- no information on the business other than its size and sector of activity;
- Comparability issues (treatment of incorporated self-employed).



Use of self-employment data from labour force or household surveys

With current data

Number of employers and own account workers

Characteristics and sector of activity of the self-employed

With a new entrepreneurship module

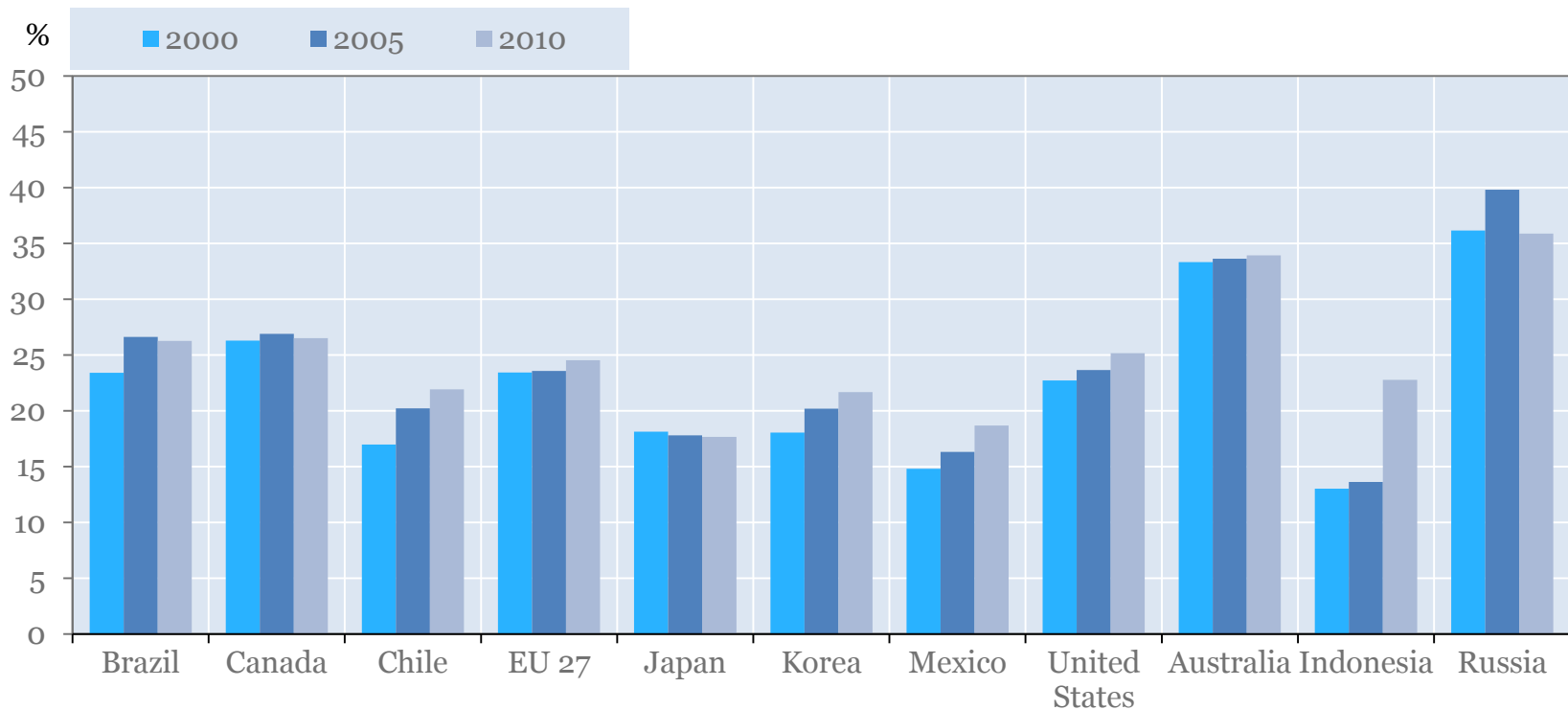
Cleaner identification: distinguish free professionals, current and discontinued owners

Entrepreneurial motivations, conditions at start, business characteristics, etc.



Basic indicator of participation: Share of women employers

Share of employers (self-employed with employees) who are women, 2000-2010

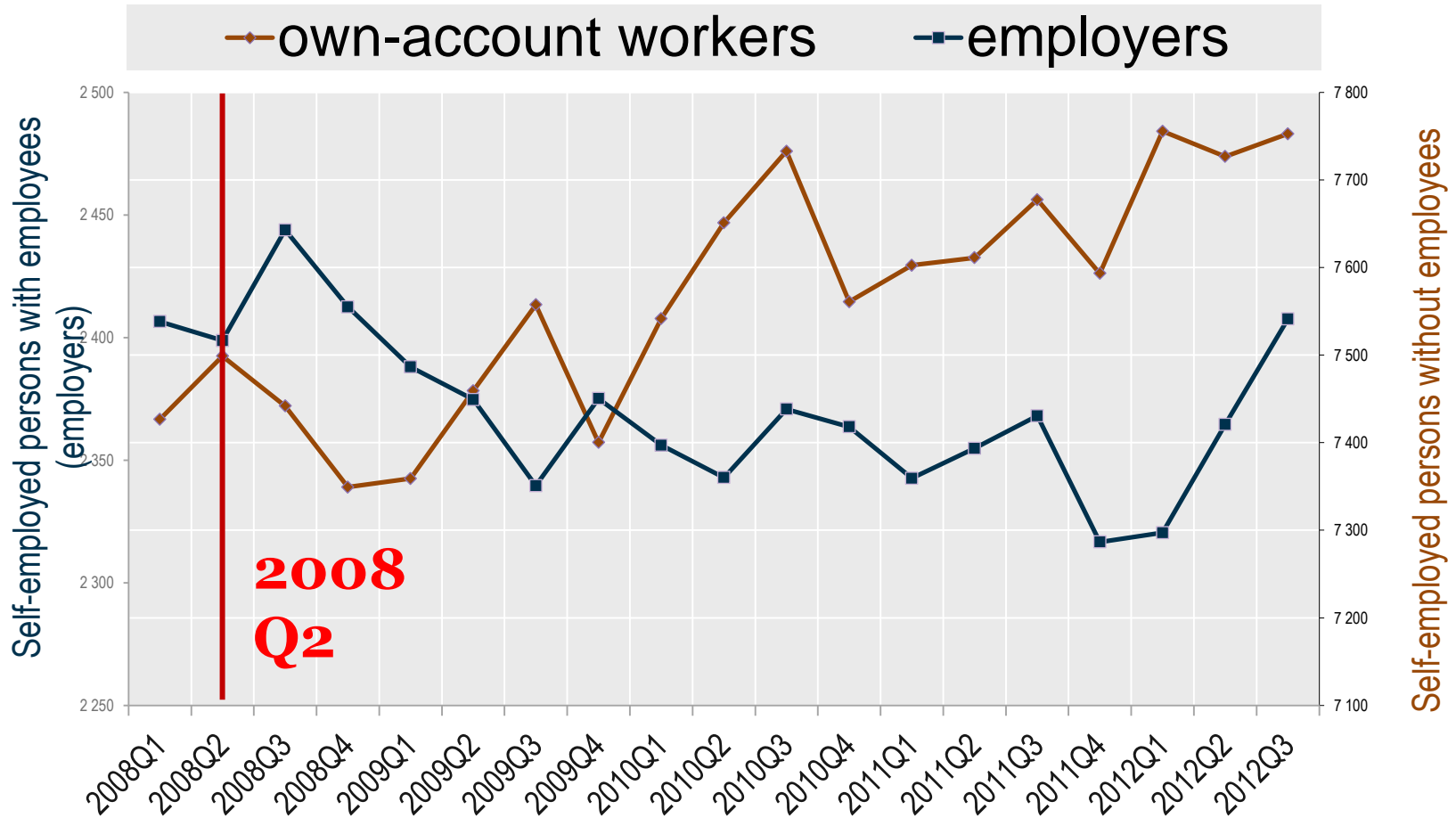


The share of women among employers has only marginally grown over the last decade in most OECD and G20 countries



Trends in 'own-account' and 'employer' series

Women, EU27

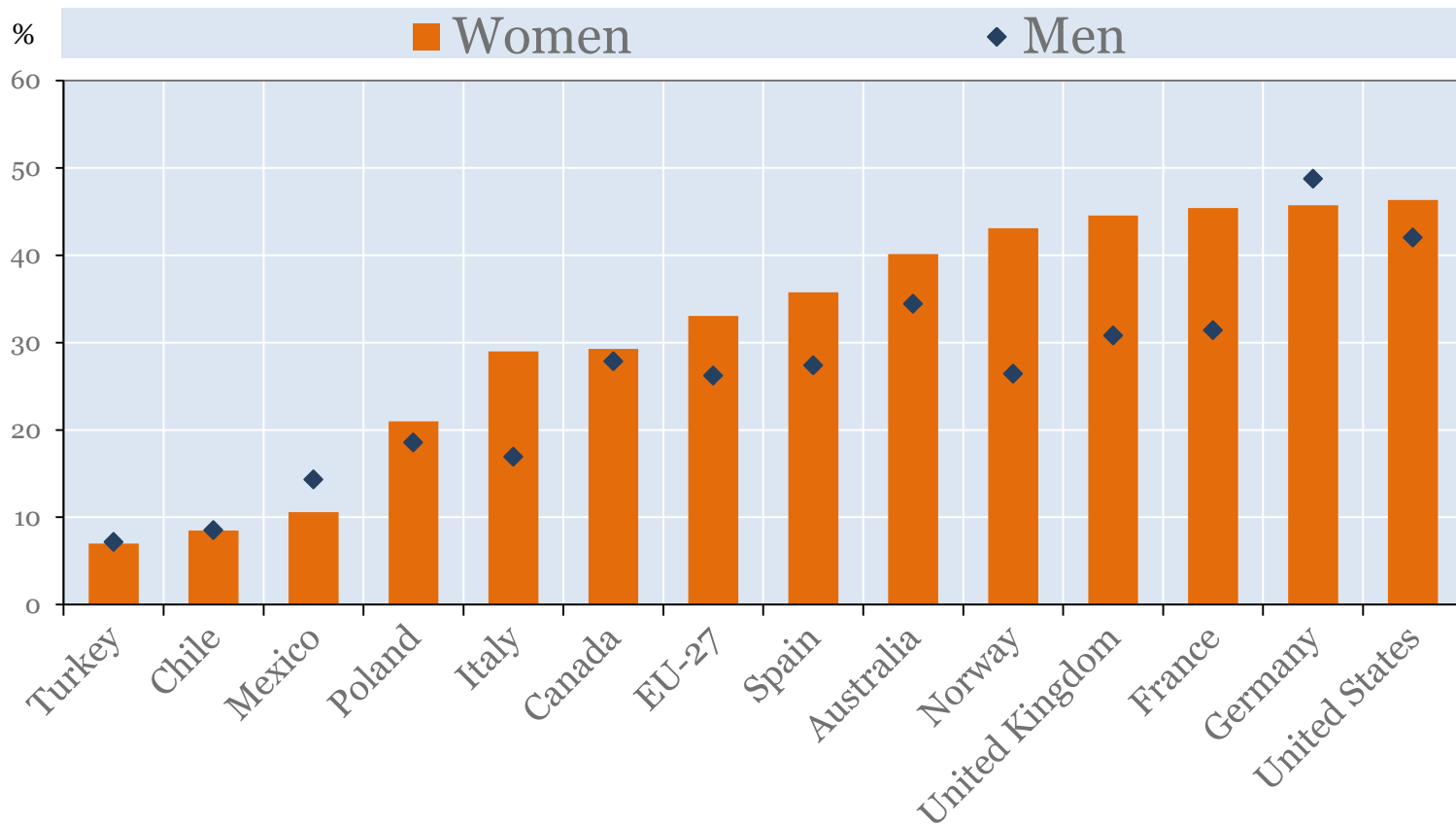


Diverging trends for number of women own-account workers and employers during the crisis



Indicators on characteristics of self-employed women and men

Percentage of self-employed who completed tertiary education, 2010



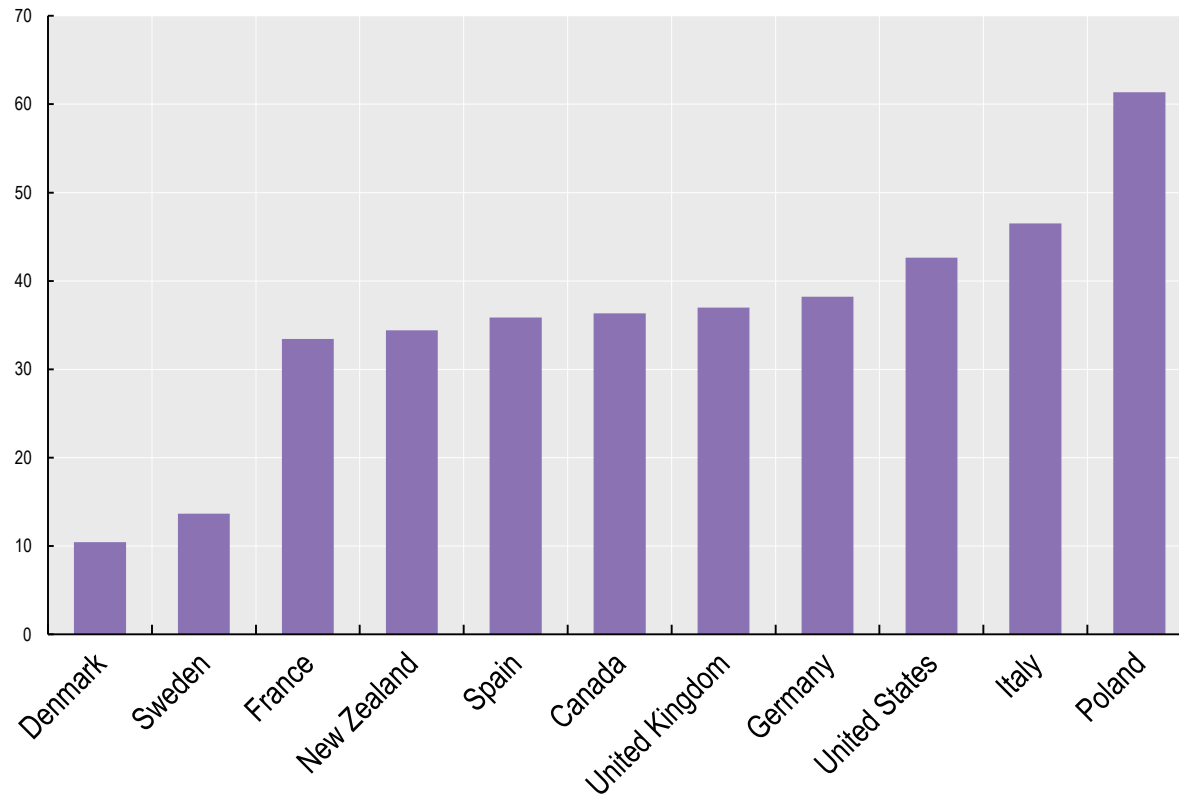
Self-employed women have higher educational attainment than men



Measuring profits from household surveys

Gender gap in self-employment earnings

2010



- Gender gap ranges from 10 to over 60%
- Accounting for both benefits and losses
- Measure is not fully harmonized; available only for the unincorporated self-employed; profits can be difficult to estimate for respondents
- Other measures: hourly earnings? drawings vs. profits

Source: Entrepreneurship at a Glance (2012)



Models for survey's design and questions: mixed-surveys of micro-business owners

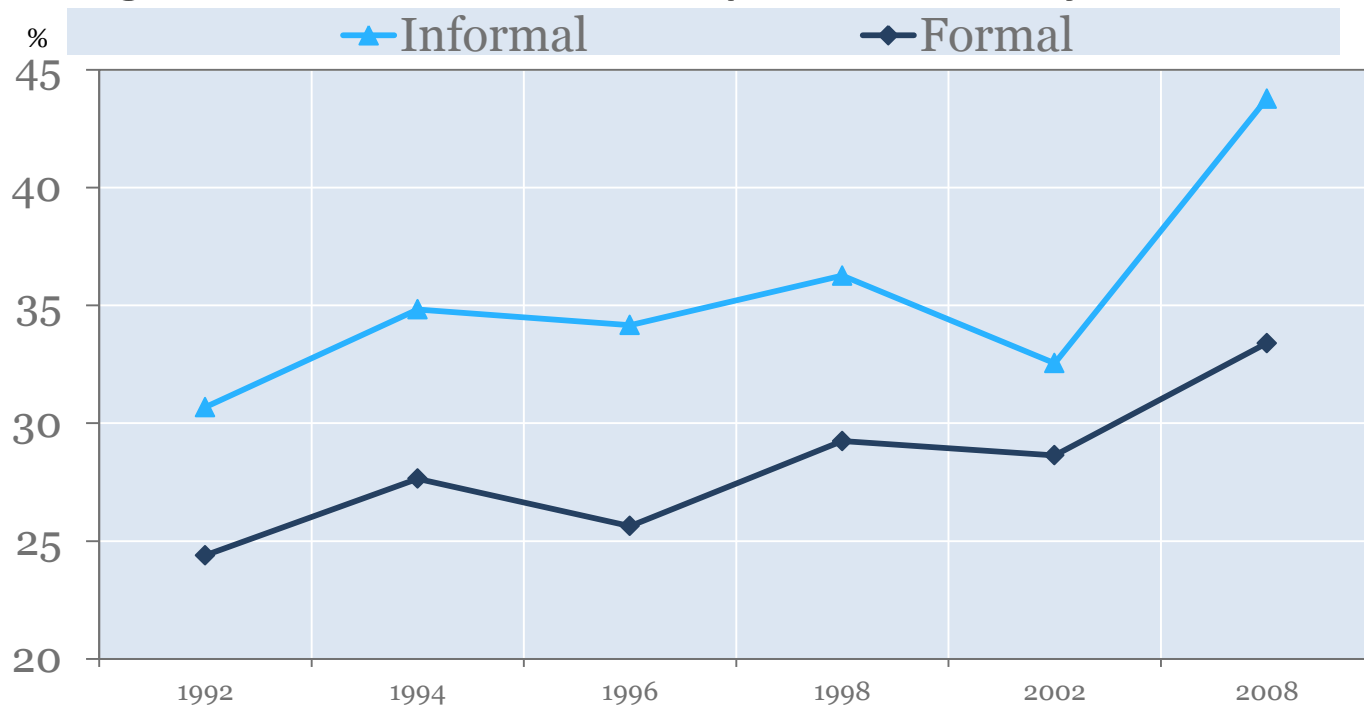
Mixed entrepreneur-enterprise surveys

- use an existing household-level data collection as sampling frame;
- provide estimates of the size and economic performance of micro-businesses, registered or not;
- include modules on capital and intermediates, expenses and earnings;
- include detailed information on micro-entrepreneurs: reasons for starting, employment history, time spent on the business.



Surveys of micro-business owners and informality

Percentage of small and micro-enterprises owned by women, Mexico



Source: Closing the Gender Gap: Act now (2012)

- The methodology allows to capture data on gender issues in the informal sector.
- In the Mexican case (ENAMIN Survey), the share of female owners is higher for non-registered than for registered enterprises



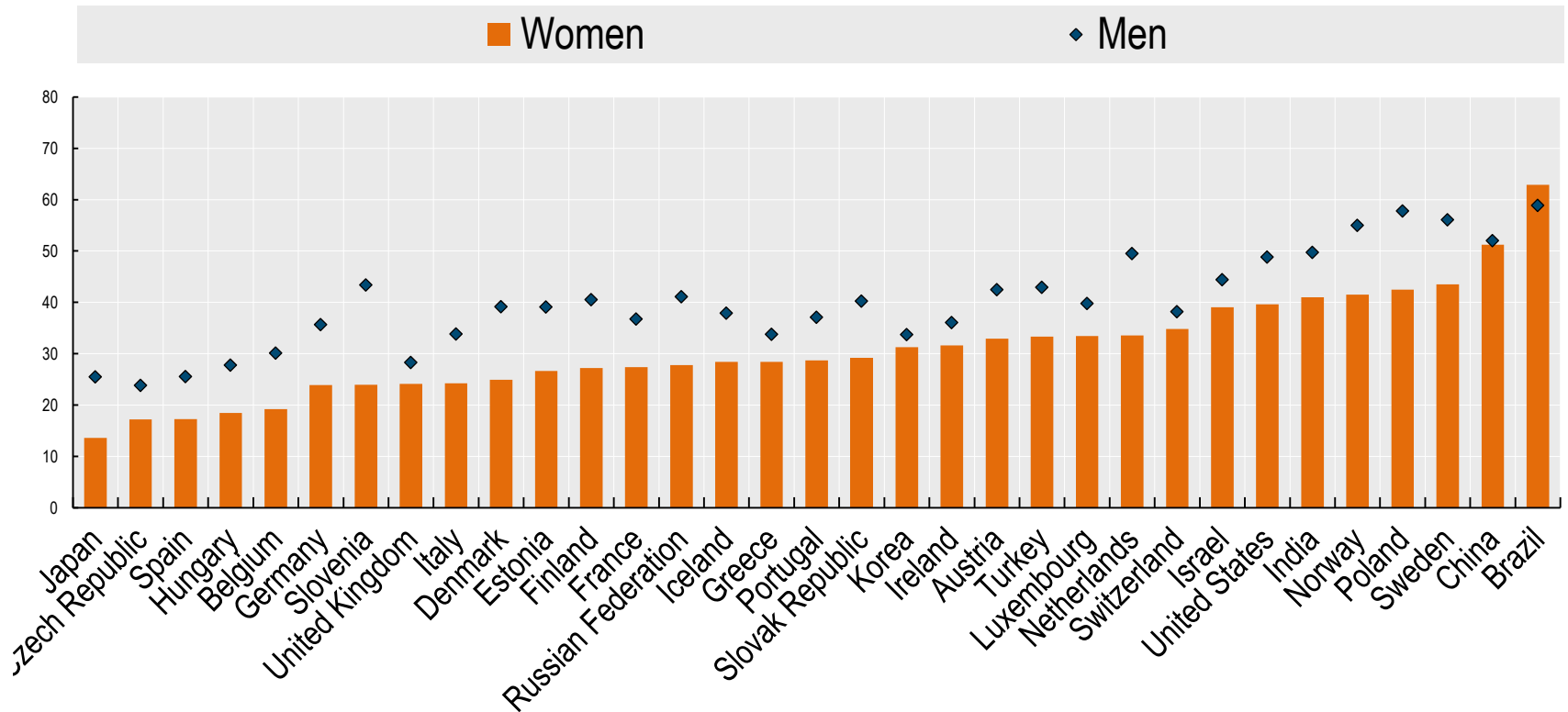
Models for survey's questions: Surveys of entrepreneurial attitudes and activities

- 'Unofficial' surveys conducted by research consortia or research companies.
- Phone or face-to-face interviews of randomized individuals.
- The Global Entrepreneurship Monitor (GEM) is the best known example.
- Very rich information on attitudes towards entrepreneurship, risk tolerance, expectations, access and use of networks, etc.



Measuring gender differences in entrepreneurial attitudes

Self-assessed feasibility of self-employment, 2012



Source; Flash Eurobarometer on Entrepreneurship, 2012

Survey question: ‘would it be feasible for you to become self-employed within the next five years?’



FIRM-LEVEL DATA



Use of firm-level data: advantages and limitations

Advantage:

- more suited than population surveys to the analysis of differences in the performance of firms owned and controlled by women and men.


Issues:

- Limited availability of comparable business surveys with information on owners;
- limited availability of linked business and population registers;
- very small businesses might not be covered.



Identifying 'women-run' enterprises

- **Women-run enterprises** are those enterprises where one or more women control the majority of shareholding and management.
- In practice, identification is easy only for the enterprises with a single owner
 - When there is more than one owner



Surveys

Define a robust set of survey questions on distribution of ownership/management



Administrative data

Integrate information on shareholding/declared revenues of owners in business registers



Questions to identify the gender of firm's owners in World Bank data

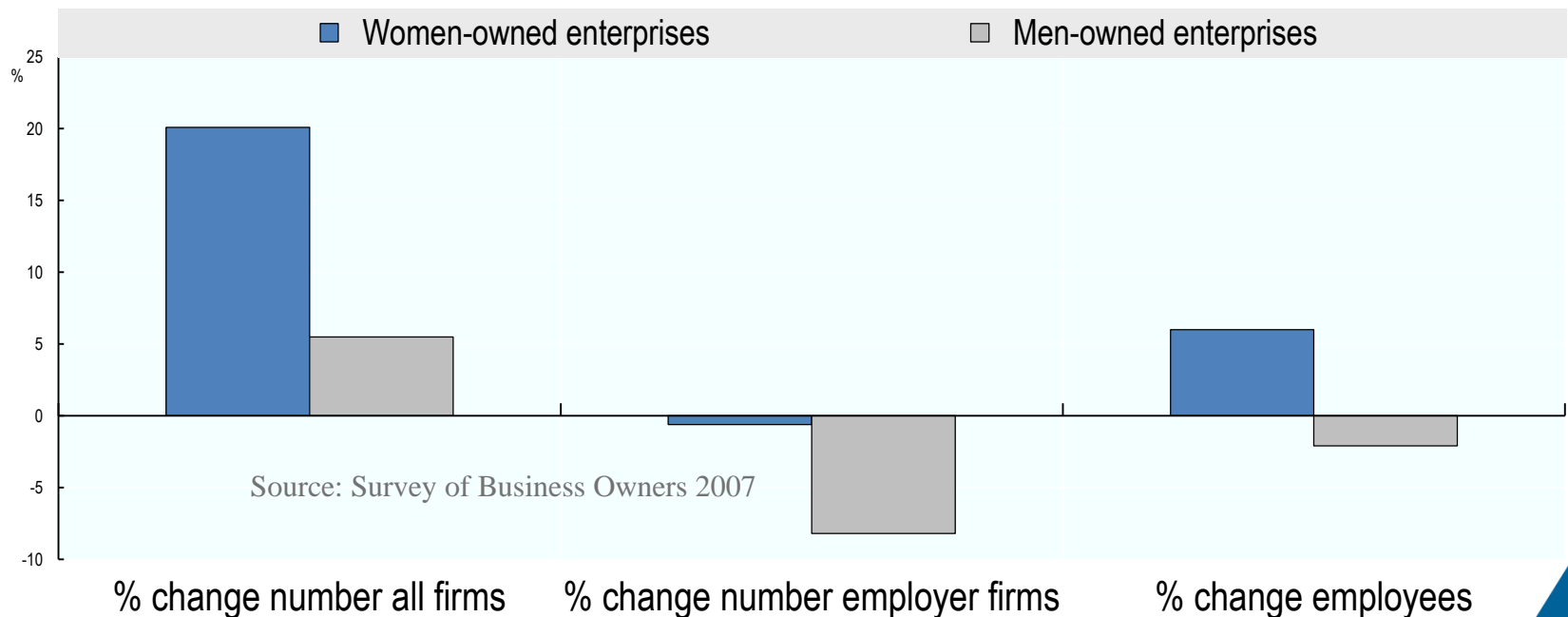
- **Core Enterprise Survey questionnaire:**
 - **Female Participation in Ownership:** ‘are any of the owners female?’
- **In the 2013 Manufacturing Module:**
 - **Percentage of female ownership:** ‘What percentage of the firm is owned by females?’
- **Informal Surveys:**
 - **Gender of largest owner:** ‘Is the largest owner (the person most active in the operation of the firm) female?’
- **African Indicator Surveys:**
 - **Gender of majority of the owners:** ‘Are the majority of the owners female?’



Definition in the U.S. Survey of Business Owners

- Questionnaire asks for the gender and percentage of ownership for up to four owners
- A firm is classified as women-owned if one or more women own more than 50% of the business

Changes in number and employment of enterprises by gender of owner, 2002-07, United States



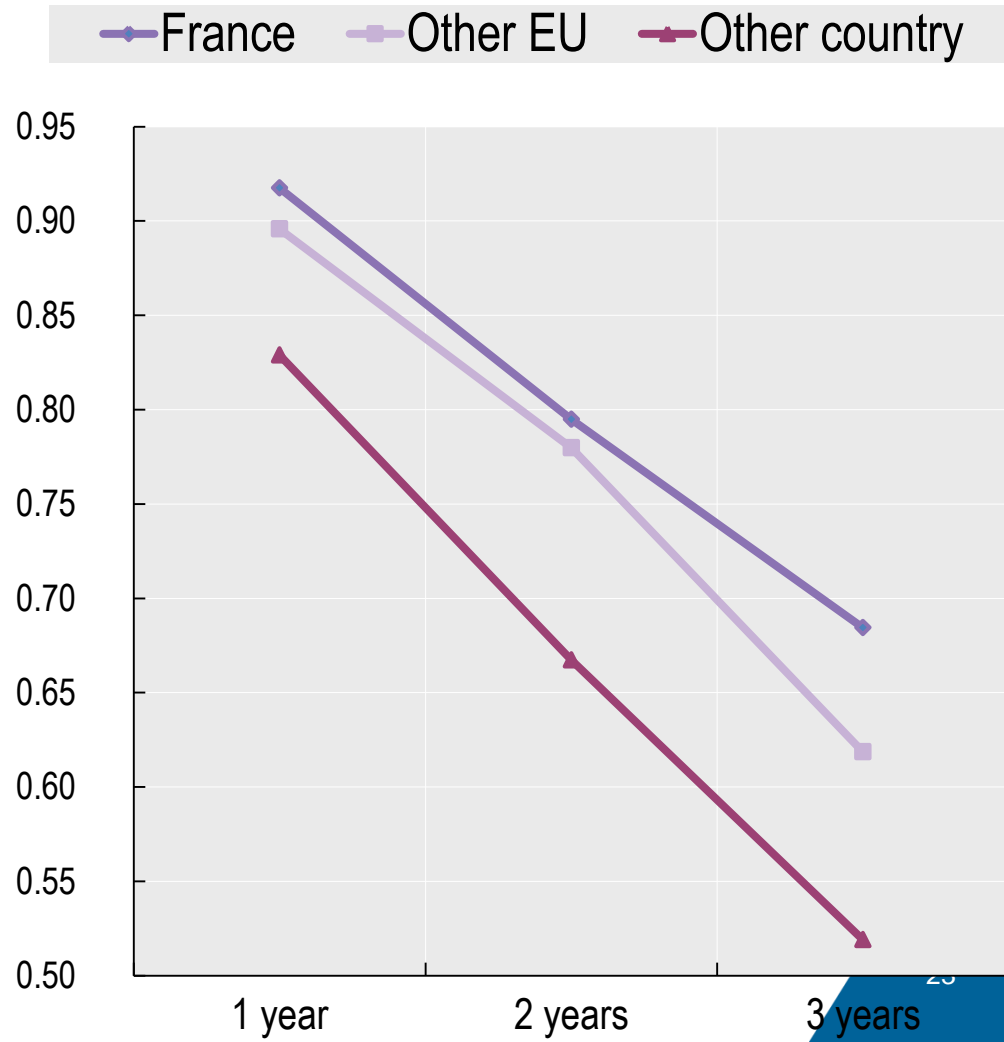


Surveys on enterprises founders

- Examples: SINE (France), Eurostat FOBS

- Why interesting?
 - Homogeneous, policy-relevant population
 - sample selected from business registers
 - Possible longitudinal design

Survival of female-founders by place of birth, France





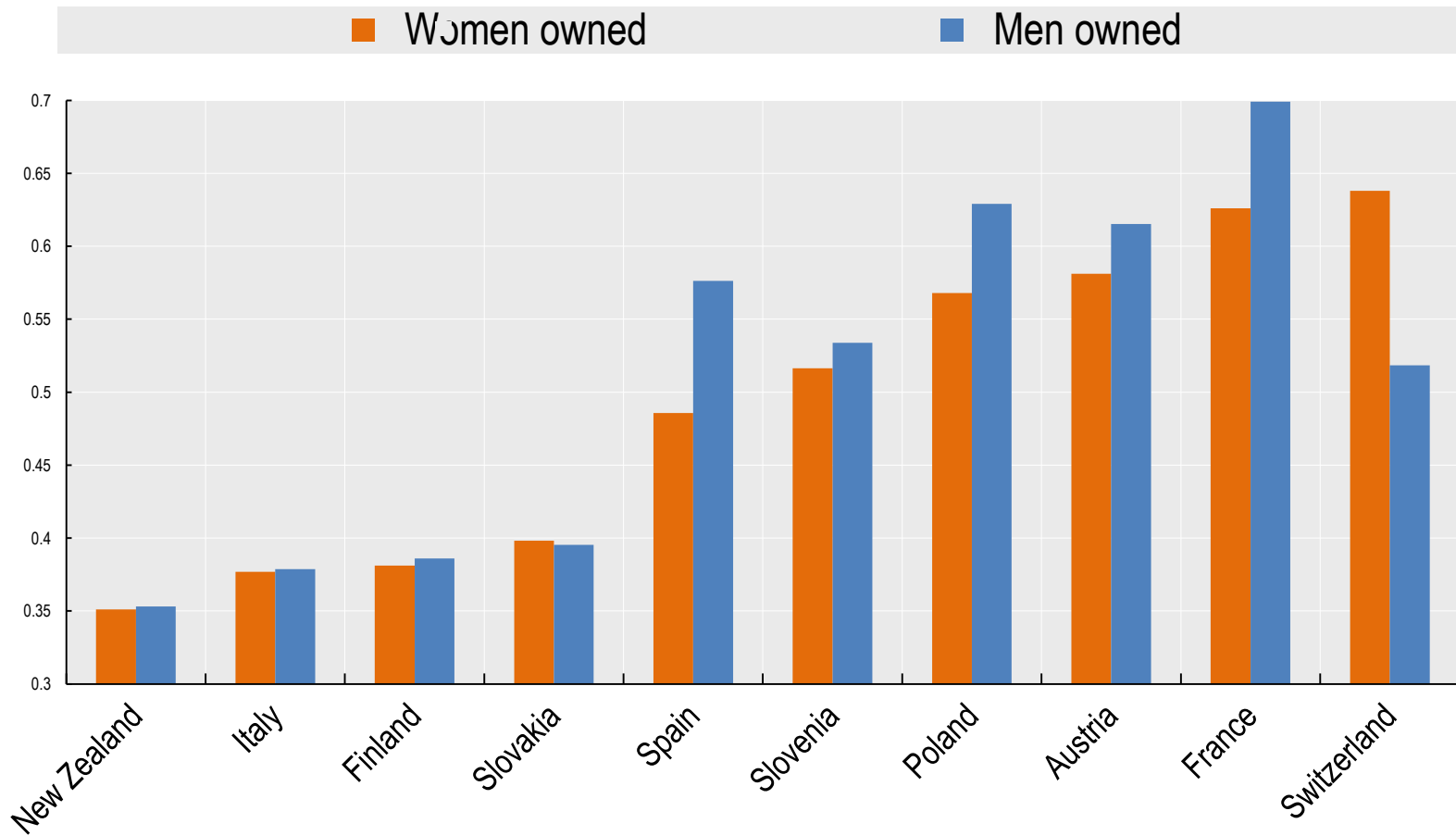
OECD experience on use of business registers

- Pilot project conducted in 2012 within the framework of the OECD Gender Initiative;
- Objective: test the feasibility of disaggregating EIP structural (size, industry) and demography (births, deaths, survival) indicators by gender;
- Coverage: 10 countries, only sole-proprietor enterprises.



Demography indicators from business registers by gender

3-Year survival rates of sole-proprietor enterprises

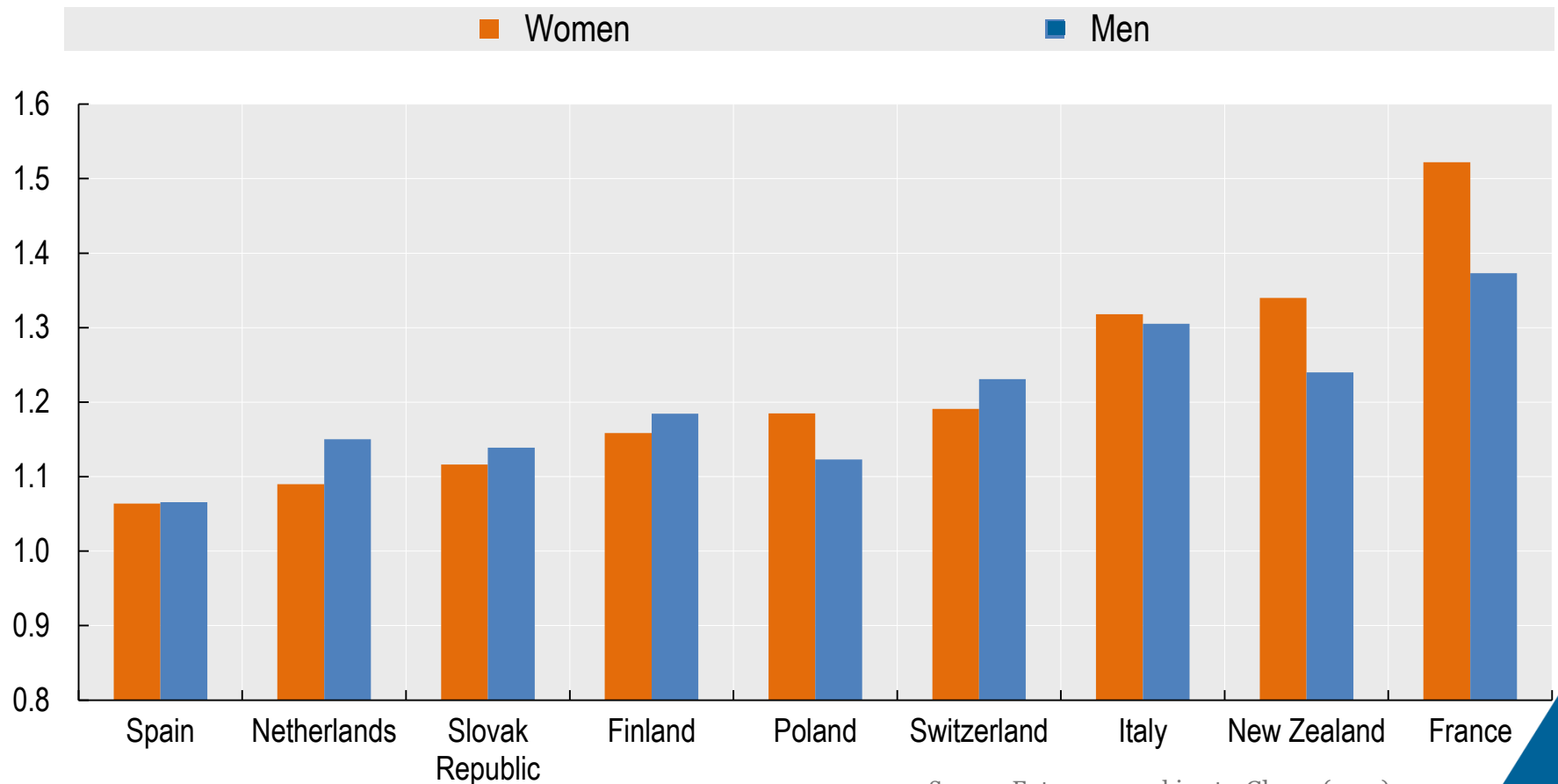


Source: Entrepreneurship at a Glance (2012)



Demography indicators from business registers by gender

3-Year Employment growth rates



Source: Entrepreneurship at a Glance (2012)



Lessons learnt from this project

- It is still difficult for most OECD countries to link business registers with data on individuals.
- Extensive processing is often needed, and moving beyond single-owner businesses is demanding on data.
- Simpler indicators from administrative sources should be considered (e.g. business registrations by gender).



TAKING STOCK AND MOVING FORWARD



A step-wise process with some open questions

Policy Question

- Participation gaps?
- Performance gaps?

Population

- All business owners? Only founders?

Available tools

- Use only existing data? New entrepreneurship module in population surveys?

Indicators

- Which indicators?
- Which 'headline' indicators?



Keep it realistic and sustainable

- Build as much as possible on existing data
 - Explore further the feasibility of using administrative sources
 - Expand existing surveys or use existing survey frames

- Evaluate response-burden and collection costs when considering different solutions
 - are detailed asset and expenditure modules necessary?
 - should demographic information on all owners be collected?



Extra slides



From questions to indicators

| Issue | Indicators | Source |
|--|--|---|
| Entrepreneurial Participation | Share of employers | Labour Force Surveys |
| | Registered businesses, by gender | Administrative records |
| | | |
| Entrepreneurial Outcomes | Gender gap in business earnings | Household surveys |
| | Share of exported sales | Business Survey/ Entrepreneurship module |
| | | |
| Entrepreneurial resources and constraints | Share of external credit in start-up finances | Business Survey/ Entrepreneurship module |
| | Hours worked for the business, by presence of children | Entrepreneurship module |



Contextual indicators

Access to
finance

Work-family
balance

Entrepreneurial
and financial
education

Access to social
security

Informality

Senior
management