



Advancing Methodology to Measure Entrepreneurship from a Gender Perspective: an EDGE-OECD Collaboration

Social and Housing Statistics Section - UNSD



Outline

- Why measure entrepreneurship from a gender perspective?
- Summary of main items discussed at 1st EDGE technical meeting on measuring entrepreneurship
- Proposed EDGE methodology
 - Defining entrepreneurship
 - Conceptual framework
 - Key indicators
 - Data collection strategies



Why measure entrepreneurship from a gender perspective?

Existing research finds that gender is relevant to:

- **Determinants of entrepreneurship**
 - Women are less likely to start an enterprise and more likely to be “pushed” into entrepreneurship
- **Characteristics of enterprises**
 - Women’s enterprises tend to be smaller, operate with less capital and be more embedded in the family
- **Performance of enterprises**
 - Women’s enterprises tend to be
 - less profitable and
 - have smaller life-spans

Why measure entrepreneurship from a gender perspective (cont'd.)?



Policy relevance:

- Better understanding of how women contribute to the economy and of how to foster women's entrepreneurial activity
 - Sustained creation of new jobs
 - Poverty-reducing economic growth
 - Spillover effects on women's empowerment

1st EDGE technical meeting on measuring entrepreneurship



- 5-6 December 2013, New York
- Attended by NSOs of Georgia, Ghana, India, Mexico, Philippines, USA, as well as UNECLAC, UNECA, FAO, OECD, World Bank, African and Asian Development Banks and researchers
- **Objectives:**
 - To take stock of existing data and research on gender and entrepreneurship
 - To identify EDGE’s methodological contribution to measuring entrepreneurship from a gender perspective



Main items discussed at meeting

Defining entrepreneurship:

- Who is an entrepreneur?
- Little convergence on definitions among researchers
- While there is agreement on the typical traits of ‘entrepreneurs’ - ***willingness to take risk, innovate, problem solve, value addition*** - these concepts are difficult to operationalise



Main items discussed (cont'd.)

Classifications for facilitating gender analyses of entrepreneurship:

- Necessity-based and opportunity-based entrepreneurs
- Formal and informal enterprises
- Own-account and employer enterprises
- Nascent, new, and established enterprises
- Type of economic activity enterprise is engaged in



Main items discussed (cont'd).

Data sources: Labour force and household surveys

- **Advantages**

- Self-employment data on number of employers and own account workers
- High quality, timely, good int'l coverage

- **Limitations**

- Not all self-employed are entrepreneurs
- No info on enterprise other than size/type of activity
- Comparability challenges (treatment of incorporated self employed)



Main items discussed (cont'd.)

Data sources: Enterprise Surveys

- **Advantages**
 - More suitable than household surveys to analysis of performance differentials of women-owned and men-owned enterprises
- **Limitations**
 - Limited availability of comparable business surveys with information on owners;
 - Very small businesses may not be covered



Main items discussed (cont'd.)

Data sources: business registers

- **Advantage:**
 - Less costly to produce entrepreneurship statistics from business registers than from sample surveys
- **Limitations:**
 - Limited availability of linked business and population registers
 - May be problematic to assign meaningful ownership based on name of owner listed in business register
 - Non-registered businesses excluded



Implications for EDGE initiative

- **Definition of entrepreneurship:**
 - must strike a good balance between:
 - **broad definitions** that include people without entrepreneurial skills and traits, and
 - **narrow definitions** that exclude individuals within target group for women's empowerment (e.g. home-based entrepreneurs with no paid employees)
 - must be easily implementable with standard data collection instruments
 - should be statistically measurable by NSOs as a part of official statistics



Implications for EDGE initiative (cont'd.)

- Proposed methodology should build on existing instruments to ensure sustainability of data collection
 - Expand existing household and enterprise surveys to cover additional data items
 - Explore feasibility of using administrative data sources
- Start with population-based data
 - Most women entrepreneurs are concentrated in micro/small home-based enterprises
 - Opportunity to pilot full survey module on entrepreneurship with modules on asset ownership



Proposed EDGE methodology on
measuring entrepreneurship from
a gender perspective:
defining entrepreneurship



EDGE operational definition of entrepreneurship

Those persons who have direct control over the activities of an enterprise they own alone or with other individuals. The owners of economic units producing goods and services intended for own final use are not considered entrepreneurs.

(Entrepreneurs as business owners)



Open questions

Main occupation?

- Definition implicitly restricts entrepreneurs to those working for their own enterprise as their main occupation
- Restriction meant to minimize type II error
- But does it exclude too many others?
 - US Census Bureau reports that up to ½ of all people who begin start-ups keep their “day job” as a source of financing or safety net
- Gender bias if women are more likely than men **not** to perceive themselves as entrepreneurs?



Open questions (cont'd.)

How to treat?

- **Dependent self-employed**
 - defined as those self-employed whose functions are close to those of wage employees and who are economically dependent on a single purchaser of their services
- **Pure own-account workers**
 - whose work cannot be generally delegated to a third person and who do not employ others even if they can afford to (e.g. baby sitters, domestic helpers etc.)



Open questions (cont'd.)

Options?

- Include all self-employed as entrepreneurs (broad definition)
- Identify self-employed not in their main occupation separately, and
 - base the primary indicators on those working for their own enterprise as their main occupation



Open questions (cont'd.)

Ownership size threshold?

- No ownership size threshold or upper bound is established in proposed EDGE definition.
- But defining the 'gender' of enterprises owned by a large number of people with complex ownership structures is problematic and may not be meaningful from a gender perspective.



Open questions (cont'd.)

Main intention?

- Under 19th ICLS Resolution, the **main intended destination** of production determines employment status.
- Those producing **mainly** for own final use but selling surplus in the market are not considered self-employed and hence not as entrepreneurs.
- How to operationalize “main intention”?
 - ILO guidance (self reported)