

## CREATING BUSINESS

### Definition

Sole-proprietor enterprises are unincorporated enterprises with one single owner – female or male – who is a person with unlimited responsibilities over losses and debts of the enterprise. Data refer to sole proprietorships with at least one employee.

The share of sole-proprietor women-owned enterprises indicates the proportion of sole-proprietor enterprises which are owned by women.

The distribution of women and men-owned sole-proprietor enterprises by industry shows the proportion of women and men-owned enterprises in three aggregations of industrial activities. The first aggregation “Manufacturing, Mining and Utilities” includes NACE Rev. 2 (ISIC Rev. 4) sections B to E, the second aggregation “Trade, Transportation and Accommodation” includes NACE Rev. 2 (ISIC Rev. 4) sections G to I, the third aggregation “Professional and Support services” includes NACE Rev. 2 (ISIC Rev. 4) sections M and N.

### Overview

Entrepreneurship has a key role to play in creating innovation, jobs and economic growth. Starting one’s own business can be a way to realise a big idea, or to create one’s own job when the labour market is tight. But this is a situation that seems to appeal more to men than women in OECD countries, where male entrepreneurs outnumber women and where women-owned enterprises on average show lower profits. Self-employed women work less and earn less than self-employed men. This may have something to do with why women start their own business – more women than men say they do it out of “necessity”, because they do not see other options for entering the labour market. And often they choose to start their own business in order to have more flexibility and control over their work and family life.

Whatever the reason, only 20-40% of single-owner businesses (sole-proprietorships) in OECD countries are run by women. Across the 27 EU countries only 25% of business owners with employees are women and their share has only grown marginally over the last decade. This is also true of Canada and the United States, although the increase has been more marked in Chile, Korea and Mexico.

Indeed, Mexico and Korea now top the list in terms of sole-proprietorships owned by women, at around 40% – although they are both below the OECD average of 57% in terms of women in employment generally (53% for Korean women, 43% for Mexican women).

The women who do choose to start their own business opt for very different sectors than men – they are more likely to go into the wholesale and retail trade, transportation and accommodation, than manufacturing. In Korea and

Mexico, women entrepreneurs follow this pattern, with 58% being concentrated in the trade, transport and accommodation sectors in Korea and 76% for Mexico. Italian women seem to pay less heed to gender stereotyping in this respect, with 11% of women-owned businesses being in the manufacturing, mining and utilities category, close to the men’s level of 13%.

Female-owned businesses also tend to have a lower size and lower turnover. One reason for this may be that women have less experience in managing a business, which in turn can make it harder to attract loans and investment. But there is no evidence that women’s businesses are more likely to fail – in most countries, women and men start-ups tend to have a similar survival performance three years after their birth. Performance in terms of employment creation during the first years of operation tends to vary greatly across countries, with women-owned new enterprises outperforming men-owned enterprises in some countries while lagging behind in others.

### Sources

- OECD (2012), *Entrepreneurship at a Glance*, OECD Publishing.
- OECD (2012), *Closing the Gender Gap, Act Now*, OECD Publishing.

### Further information

#### Analytical publications

- OECD (2012), *OECD Employment Outlook*, OECD Publishing.
- OECD (2012), *Financing SMEs and Entrepreneurs 2012: An OECD Scoreboard*, OECD Publishing.

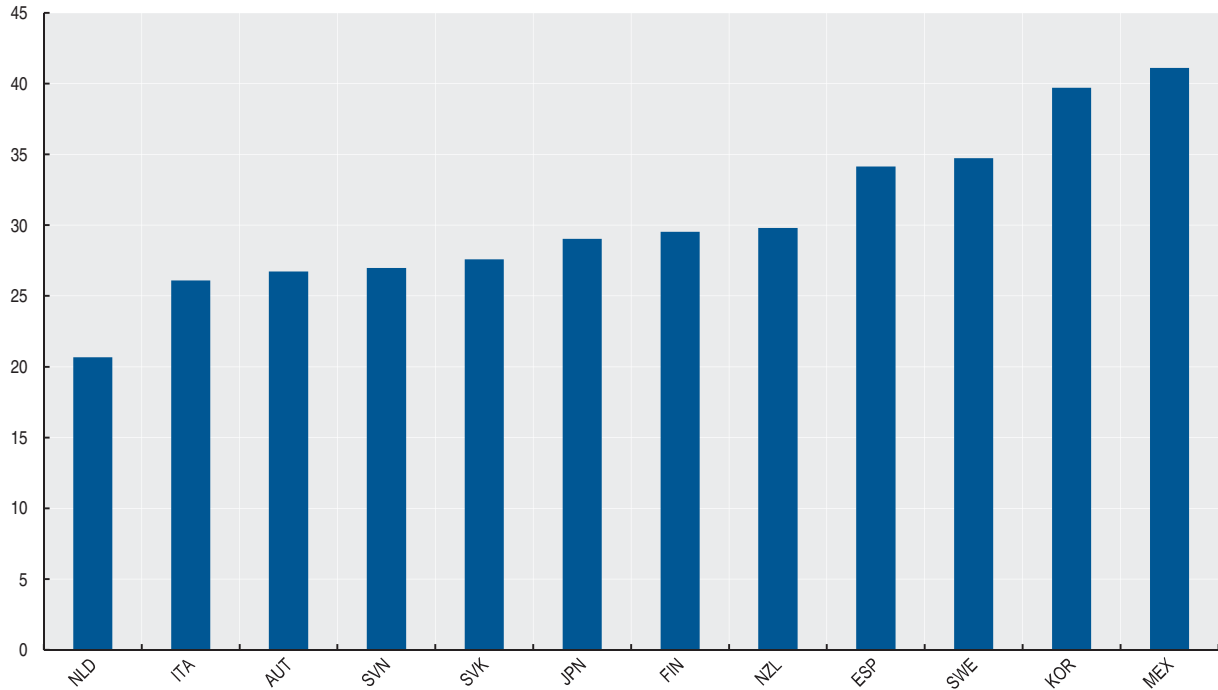
#### Websites

- OECD Labour markets, human capital and inequality, [www.oecd.org/employment/labourmarketshumancapitalandinequality](http://www.oecd.org/employment/labourmarketshumancapitalandinequality).



Share of women sole-proprietor enterprises

Percentage, 2009 or latest available year



StatLink <http://dx.doi.org/10.1787/888932597714>

Distribution of sole-proprietor women-owned enterprises by industry

Percentage, 2009



StatLink <http://dx.doi.org/10.1787/888932597752>



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