

GENDER GAP IN ENTREPRENEURSHIP IN SOME OF OECD COUNTRIES

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Abstract:

The aim of this paper is to study the gender gap in entrepreneurship in some of OECD countries. The research methodology is based on a descriptive analysis and multivariate analysis of the data series collected from the Global Entrepreneurship Monitor website and OECD.Stat. The research included 31 OECD member countries, the data being downloaded from the organization's website and refers to 2019 year. The results show that there is a positive and strong correlation between the share of self employed women and men who are employers. A determining factor that could explain this correlation could be the entrepreneurial culture in each country. In order to eliminate gender disparities in participation and economic opportunities, it is important to find the reasons for this gap. According to the Global Report on Gender Differences, published by World Economic Forum in December 2018, there is a 68% worldwide. At the current rate, the data suggest that it will take 108 years to erase global gender differences. The global disparity index is based on four sub-indices: opportunities and economic participation, education, health and survival, empowerment and political power. In terms of opportunities and economic participation, they can be assessed by looking at: labor market participation ("participation gap"), the ratio of estimated incomes of for both female and male employees for similar work ("pay gap"); and the relationship between females and males in positions of decision-makers, in the position of managers or civil servants, but also the ratio between the two categories regarding gender equality if we consider professional employees or those who hold specific positions technical ("promotion gap").

Key words: gender gap, entrepreneurship, self employed, clusters, correlation

JEL classification: J16, J31, O11, O15

1. INTRODUCTION

The number of women starting new businesses is lower than that of men. That is why one of the important political goals in many countries is to increase women's participation in entrepreneurship

The amplitude of entrepreneurial activity in each country influences the absolute gap between men and women. If we want to identify the overall situation regarding gender differences in entrepreneurship, the ratio of women to men is used, which can be interpreted as the number of women entrepreneurs who started a business that corresponds to each male entrepreneur who started his own business(GEM, 2020).

The concept of gender equality represents the situation in which both men and women benefit from the same conditions from a social point of view and are treated in the same way, there being no inequalities in approach. On the subject of rights and how to allocate resources, gender equality in the decision-making process also involves providing similar conditions in society for both men and women (Johnsson-Latham, 2007).

2. LITERATURE REVIEW

Research shows that the gaps between men and women in entrepreneurship stem from women's difficulties in acquiring resources important to the successful operation of a business, but

there are also problems of women's self-perception as being able to be entrepreneurs (Thébaud, 2010).

At the beginning of their career, young entrepreneurs are inspired and supported by examples of good practice. Models for young entrepreneurs can be represented either by school mentors, business angels, or by family or friends who have been successful in their own business.

It is generally known that future entrepreneurs are influenced by male role models of successful business people while female entrepreneurs at the beginning of the road take as successful female business models (Markussen, S. and Røed, K., 2017).

Bönte and Jarosch (2011) investigated the importance of individual characteristics, personality aspects to the amplitude of gender differences in business. The results showed that a considerably lower level of individual entrepreneurial aptitude among women is primarily due to the fact that women have a lower level of competitiveness and risk in business than men and this fact contributes significantly to the breadth of gender differences in entrepreneurship.

Caliendo et al. (2015) investigated gender differences in entrepreneurship are largely influenced by certain personality traits that the future entrepreneur has, the quality of human resource training, experience in other positions previously held, all these aspects decisively influence the decision to start a business. Gender differences can often be explained by very fine emotional components that are different from women over men. Research has shown that women entrepreneurs are not risk averse as opposed to male entrepreneurs who are more incisive in business by minimizing or unaware of the risk. Yes, women's risk aversion explains the existence of gender differences in entrepreneurship.

Afandi and Kermani's (2015) research shows that the differences between females and males increase significantly when analyzing the personal motivations behind the decision to start a business on your own.

They found the role of individual and country attributes between females and males in the analysis of the aptitude of the gap between the two categories when we talk about the business world, effective entrepreneurship.

Guzman and Kacperczyk, (2019) showed that the most significant part of the gap (65%) comes from gender differences in the initial start-up orientation, with women less likely to find companies that signal growth potential for foreign investors.

3. RESEARCH METHODOLOGY

The description and highlighting of certain patterns was performed using descriptive analysis and multivariate cluster analysis. OECD countries have been grouped into clusters according to the share of self-employed who are female and male employers.

The classification of countries in the SPSS program is done from the menu Analysis - Classify using the K-Means algorithm which is the most direct and efficient in terms of volume of calculations. The research included 31 OECD member countries, the data being downloaded from the organization's website and refers to 2019 year.

4. RESULTS

According to the Global Entrepreneurship Monitor Report (2020), most countries have higher levels of entrepreneurial activity among men than women, but there are also three economies participating in the survey where the rate of women exceeds the rate of men: Saudi Arabia, Qatar and Madagascar.

The share of women self-employed who are employers in OECD countries varied in 2019 from 0.58% (from 0.5% in 2017) in Japan to 4.69% (from 4.6% in 2017) in Greece and for men the share varied from 2.01% (from 2.08% in 2017) in Japonia to 9.08% (from 8.89% in 2017) in Greece, as can be seen in figure no. 1.

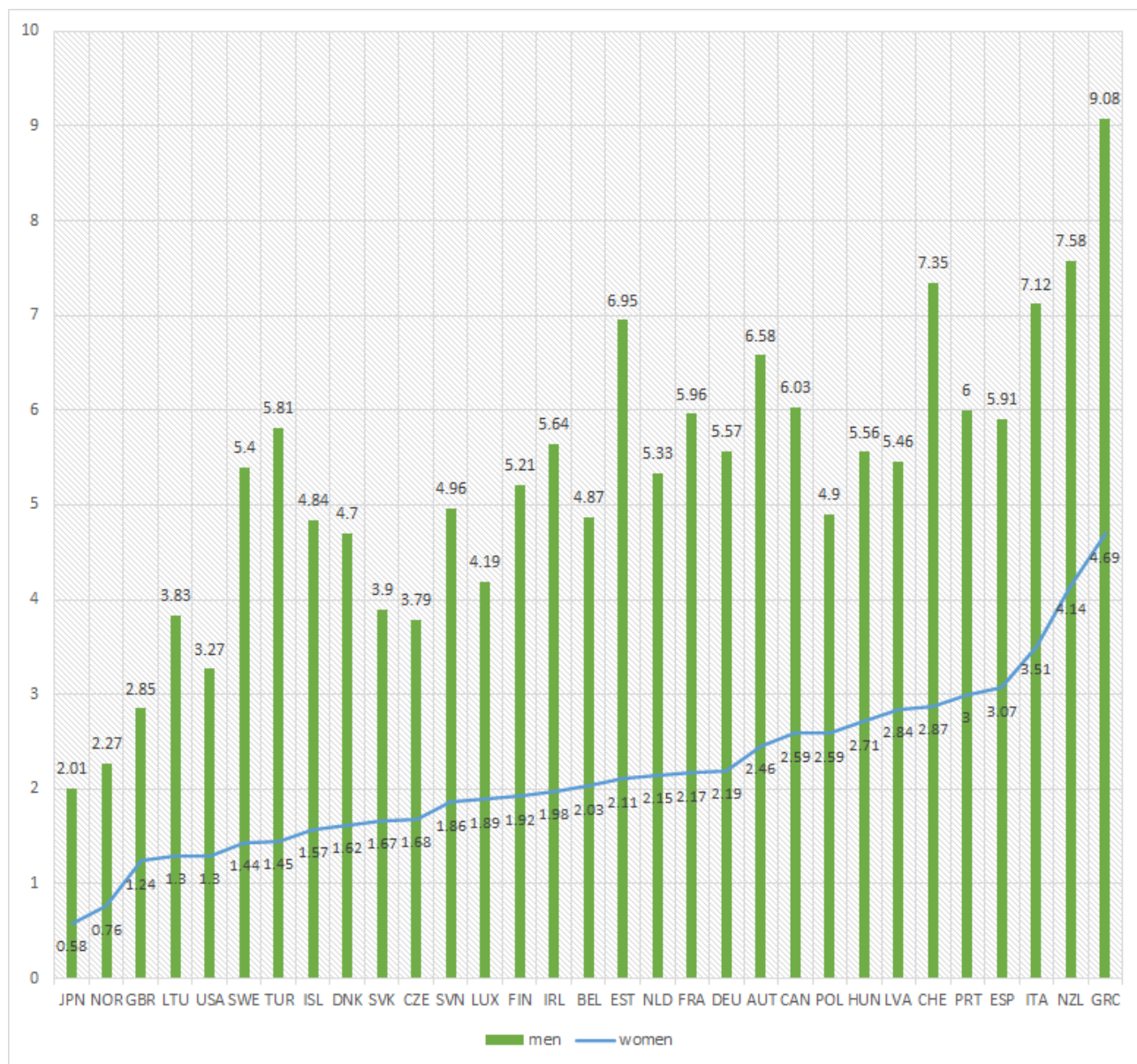


Figure no. 1. Share of self-employed with employees in 2019

There is an obvious correlation between the number of people who carry out activities on their own women who are employers and the share of self-employed men who are employers. The correlation coefficient Spearman is 0,829, value of the sig. is lower than 0,01. This correlation could be explained by the entrepreneurial culture in each country included in the research.

Tabel no. 1. Spearman correlations

		share_of_self_employed_women	share_of_self_employed_men
Spearman's rho	share_of_self_employed_women	Correlation Coefficient	1,000
		Sig. (2-tailed)	.
		N	31
	share_of_self_employed_men	Correlation Coefficient	0,829**
		Sig. (2-tailed)	0,000
		N	31

**., Correlation is significant at the 0.01 level (2-tailed).

In order to have an overview of, the OECD countries were grouped into 3 clusters using the statistical program SPSS. The member countries of each cluster are presented in table no 2.

Table no. 2. Distribution of OECD countries in clusters according to the share of self employed with employees

Clusters	Cluster 1	Cluster 2	Cluster 3
Number of Cases in each Cluster	4	8	19
Members	New Zealand Italy Switzerland Greece	United States United Kingdom Lithuania Czech Republic Slovak Republic Luxembourg Norway Japan	Germany Ireland Netherlands France Finland Hungary Canada Latvia Slovenia Belgium Poland Sweden Turkey Portugal Spain Iceland Denmark Austria Estonia

In the countries included in cluster 1, the share of women on their own are employers is 3.80%, while the proportion in which self employed men who are employers is 7.78%. In the countries included in cluster 2, 1.30% of the self-employed are women and 3.26% are men. In the countries from cluster 3 only 2.20% of self-employed are women and 5.56% are men, as can be seen in the figure no 2.

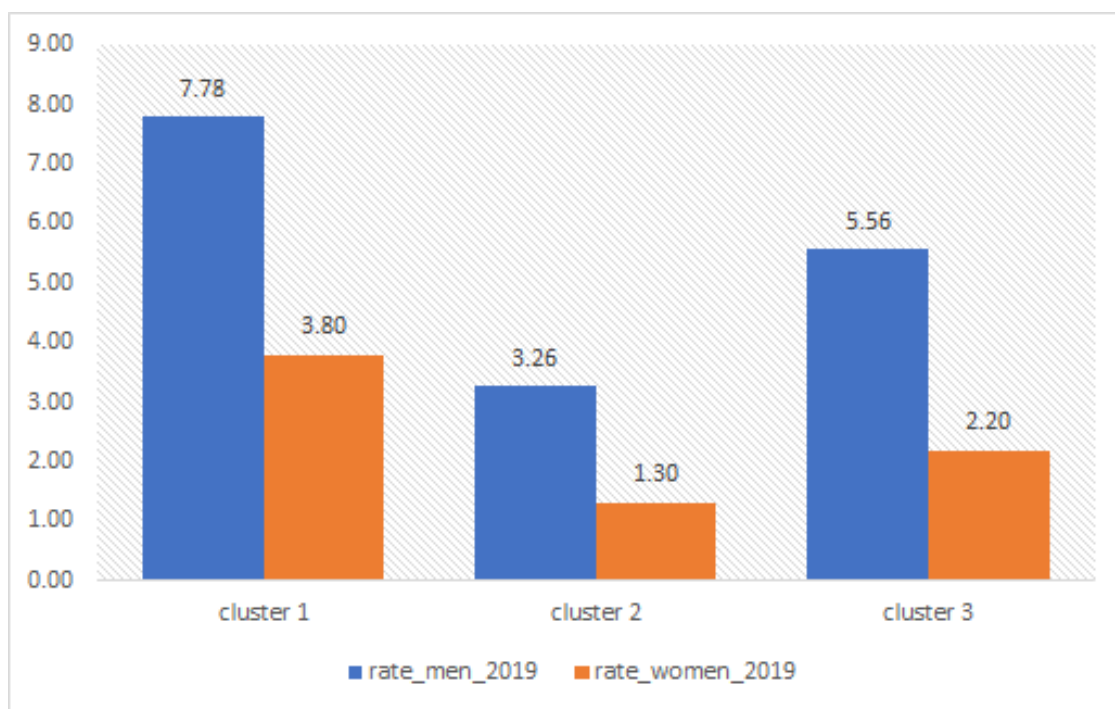


Figure no. 2. Final clusters centers

The greatest distance is between the countries from cluster 1 and cluster 2. Cluster 2 includes OECD countries where the share of self-employed who are employers, women or men was low in 2019.

Table no. 3. Distances between Final Cluster Centers

Cluster	1	2	3
1		5.164	2.740
2	5.164		2.466
3	2.740	2.466	

The illustration of the classification, in which it is possible to observe the way of differentiating the classes according to the share of self-employed women and men who are employers, is made by the diagram from figure no. 3.

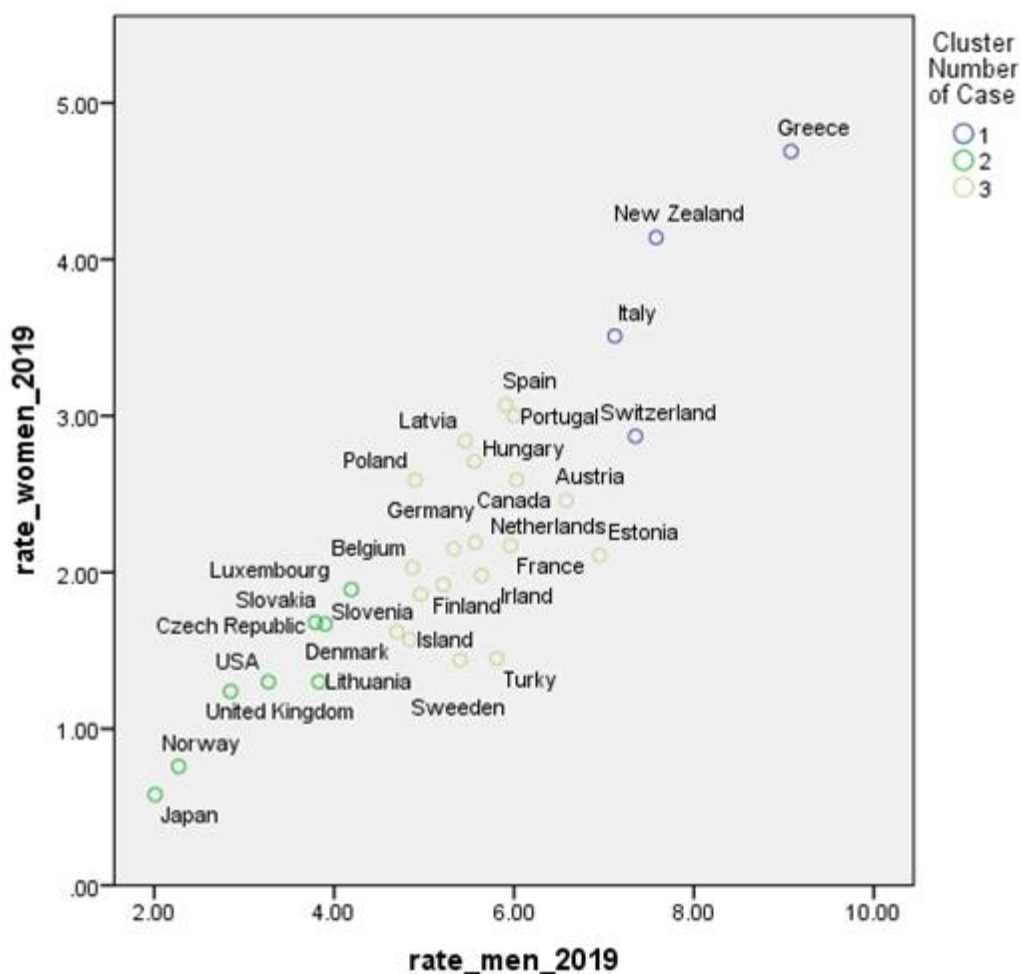


Figure no. 3. Classification of OECD countries in clusters according to the share of self employed who are employers

From figure no. 3, it can be seen in countries such as Japan, Norway, United Kingdom or the United States, the share of self-employed women and men who are employers is very small compared to countries such as Greece, New Zealand, Italy or Switzerland.

5. CONCLUSIONS

Although the gaps between the share of women who choose an entrepreneurial career and the share of men who start their own business are in the focus of research, information about the factors that determine these gaps is still limited. Factors such as personality traits, access to relevant

resources or the existence of family entrepreneurship have an important contribution to the gender gap. Promoting entrepreneurship as a viable career option has social and economic relevance. Statistical analysis performed on 31 OECD countries indicated the existence of a positive and strong correlation between the share of self-employed women and men who are employers. In countries where the proportion which women who have their own businesses and are employers is low, there is also a small share of self-employed men who are employers. Countries that have a high share of self employed women who are employers, have also a high share of employed men who are employers. A determining factor that could explain this correlation could be the entrepreneurial culture in each country.

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