Measuring Gender equality in entrepreneurship

Nadejda Cojocari,
National Bureau of Statistics,
Republic of Moldova

gender@statistica.gov.md
Outline

- National gender equality and women's entrepreneurship policy framework
- Planning and conducting a new survey on business environment development
- Main results and follow-up
National gender equality and women’s entrepreneurship policy framework
Policy framework

Women’s Entrepreneurship - priority

- **Law no. 5 on ensuring equal opportunities for women and men** stipulates the equal access to entrepreneurial activity (art. 12)
- **Small and Medium Enterprises Development Strategy for 2012-2020/ ACTION PLAN** on the implementation of SMEDS for 2015-2017
- **Priority 7th.** Development of Women’s Entrepreneurship in the Republic of Moldova - **Ensuring users with statistical data on women's participation in entrepreneurial activity**
- **Pilot Program “Women in Business”-3 phases/ ACTION PLAN** for the Implementation of the **Moldova - EU Association Agreement for the period 2014-2016**
  I. support for **starting** a business
  II. support for **newly created** businesses
  III. support for **growing** companies
- National Development Strategy “Moldova 2030”
Survey methodology

- Identify and prioritize user’s needs
- Mapping of available international recommendations and best practices
- Determine the reference unit and survey coverage
- Ensure comparability of main indicators with the previous survey (2009)
- Making use of available data in short-term business statistics to reduce respondent burden
Overview of data sources / indicators - national needs

• Relevant sources on indicators related to women’s entrepreneurship at the national and international level

- Surveys on Women’s entrepreneurship
- National needs

Relevant indicators

i. OECD (EPI)
ii. Eurostat
iii. EIGE
iv. SMED Strategy
v. Eurobarometer

Women’s entrepreneurship

ii. World Bank Survey
iii. ODSME
iv. EDGE Survey
v. Eurobarometer - survey, 2009
Sampling
### Data sources for sampling

<table>
<thead>
<tr>
<th>Interest/available variables for survey sample</th>
<th>Business register</th>
<th>Tax Service</th>
<th>State Registration Chamber</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. IDNO - Unique <strong>identification number</strong> issued by SRC at the time of registration</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>2. CUIIO - Unique business identification <strong>code</strong> used for <strong>statistical purposes</strong></td>
<td>+</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3. CFOJ - Code of organizational and <strong>legal form</strong></td>
<td>+</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>4. CFP - <strong>Ownership form</strong> code</td>
<td>+</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>5. CAEM - <strong>Economic activity</strong> code of the units, according to the CAEM rev.2 classifier</td>
<td>+</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>6. NAME - <strong>Business name</strong></td>
<td>+</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>7. CUATM- Code of the <strong>territorial</strong> administrative unit, according to CUATM classifier</td>
<td>+</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>8. <strong>Legal address</strong> of the enterprise;</td>
<td>+</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>9. Enterprise's <strong>turnover</strong> for the year 2016;</td>
<td>+</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>10. Average number of <strong>employees</strong> of the unit during 2016</td>
<td>+</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>11. Monthly <strong>sales</strong> value for 2016 and the first 11 months of 2017</td>
<td>-</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>12. Amount of <strong>revenues</strong> declared for the 2016</td>
<td>-</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>13. <strong>Date of registration</strong></td>
<td>+</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>14. <strong>List of managers - name, surname</strong></td>
<td>-</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>15. <strong>List of founders - name, surname</strong></td>
<td>-</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>16. Enterprise <strong>status</strong> (active or liquidated)</td>
<td>+</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>17. <strong>Date of liquidation</strong></td>
<td>+</td>
<td>-</td>
<td>+</td>
</tr>
</tbody>
</table>

**Algorithm to determine the gender of managers and founders by their name/surname:**
- **SSA**
- **IPUMS**
- **OpenDataBase**
### Sampling frame

#### Interest enterprises for the survey

A diagram illustrates the interest enterprises for the survey, with three main categories: i. Business Register, ii. State Tax Service, and iii. State Registration Chamber. The process is as follows:

From 244 thousand enterprises to 83,7 thousand enterprises to 46,7 thousand enterprises to 44,3 thousand enterprises.

<table>
<thead>
<tr>
<th>State Registration Chamber</th>
<th>Business Register</th>
<th>Tax service</th>
<th>Enterprises</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td>1</td>
<td>13,985</td>
<td>5,72</td>
</tr>
<tr>
<td>0</td>
<td>1</td>
<td>0</td>
<td>3,097</td>
<td>1,27</td>
</tr>
<tr>
<td>0</td>
<td>1</td>
<td>1</td>
<td>3,028</td>
<td>1,24</td>
</tr>
<tr>
<td>1</td>
<td>0</td>
<td>0</td>
<td>140,540</td>
<td>57,52</td>
</tr>
<tr>
<td>1</td>
<td>0</td>
<td>1</td>
<td>31,501</td>
<td>12,89</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1,190</td>
<td>0,49</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>1</td>
<td>51,027</td>
<td>20,88</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>244,368</strong></td>
<td><strong>100,0</strong></td>
</tr>
<tr>
<td><strong>Total interest for survey</strong></td>
<td></td>
<td></td>
<td><strong>83,718</strong></td>
<td><strong>34,0</strong></td>
</tr>
</tbody>
</table>

**BR-Active enterprise is considered if it has at least one employee or non-zero turnover during 2 years.**

**SRC- not liquidated enterprises**

**Tax Service – criteria related to sales/revenues**
Sampling frame

Interest enterprises for the survey

Structure of interest enterprises, by organizational legal form

- Individual enterprises: 78.0%
- Joint stock companies: 18.6%
- Limited Liability Companies: 2.8%
- Business cooperatives: 0.5%
- Production cooperatives: 0.1%

Structure of interest enterprises by sex and activity

- Women:
  - Other services: 23.6%
  - Information and communications: 4.4%
  - Hotels and restaurants: 32.0%
  - Transport and storage: 15.4%
  - Retail trade: 8.4%
  - Wholesale trade: 4.7%
  - Construction: 4.2%
  - Agriculture: 4.2%

- Men:
  - Other services: 20.2%
  - Information and communications: 6.2%
  - Hotels and restaurants: 21.8%
  - Transport and storage: 20.5%
  - Retail trade: 6.9%
  - Wholesale trade: 11.1%
  - Construction: 5.9%
  - Agriculture: 3.2%
Sampling frame

Probabilistic Sample >> Stratified into 90 strata

To be representative on 3 criteria:
- By size (micro, small, medium, big)
- By principal economic activity (CEAM, Rev.2)
- By sex of the founder/manager

Focus: The purpose of the survey was to verify the hypothesis if problems faced by women managers/FOUNDERS are significantly different from those faced by men.

I. Units with woman-manager

II. Units - manager is also founder and it’s a woman

III. Woman is manager/founder even if different persons - the share of this units is 52%

The final sample - 8900 enterprises
Questionnaire design and cognitive testing
### Questionnaire

#### Questionnaire developed in Romanian + Russian (online)

<table>
<thead>
<tr>
<th>Chapters</th>
<th>Main dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Sociodemographic characteristics</td>
<td>Status, sex, age, level of education, presence of children less than 7 years</td>
</tr>
<tr>
<td>B. Conditions of creation enterprises/business</td>
<td>Reason, the way it was created, financial sources for, number of employees at the beginning/now</td>
</tr>
<tr>
<td>C. Activity of enterprises/business</td>
<td>Properties and buildings, use of IT in activity, difficulties in activity to sell/provide services, export activity, credits and loans experience, credit term, Guarantees offered, credit refusal, expectations for 2018</td>
</tr>
<tr>
<td>D. Development of the enterprise/business</td>
<td>Plans for the next 2 years, motivational factors to continue, actions for development, new products/services, main reasons for liquidation</td>
</tr>
<tr>
<td>E. Trainings</td>
<td>Attending trainings on how to launch business, trainings on professional competencies/managerial, trainings for employees</td>
</tr>
<tr>
<td>F. Opinions on entrepreneurship</td>
<td>Benefiting from Support programs, Knowledge on women’s programs, obstacles for women's involvement in business</td>
</tr>
</tbody>
</table>
## Types of Questions used

<table>
<thead>
<tr>
<th>Type of questions</th>
<th>Examples from Questionnaire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facts Questions</td>
<td>Sex, age, level of education, presence of children less than 7 years</td>
</tr>
<tr>
<td>Motivation Questions</td>
<td>1. Which was the main reason why you created this business? 2. Which was the main reason your enterprise has not applied for a credit?</td>
</tr>
<tr>
<td>Knowledge Questions</td>
<td>1. Do you know any state support programs in the field of female entrepreneurship?</td>
</tr>
<tr>
<td>Evaluation scales/opinion Questions</td>
<td>1. To what extent do you believe the indicated factors (the lack of childcare services, the particularities of the feminine character (fear, doubts), the education of the girls in the family is not oriented towards the development of the entrepreneurial qualities and leadership, etc.) represent an obstacle for women's involvement in business? <em>(appreciated on a scale of 1 to 5)</em></td>
</tr>
<tr>
<td>Close-ended Questions</td>
<td>1. Does the enterprise carry out export activity? 2. What is the main market for selling goods?</td>
</tr>
<tr>
<td>Multiple answer Questions</td>
<td>1. In the case of the creation of the enterprise, please mention the sources for the enterprise creation?</td>
</tr>
<tr>
<td>Semi-Open Questions</td>
<td>1. In 2017, did your business have any difficulty in selling its production or providing services, if yes, what difficulties?</td>
</tr>
<tr>
<td>Open Questions</td>
<td>% for each source of creation, number of employee at the beginning of business/at the moment, number of employee attending trainings</td>
</tr>
</tbody>
</table>
Use current business statistics

Basic indicators have not been collected

Current business statistics

- Number of employees
- Turnover
- Number of enterprises with profit/losses
- Investments

Disaggregations

• Activity duration, sex, size, activity
**Questionnaire**

**Response Options**

- **X** in closed boxes, **figures** in open boxes and **text** in open spaces underlined.

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**Biroul Național de Statistică\textsuperscript{1}

**Al Republicii Moldova**

**Denumirea întreprinderii**

**IDNO [ ]\textsuperscript{2} cuilo [ ]**

**Studiu privind Dezvoltarea Mediului de Afaceri**

**Chestonar pentru Proprietar / Manager**

**Strict confidential**

Răspunsele date la întrebările din acest chestionar sunt folosite numai în scopuri statistic.
Testing and data collection strategy

Self-administered questionnaire (owner/manager)

**Testing**

- Developed a Protocol for cognitive testing interview >> conducted 17 interviews>> improved the questionnaire
- Data entry Application Cis-2 (soft) + testing: **August**

**Data collection strategy**

- Paper data collection + on-line
- Available for online filling on [www.raportare.md](http://www.raportare.md) or downloading on official website

**Contact of respondents**

- Contact: phone, e-mail, other.
- User-friendly Participation letters
  - Purpose of survey, its importance,
  - Why this enterprise?, When and How?,
  - The guarantee of confidentiality,
  - Contact info (phone for respondents)
Data collection
Data collection

Contact of respondents

Communication
Facebook, official web site

Period of data collection: 5-25 September
Contacting and informing the enterprises on survey/ distribution of printed questionnaires: **5-10 September**

Data collection

Paper questionnaires introduced in system by territorial statistical offices: **11-28 September**

Data Entry
Main results and follow-up
Preliminary results

Response rate – 83.3% (e-reporting-35.2%)

Structure of entrepreneurs

- Sole owner: 39.7%
- Sole owner/administrator: 15.5%
- Co-owner: 12.0%
- Co-owner/administrator: 5.1%
- Manager/administrator: 27.8%

Share of entrepreneurs by sex, 2009 and 2017

- Women: 27.5% (2009), 33.9% (2017)
- Men: 72.5% (2009), 66.1% (2017)

Share of owners by sex, 2009 and 2017

- Women: 66.2% (2009), 83.0% (2017)
- Men: 67.4% (2009), 85.3% (2017)
Preliminary results

Distribution by size of the business

Structure of enterprises by sex and size, 2009 and 2017

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-9</td>
<td>79.5</td>
<td>0.4</td>
</tr>
<tr>
<td>10-49</td>
<td>17.2</td>
<td>2.9</td>
</tr>
<tr>
<td>50-249</td>
<td>2.9</td>
<td>0.4</td>
</tr>
<tr>
<td>250 and more</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-9</td>
<td>67.7</td>
<td>2.9</td>
</tr>
<tr>
<td>10-49</td>
<td>24.5</td>
<td>14.4</td>
</tr>
<tr>
<td>50-249</td>
<td>8.4</td>
<td>1.2</td>
</tr>
<tr>
<td>250 and more</td>
<td>82.3</td>
<td>1.2</td>
</tr>
</tbody>
</table>
Preliminary results

Distribution by economic activity of the business

Women:
- Agriculture: 2.3%
- Industry: 6.2%
- Construction: 3.0%
- Wholesale trade: 24.6%
- Retail trade: 13.7%
- Transport and storage: 4.9%
- Hotels and restaurants: 4.1%
- Information and communications: 38.4%

Men:
- Agriculture: 6.5%
- Industry: 11.3%
- Construction: 7.2%
- Wholesale trade: 20.7%
- Retail trade: 3.9%
- Transport and storage: 3.3%
- Hotels and restaurants: 20.1%
- Information and communications: 21.1%
- Other services: 6.0%
Preliminary results

Distribution by status before starting a business

<table>
<thead>
<tr>
<th>Status</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed / abroad</td>
<td>71.6</td>
<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td>8.0</td>
<td>4.9</td>
</tr>
<tr>
<td>Housewife</td>
<td>4.0</td>
<td>8.5</td>
</tr>
<tr>
<td>Student</td>
<td>0.6</td>
<td>0.8</td>
</tr>
<tr>
<td>Employer, member of cooperatives</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>Own-account worker</td>
<td>5.2</td>
<td>8.9</td>
</tr>
<tr>
<td>Employee</td>
<td>2.0</td>
<td></td>
</tr>
</tbody>
</table>
## Preliminary results

### Distribution by main reason to create a business

<table>
<thead>
<tr>
<th>Reason</th>
<th>Men,%</th>
<th>Women,%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filling a gap in the market with a new product / service or improving one existing product / service</td>
<td>13,6</td>
<td>9,6</td>
</tr>
<tr>
<td>Higher earnings</td>
<td>39,5</td>
<td>39,4</td>
</tr>
<tr>
<td>Self-realization, to fulfill a dream, passion</td>
<td>24,0</td>
<td>23,1</td>
</tr>
<tr>
<td>Business inheritance/bequest from family members / other people</td>
<td>2,3</td>
<td>3,2</td>
</tr>
<tr>
<td>Did not have another choice (lost job)</td>
<td>10,3</td>
<td>12,5</td>
</tr>
<tr>
<td>Other</td>
<td>1,1</td>
<td>1,0</td>
</tr>
<tr>
<td>Do not know/difficult to answer</td>
<td>9,2</td>
<td>11,1</td>
</tr>
</tbody>
</table>

### Distribution of entrepreneur’s plans for next 2 years...

<table>
<thead>
<tr>
<th>Plan</th>
<th>Men,%</th>
<th>Women,%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Survival/ continuation of activity</td>
<td>55,5</td>
<td>58,8</td>
</tr>
<tr>
<td>Growth/ development of activity</td>
<td>32,9</td>
<td>26,8</td>
</tr>
<tr>
<td>Closure/ liquidation of the enterprise</td>
<td>10,0</td>
<td>13,1</td>
</tr>
<tr>
<td>Other</td>
<td>1,7</td>
<td>1,3</td>
</tr>
</tbody>
</table>
Preliminary results

Distribution by sources of creation a business

1. Own gains / savings (without remittances)
2. Loans from relatives, friends (without remittances)
3. Own remittances or from other people
4. Bank credits
5. Grants
6. Foreign investments
7. Others

- Men
- Women
### Share of entrepreneurs who applied to a credit during 2017 year by sex

<table>
<thead>
<tr>
<th>Sex</th>
<th>Share of Entrepreneurs who applied to a credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>14.8%</td>
</tr>
<tr>
<td>Women</td>
<td>9.4%</td>
</tr>
</tbody>
</table>

### Distribution of entrepreneurs by sex and main reason of credit refusal

<table>
<thead>
<tr>
<th>Reason</th>
<th>Women, %</th>
<th>Men, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of gage</td>
<td>29.5</td>
<td>28.0</td>
</tr>
<tr>
<td>Insufficient guarantee</td>
<td>26.3</td>
<td>13.5</td>
</tr>
<tr>
<td>Unsatisfactory financial situation of the enterprise</td>
<td>32.6</td>
<td>39.8</td>
</tr>
<tr>
<td>Lack of necessary documents for the application</td>
<td>9.4</td>
<td>3.9</td>
</tr>
<tr>
<td>Other</td>
<td>2.2</td>
<td>14.7</td>
</tr>
</tbody>
</table>
Preliminary results

Distribution of entrepreneurs by sex and credit term

Share of entrepreneurs who have a credit at the moment by sex

Men: 77.2%
Women: 79.1%

Men:
- Short term (up to 1 year): 22.2%
- Medium term (1-5 years): 72.2%
- Long term (more than 5 years): 5.6%

Women:
- Short term (up to 1 year): 19.0%
- Medium term (1-5 years): 70.1%
- Long term (more than 5 years): 10.9%
Challenges

- Men considered the set of questions on opinions about women’s entrepreneurship, obstacles they face are not questions for them.
- There was a need for Training of territorial staff
- Technical problems because of open questions

Next steps

- Disseminate final report
- Added value of the survey: combine data from business statistics (financial results) + results from survey
- Create infographs

Follow up
Thank you for attention!

gender@statistica.gov.md