

9. Country Report of Republic of Korea¹

9.2 Current Status of Women Entrepreneurs of Republic of Korea

Status of Woman Entrepreneur²

According to the data of the National Statistical Office (NSO) in 2014, there are 1,378,000 women entrepreneurs in Korea, which accounts for 38.9% of all enterprises. In terms of the size of enterprises, 90.4% of women entrepreneurs are less than 5 persons and 98% of all women are SMEs.

Table 1. Status of Woman Entrepreneurs

(Unit: 1,000, %)

TYPE	Less than 5	5-49	50-299	300 or More	Total
Total	3,063.0 (86.4%)	377.6 (10.6)	101.7 (2.9)	3.1 (0.1)	3,545.5 (100.0)
Number of Woman Entrepreneurs	1,245.7 (90.4%)	110.8 (8.0)	21.7 (1.6)	0.2 (0.01)	1,378.3 (100.0)
% of Woman Entrepreneurs	40.7%	29.3%	21.3%	6.0%	38.9%

As for the status of women's enterprises by industry, food and lodging account for 32.1%, followed by wholesale and retail businesses for 29.5%.

Table 2. Status of Women Entrepreneurs by Industry

(Unit: 1,000, %)

TYPE	Total	Food and lodging business	Wholesale and retail	Personal service	Education service	Manufacture
Total	3,545	701(19.8)	987(27.8)	301(8.5)	149(4.2)	393(11.1)
Number of Woman Entrepreneur	1,378	442(32.1)	406(29.5)	155(11.3)	85(6.2)	79(5.7)
% of Woman Entrepreneur	38.9	63.0	41.2	51.	57.2	20.1

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² The basic plan for promoting women's business activities in 2017, Ministry of SMEs and Startups,

However, the number of women's businesses in the knowledge service industry has increased recently. In particular, the number of female entrepreneurs engaged in the professional, scientific and technical services industry, which is highly related to the fourth industrial revolution, increased from 10,200 in 2012 to 12,700 in 2014. Publishing, video, broadcasting and information service industries also increased from 44,300 in 2012 to 2014 Increased to 58,000 per year

Table 3. Number of Female Enterprises in Knowledge Service Sector
(Unit: 1,000)

TYPE	2012	2013	2014
Health and Social Welfare Services	41.7	43.0	44.6
Business Facilities Management, Business Support Service Business	10.4	11.2	12.6
Professional, Scientific and Technical Services	10.2	10.9	12.7
Publishing, Video, Broadcasting, Communication and Information Service	4.3	4.7	5.8
Total	66.6	69.9	78.7

On the other hand, if female labor force participation rate of female companies in all industries is 41.7%, the ratio of female employment in female manufacturing enterprises is 34.4%. Considering that 26.5% of all SMEs are women, the ratio of female workers is high for female firms.

The annual number of female employees has increased steadily since 2010, and in 2014, the share of female employment in total employment is 23.9%, and the average number of female employees per female employee is 2.77.

Table 4. Employment Rate of Female Enterprises

(Unit; number, %)

	All-Women Business		Women's Manufacturing		Small-Sized Manufacturing	
	Number of People	%	Number of People	%	Number of People	%
Total	660,618	100	141,769	100	2,375,864	100
Male	384,833	58.3	93,009	65.6	1,745,533	73.5
Female	275,785	41.7	48,760	34.4	630,331	26.5

Table 5. Employees of Female Enterprises

(Unit; number, %)

	2010	2011	2012	2013	2014
Total Employee	14,135,234	14,534,230	14,891,162	15,344,860	15,962,768
Employees Female Enterprise	3,139,163	3,305,761	3,520,694	3,634,727	3,822,362
Contribution Rate of Female Enterprise Employment	22.2%	22.7	23.6	23.7	23.9
Average Number of Employees per Female Enterprise	2.61	2.64	2.70	2.72	2.77

In addition to the employment of female enterprises, female entrepreneurship is also on an increasing trend. While the average female occupation rate of OECD member countries is 6.3%, Korea's female occupation rate is only 3.9%

Table 6. Female Entrepreneurial Growth Rate

	2010	2011	2012	2013
Female Entrepreneur Ratio	2.1%	3.8%	2.3%	3.9%
Male Entrepreneur Ratio	10.0%	11.7%	10.8%	9.7%

Status of Government Policies to Promote Women's Business Activities

The Korean government's support for women's businesses is based on the Act on the Promotion of Women's Activities in 1999. According to the law, women enterprises can receive support for funds, information, technology, manpower, and marketplaces in the start-up and operation of enterprises.

In particular, since 2000, a Balanced Growth Promotion Committee has been established under the Ministry of SMEs and Startups(former, Small and Medium Business Administration), composed of related government agencies, the President of the Korea Women Business Association and Vice President of Small & Medium Business Corporation(SBC). The government budget for women businesses was set at \$5,000,000 for the first time in 2012 and increased to \$ 7,000,000 in 2017. The budget for female enterprises is being used to support female entrepreneurship and business activities. Specifically, it has been used to support 203 women-only day care facilities in 16 regions across the country and to support funds, information, technology, manpower, and landscape.

Since more than 98% of women are SMEs, most of them can be ideally supported by the Ministry of SMEs & Startups, but, in reality, only 8.6% of them received support from the Ministry in 2014.

Since 2014, the government has introduced mandatory rate system for preferential purchase of products for women entrepreneurs in the public sector. This system requires public institutions to purchase goods, services, and construction of women's enterprises preferentially, with annual purchases of 5% for goods and services, and 3% for corporations. As a result, the proportion of women's products purchased by women companies increased from 4.0% in 2013 to 7.1% in 2016

In the future, it is necessary that government should make paradigm shifts from policies for supporting existing women enterprises to policies for fostering new women enterprises and also promoting global competitiveness. With this policy support, women enterprises can create jobs and become the mainstay of economic growth.

To achieve this goal, government needs to divide women companies into three groups - women business, female venture business, and technology-based women business startup – and establish different policies and targets relevant to each group in order to maximize policy impacts through ongoing management.

The next step is to strengthen women's capabilities, so that a virtuous cycle structure, in which women's entrepreneurship and female recruitment are activated, can be established. In addition, efforts should be made to strengthen the human resources capacity of female companies by expanding the training infrastructure of women's enterprises and establishing business networks.

This policy direction is in line with the policy in other advanced countries. In other words, it recognizes women's enterprises as a new entrance for creating women's employment and fosters women's entrepreneurship and female employees as a support for women's businesses.

From this point of view, it is necessary to promote support for women's entrepreneurship and to enhance women's competencies through management consulting, exhibitions, seminars, mentoring, and education and training.