In developing countries, despite of the fact that self-employment could prevent poverty and inequality in small and medium size enterprises, it might cause an increase in inequalities especially within the households in small family enterprises in rural area. The aim of this study is to calculate relative poverty and income inequality index by using the 2003 household income and expenditure data in Turkey. After the calculation relative poverty index, this index is decomposed by categories such as education, age, size of household and sex for the self-employed households. These decompositions are also made based on the rural-urban separation and seven regional districts. These decomposition helps to understand comparative differences and inequalities in rural-urban area and seven regional districts for self-employed persons.