

# 36 Sweden

This country profile benchmarks key self-employment and entrepreneurship indicators for women, youth, seniors and immigrants in Sweden against the average for the European Union. It also reports on the conditions for entrepreneurship and describes recent policy actions, including the COVID-19 response.

## Conditions for inclusive entrepreneurship

The conditions for entrepreneurship are generally favourable relative to other European Union (EU) Member States, including low levels of administrative burden for start-ups and access to finance. However, a low share of people self-report having entrepreneurship skills despite high levels of educational attainment and digital literacy. Entrepreneurship policies are designed with a mainstream approach, aiming at increasing entrepreneurship and firm growth in general. Moreover, immigration flows have increased in recent years and a number of new employment programmes have been created, of which many are focused on women while others aim to promote and support entrepreneurship among immigrants.

## Recent trends

The proportions of women (5%), youth (18-30 years old) (9%) and seniors (50-64 years old) (6%) involved in starting and managing new businesses were all above the EU averages (5% for women, 7% for youth and 4% for seniors) in the period 2016-20. While necessity-driven entrepreneurship was around half the EU average, many groups continue to be under-represented in entrepreneurship. If all groups participated in early-stage entrepreneurship at the same rate as core-age men, there would be 157 000 more entrepreneurs. About 90% of these “missing” entrepreneurs are female and half are over 50 years old.

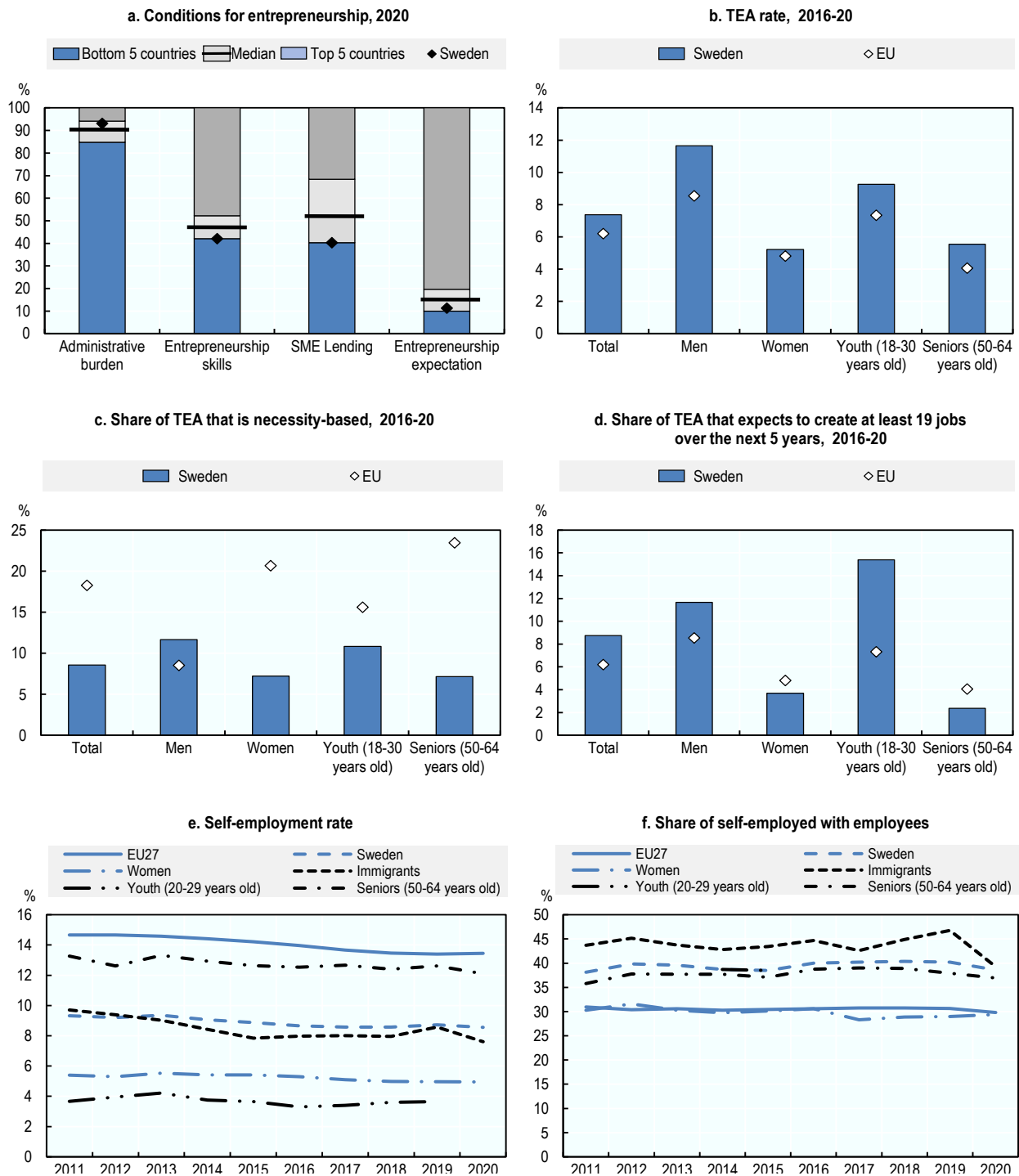
Following the overall EU trend, Sweden’s self-employment rate remained stable but in slow decline over the last decade - around 5 percentage points lower than the EU average in 2020. While seniors (12%), immigrants (8%) and women (5%) are less likely to be self-employed than on average in the EU (17%, 12% and 10% respectively), all are more likely to employ others relative to the EU average (women: 29% vs. 24%, seniors: 37% vs. 33% and immigrants: 39% vs. 32%).

## Hot policy issue

Several support packages for the self-employed and SMEs were implemented in the wake of the COVID-19 crisis. Temporary changes and extensions to unemployment insurance allowed 3 000 self-employed workers, including some who partially continued operations, to claim unemployment insurance from 13 April 2020 to 25 August 2020. Moreover, the Government waved the rule blocking self-employed workers from receiving unemployment insurance in the next 5 years if claimed in 2020. SMEs could also receive a loan guarantee of 70% of new loans up to SEK 75 million (EUR 7.2 million), totalling to around SEK 100 billion (EUR 9.6 billion) in 2020. Further measures targeting small enterprises included tax cuts for sole proprietors of up to SEK 1 million (EUR 95 600).

## Inclusive entrepreneurship indicators

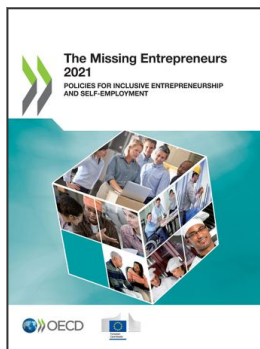
Figure 36.1. Entrepreneurship and self-employment in Sweden



Note: The EU average in panels b-d excludes Belgium, Czech Republic, Denmark, Lithuania, Malta and Romania. Please see Chapter 9 for notes on the figures.

Source: Panel a: (World Bank, 2020<sup>[1]</sup>; Global Entrepreneurship Monitor (GEM), 2021<sup>[2]</sup>; OECD, forthcoming<sup>[3]</sup>); Panels b-d: (Global Entrepreneurship Monitor (GEM), 2021<sup>[2]</sup>); Panels e-f: (Eurostat, 2021<sup>[4]</sup>). Please see Chapter 9 for the full citations.

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