

1. Key findings and recommendations

This chapter presents key findings from the Missing Entrepreneurs 2019 report. This includes data on self-employment and entrepreneurship rates for seniors, immigrants, youth, women and the unemployed, as well as key characteristics of the businesses operated by entrepreneurs from these groups. Key findings and policy recommendations are presented from the chapters on the potential for digital entrepreneurship to make entrepreneurship more inclusive and how policy can increase the number of start-ups with growth potential run by entrepreneurs from disadvantaged or under-represented groups. Finally, the chapter also presents some key policy developments, drawing on the country profiles in the report and a set inclusive entrepreneurship policy assessment notes.

Who are the “missing entrepreneurs” in the EU?

Entrepreneurship plays a vital role in our economies and societies. New businesses help bring innovations to the market, create the bulk of new net jobs and are an engine of productivity growth (OECD, 2017^[1]). At the same time, entrepreneurship and self-employment are important as forms of labour market attachment for many people, even where their businesses are not highly innovative. This report shows that all sections of the population take part in entrepreneurship activities, but there are important variations in their participation rates and the constraints they face.

A number of important sections of the population are less active in entrepreneurship than might be expected. In particular, women, youth, and immigrants are under-represented in entrepreneurship activity and even more so in entrepreneurship with high-growth, income generation and sustainability prospects (Figure 1.1). Entrepreneurship becomes an increasingly important form of labour market activity for seniors who remain in the labour market, and offers a labour market attachment route for a small number of the unemployed. There are untapped opportunities for growth and labour market inclusion from well-designed and targeted policies that help overcome specific barriers faced by all of these groups in entrepreneurship.

How active are different population groups in self-employment?

Women and youth are under-represented in self-employment. In 2018, women represented 48.2% of employees but only 32.7% of self-employed workers in the European Union (EU). Similarly, youth (20-29 years old) made up 18.2% of the employed workforce but only 8.2% of self-employed workers (Figure 1.2). Moreover, women are less likely than men to employ others (23.3% vs. 30.9% in 2018) and only 15.9% of self-employed youth had employees in 2018. Women are also less likely to be working towards starting a business. Only 2.9% of women in the EU were actively trying to start a business between 2014 and 2014 compared to 5.3% of men (5.3% vs. 7.9% in OECD countries).

Similarly, immigrants are slightly under-represented in self-employment relative to the share of immigrants among employees. Those born outside of the EU accounted for 8.4% of employees but only 7.3% of the self-employed, while those born in another EU Member State represented 4.9% of employees and 4.4% of the self-employed. Moreover, the self-employment rate of immigrants who were born outside of the EU was 13.1% in 2018, while it was 13.7% for those born in other EU Member States. These rates were slightly below the self-employment rate for those born in the reporting country (14.9%). Immigrants have been slightly under-represented in self-employment for much of the past decade, but between 2013 and 2016 they were slightly over-represented or about as likely as the native-born population to be self-employed.

In contrast, seniors (50-64 years old) are over-represented in self-employment but face strong barriers to business creation rate and could play an even greater role in entrepreneurship. Among seniors, the share of the self-employed among those active in the labour market tends to increase with age. More than half of the working population between 70 and 74 years old (50.5%) were self-employed in 2018. More than 31% of these self-employed seniors employ others, so policy makers will need to support business transfers as they retire to prevent the loss of these businesses and jobs.

Entrepreneurship offers some a potential route out of unemployment. In total, 563 600 of the self-employed in the EU in 2018 had been unemployed in 2017. While the majority of the unemployed enter the labour market through employment, the potential of

entrepreneurship should not be neglected for those who are motivated to start a business and have access to adequate resources.

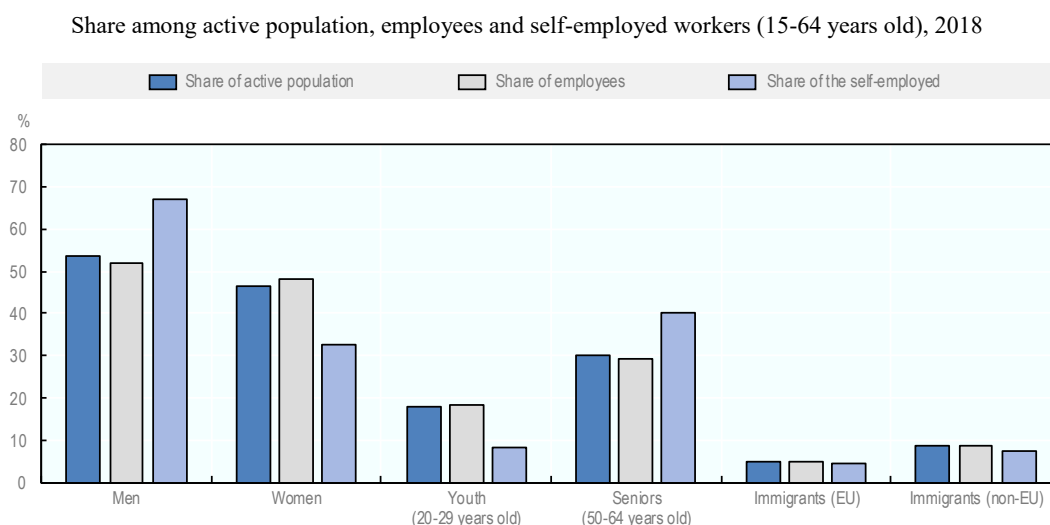
Figure 1.1. Who are the “missing entrepreneurs” in the EU?



Note: The data for “How many are self-employed?” and “Do self-employed workers have employees?” are from 2018. The data on growth expectations and barriers present the average for the period 2014-18. Self-employed youth are defined as those between 20 and 29 years old. Data for growth expectations and obstacles to entrepreneurship among youth covers those between 18 and 30 years old. Seniors are defined as 50-64 years old for all indicators. Immigrants refers to adults (18-64 years old) who were born in the EU but outside of the reporting country, or outside of the EU. The number of unemployed people refers to those who were unemployed in 2017 and had moved into self-employment in 2018. This count does not capture the full stock of self-employed workers who were unemployed prior to becoming self-employed. Data for “do they expect high growth?” presents the proportion of new entrepreneurs (i.e. those with businesses less than 42 months old) that report that they expect their business to create at least 19 jobs over the next five years.

Source: (Eurostat, 2019^[2]; Global Entrepreneurship Monitor, 2019^[3])

Figure 1.2. Women, youth and immigrants from non-EU countries are under-represented among the self-employed in the EU



Note: Active population refers to people working as employees, self-employed and family workers, as well as those actively seeking employment, i.e. registered unemployed people. Immigrants refers to people born outside of the reporting country, either in another EU country (EU) or elsewhere in the world (non-EU).

Source: (Eurostat, 2019^[2])

StatLink  <http://dx.doi.org/10.1787/888934064544>

Recent trends in entrepreneurship activity rates by social group

Among the target groups of inclusive entrepreneurship policy, the greatest change over the past 15 years was a substantial increase in the number of self-employed seniors. Between 2002 and 2018, the number of self-employed seniors (50-64 years old) increased by 35%, and even more so for those 65-74 years old (40%). Despite this increase, the share of the self-employed among working seniors decreased because the number of those working as employees increased even more.

The number of self-employed immigrants nearly doubled between 2002 and 2018, increasing from 1.9 million in 2002 to 3.6 million in 2018. This growth is due largely to an increase in immigration flows. The growth was fairly constant over the entire period but was boosted in 2017 and 2018, likely due in part the growth in the number of refugees in 2015-16.

The gender gap in self-employment is decreasing but this is mostly due to a decline in male self-employment. The number of self-employed women in the EU increased by about 1.5 million since 2002, but female employment also increased at the same rate during the period. Therefore, the share of women that were working as self-employed remained constant. The number of self-employed men, however, declined from 21.4 million in 2009 to 20.4 million in 2018.

The gender gap starts early. The gender gap in self-employment is more pronounced among youth – young men were almost twice as likely as young women to be self-

employed in 2018 (4.8% vs. 8.0%) – although the gaps have been very slowly closing since 2002.

The number of self-employed youth has declined since the onset of the economic crisis in 2008. The number of self-employed youth in the EU remained stable at about 2.9 million between 2002 and 2008 but had dropped over the decade to 2.5 million by 2018. However, youth employment also dropped over the past decade so the self-employment rate for youth stayed relatively constant. Moreover, the share of self-employed youth with employees declined from 17.6% in 2007 to 15.9% in 2018.

Similarly, the number of unemployed people returning to work as self-employed has declined since peaking in 2011. It is difficult to estimate the overall number of self-employed workers who were unemployed before starting their activity. Overall, unemployed people show a limited interest in self-employment – only 2.4% of the unemployed in 2018 indicated that they sought to become self-employed, and only 1.1% of youth. Although these are small shares of the total unemployed population there is nonetheless a significant absolute level of entrepreneurship by the unemployed.

The businesses operated by the “missing entrepreneurs” vary greatly in terms of scale of activity, ambition and economic impact. On average, women and youth entrepreneurs tend to start businesses in sectors with lower barriers to entry, greater levels of competition and less potential for growth.

What problems do the missing entrepreneurs face?

Entrepreneurs from under-represented and disadvantaged groups are more likely to report barriers in the areas of entrepreneurship skills and access to finance. For example, women and youth were less likely than average to believe they have sufficient skills to start a business – only 34.5% of women and 36.3% of youth indicated that they have the skills and knowledge to start a business. Nonetheless, many entrepreneurs from these groups are successful at operating businesses that create jobs and contribute to local economies. This suggests the importance of further developing policies that build entrepreneurship competences and confidence in these population groups.

Women and youth are less likely to create businesses that grow. Only about one-quarter of self-employed women and self-employed immigrants, and one-third of self-employed seniors have created jobs for others. Self-employed youth are much less likely to have employees. These shares are significantly lower than for the self-employed population as a whole. On the other hand, youth and seniors who start a business are as confident as other entrepreneurs in their ability to hire employees. During 2014-18, about one-in-ten new youth and senior entrepreneurs expected that their start-ups would create at least 19 jobs in the first five years, which is about equal to the overall average. However, only 5.5% of new women entrepreneurs expected this level of growth compared with 12.3% of men. This suggests the need for policies to encourage a greater orientation to growth in business start-ups from some sections of the population.

The report also identifies a number of other constraints to entrepreneurship among the specific target populations including in the areas of access to finance, lack of business networks, entrepreneurial culture and the regulatory environment.

What policy support is typically available in the EU?

Dedicated entrepreneurship support programmes are typically available for youth, women and the unemployed

Government-led programmes tailored to youth, women and the unemployed are widespread across the EU, while dedicated programmes are less developed in support of other groups such as immigrants and seniors.

Financial and skills development programmes are available for youth outside of the initial education system in most EU Member States, and include schemes for sub-groups of youth including disadvantaged youth (i.e. those not in employment, education or training – NEETS) and high-potential graduates.

Tailored entrepreneurship support for women is common. About two-fifths of Member States operate dedicated funding support programmes for women entrepreneurs or include a gender component in programmes open to all. About half of EU Member States offer training or business development support tailored to women.

Many Member States also offer support programmes for business creation by unemployed people. Approximately half of the EU Member States offer entrepreneurship training and counselling to the unemployed, often as part of active labour market programmes. The unemployed also have access to financial support instruments, with about half of the Member States having either a programme allowing for the capitalisation of future unemployment benefits or a grant programme in place.

The availability of entrepreneurship programmes tailored for immigrants varies across the EU, which likely reflects differences in the size of immigrant populations. Overall, entrepreneurship programmes targeting immigrants tend to focus on skills development and refer participants to other institutions for funding (e.g. microfinance institutions) (OECD, 2019^[4]; European Commission, 2016^[5]). The non-governmental sector continues to play an important role in serving immigrants, especially refugee populations.

Dedicated funding schemes, training programmes and business development support dedicated to senior entrepreneurs are rare in the EU. Nonetheless, in the context of adapting to ageing societies, the potential of entrepreneurship for prolonging working lives in a way that is adapted to people's needs offers significant potential. In non-EU OECD countries such as Japan, seniors are one of the three main groups targeted by inclusive entrepreneurship policies (Box 1.1).

Box 1.1. Example of recent inclusive entrepreneurship policy developments in non-EU OECD countries – Japan

In **Japan**, the suite of initiatives that support new start-ups includes several programmes that provide tailored support to youth, female and senior entrepreneurs. For example, the Japan Finance Corporation offers preferential rates to these three groups through its *Loan Programme for Supporting Female, Young, and Senior Entrepreneurs*. A network of support organisations for female entrepreneurs is also in place, with a budget of JPY 210 million (approximately EUR 1.75 million) for fiscal year 2018. Japan introduced the *Lifelong Start-up Support Subsidy* to cover part of the cost of starting a business and hiring staff for middle-aged and senior entrepreneurs. *The Programme for Discovery of*

Potential Entrepreneurs was introduced to encourage young graduates to become entrepreneurs. The programme will grant a label to business schools offering quality entrepreneurship education, supports training and organises an entrepreneurship competition. These measures are part of wider efforts to increase the business entry rate from 5% in 2012 to 10% in 2020 (Global Entrepreneurship Monitor, n.d.^[6]), in a context of decreasing self-employment and entrepreneurial intentions (OECD, 2018^[7]).

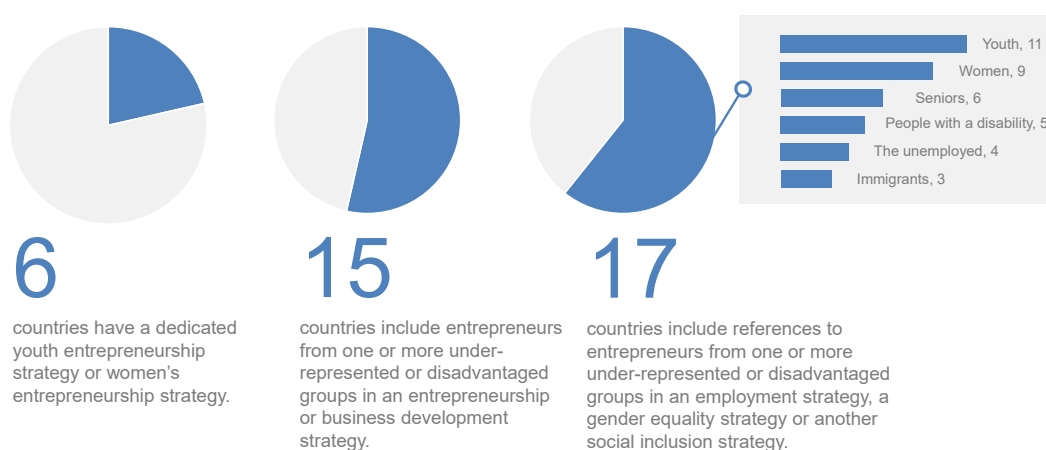
Alongside government-led support, non-governmental organisations play an important role in providing dedicated support to all groups. For some groups, tailored support is only available in the non-governmental sector. While these providers may be better-placed to reach out to some groups than public agencies, public provisions may be needed to support operations, especially for groups of smaller size such as entrepreneurs with disabilities.

What recent developments are there in inclusive entrepreneurship policy in the EU?

Inclusive entrepreneurship objectives are increasingly visible in strategic policy documents across the EU

Inclusive entrepreneurship policy interventions span different policy portfolios (Figure 1.3). This reflects the way that inclusive entrepreneurship appears in national priorities across the EU. While no Member State has a standalone “inclusive entrepreneurship” strategy that covers a range of target groups, virtually all EU Member States include inclusive entrepreneurship policy objectives in national strategic documents and action plans. Strategic documents on inclusive entrepreneurship policy are also often prepared at sub-national levels, as is common in Belgium, Germany, Spain and the United Kingdom. For some target groups such as refugees, entrepreneurship is often most successfully developed at the local level due to the spatial concentration of refugee communities (OECD, 2019^[8]).

Figure 1.3. Inclusive entrepreneurship objectives span across various policy portfolios



Note: Estimates include only national level strategies.

Source: Estimates based on OECD (2018) country notes on inclusive entrepreneurship policy. See reader's guide for details.

Inclusive entrepreneurship objectives are being introduced into strategic entrepreneurship documents in three main ways. These are not mutually exclusive and inclusive entrepreneurship objectives are usually present in more than one strategic document in over half of EU Member States.

- **A first approach is to use group-specific entrepreneurship strategies.** About one-third of EU Member States have such strategies in place for women's entrepreneurship and/or youth entrepreneurship (e.g. Belgium introduced the Plan in Support of Women's Entrepreneurship in 2016). Such strategies are also used in non-EU OECD countries (Box 1.2). There seem to be currently no national group-specific entrepreneurship strategies dedicated to population segments other than women and youth (e.g. seniors, the unemployed, immigrants, people that experience disability) in the EU. This use of group-specific strategies gives the most visibility to the issue and signals a strong commitment by the government to stakeholders about its intentions.
- **A second approach used is to include inclusive entrepreneurship priorities in general entrepreneurship or business development strategies.** More than half of EU Member States include group-specific references to entrepreneurship in such documents (e.g. the Action Plan Entrepreneurship 2020 for Bulgaria puts a strategic emphasis on supporting youth and women in entrepreneurship).
- **A third method used is to introduce entrepreneurship-specific objectives in target group-specific strategic documents covering other policy areas,** often focused on labour market integration. This is the most common approach across the EU, present in nearly two-thirds of EU Member States. This approach is particularly common in support of youth entrepreneurship as many Member States cover entrepreneurship in youth employment or youth development strategies, e.g. the Plan for Youth Employment 2019-2021 in Spain (*Plan de Empleo Joven 2019-2021*). As part of their commitment to the Youth Guarantee, all EU Member States have introduced Youth Guarantee Implementation Plans, which often include objectives related to supporting entrepreneurship. It is also relatively common for EU Member States to take this approach for other target groups, including embedding support for women's entrepreneurship in gender equality strategies, support for senior entrepreneurship in active ageing strategies, support for entrepreneurship among people who experience disability in labour market or social integration strategies.

Regardless of the approach taken, inclusive entrepreneurship objectives rarely define quantitative targets. Unfortunately, this makes it difficult to determine the scale and scope of actions needed and to measure the impact of a strategy.

Box 1.2. Example of recent inclusive entrepreneurship policy strategies in non-EU OECD countries – Canada Women Entrepreneurship Strategy

In **Canada**, women's entrepreneurship has been at the forefront of recent policy priorities. The government launched its first Women Entrepreneurship Strategy (WES) in 2018 with the aim to double the number of women-owned business by 2025. The WES will increase support to women entrepreneurship with a CAD 2 billion (approximately EUR 1.4 billion) investment. It includes a wide range of programmes, including the Women Entrepreneurship Fund which supports women-led businesses, the WES Ecosystem Fund which supports institutions offering business support to women entrepreneurs, and a range

of thematic initiatives such as the Business Women in International Trade (in support of exports) and Farm Credit Canada's Women Entrepreneur Program. An expert panel was also set-up to identify gaps in support and options to bridge them (Government of Canada, 2019^[9]).

Support to student entrepreneurship is growing, often in relation to innovation objectives

With the onset of the economic crisis in 2008, youth unemployment increased rapidly and the number of initiatives introduced to support NEETs increased in the EU. Many of these schemes focussed on business creation with the objectives to support youth in creating their own jobs and to increase their employability through upskilling.

With improving labour market conditions for youth, there is currently less emphasis on supporting unemployed youth in entrepreneurship and a greater focus on youth entrepreneurship programmes that stimulate innovation. These interventions take the form of training, mentoring and business incubation services as well as entrepreneurship competitions, often targeting students or higher education graduates. They sometimes also target researchers, supporting wider goals of commercialising research. Several factors may be responsible for this shift, including a decline in youth unemployment, and a broader shift in policy towards promoting innovation and regional development. Often, these schemes are aimed at higher education students and graduates who have the potential to go on to create an innovative business that can create many jobs and generate substantial economic activity.

Another recent development is the creation of a specific legal status for student-entrepreneurs in some Member States such as France and Belgium (please see the country profile for Belgium in Part III for further information). This provides some relief for young entrepreneurs in terms of taxation and social security contributions.

Efforts to strengthen parental leave for the self-employed are ongoing

Self-employed workers are legally eligible for some type of paid maternity leave scheme in most EU Member States but access remains insufficient in practice. Schemes vary widely in terms of access criteria (e.g. previous contributions, minimum number of worked hours) and entitlements (OECD, 2019^[10]; Barnard and Blackham, 2015^[11]). Some maternity leave programmes are voluntary for the self-employed, which is typically associated with low enrolment rates (European Commission, 2018^[12]). Across the EU, an estimated 46% of self-employed women between 15 and 49 years old were at risk of not qualifying for maternity benefits in 2014, compared to 8% of employed women overall (in this age group) (European Commission, 2015^[13]). The European Commission's "Council Recommendation on Access to Social Protection for Workers and the Self-employed" (adopted on 8 November 2019) seeks to increase effective coverage for all-workers and close gaps in entitlements (European Commission, 2019^[14]; European Commission, 2019^[15]).

Access to paternity leave and parental leave for second parents also affect opportunities for female entrepreneurs who become mothers. The use of leave by all second parents around childbirth is associated with several better well-being outcomes for all family members as well as better labour market outcomes for women (OECD, 2017^[16]). Almost all EU Member States (27 out of 28 in 2018) offer some paid paternity leave (taken

around childbirth) or paid parental and home care leave (leave to be taken respectively in supplement of maternity and/or paternity leave, or to raise a child up to its second or third birthday) reserved for fathers or second parents (OECD, 2019^[10]).

Some EU Member States offer tailored provisions to make maternity leave more responsive to the needs of entrepreneurs, notably to avoid lengthy suspension of business activity, which can lead to loss of clients. For example, Denmark offers self-employed women the option to take part-time maternity leave (receiving maternity benefits while working a reduced amount). In Austria, self-employed women on maternity leave may qualify for a subsidy to hire a replacement. Other examples of recent actions can be found in the country profiles for Italy, Netherlands and the Slovak Republic in Part III of this report.

Can digital technology help level the entrepreneurship playing field?

Digital transformation is radically altering the way businesses function and organise production. The advance of new digital technologies such as the Internet of Things, Blockchain, Artificial Intelligence, Big Data, Cloud Computing, Next-generation Wireless Networks and more, drives this transformation. Each of these is enabled by dramatic increases in computing power and a simultaneous decline in cost (OECD, 2015^[17]).

Digital entrepreneurship – the creation of digital businesses and the adoption of digital technologies by existing entrepreneurs – may hold potential for helping to make entrepreneurship more inclusive. Under-represented groups in entrepreneurship could benefit from certain features of digital technologies for business creation and growth, including the lower start-up costs required for many digital businesses and the wider access to external markets offered by the internet. However, the evidence to date on whether people from under-represented and disadvantaged groups in entrepreneurship are realising these benefits is mixed and the potential of digital technologies is not yet observed in actual digital start-up and adoption rates of these groups.

International surveys indicate that women, immigrants, youth and seniors are greatly under-represented among digital entrepreneurs in the EU. For example, it is estimated that women accounted for only 15.6% of digital start-ups in 2018, which was essentially unchanged from 2016 (14.8%) (Steigertahl and Mauer, 2018^[18]). This is well below their share among entrepreneurs.

These gaps are due to many factors, including a lack of digital entrepreneurship role models and a lack of digital skills, which affects seniors and women disproportionately. Further, some researchers argue that many of the obstacles faced by entrepreneurs in traditional start-ups carry over to the digital world, including a lack of entrepreneurship skills, discrimination and small and ineffective networks for digital entrepreneurship (Pappas et al., 2018^[19]; Cook et al., 2019^[20]; Martinez Dy, Martin and Marlow, 2018^[21]).

Digital entrepreneurship will not be a panacea for making entrepreneurship more inclusive but public policy can play a role in addressing obstacles to the creation of digital businesses by potential entrepreneurs from under-represented and disadvantaged groups. Most schemes that are offered in EU Members States are focussed on supporting women, youth and immigrants (Box 1.3), which are the groups that are the most likely to have digital skills.

Key policy actions to increase the inclusivity of digital entrepreneurship include building digital and entrepreneurship skills in parallel. While most public initiatives

are very new, experiences to date suggest that in addition to building digital and entrepreneurship skills, it is important to help entrepreneurs from under-represented and disadvantaged groups build stronger networks so that they can improve their access to funds, opportunities, clients, partners and suppliers. These targeted actions should be complemented by broad policy actions aimed at improving connectivity, stimulating innovation and strengthening the regulatory environment.

Box 1.3. Examples of policy approaches to support digital start-ups by entrepreneurs from under-represented and disadvantaged groups

Female entrepreneurs of the future (Germany) is a coaching programme for digital women entrepreneurs. Its mission statement is “no digitalisation without diversity!” The initiative was launched in February 2018 by the Association of German Businesswomen (*Verband deutscher Unternehmerinnen, Vdu*), Global Digital Women (an international network of female digital pioneers), BRIGITTE Academy (a personal development initiative of the magazine BRIGITTE) and Amazon. After one year, the first cohort of 20 participants had created 19 new jobs. This programme illustrates that developing partnerships with private sector actors can improve the quality of support provided.

Goteo (Barcelona, Spain) is a crowdfunding platform for entrepreneurs with projects in the areas of technology, design, science, communication, culture, education, and the environment. Between 2011 and 2018, the platform collected more than EUR 6 million for project funding from more than 84 500 backers. The overall funding success rate is 75%. Although operated by a foundation, the partnership with the local government is a critical success factor for providing entrepreneurship coaching and workshops, as well as increasing the credibility of the platform.

Key policy recommendations:

Build a more inclusive culture towards digital start-ups:

- Combat stereotypes in digital entrepreneurship with **diverse role models from different target groups**.
- Include **entrepreneurship modules** in **digital-intensive** subjects in schools and higher education.

Support the development of digital and entrepreneurship skills:

- Embed **digital entrepreneurship** modules in entrepreneurship education.
- Offer **tailored digital entrepreneurship training** programmes for women, immigrants, youth and seniors when demand is sufficiently high.

Improve access to finance for digital entrepreneurship for under-represented and disadvantaged groups:

- Support and/or promote **crowdfunding platforms** to improve access to start-up financing for digital entrepreneurs, particularly women and youth.

For more information, please see Chapter 7.

Should policy support disadvantaged entrepreneurs in scaling-up their business?

Scale-ups are important for job generation and innovation but some parts of the population are under-represented in growth-oriented businesses. Overall, entrepreneurs from disadvantaged and under-represented population groups are less likely to create high-growth enterprises than the average. However, there are also many examples of success. For example, monitoring data from growth-oriented support programmes for women entrepreneurs in Ireland show that most participants hire several new employees and reach new markets shortly after completing the programme (OECD/EU, 2018^[22]). Evidence from the United States (Azoulay et al., 2018^[23]) shows that older entrepreneurs are much more likely than young entrepreneurs to operate high-growth firms – a 50 year old business starter is 1.8 times more likely to achieve high-growth than a 30 year old.

The majority of entrepreneurs from under-represented and disadvantaged groups may not operate formally defined high-growth businesses, but nevertheless have potential to create jobs at a smaller scale. Labour Force Survey data show that about one-quarter of self-employed women in the EU had employees in 2018. The proportion was even greater among seniors (50-64 years old), who over-performed relative to the overall average. The evidence base on the performance of businesses operated by other target groups such as immigrants and the unemployed is thinner but also suggests some modest growth prospects.

In the context of inclusive entrepreneurship, the concept of scale-up should be extended beyond fast growth to include sustainability and job creation. The expected thresholds for scale-up activity vary across programmes and countries and the OECD has definitions of scale-ups as having grown by either 10% or 20% per annum in employment or turnover in a three-year period. While some entrepreneurs from under-represented and disadvantaged groups will meet these definitions, it is important that policies also seek to support more modest growth of enterprises, especially among inclusive entrepreneurship policy target populations where the share of rapid scale-ups is smaller.

Entrepreneurs from disadvantaged groups face similar barriers to scale-up as other entrepreneurs, but often to a greater extent. A key barrier that policy needs to seek to address is a lack of motivation for scaling-up. This is especially significant among women: only 5.5% of new female led start-ups expect to create at least 19 jobs over the next five years relative to 12.3% of those led by men. In addition, women, immigrants, youth and senior entrepreneurs are less likely to have management skills, face greater obstacles to obtaining external finance for growth and have small and less effective networks. Another policy issue concerns disincentives in regulations about access to welfare benefits (e.g. unemployment insurance benefits) and tax measures (e.g. income splitting in households), which can also have a negative impact on business growth for inclusive entrepreneurship policy target groups.

A range of policy actions have been implemented in EU Member States to increase the growth potential of businesses operated by entrepreneurs from disadvantaged groups, targeting mostly women and youth. Key areas of action to promote scale-ups in specific population groups include management training, access to finance and strengthening networks to improve access to opportunities and resources (Box 1.4). These types of initiatives can be adopted more widely. Policy makers can also do more to link tailored initiatives and mainstream business development support services.

Box 1.4. Examples of policy approaches to support the creation of start-ups with scale-up potential by entrepreneurs from under-represented and disadvantaged groups

SPEED UP (Antwerp, Belgium) is an international peer-learning programme for entrepreneurship ecosystems. Seven regions in Belgium, France, Italy, Germany, Poland, Portugal and Spain participate and each selects a theme for the events that they host. The City of Antwerp is the lead actor for the Region of Flanders and it selected “target audiences” as its theme, which focuses on tailored entrepreneurship support for innovative businesses led by women, youth and immigrants. A two-day international conference was organised in Antwerp for business development support organisations and local government from participating regions in 2017. Participants reported learning about inspiring new practices and key success factors for tailored entrepreneurship supports.

Starting Strong (Ireland) is an initiative for women entrepreneurs with growth ambitions launched in 2014. It provides an integrated package of training, mentoring and peer coaching. Starting Strong operated by the Going for Growth initiative, winner of European Enterprise Promotion Award 2015, and receives financial support from Enterprise Ireland and in-kind support from corporate sponsors. The initiative uses peer-learning, which can help participants build their networks with similarly ambitious entrepreneurs, and has been successful at using former participants as “Lead Entrepreneurs” that deliver much of the support.

Key policy recommendations:

Foster an environment that is conducive to scale-ups by diverse entrepreneurs:

- Increase use of *ex ante* **regulatory impact assessments** to examine the impact of changes of different population groups.
- **Build growth ambitions** with inspiring role models from the target group populations.
- Support **dedicated business angel networks** and addressing gender biases in risk capital decision-making.

Adapt scale-up support programmes to better support entrepreneurs from under-represented and disadvantaged groups:

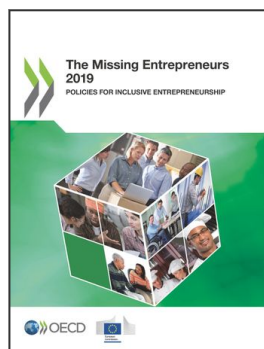
- Offer management **training and mentoring** to entrepreneurs from under-represented and disadvantaged groups with sufficient programme demand (e.g. women, youth).
- Deliver support to growth-oriented entrepreneurs from disadvantaged groups **progressively**.
- Design tailored and targeted initiatives as a method to **bridge into mainstream support programmes**.

For more information, please see Chapter 8.

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