

23 Ireland

This country profile describes current inclusive entrepreneurship policy issues and recent developments in Ireland, including the COVID-19 response. It also benchmarks self-employment and entrepreneurship indicators for women, youth, seniors and immigrants against the average for the European Union.

Conditions for inclusive entrepreneurship

The overall entrepreneurship conditions are about average among European Union (EU) Member States. Areas of strength include low levels of administrative burden on new start-ups and investor protection, while SME lending was slightly below the EU median in 2020. Entrepreneurship policies overall are well-developed with a range of programmes for entrepreneurs from different population groups but there is not co-ordinated inclusive entrepreneurship policy. There is significant support for female entrepreneurs (e.g. Starting Strong, Going for Growth) and some support available for the unemployed. There are few targeted supports for youth, but they have been very successful (e.g. Ireland's Best Young Entrepreneur).

Recent trends

The share of people starting or managing a new business was nearly double the EU average between 2016 and 2020 (11% vs. 6%). Women, youth and seniors also had early-stage entrepreneurship rates well-above the EU average and a high proportion expected high levels of growth. Despite these positive findings, there are gaps in entrepreneurship activity rates across most population groups. Eliminating these gaps in entrepreneurship activity rates would result in an additional 115 000 entrepreneurs. About 90% of these “missing” entrepreneurs are female, 33% are over 50 years old and 33% are immigrants.

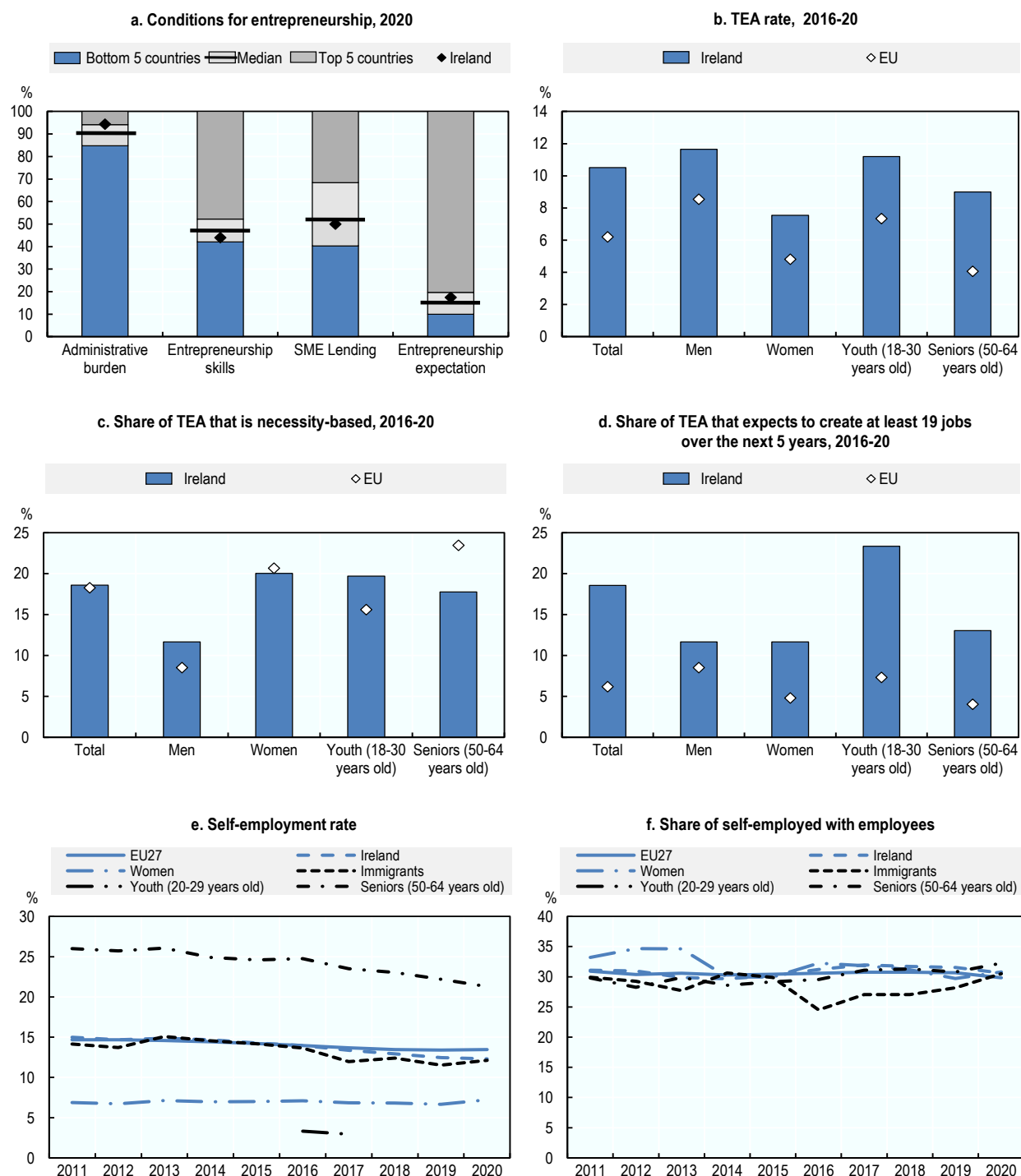
The self-employment rate declined over the last decade (15% in 2011 to 12% in 2020). The self-employed differ from the EU average as there is a greater share over 50 years old and a greater share of immigrants. Moreover, women were three times less likely to be self-employed than men despite having higher rates of tertiary education (64% vs. 35%) – about 20 percentage points higher than the EU average.

Hot policy issue

Several supports for the self-employed were established during the COVID-19 pandemic, such as the COVID-19 Wage Subsidy Scheme (replaced after August 2020), the Employment Wage Subsidy Scheme and a COVID-19 Pandemic Unemployment Payment. Additionally, the Restart Grant provided grants (EUR 4 000 to EUR 25 000) to micro and small-enterprises to support re-opening following temporary closures. Financial measures were boosted in the 2021 Budget, including the Tax Debt Warehousing scheme, repayments of Temporary Wage Subsidy Scheme funds owed by employers and preliminary tax obligations for self-employed workers. Between January and June 2021, the COVID-19 Business Aid Scheme provided up to EUR 8 000 to an estimated 7 500 companies, self-employed workers and sole traders or partnerships who experienced significant turnover loss.

Inclusive entrepreneurship indicators

Figure 23.1. Entrepreneurship and self-employment in Ireland



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^[1]; Global Entrepreneurship Monitor (GEM), 2021^[2]; OECD, forthcoming^[3]); Panels b-d: (Global Entrepreneurship Monitor (GEM), 2021^[2]); Panels e-f: (Eurostat, 2021^[4]). Please see Chapter 9 for the full citations.

StatLink  <https://doi.org/10.1787/888934281524>



From:

The Missing Entrepreneurs 2021

Policies for Inclusive Entrepreneurship and Self-Employment

Access the complete publication at:

<https://doi.org/10.1787/71b7a9bb-en>

Please cite this chapter as:

OECD/European Commission (2021), "Ireland", in *The Missing Entrepreneurs 2021: Policies for Inclusive Entrepreneurship and Self-Employment*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/969cfc6d6-en>

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