

# 19 France

This country profile benchmarks self-employment and entrepreneurship indicators for women, youth, seniors and immigrants in France relative to the average for the European Union. It also highlights current inclusive entrepreneurship policy issues and recent developments, notably COVID-19 response measures.

## Conditions for inclusive entrepreneurship

The overall entrepreneurship conditions remain below the European Union (EU) average for some important indicators (e.g. administrative burden and new SME lending), despite some areas of relative strength (e.g. high level of entrepreneurial expectation, low cost of business creation, low interest rate for SMEs). Efforts to improve the conditions have been made, notably by improving access to social benefits for the self-employed, simplifying the tax regime for micro-entrepreneurs and reducing corporate tax to 15% for SMEs in the 2018 Finance Bill (to be effective in 2022). Many policies and measures are in place to encourage business creation, including support for entrepreneurs from under-represented and disadvantaged groups. Tailored support is offered by various government agencies at national and local levels and many actors in the non-governmental and private sectors.

## Recent trends

The share of people involved in starting and managing new businesses was slightly below the EU average for the period 2016-20 (5% vs. 6%). This was also observed among women (4% vs. 5%) and youth (5% vs. 7%). If all groups engaged in early-stage entrepreneurship at the same rate as core-age men, there would be 935 000 more entrepreneurs. Around 80% of these “missing” entrepreneurs would be women. Those over 50 years old would account for 45% and those under 30 years old would account for 15%.

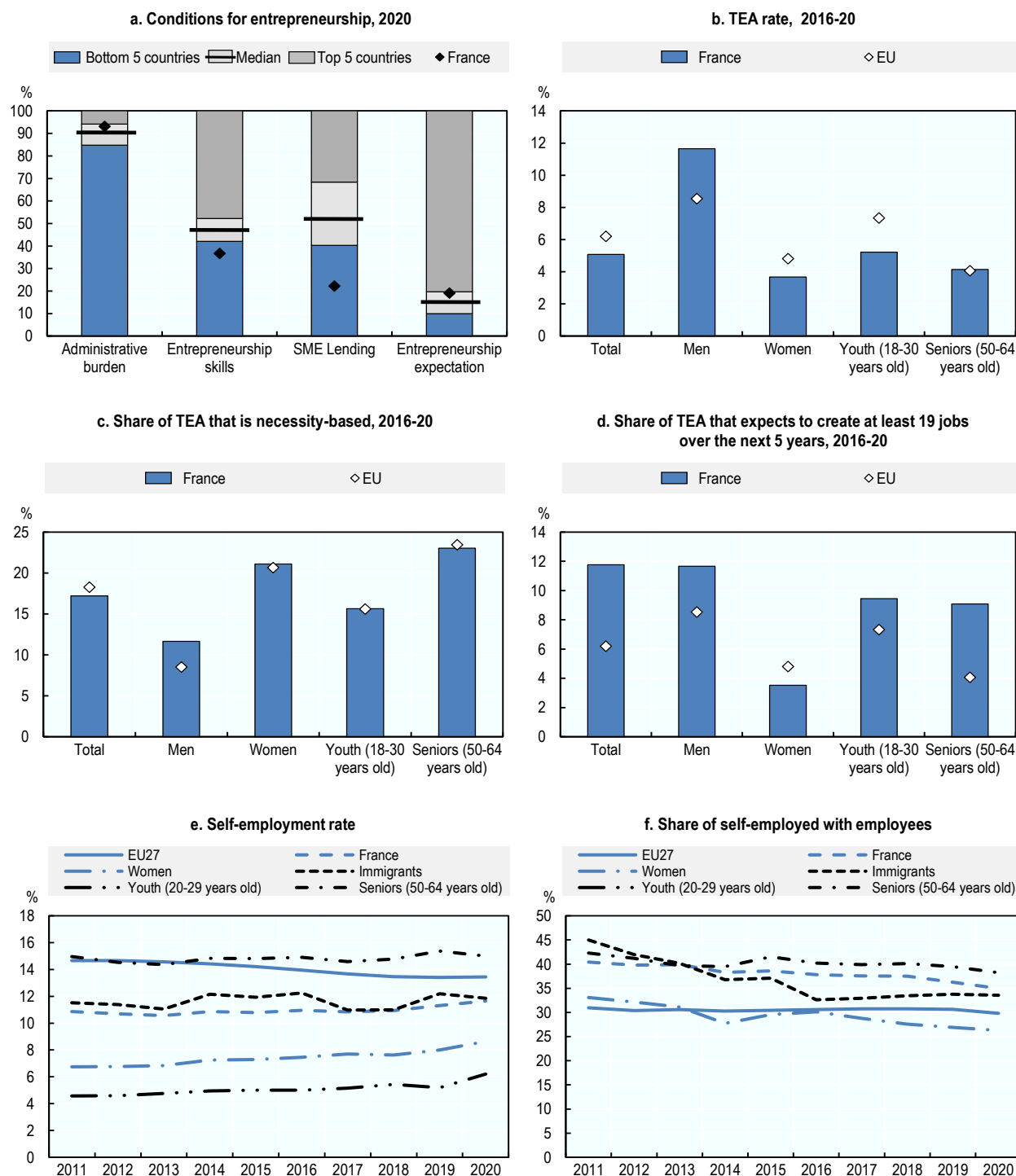
Self-employment increased with the introduction of the *auto-entrepreneur* regime in 2009 (called *micro-entrepreneur* as of 2014) as well as several new universal entrepreneurship and SMEs policies in the period 2013-19. By the end of 2019, 928 000 micro-entrepreneurs were economically active. Despite an overall increase, the self-employment rate remained below the EU average in 2020 (12% vs. nearly 14%).

## Hot policy issue

Several measures were designed to support entrepreneurs and SMEs following the COVID-19 pandemic, including a solidarity fund that allocated aid corresponding to turnover loss at or above EUR 1 500. Some very small companies, freelancers, micro-entrepreneurs and liberal professions with up to 10 employees (turnover under EUR 1 million) were eligible for support through this fund. On 2 March 2020, Bpifrance in partnership with the State extended credit guarantees to support loan restructuring (without management fees), a new state guaranteed loan device (PGE) to ease cash flow and a EUR 4 billion fund to support start-ups. Other actions targeted specific population groups such as increased support for entrepreneurs with a disability receiving aid from Agefiph (total cost of EUR 23 million).

## Inclusive entrepreneurship indicators

Figure 19.1. Entrepreneurship and self-employment data for France



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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