

18

Estonia

This country profile benchmarks recent trends in entrepreneurship and self-employment for women, youth, seniors and immigrants in Estonia relative to the average for the European Union. It also presents new policy developments and topical policy issues related to inclusive entrepreneurship.

Recent trends in inclusive entrepreneurship activities

The conditions for entrepreneurship are generally considered favourable relative to other European Union (EU) Member States, primarily due to low start-up costs and an ease of complying with taxes. However, Estonia falls below average for SME lending. The overall self-employment rate (10%) was below the EU average (13%) in 2022. This was also observed among women (6% vs. 9% for the EU), youth (20-29 years old) (3% vs. 7%), seniors (50-64 years old) (12% vs. 17%) and immigrants (9% vs. 11%). However, the self-employed were slightly more likely to employ others on average than in the EU (43% vs. 32%) – notably women (32% vs. 27%) and seniors (37% vs. 35%). Eliminating all of these gaps in entrepreneurship activity rates across population groups would result in an additional 55 000 entrepreneurs. More than 85% of these “missing” entrepreneurs are women, almost 75% of them are seniors (i.e. over 50 years old) and nearly 20% are immigrants.

Recent policy developments

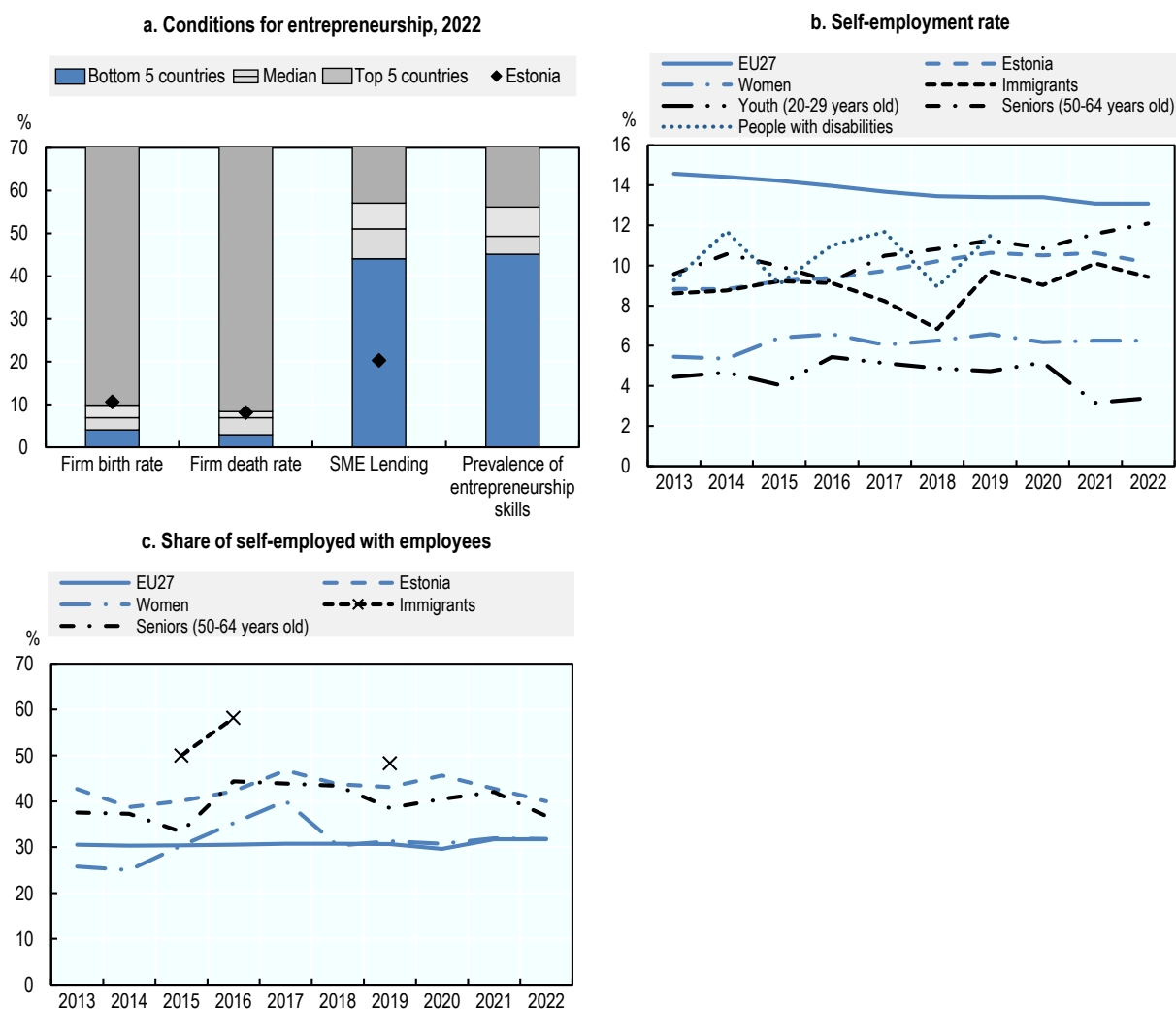
Recent developments in entrepreneurship policy and support have primarily been in the area of support to immigrant and women entrepreneurs. Several national strategies and action plans have been launched that support the development of entrepreneurship, including the Research and Development, Innovation and Entrepreneurship Strategy 2021-35. Several national plans highlight the need to support entrepreneurs from target groups, such as the Welfare Development Plan 2023-30 (*Heaolu Arengukava*) that aims to support women’s entrepreneurship.

Hot policy issue

A range of initiatives supporting youth entrepreneurship have been introduced. For example, the Youth Sector Development Plan 2021-30 (*Noorsoo valdkonna arengukava 2021-30*) highlights the need to support youth entrepreneurship and introduces key performance indicators for this dedicated support. One of the strategic goals of the plan is to “[encourage] entrepreneurship and creativity and supporting the ideas of young people”. The goal will be measured through key performance indicators, including the number of youth-led projects and the ratio of young entrepreneurs among all 18-26 years old. Youth entrepreneurship is also a priority in other national strategies, such as the Estonian RDI and entrepreneurship strategy 2021-35. Beyond the national level, there are also many local level initiatives to support youth entrepreneurs, including through the “*Nopi Üles*” and “*Ideeviit*” business competitions.


Inclusive entrepreneurship indicators

Figure 18.1. Entrepreneurship and self-employment data for Estonia



Note: In Panel a, the data for the EU median for SME lending excludes the following countries: Austria, Bulgaria, Croatia, Cyprus, Denmark, Finland, Germany, Luxembourg, Malta and Romania. The EU median for the entrepreneurship skills indicator excludes: Belgium, the Czech Republic, Denmark, Estonia and Malta. Please see Chapter 10 for detailed notes on the figures.

Source: (Eurostat, 2023; OECD, 2023). Please see Chapter 10 for full citations.

StatLink  <https://stat.link/n56rh1>



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