

Reader's guide

What will I learn from this report?

The *Missing Entrepreneurs 2023* report provides an overview of recent trends and policy developments in the field of inclusive entrepreneurship policy. These policies seek to ensure that everyone has an equal opportunity of creating a successful and sustainable business, regardless of their gender, age, place of birth, work status or other personal characteristics. The 2023 edition is the seventh edition in the series of Missing Entrepreneurs reports. It is published every two years and each edition presents updated indicators on entrepreneurship activities by different population groups (e.g. women, immigrants, youth, seniors, the unemployed, people with disabilities), which are benchmarked across countries. The report also presents current knowledge on the barriers faced in business creation by these different groups and provides an updated overview of policy actions to address these obstacles. It provides concrete examples of policies and initiatives that show promising results and/or innovative approaches to inspire others.

This edition contains two thematic policy chapters that assess the effectiveness of youth entrepreneurship support and how welfare bridges for job seekers could be improved. Each chapter presents the current policy issue and makes an assessment of the effectiveness of approaches used in EU Member States and OECD countries. Lessons from experiences to date are identified and recommendations are offered to governments and other stakeholders.

How can I read this report?

While this report can be read linearly, it is designed as an interactive resource, allowing readers to easily identify the sections of interest and access relevant examples. This publication consists of three main parts.

- Part I presents updated country-level indicators on entrepreneurship activity rates, characteristics and barriers across different population groups. These chapters also provide a brief assessment of the state of policy for each group and present new policy developments.
- Part II contains two thematic policy chapters. The first provides an overview of the state of knowledge on the effectiveness of youth entrepreneurship support and identifies lessons for governments based on a collection of high-quality evaluations undertaken since 2000. The second examines entrepreneurship support for job seekers, notably welfare bridges. This chapter presents evidence on the effectiveness of different variations of the welfare bridge model and identifies lessons from international experience. Recommendations are offered to governments on how welfare bridges could be made more effective.
- Part III contains country profiles on each of the 27 EU Member States. These short profiles present recent trends in inclusive entrepreneurship and benchmark several indicators against the EU average. They also highlight recent policy developments and current policies issues in each country.

What are the main data sources?

This report draws on several data sources that do not always have the same concept or definition for a given indicator. Efforts have been made to harmonise the data to the greatest extent possible but some differences remain.

The Global Entrepreneurship Monitor

The Global Entrepreneurship Monitor (GEM) is an international initiative that measures entrepreneurship activities and attitudes around the world through annual surveys of the adult population (ages 18 and older) in participating countries. Unlike business enterprise surveys, GEM surveys people so it can identify those involved in different phases of entrepreneurship, providing individual-level data on entrepreneurial motivations and aspirations among other characteristics. The GEM survey covered 51 economies in 2022, the most recent year for which data are available (GEM, 2023_[1]).

This report uses pooled (i.e. combined) data over five years (i.e. 2018 to 2022) for each EU Member State and OECD country that participated in the survey during these years. This approach improves the reliability of the estimates for each population group (i.e. men, women, youth and seniors) since they are based on larger samples. Survey responses are weighted by age and gender to make the results representative of the national populations. The averages for the EU and OECD were computed using weighted country averages for the period.

Between 2018 and 2022, 22 of the 27 EU Member States participated in the survey in at least one year and 12 participated in all years. The Member States that did not participate in the GEM survey during this period were Belgium, the Czech Republic, Denmark, Estonia, and Malta. The total sample size for EU Member States for this period was 346 096.

Among OECD countries, 31 of the 38 participated at least once between 2018 and 2022 and 18 participated in all years in this period. The countries that did not participate in the survey in these years were Belgium, Costa Rica, the Czech Republic, Denmark, Estonia, Iceland and New Zealand. The total sample size for OECD countries for this period was 472 815.

Several GEM indicators are presented in this report:

- **Nascent Entrepreneurship Rate:** is the proportion of the population that is actively involved in setting up a business they will own or co-own; this business has not paid salaries, wages or any other payments to the owners for more than three months.
- **New Business Ownership Rate:** is the proportion of the population that is currently an owner-manager of a new business that has paid salaries, wages or any other payments to the owners for more than three months, but not more than 42 months.
- **Total early-stage Entrepreneurial Activity (TEA) Rate:** is the sum of the proportions of the population involved in nascent entrepreneurship activities and those who have started a new business within the last 42 months.
- **Established Business Ownership Rate** is the proportion of the population that is currently an owner-manager of an established business that has paid salaries, wages or any other payments to the owners for more than 42 months.

For more information on methodologies used by the Global Entrepreneurship Monitor, please see (GEM, 2023_[1]).

EU Labour Force Survey

The EU Labour Force Survey (LFS) is a monthly household survey in all EU Member States that captures information on labour market activities (Eurostat, 2023^[2]). It is the largest European household sample survey, providing quarterly and annual results on persons aged 15 and over, inside and outside the labour market. Eurostat currently publishes results for 34 participating countries, including 26 of the 38 OECD countries. These countries include the EU Member States, three EFTA countries (Iceland, Norway and Switzerland) and four EU candidate countries (Montenegro, North Macedonia, Serbia and Republic of Türkiye).

The sample size is about 1.1 million persons per quarter. Data collection is through individual interviews and proxy interviews (i.e. an interview with another person in the household) are allowed in most countries. The published data include only private households. To ensure that the statistical results are comparable across countries and over time, the LFS uses the same concepts and definitions, follows International Labour Organisation (ILO) guidelines, uses common classifications (e.g. NACE, ISCO, ISCED, NUTS) and records the same set of characteristics in each country.

This report draws on the self-employment data presented in the EU LFS. Self-employed individuals are defined as those who work in their own business, farm or professional practice and receive some form of economic return for their labour, including wages, profits, in-kind benefits or family gain. This covers those who operate unincorporated firms; those who operate incorporated firms would be declared as salaried employees of their own firm and therefore not counted as self-employed workers. Volunteers are also excluded from this definition, as are those working towards the creation of an unincorporated business that has not yet been launched. An individual's self-employment status does not change depending on the purpose of the business (i.e. the business could have profit motives or be a non-profit or social enterprise).

Eurostat also distinguishes between own-account self-employed and self-employed employers:

- Own-account self-employed are those self-employed people that do not have other employees working for them.
- Employers are self-employed people that have employees.

There was an important methodology change to the Labour Force Survey in 2021 (Regulation (EU) 2019/1700), whose objective was to increase the quality of social statistics and increase comparability across EU Member States. For the self-employed, new variables on economically dependent self-employment have been introduced to better understand the working conditions of the self-employed. Data collection will start by 2029.

For more information on the EU Labour Force Survey, please refer to: <http://ec.europa.eu/eurostat/web/labour-market/methodology>.

What is the difference between self-employment data and entrepreneurship data?

It is important to distinguish between self-employment data and entrepreneurship data presented in this report. The OECD-Eurostat Entrepreneurship Indicators Programme, launched in 2006, developed definitions for entrepreneur, entrepreneurship and entrepreneurship activity (Ahmad and Seymour, 2008^[3]), which formed the basis of the OECD and Eurostat definitions (and subsequent statistical guidance) taking account of relevance and measurability and emphasising entrepreneurial action over intention.

- An entrepreneur is an individual (business owner) who seeks to generate value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets.
- An entrepreneurial activity is the enterprising human action in pursuit of the generation of value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets.
- Entrepreneurship is the phenomenon associated with entrepreneurial activity.

The self-employment data presented in this report come from the Eurostat Labour Force Survey (LFS) and the Global Entrepreneurship Monitor (GEM). Due to the differences in definitions between LFS data and GEM data, discrepancies in the counts of self-employed workers and entrepreneurs are present. For example, GEM data include owner-managers of incorporated businesses, whereas they are excluded from the LFS self-employment data. The GEM data also cover those operating unincorporated businesses, which are counted by the LFS self-employment data. Furthermore, individuals who may be running businesses as a secondary activity are considered as entrepreneurs in GEM data, while the LFS data report on the principal labour market activity only. Therefore, LFS will only capture those who spend more time in self-employment than employment, whereas the GEM data will also include entrepreneurs who may spend more of their time as employees. Another important difference is that the GEM data cover people working towards starting a business while the LFS data only count people who have fully realised the creation of an unincorporated business.

Flash Eurobarometer 513: Social Entrepreneurship and Youth

The Flash Eurobarometer is a survey instrument used by the European Commission, the European Parliament and other EU institutions and agencies to monitor public opinion in Europe. These surveys cover a broad range of subjects and issues.

Flash Eurobarometer 513 covers the issues of social entrepreneurship and youth entrepreneurship, covering among many issues, the knowledge of, attitudes towards and motivations for entrepreneurship and social entrepreneurship. The survey was requested by the European Commission, Directorate-General for Employment, Social Affairs and Inclusion and co-ordinated by the Directorate General for Communication. Fieldwork was conducted by Ipsos European Public Affairs.

The survey was administered between 10 and 20 October 2022 using computer-assisted web interviewing (CAWI) through Ipsos online panels and their partner network. A share of respondents in Luxembourg and Malta was recruited via social media networks. The target population was EU citizens aged 15 to 30 years old. The sample size was at least 500 respondents in Cyprus, Luxembourg and Malta, and at least 1 000 in all other EU Member States. The total number of interviews conducted was 25 992. Survey data are weighted to known population proportions.

OECD country-level inclusive entrepreneurship policy assessments

The OECD Centre for Entrepreneurship, SMEs, Regions and Cities undertakes a biennial assessment of inclusive entrepreneurship policies and programmes in each of the 27 EU Member States with support from the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission. These assessments are done in collaboration with a network of inclusive entrepreneurship experts across the EU. Information was collected through desk research and interviews (i.e. telephone, face-to-face, email) with policy officers, entrepreneurship support organisations and other stakeholders. The descriptions and assessments were then verified by government ministries, programme managers and other inclusive entrepreneurship stakeholders through online seminars and written exchanges.

Each assessment uses a common framework that considers: i) the policy frameworks for inclusive entrepreneurship; and ii) the schemes in place to promote and support business creation by women, immigrants, youth, seniors and the unemployed. The assessments focus on national-level policies and schemes but, where relevant, sub-national initiatives and actions by the non-government sector are considered.

Policy frameworks

The characterisation of the policy frameworks describes the approach taken to support entrepreneurship for women, immigrants, youth, seniors and the unemployed in each Member State. It identifies whether policies are implemented by national, regional and/or local governments for each group and whether there is an entrepreneurship strategy for each group with clear objectives and targets. In addition, it considers whether there is regular monitoring and evaluation activities to track interventions, measure their effectiveness and feed learnings back into policy design. The figures in Chapters 2-7 present the proportion of Member States reporting “yes” to each assessment criterion.

Entrepreneurship schemes

The assessments also examine the extent to which entrepreneurship schemes (e.g. entrepreneurship training, coaching and mentoring, microfinance) effectively support business creation by women, immigrants, youth, seniors and the unemployed. Both dedicated approaches and general support schemes are considered. While dedicated approaches can have greater impacts since they are typically designed to address the barriers faced by the target clients, general schemes can also be effective for supporting entrepreneurs from disadvantaged and under-represented groups. The assessments consider the following nine issues:

1. **Tailored:** Are public programmes tailored for the target group?
2. **Consultation:** Are the targeted entrepreneurs consulted during the design of programmes?
3. **Outreach:** Are appropriate outreach methods used for different target groups?
4. **Delivery:** Are specialist organisations used to deliver programmes?
5. **Take-up:** Does the support have high take-up among target group?
6. **Scale:** Is the scale of available support sufficient?
7. **Outcome:** Does evaluation evidence show a positive impact?
8. **Integrated:** Is the programme linked to other types of support (e.g. training and finance)?
9. **Links:** Are tailored entrepreneurship link to general support programmes?

There is a great deal of diversity of entrepreneurship schemes in most countries, particularly those where both national and sub-national governments are actively involved. The assessments consider the “typical” scheme that an entrepreneur can use in the country. A focus was placed on public schemes and those funded by government even if they were delivered by non-government actors.

The figures in Chapters 2-7 present an unweighted average of the assessment scores across the 27 EU Member States. The figures present the scores out of nine for each type of intervention in four areas of policy intervention:

- Entrepreneurship skills
 - Entrepreneurship training
 - Entrepreneurship coaching and mentoring
 - Business consultancy, including incubators/accelerators
- Access to finance
 - Grants for business creation
 - Loan guarantees

- Microfinance and loans
- Other instruments (e.g. crowdfunding, risk capital)
- Entrepreneurship culture and social capital
 - Entrepreneurship campaigns, including role model initiatives
 - Networking initiatives
- Regulatory measures and instruments
 - Support with understanding and complying with administrative procedures
 - Measures to address group-specific regulatory challenges (e.g. student business legal form for young entrepreneurs)

For more information and to access the collection of notes, please visit: <https://www.oecd.org/cfe/smes/Inclusive-Entrepreneurship-Policies-Country-Assessment-Notes.htm>.

References

- Ahmad, N. and R. Seymour (2008), *Defining Entrepreneurial Activity: Definitions Supporting Frameworks for Data Collection*, OECD Publishing, <https://doi.org/10.1787/243164686763>. [3]
- Eurostat (2023), *Employment and Unemployment (LFS) Database*, <https://ec.europa.eu/eurostat/web/lfs/database> (accessed on 23 May 2023). [2]
- GEM (2023), *2022/2023 Global Entrepreneurship Monitor (GEM) Global Report: Adapting to a "New Normal"*, <https://gemconsortium.org/reports/latest-global-report> (accessed on 6 September 2023). [1]



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