Abstract for the 11th INSME Annual Meeting

Round Table 1

“Inclusive Entrepreneurship Policy: The OECD Experience”

Mr. Sergio ARZENI
Director
OECD Centre for Entrepreneurship, SMEs and Local Development
France

The recent economic crisis has left us with a number of challenging legacies, including high unemployment. There were 42.9 million unemployed people in the OECD area in February 2015, 6 million fewer than there were at the peak observed in January 2013. However, unemployment remains high in many OECD countries and increased in Finland, Portugal and Italy between April 2013 and February 2015.

Different population groups were affected more than others and OECD projections suggest that these challenges are unlikely to be resolved soon as slow growth and high unemployment are likely to stay with us for some time.

Inclusive entrepreneurship policies have the objective of ensuring that all people, regardless of their personal characteristics and background, have an equal opportunity to start and run their own businesses. These policies place their emphasis on supporting people in entrepreneurship who come from social groups that are under-represented in entrepreneurship or disadvantaged in the labour market. In other words, this often refers to youth, seniors, women, ethnic minorities and migrants, people with disabilities and the unemployed.

Business start-up, or more correctly sustainable business start-up, is clearly a key outcome sought from inclusive entrepreneurship policies, and with it greater labour market participation by the target population groups. At the same time, however, the generation of sustainable business start-ups is not the sole outcome sought from inclusive entrepreneurship policies, because people who are encouraged to consider and test entrepreneurship will not always wish to go ahead with a business or to maintain it in the long term, but very often receive a boost to their skills, motivations, networks and employability from engaging in entrepreneurship. This improves their chances to obtain jobs.
Targeted inclusive entrepreneurship policies and programmes can therefore be important tools for policy makers. A supportive entrepreneurial culture and regulatory environment are key factors in increasing the perceived desirability and feasibility of entrepreneurship. It is important to promote business creation and operation by disadvantaged and under-represented groups, focussing on helping business starters to identify and exploit areas of opportunity and excess demand in the economy.

Policy actions should focus on the development of entrepreneurship skills through extending and improving entrepreneurship education, offering stand-alone entrepreneurship training courses, including those that exploit the potential of on-line technologies, and offering advice and coaching using mentors from the same communities.

Policy should also aim to improve access to finance by providing financial information and advice to entrepreneurs, supporting matching and networking of investors and entrepreneurs, offering loan guarantees, and participating in the emergence of microfinance institutions and crowd funding platforms focused on disadvantaged and under-represented groups.

To reach these under-represented and disadvantaged social groups, custom-designed and delivered programmes and services should be used where client density is sufficiently high. Mainstream supports can be engaged with disadvantaged and under-represented groups by ensuring diversity in those who run programmes; recruiting members of the client group for diagnosis, referral and service delivery; training frontline staff in dealing with the target groups; using appropriate media channels and languages to communicate programmes; and setting and monitoring targets for client diversity.