

Inclusive entrepreneurship trends and policies in Denmark

This profile briefly reports on self-employment and entrepreneurship activities by women, youth and seniors in Denmark and highlights recent policy developments in inclusive entrepreneurship such as the recent expansion of entrepreneurship education for youth.

Key trends: In 2016, the self-employment rate was approximately half of the rate across the European Union (7.7% vs. 14.0% for the EU). The self-employment rate for women was 4.9% in 2016, which was half of the rate for men (10.2%). Approximately 5.4% of the adult population (18-64 years old) in Denmark were involved in starting a new business or operating a new business (less than 42 months old) between 2012 and 2016 relative to 6.7% of the European Union population (i.e. Total early-stage Entrepreneurial Activity rate). This small gap was also observed for women, youth and seniors. However, women were much less likely than men to indicate that they have the skills to start a business (23.7% vs 42.0% for men). Similarly, only one-quarter of youth reported that they have sufficient skills to start a business. Nonetheless, entrepreneurs from all groups in Denmark were much more likely to self-report that they exploit innovative products and services in their businesses than the European Union average (45.6% vs. 28.9% for the EU).

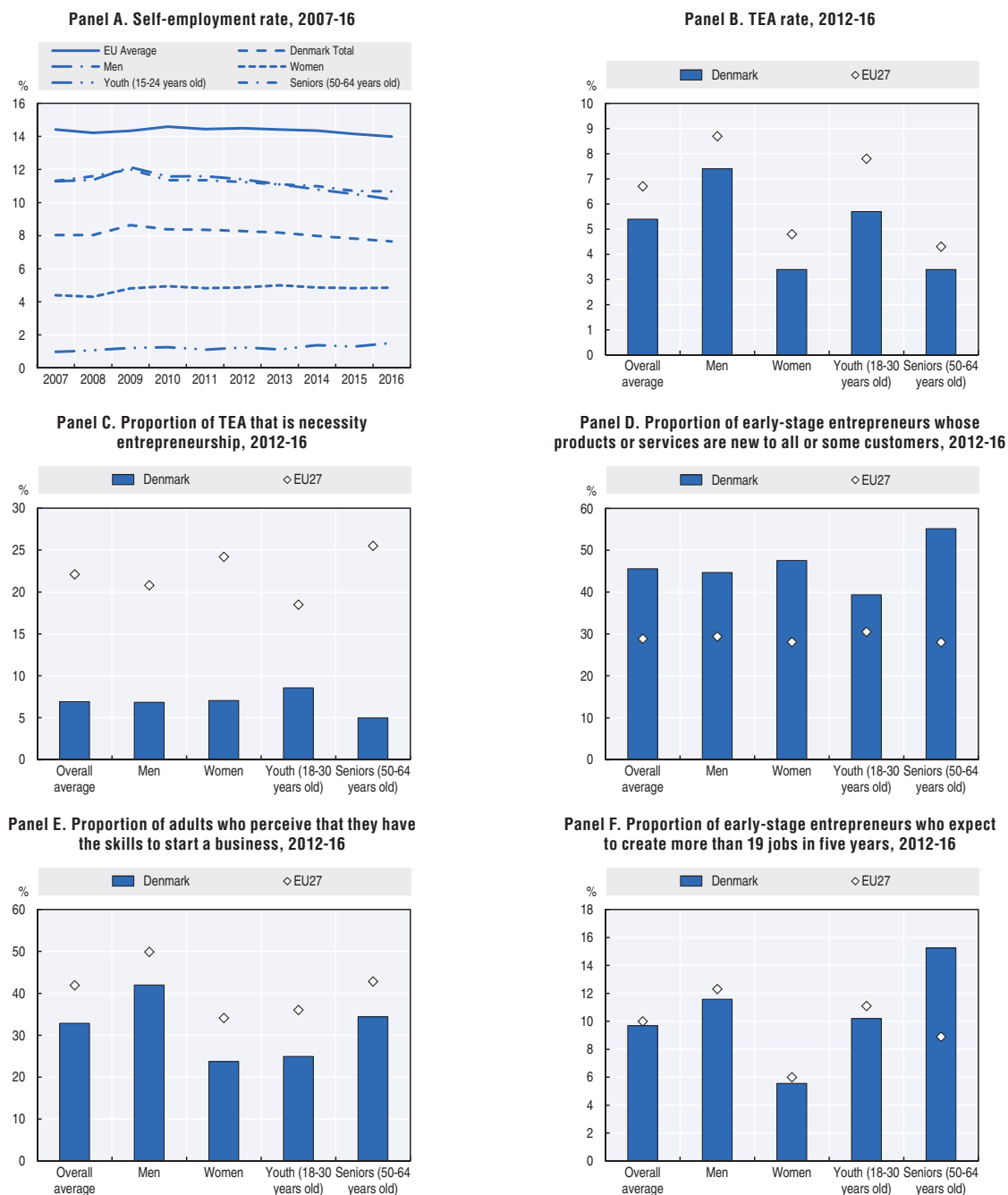
Hot issue: Mainstream approaches open to all entrepreneurs are currently favoured over tailored approaches that seek to address the unique barriers of different target groups, which has led to policy discussions on how to ensure that disadvantaged groups access these services. Despite the focus of entrepreneurship policies on innovation and growth, few youth and women entrepreneurs expect to create a substantial number of jobs with their new business. This calls for more tailored actions to stimulate growth motivations for these groups and to offer more support services. Increasing the mentoring and advisory services can also help existing initiatives provide more tailored support to address the unique barriers faced by different entrepreneurs. This is identified as an area for improvement in nearly all programme evaluations.

Recent policy developments: Current entrepreneurship priorities and objectives are outlined in the 2016 “White Paper on Growth and Competitiveness”. This document highlights priority areas such as growth, innovation and the digital economy. It does not, however, indicate clear objectives and targets for inclusive entrepreneurship. One exception is the aim to increase the availability of entrepreneurship education and business start-up support for youth – an effort which dates back to 2010 and the establishment of the Danish Foundation for Entrepreneurship. Danish higher education institutions, vocational colleges and schools provide entrepreneurship education and training, as well as advisory services and incubators. Most universities offer entrepreneurship courses as well as a range of business start-up supports, including business incubators, advisory services, networking and mentoring. Some universities, such as the Technical University of Denmark, also offer a range of financial supports. Entrepreneurship education and training offered through the education system is supported by The Danish Fund for Entrepreneurship, a private company that is supported by four ministries, provides training programmes for entrepreneurship education at all levels, from primary school to PhD students and also operates a micro grant scheme, where student entrepreneurs may apply for grants of up to DKK 50 000 (approximately EUR 7 000). The Fund also provides a network for entrepreneurship teachers and trainers. An evaluation of the Fund concluded that entrepreneurship should be taught early on in schools and focus is needed equally on cognitively-oriented entrepreneurial skills and non-cognitive entrepreneurial skills.

The full Country Assessment Note can be found at: www.oecd.org/cfe/leed/inclusive-entrepreneurship.htm.

Key inclusive entrepreneurship data

Figure 15.1. Entrepreneurship and self-employment data for Denmark



Notes: 1. The self-employment rate is defined as the number of self-employed people (15-64 years old) divided by the number of people in employment. 2. The TEA rate is the proportion of adults (18-64 years old) involved in setting up a business or managing a business that is less than 42 months old. 3. Necessity entrepreneurship is defined as entrepreneurship activities that were launched because the individual did not have other options in the labour market. 4. Early-stage entrepreneurs are those who are in the process of setting up a business or manage a business that is less than 42 months old. 5. In Panels B, C, D, E and F, the population covered are those 18-64 years old.

Sources: Panel A: Eurostat (2017), Labour Force Survey, available at: <http://ec.europa.eu/eurostat/web/lfs/data/database>; Panels B, C, D, E, and F: GEM (2017), Special tabulations of the Global Entrepreneurship Monitor adult population survey, 2012-16.

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Reader's guide to the country profiles

This section of the book provides a short overview of inclusive entrepreneurship trends and recent policy actions in each European Union Member State. Each Country Profile highlights recent trends for key inclusive entrepreneurship indicators, focusing on activity rates, quality and barriers to business creation for people in under-represented and disadvantaged groups, drawing on a set of charts (see below). In addition, the Country Profiles briefly describe a current policy issue relevant for inclusive entrepreneurship policy development. Finally, each Country Profile describes a recent policy action that was introduced to support the unemployed, women, youth or seniors in business creation and self-employment.

The country overviews are complemented with a common set of country-specific data that benchmark key inclusive entrepreneurship indicators against the European Union average and over time. Data are presented for men, women, youth, seniors and the overall population total. These data help to show the scale of the challenge and its recent evolution. All Country Profiles contain six figures (except for the Malta profile, which does not participate in the Global Entrepreneurship Monitor survey):

Panel A: Self-employment rate, 2007-16. This presents the proportion of those in employment who are self-employed.

Panel B: Total Early-stage Entrepreneurship Activity (TEA) rate, 2012-16. This presents the proportion of the population who is actively involved in starting a business or who is the owner-operator of a business that is less than 42 months old.

Panel C: Proportion of TEA that is necessity entrepreneurship, 2012-16. This presents the proportion of early-stage entrepreneurship that was launched due to a lack of other opportunities in the labour market.

Panel D: Proportion of early-stage entrepreneurs whose products or services are new to all or some customers, 2012-16. This presents the proportion of early-stage entrepreneurs who self-report that they offer products and/or services that are new to potential customers.

Panel E: Proportion of adults who perceive that they have the skills to start a business, 2012-16. This presents the proportion of the population who believe that they have the knowledge and skills needed to start a business.

Panel F: Proportion of early-stage entrepreneurs who expect to create more than 19 jobs in five years, 2012-16. This presents the proportion of early-stage entrepreneurs who anticipate the creation of at least 19 additional new jobs over the next five years.



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