

Inclusive entrepreneurship trends and policies in Luxembourg

This profile presents data on self-employment and entrepreneurship activities by women, youth and seniors in Luxembourg and briefly describes recent policy initiatives that support these groups in business creation, including new entrepreneurship promotion efforts by Junior Chamber International Luxembourg.

Key trends: The self-employment rate in Luxembourg was below the European Union average in 2016 (9.0% vs. 14.0% for the EU), but the Total early-stage Entrepreneurial Activity (TEA) rate was above the EU average over the 2012-16 period (8.8% vs. 6.7% for the EU), suggesting that adults in Luxembourg were more likely to be involved in starting a business or manage one that is less than 42 months old. This difference can be explained by different interpretations of whether an entrepreneur is a self-employed person (and vice-versa) and that the TEA rate is more of a “flow” measure since it captures those involved in establishing or managing a new business. The entrepreneurship activities in Luxembourg appear to be more likely of high quality than the EU average. Only 9.4% of entrepreneurs reported during the 2012-16 period that they started their business due to a lack of other opportunities in the labour market. Moreover, entrepreneurs in Luxembourg were nearly twice as likely as the European Union average to report that their business offered new products and services (48.7% vs. 28.9% for the EU).

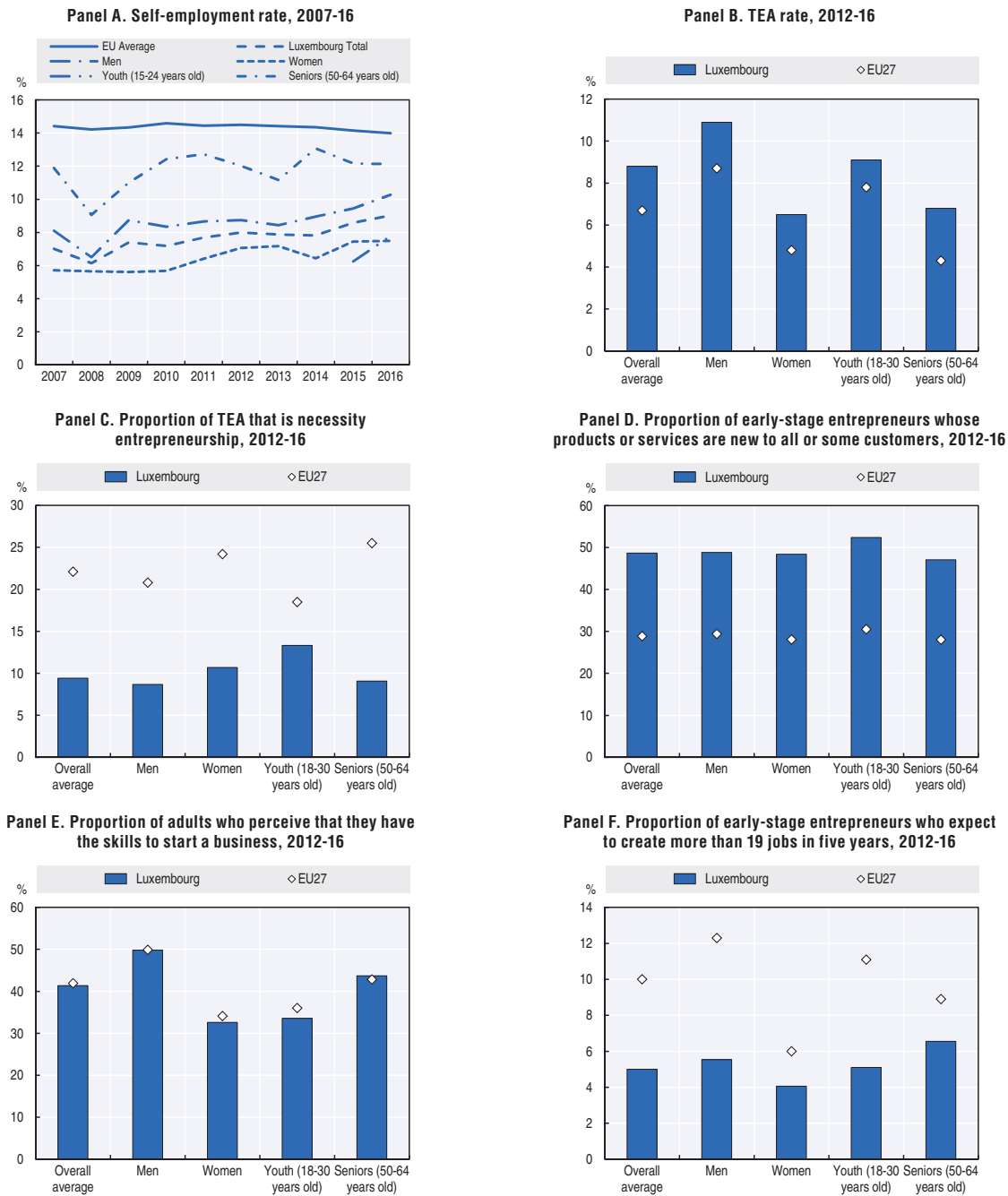
Hot issue: Current entrepreneurship priorities and objectives of the Luxembourg government are outlined in the 4th National Action Plan to support SMEs, which was adopted in March 2016. While the action plan covers SME and entrepreneurship policy in general, it contains measures to boost support for youth and women entrepreneurs. Anticipated support for youth includes more entrepreneurship in formal education, an increased use of role models and the expansion of youth entrepreneurship networks. For women, support is envisaged through better childcare facilities to improve the reconciliation of work and family responsibilities.

Recent policy developments: The government of Luxembourg has a number of regulatory measures aimed at supporting new entrepreneurs. This includes the new “1-1-1” law, which significantly reduces the steps involved in the registration process for starting a business. This new law will allow for the creation of an enterprise in one day at the cost of EUR 1. In addition, several platforms have been set-up to support business creation, including the new one-stop shops “House of Entrepreneurship” that were launched in 2016. These one-stop shops were initiated to address fragmentation in the business start-up support infrastructure. It is expected that they will reduce the administrative burden for start-ups and be an important resource for those social target groups that have difficulty navigating the institutional environment.

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

Key inclusive entrepreneurship data

Figure 26.1. Entrepreneurship and self-employment data for Luxembourg



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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