

Inclusive entrepreneurship trends and policies in the United Kingdom

This profile benchmarks several key inclusive entrepreneurship indicators in the United Kingdom against the European Union average, including self-employment and entrepreneurship activity rates for women, youth and seniors. It also reports on recent inclusive entrepreneurship policy actions, including childcare measures that support entrepreneurship for women.

Key trends: The self-employment rate was approximately 14.1% of the working population in 2016, which accounts for 30% of the increase in employment since 2010. The number of self-employed women in the United Kingdom (9.9%) was almost half of self-employed men (17.9%) in the 2016 and women were also half as likely to be involved in setting up and managing new businesses. There has however been a steady increase in the number of women entrepreneurs from 1984 to 2008, and a sharp rise of approximately 30% within the period 2008-15. Women entrepreneurs are generally more likely than men to work part-time and to be sole-traders. They were also much less likely to report that they have the skills for entrepreneurship between 2012 and 2016 (34.9% vs. 52.8% for men). Women entrepreneurs tend to operate in particular sectors, including retail trade, hotels and restaurants, health, social services, education, personal and consumer service activities and were less likely to operate businesses that offer new products and services over the 2012-16 period.

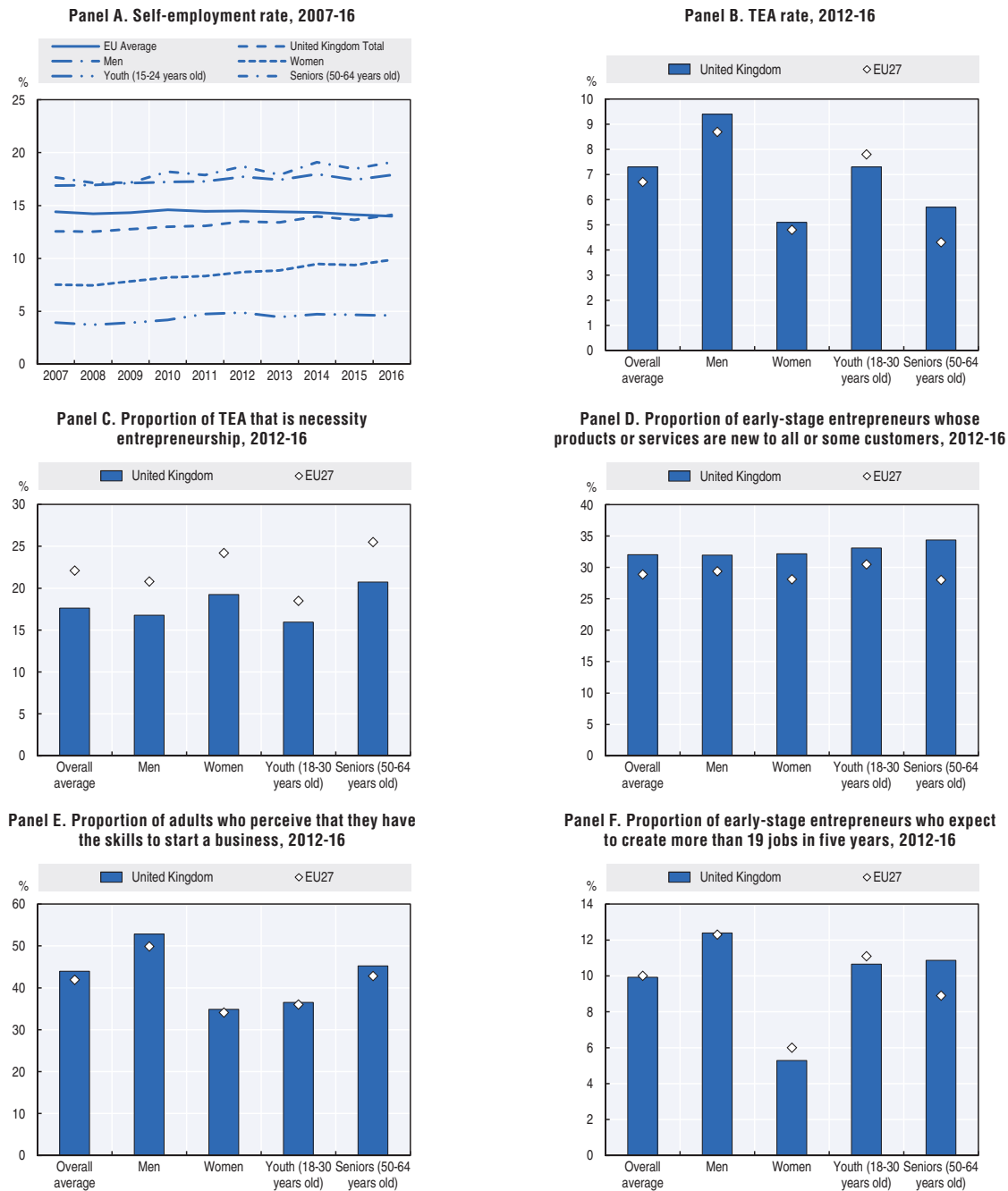
Hot issue: There are currently few inclusive entrepreneurship supports for social target groups other than youth and women as there has been a move towards a mainstream approach in delivering business start-up schemes. Thus, much of the policy dialogue has been around ensuring access to entrepreneurship schemes for disadvantaged groups and leveraging the efforts of non-government organisations in a context of diminishing public resources. Anticipated spending cuts and questions surround the exit from the European Union pose further challenges to the sustainability of established initiatives.

Recent policy developments: The national regulatory environment is generally considered to be friendly towards entrepreneurs and measures that support people in dealing with administrative procedures for entrepreneurship tend to be simplified for all businesses and self-employed people. Nonetheless, some changes have been made to the social security system in recent years to balance the differences in treatment of employees and the self-employed. This includes the introduction of the Single Tier Pension, which is thought to disproportionately benefit the self-employed, women, care-givers and low income earners. In addition, self-employed people will be eligible for Tax-Free Childcare as of early 2017 (as employees can access) as part of the government's long-term plan to support working families. It is anticipated that this will enable more parents to go into work, including women who want to set up a business. Tax-Free Childcare scheme is particularly welcome by the self-employed who are currently not entitled to Childcare Vouchers available only to employees.

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

Key inclusive entrepreneurship data

Figure 36.1. Entrepreneurship and self-employment data for the United Kingdom



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.

StatLink <http://dx.doi.org/10.1787/888933625566>

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.



From:
The Missing Entrepreneurs 2017
Policies for Inclusive Entrepreneurship

Access the complete publication at:
<https://doi.org/10.1787/9789264283602-en>

Please cite this chapter as:

OECD/European Union (2017), "Inclusive entrepreneurship trends and policies in the United Kingdom", in *The Missing Entrepreneurs 2017: Policies for Inclusive Entrepreneurship*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264283602-41-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.