

Preface

by

Lamia Kamal-Chaoui

Nearly a decade after the onset of the economic crisis that hit the majority of OECD countries, labour market conditions are beginning to improve. Jobs are being created and economic growth is returning to many OECD economies and European Union Member States. But these headlines hide several remaining challenges. First, productivity growth has slowed down over the last decade, reviving fears that we are entering a period of poor growth and low job creation. One of the main challenges facing our economies is re-launching productivity growth, a key driver of long-term economic growth. This is why it is crucial to invest in knowledge, skills and abilities.

A second challenge has been the rise in inequality. This reflects slow growth in real wages as well as an increasing dispersion in average wages paid across firms, both within regions as well as across regions. This has contributed to a growing discontent as too many people are feeling “left behind”. Despite the clear benefits of globalisation, there is a widespread feeling that those benefits have been concentrated in a few hands and this has helped fuel the discontent.

The 2017 edition of the *Missing Entrepreneurs* underlines the need to continue to encourage and support entrepreneurship, especially for groups that are under-represented and disadvantaged in the labour market, i.e. women, youth, seniors, the unemployed and immigrants. Supporting these groups with entrepreneurship training, coaching and mentoring and an opportunity to launch a business can help people create their own job, or equip them with more skills and experience to help them move into employment. Increasing the level of labour market activity of these groups, as well as strengthening their labour market attachment, will improve the standard of living for many individuals and can contribute to growth by activating under-utilised economic resources.

But policy makers must be careful in pursuing this objective. Although this report clearly shows that entrepreneurs from under-represented and disadvantaged groups have the potential to operate high value-added businesses, many will not. Caution is therefore needed when supporting entrepreneurs from these groups because self-employment is not suitable for everyone. Furthermore, it can be dangerous for public policy to support individuals in business creation when they have little chance for success. A business failure could have significant financial and psychological consequences for individuals. It is therefore important to favour supporting projects with innovative ideas.

The OECD would like to thank the European Commission for their partnership on this important programme of work. This body of work on inclusive entrepreneurship policy has built up an evidence base on the level and quality of entrepreneurship activities undertaken by people who face the greatest challenges in the labour market, and has

provided valuable policy advice to local, regional and national policy makers and practitioners on the most effective approaches to designing and implementing inclusive entrepreneurship policies and programmes.



Lamia Kamal-Chaoui
Director,
Centre for Entrepreneurship, SMEs, Local Development and Tourism, OECD



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