

7 Self-employment and entrepreneurship by people with disabilities

Nearly one-in-five people in OECD and European Union countries live with some form of disability and about one-in-seven people with a disability who are working are self-employed. People with disabilities tend to face greater barriers in business start-up and development due to lower levels of education, less work experience, low self-esteem and negative social attitudes. Addressing the barriers to entrepreneurship for people with disabilities can offer a route into the labour market for more people. This chapter presents data on entrepreneurship and self-employment activities by people with disabilities across European Union Member States and OECD countries.

Key messages

- **This chapter presents a snapshot of self-employment by people with disabilities** in European Union (EU) Member States and selected OECD countries using data from the EU Survey on Income and Living Conditions. It also presents an overview and brief assessment of entrepreneurship policies and programmes for people with disabilities in the EU.
- **People with disabilities account for a large and growing share of the population in the EU and OECD.** About 18% of the world's population lives with some form of disability. Disabilities vary greatly in nature, severity, cause and duration. Many forms of disability are more likely to occur in older people (e.g. heart disease) so disability rates are expected to increase with population ageing.
- **The share of working people with disabilities who are self-employed is similar to that of people without disabilities.** Data from 26 European OECD countries show that the self-employment rate for people with disabilities in 2019 was closely correlated with the rate of people without disabilities. The rate was slightly higher for people with disabilities in 7 of 26 countries. This suggests that self-employment can be a feasible type of work for some as the flexibility offered by self-employment can help individuals manage their work in a way that is compatible with other aspects of their life, including their disability.
- **However, on average, firms operated by people with disabilities are smaller and have a smaller economic impact.** Data from 26 European OECD countries show that self-employed workers without disabilities are 11% more likely to have employees than those with disabilities. Moreover, countries with high levels of self-employment among people with disabilities do not have higher employment rates among people with disabilities.
- **Improving the social and labour market inclusion of people with disabilities is a policy objective in the EU and OECD.** Entrepreneurship can be part of the suite of policy tools used to achieve these objectives. The rationale for policies and programmes to support people with disabilities is clear on several grounds, including for reasons of equality and improved individual lives. Research suggests that the latter can include improved income, happiness and health.
- **Very few EU Member States and OECD countries have well-developed support systems for entrepreneurs with disabilities.** Several countries such as Spain have recently developed new strategies and Germany has made progress in sign-posting specialised support services in the main information platforms for entrepreneurs and SMEs. However, dedicated training and mentoring programmes are rare and tend to be rather small-scale.
- **Governments can do more to promote good quality self-employment for people with disabilities.** An important place to start is to go further to reduce obstacles to labour market participation and going further with disability mainstreaming by ensuring that public institutions and services are serving people with disabilities to the same extent as other population groups and are held accountable for doing so. To support self-employment, governments should focus on increasing opportunities for people with disabilities to start businesses by fostering inclusion and accessibility in the entrepreneurship support system and offering targeted support to entrepreneurs with disabilities when there is sufficient demand. However, public support schemes need to avoid supporting precarious work. Priorities for strengthening public entrepreneurship support for people with disabilities include seeking to build an entrepreneurial identity using role models and training employment counsellors and business support organisations so they have a greater awareness and tools to address barriers people with disabilities might face.

The growing prevalence of disability

More than 1 billion people worldwide live with some form of disability, of which nearly 20% have significant difficulties functioning and typically require healthcare services (World Health Organization, 2020^[1]). Within the OECD, about 18% of people experience some form of disability (OECD, 2022^[2]).

The United Nations (UN) uses a concept of persons with disabilities as “including those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others” (United Nations, 2006^[3]). The interaction between health conditions (e.g. heart disease, asthma) and environmental factors (e.g. inaccessible transportation, air pollution, limited social support) leads to a great diversity of disabilities and not everyone with a disability is equally as disadvantaged. Disabilities can be linked to various types of impairments (e.g. pain-related, flexibility, mobility, seeing, hearing, learning, developmental, mental health), intensity or severity (e.g. mild, moderate, severe, and very severe), cause and duration or permanence. People can experience multiple impairments at the same time and the likelihood of this increases with age (OECD, 2022^[2]).

The incidence of disability varies greatly across countries due to a range of factors. Differences in social attitudes, stigma and self-stigma can have a strong influence in the way that people identify themselves and respond to surveys (OECD, 2022^[2]). For example, two people with the same conditions (i.e. type, duration and severity) may self-identify differently due to differences in societal attitudes towards and perceptions of disability, which affects how they are reported in disability statistics. Other factors contributing to variations across countries include differences in how mental health conditions are identified and reported as well as demographic factors (e.g. age distribution), income levels and mortality rates of certain non-communicable diseases (e.g. cardiovascular disease) (European Commission, 2022^[4]).

The number of people who experience disability appears to be growing in most European Union (EU) Member States and OECD countries. One major factor is population ageing since the incidence of disability increases with age. It is estimated that this accounts for about half of the growth in incidence of disability (OECD, 2022^[2]). A second factor is the increased prevalence of non-communicable diseases (e.g. heart disease), some of which are related to ageing (World Health Organization, 2013^[5]).

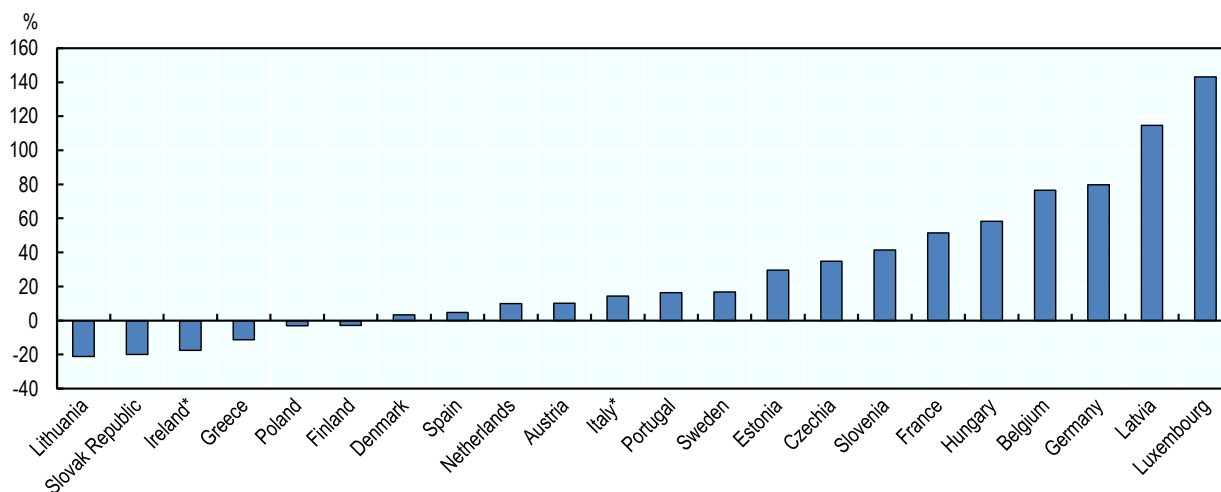
The high proportion of people who experience disability underscores the importance and scale of the policy challenges. Fostering inclusion of people with disabilities in all aspects of society in work has many benefits for economies (e.g. addressing labour and skill shortages, diversifying workforce (Akbari and MacDonald, 2014^[6])) and for individuals (e.g. improved mental health (World Health Organization, 2011^[7]; Shier, Graham and Jones, 2009^[8]) and better overall health (Crowther, 2001^[9])). Governments have outlined objectives and commitments in the United Nations’ Sustainable Development Goals (SDGs) and the United Nations Convention on the Rights of Persons with Disabilities (United Nations, 2006^[3]).

Entrepreneurship policy for people with disabilities

Business creation and self-employment can offer some people with disabilities a route into work and greater social inclusion. This chapter will show that a relatively high proportion of people with disabilities that are working are self-employed. Nonetheless, there may be scope for some inactive people with disabilities to enter work through self-employment, which can offer individuals a great amount of flexibility in organising their work relative to other aspects of the lives. If people with disabilities were as active in self-employment as core-age men (i.e. 30-49 years old), there would be more than two million more entrepreneurs with disabilities in the EU. This represents about 23% of the current number of self-employed workers who have disabilities.

Figure 7.1. The number of “missing” entrepreneurs with disabilities represent about 23% of self-employed with disabilities in the EU

Ratio of “missing” entrepreneurs with disabilities to number of self-employed entrepreneurs with disabilities, 2019



Note: This figure presents the ratio of estimated “missing” entrepreneurs with disabilities (i.e. the number of entrepreneurs with disabilities that there would be if people with disabilities were as active as 30-49 year old men in entrepreneurship less the number of actual entrepreneurs with disabilities) relative to the number of actual entrepreneurs with disabilities. Data for Ireland and Italy are for 2018 (*). These estimates are based on two questions from the European Union Statistics on Income and Living Conditions (SILC): PH020 (suffer from any chronic illness or condition) and PH030 (limitation in activities because of health problems). The data in this figure report the proportion of people who respond “yes” to PH020 and either “yes, strongly limited” or “yes, limited” to PH030.

Source: OECD calculations based on (OECD, 2021_[10]).

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EU Member States and OECD countries vary considerably in the availability and provision of support. This includes the way that programmes themselves are designed and delivered as well as the institutional structures and ecosystems in which they operate. These factors directly influence the incentives and disincentives that people with disabilities face in entrepreneurship as well as the approaches used to provide support. Within the EU, support for people with disabilities is strongly entrenched in law and is generally assumed to be a responsibility of the state (Vornholt et al., 2018_[11]). Entrepreneurship support is, therefore, commonly directly supported by government (i.e. government offers support directly or finances initiatives delivered by other actors). This is in contrast with the approach used in many OECD countries outside of the EU (e.g. Australia, Canada, the United Kingdom, the United States), where the NGO sector and social economy are much stronger drivers of implementing entrepreneurship support for people with disabilities. Each approach has strengths and weaknesses. For example, the NGO-led approach can lead to more effective initiatives because they are developed by the most pertinent actors, but this can lead to a more fragmented support system and is less likely to influence changes in the legal and institutional structure because policy makers are not engaged.

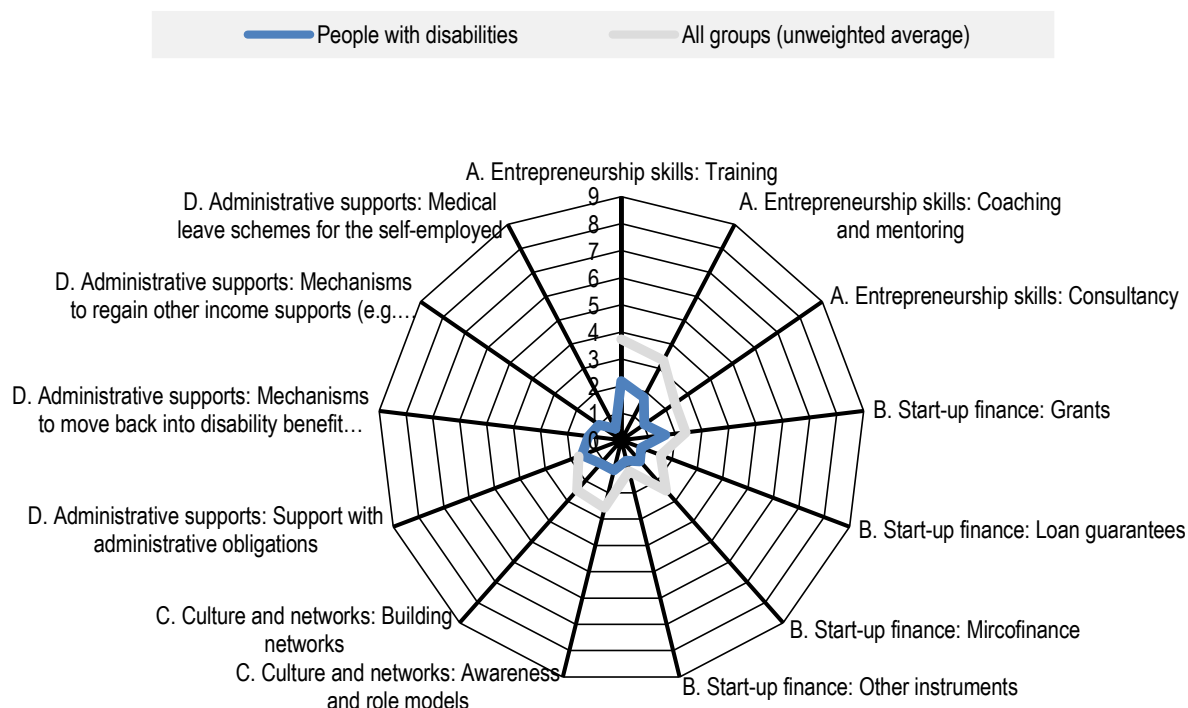
Governments in the EU have a range of policy tools at their disposal to support people with disabilities in entrepreneurship, but the level and quality of support offered is relatively weak overall. These tools include targeted and tailored measures that seek to increase the chances that start-ups created by people with disabilities become sustainable businesses that can generate a living wage and potentially create jobs for others. Common types of interventions include training, coaching and small grants, but they are not very commonly offered by governments in the EU (Figure 7.2). In most cases, grants and subsidies offered are to cover the adaption of workplaces and are open to the self-employed

as well as for employers who have employees with disabilities. One example is the subsidy scheme in Lithuania, which expanded eligibility in 2020 (Box 7.1). While such subsidies can help entrepreneurs overcome some of the additional costs related to managing their disability, they are often insufficient to fully overcome the additional costs faced in managing a business relative to those without disabilities. Moreover, they often have low take-up rates, suggesting that awareness of these types of supports may not be very high.

While there are several high-quality initiatives in the EU, they are commonly small-scale activities that face challenges securing operating resources. Dedicated financial supports such as grants and loans are quite rare, which is consistent with the lack of financial resources available entrepreneurship schemes for people with disabilities. One of the leading countries in the EU in terms of availability of tailored support for entrepreneurs with disabilities is Germany, which includes dedicated information for entrepreneurs with disabilities in the main entrepreneurship information portals (e.g. gruenderplattform.de, existenzgruender.de). Moreover, the Integration Office offers loans and other financial measures for business creation, such as interest rate subsidies, and several NGO-led initiatives (e.g. BESSER, enterability, found-it, KompassFrankfurt) offer intensive, high-quality support programmes (OECD, 2023^[12]).

Figure 7.2. Policies and programmes for people with disabilities are under-developed

Availability and quality of entrepreneurship schemes for people with disabilities in EU Member States, 2023



Note: The figure presents an unweighted average of policy and programme assessment scores for EU Member States. Each policy instrument (e.g. entrepreneurship training) is characterised according to a 9-point scale as described in the Reader's Guide. The figure shows the average score for schemes for people with disabilities relative to the score for all inclusive entrepreneurship groups combined (i.e. women, immigrants, youth, seniors, job seekers and people with disabilities). Some of the policy instruments displayed are designed specifically for people with disabilities so there is no comparative policy assessment score for all inclusive entrepreneurship target groups. The policy scores were discussed and verified with governments and stakeholders in national workshops and a written procedure.
 Source: (OECD, 2023^[12])

Box 7.1. Support for self-employment of people with disabilities, Lithuania

Target group: People with disabilities

Intervention type: Subsidies to support self-employment through subsidies for workplace adjustments

Description: Amendments were made in 2020 to the legislation that offers subsidies to self-employed workers with disabilities to adjust their workplaces (*Neįgalųjų savarankiško užimtumo rėmimas*) to reduce the eligibility threshold. Prior to 1 June 2020, these subsidies were only available to those with an assessed capacity for work that was 40% or lower. The new amendment increases the number of people who can access it as the eligibility was extended to those with a capacity for work of 45-55%.

This scheme offers financial subsidies for the acquisition, installation and adaptation of workplace equipment or technical aids for people with disabilities as well as adaptations to their workplace premises. Subsidies can be for a maximum of 31.03 months of minimum wages (i.e. EUR 18 800).

Results achieved: According to the Public Employment Service (PES), within two months from the entry into force of the measure (i.e. from 1 June 2020 to 1 August 2020), the subsidy was granted to one person.

Source: (Eurofound, 2020^[13])

Recent policy developments in the EU

The EU Strategy for the Rights of Persons with Disabilities (2021-30) has been put forward to progress towards equal opportunities and equal access to participate in society and economy. The Strategy contains a set of actions and flagship initiatives in various domains, including 57 European Commission actions and 23 calls to the EU Member States (European Commission, 2021^[14]). One of the seven flagship initiatives is Disability Employment Package, a set of guidance, good practices and learning opportunities aimed at improving labour market outcomes of persons with disabilities (EC, 2022^[15]). The Package covers all stages of employment – from recruitment through retention and to transition to the open labour market. It is developed with key actors, such as the PES Network, EU OSHA and Cedefop.

Several governments have recently recognised the entrepreneurial potential of people with disabilities. There are several examples of new high-level policies and strategies to improve the inclusion of people with disabilities, including through entrepreneurship. For example, the National Employment Action Plan (2022) in Bulgaria supports self-employment for people with disabilities (notably women with permanent disabilities) through a business creation programme implemented by the Agency for People with Disabilities (Republic of Bulgaria, 2022^[16]). Another example is the Spanish Disability Strategy 2022-30, which includes an objective on promoting and supporting new business opportunities, entrepreneurship and self-employment for people with disabilities (Spain, 2022^[17]). While there is a risk that such high-level strategies do not get implemented, they are important for signalling a commitment to supporting this population and ensuring that resources are allocated to a range of measures.

New schemes and initiatives have also been introduced in several EU Member States. These include the Mr. Disabled award programme in Poland (Box 7.2) that was launched in 2018 after the success of the long-running Lady D(isabled) award in Mazowiecka (State Fund for Rehabilitation of Disabled People, 2018^[18]) and a tailored online entrepreneurship training programme offered by the Technological University Dublin (Ireland) in partnership with the Open Doors Initiative (TU Dublin, 2022^[19]). Another new initiative is the Association of Entrepreneurs with Disabilities in Austria, which was founded in 2021 (AED Austria,

2023^[20]). It promotes networking for entrepreneurs with disabilities, represents their interests to government and works to positively influence public opinion towards people with disabilities.

Box 7.2. Mr. Disabled award programme, Poland

Target group: Men with disabilities

Intervention type: Award programme to give visibility to successful entrepreneurs with disabilities

Description: This annual award programme started in 2017 and promotes the achievements of people with disabilities. Awards are given in five categories:

- “Professional life”, typically for entrepreneurs;
- “Social life”, for improving daily life of people with disabilities;
- “Artistic life”, for artistic achievement;
- “Sport”, for athletic achievements;
- “Team” for a group of people with disabilities or a disability organisation.

This award programme was launched after the success of the equivalent “Lady D” awards for women with disabilities, which were launched in 2002.

Results achieved: Winners in the five categories are recognised at a gala dinner every year, along winners of special achievement awards. Winners are showcased in Polish media.

Source: (State Fund for Rehabilitation of Disabled People, 2018^[18]; Kurczek, 2023^[21])

Self-employment among people with disabilities

People with disabilities who work are as likely to be self-employed as those without a disability...

Many persons with disabilities want to work (MacDonald, Prinz and Immervoll, 2021^[22]). However, there is a substantial gap in employment rates between people with disabilities and those without. Across OECD countries in Europe, this gap ranged from 17 percentage points (p.p.) in Switzerland to 39 p.p. in Ireland in 2019. These differences across countries are due to differences in policies to support labour market integration (Geiger, van der Wel and Tøge, 2017^[23]) as well as positive or negative influence on work opportunities of social attitudes, the availability of support programmes, regulatory context and the interaction between access to income supports (e.g. disability pension) and earned income from employment and self-employment.

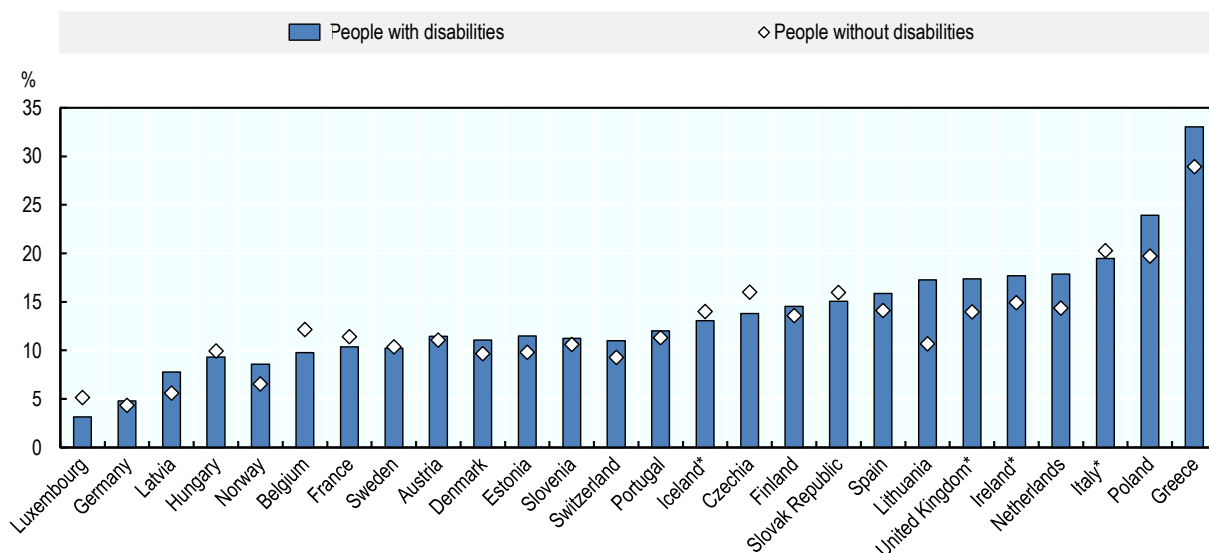
Among everyone who is available to work, people with disabilities are less likely to be self-employed than those without disabilities. About 5% of people with disabilities available for work in European OECD countries were self-employed in 2019 relative to 9% of those without disabilities. This gap varied substantially across countries, ranging from more than 11 percentage points (p.p.) to less than 0.5 p.p. These estimates are derived from the EU Statistics on Income and Living Conditions, which collect cross-sectional and longitudinal data on income, poverty, social exclusion and living conditions.

However, this gap shrinks when self-employment is considered relative to employment since unemployment rates are very high for people with disabilities as are inactivity rates. About 13-15% of people with disabilities in European OECD countries who were working in 2019 were self-employed (Figure 7.3). In seven EU Member States, people with disabilities were slightly more likely to be

self-employed in 2019 than those who do not have a disability: Belgium, the Czech Republic, France, Hungary, Italy, Luxembourg and the Slovak Republic.

Figure 7.3. People with disabilities are as likely to be self-employed if they are working

Self-employment as a percentage of employment, 2019



Note: Data for Iceland, Ireland, Italy and the United Kingdom are for 2018 (*). These estimates are based on two questions from the European Union Statistics on Income and Living Conditions (SILC): PH020 (suffer from any chronic illness or condition) and PH030 (limitation in activities because of health problems). The data in this figure report the proportion of people who respond “yes” to PH020 and either “yes, strongly limited” or “yes, limited” to PH030.

Source: (OECD, 2021^[10])

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...and there are differences by gender and age

The likelihood of working as self-employed varies substantially among people with disabilities. People with severe and multiple disabilities are less likely to be self-employed. However, there are some health conditions that some argue can be advantageous in entrepreneurship, such as Attention deficit hyperactivity disorder (ADHD) since they can lead to a greater degree of proactiveness (Wiklund et al., 2018^[24]).

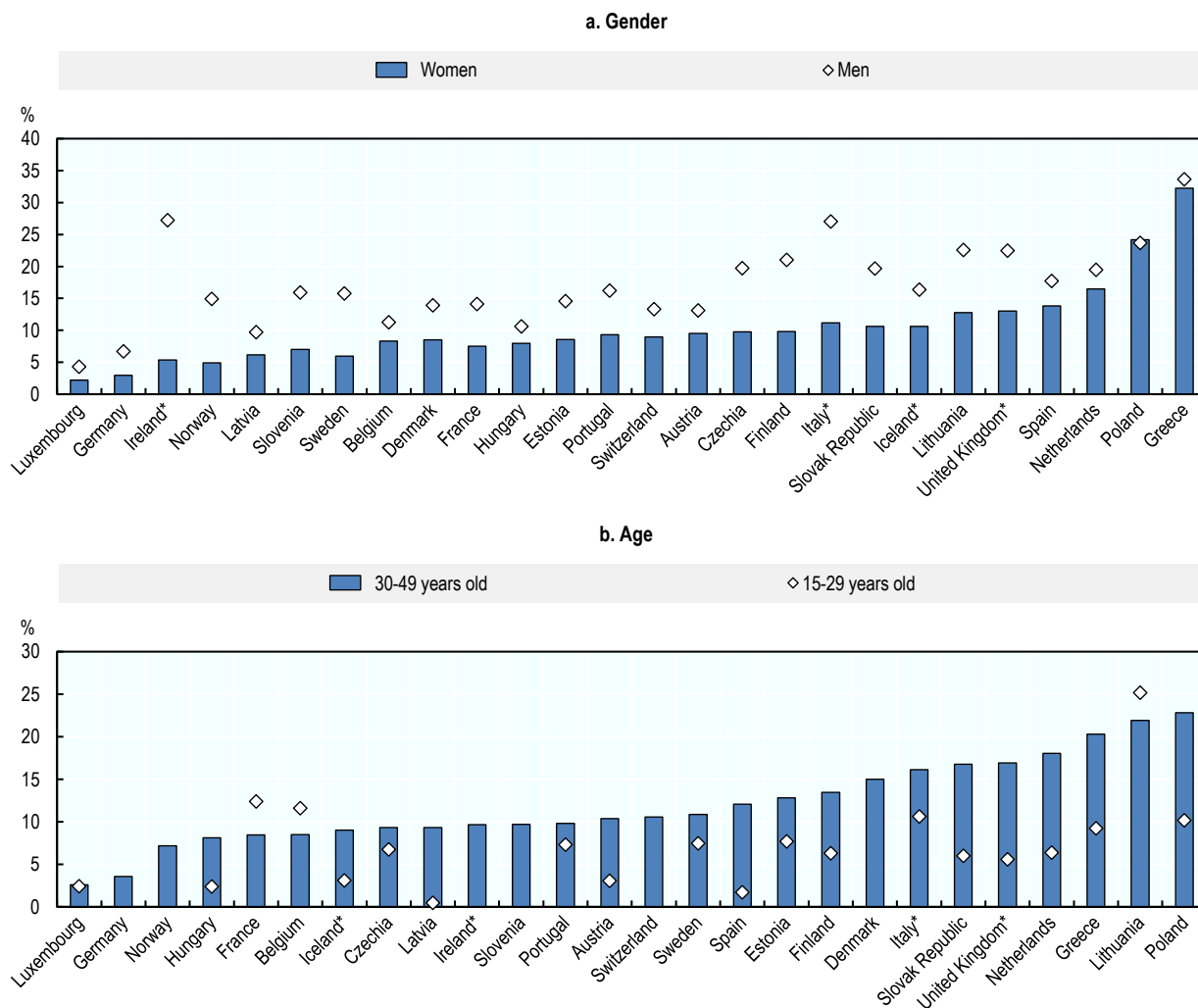
The gender gap among the self-employed with disabilities is slightly larger than the overall gender gap in entrepreneurship (see Chapter 2). Among all self-employed, men are about 30% more likely than women to be self-employed but this gender gap grows to about 90% (i.e. nearly double) among the self-employed with disabilities in European OECD countries (Figure 7.4). This gender gap is greater than among those in full-time employment (Inclusion Europe, 2020^[25]). While there are several countries such as Greece and Poland where there is essentially no gender gap among the self-employed with disabilities, the gender gap is more than 300% in Norway and Ireland. Recent research in Canada also finds a gender gap among business owners with a disability but this gap closes as age increases (Lafrance-Cooke and Bemrose, 2022^[26]).

Among people with disabilities, self-employment rates tend to increase with age in most countries. People with disabilities under 30 years old were less likely to be self-employed than older age groups in

2019 in all European OECD countries except for Belgium, France and Lithuania (Figure 7.4). This is consistent with research in Canada (Lafrance-Cooke and Bemrose, 2022^[26]). There are several explanations for the increasing rates with age, most notably that the prevalence of disability increases with age. However, other factors inhibiting business creation and self-employment in younger age cohorts include a lack of work experience or skills, which hinders the ability to identify a suitable activity and build relevant professional networks.


Figure 7.4. The self-employment rate varies greatly by gender and age

Self-employment as a percentage of employment, 2019



Note: Data for Iceland, Ireland, Italy and the United Kingdom are for 2018 (*). These estimates are based on two questions from the European Union Statistics on Income and Living Conditions (SILC): PH020 (suffer from any chronic illness or condition) and PH030 (limitation in activities because of health problems). The data in this figure report the proportion of people who respond “yes” to PH020 and either “yes, strongly limited” or “yes, limited” to PH030.

Source: (OECD, 2021^[10])

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People with disabilities typically operate smaller businesses with lower growth potential...

People with disabilities operate a wide range of businesses and there is no “typical” business. As with all entrepreneurs, their businesses depend largely on context (e.g. personal motivations, skills and experience) and market opportunities. However, for people with disabilities, these decisions are mediated by a range of factors, including many related to the individual’s barriers faced in interaction with their impairment, for example, hearing, reading, speech, vision, psychological factors, and physical limitations (Boman et al., 2015^[27]).

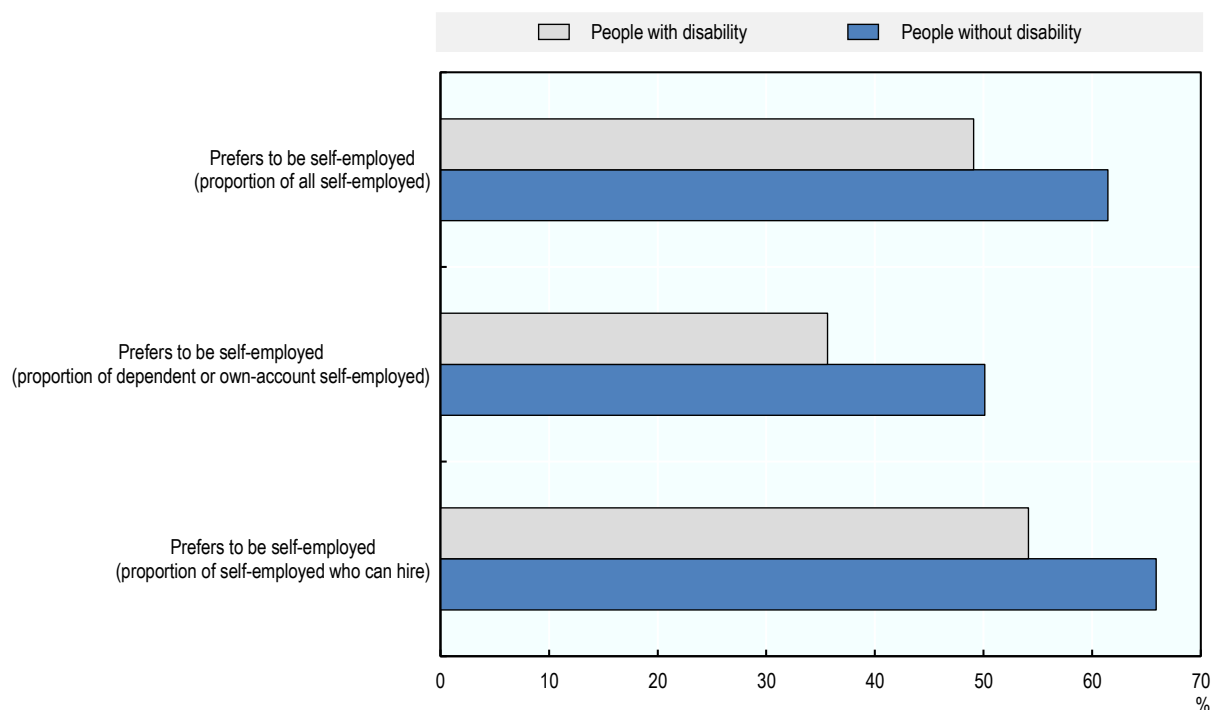
While the level of self-employment activity suggests that there are economic opportunities for people with disabilities, most businesses started are small and have low growth potential. Data from European OECD countries shows that the self-employed without a disability were about 11% more likely to have an employee than those with a disability (OECD, 2022^[2]). Moreover, this data shows that the self-employed with a disability are more likely to be dependent self-employed (i.e. they rely on one or a very small number of clients), which limits the potential for growing their business. This is consistent with panel data from the United States which shows that entrepreneurs with a disability were more likely to work in smaller teams and have lower incomes and less start-up investments (Renko, Harris and Cardwell, 2015^[28]).

...due differences in motivation and greater barriers faced

People with disabilities are, on average, less motivated to be self-employed. Data from European OECD countries show that people with disabilities are nearly 20% less likely to express a preference for self-employment relative to those without a disability (Figure 7.5). This gap is also evident among those that operate businesses that are large enough to employ at least one other person and is even greater among those who work on their own.

Figure 7.5. People with disabilities are less likely to self-report a preference for self-employment

Shares among different groups of self-employed workers, 2015



Note: Data show the unweighted average for 26 European countries: Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, the Republic of Türkiye and the United Kingdom.

Source: (OECD, 2022^[2])

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A second factor is that people with disabilities face more and greater barriers when starting a business. Although they face many of the same barriers that other entrepreneurs face, disability presents several unique obstacles that policy makers need to understand and address when designing and implementing entrepreneurship support schemes for people with disabilities. Barriers can be grouped under three categories: regulatory disincentives and challenges; individual barriers to business creation; and low levels of awareness of disability issues in the entrepreneurship support system (Table 7.1). Many of these barriers are inter-related and consequently, the vast majority of entrepreneurship support initiatives for people with disabilities offer packages of support.

Addition discussion on barriers and policy solutions can be found in the OECD/EU Policy Brief on Supporting Persons with Disabilities in Entrepreneurship (OECD/EU, 2023^[29]).

Table 7.1. Overview of barriers faced by entrepreneurs with disabilities

Category	Barrier	Brief description
1. Regulatory disincentives and challenges	Opportunity cost of self-employment	Entrepreneurs with disabilities often have to forgo a secure income (e.g. income supports, allowances) for an insecure and variable income. Moreover, many people with disabilities may have difficulties accessing compensatory income that helps cover additional costs faced to be employed (e.g. transportation, equipment). People with disabilities may also have great difficulties re-accessing income supports if their start-up does not succeed due to the rigidity of benefits systems that do not manage well transitions to and from employment (Cooney and Aird, 2020 ^[30]).
	Self-employed have more limited access to incapacity benefits	The self-employed often have less access to sick leave, disability and workers compensation than those working as employees. However, the rules vary greatly across countries (OECD, 2019 ^[31]).
	Changes to policy and legislation can be difficult to follow	It can be difficult to monitor changes to rules and regulations related to income and income support systems, partly due to accessibility challenges on government websites.
	Difficulties interacting with government websites for business registration, filing tax, etc.	Government websites have been slow to become compliant with accessibility requirements, making it difficult for some people with disabilities to use these websites (Ferri and Favalli, 2018 ^[32]).
2. Individual barriers to business creation	Ableism and discouraging social attitudes	Ableism is a type of discrimination based on the belief that people with disabilities have lower levels of ability, limiting their opportunities and restricting access to resources (Wolbring, 2012 ^[33] ; World Health Organization, 2011 ^[7] ; Sefotho, 2014 ^[34]). This makes it more difficult for people with disabilities to gain the confidence of lenders and investors, support providers, business partners and customers.
	Lack of self-identity and low self-confidence	Many people with disabilities do not recognise their potential in entrepreneurship due to low self-confidence and a fear of failure (Cooney and Aird, 2020 ^[30]).
	Lower skills levels	On average, people with disabilities are less likely to complete formal education and are, therefore, often considered to have lower levels of skills (Prókai and Szerepi, 2017 ^[35] ; MLSP, 2020 ^[36]). Entrepreneurship researchers point to specific skills gaps in the areas of financial literacy and knowledge about how to reach markets (Prókai and Szerepi, 2017 ^[35]) as well as difficulties accessing appropriate support and training (Cooney and Aird, 2020 ^[30]).
	Access to finance	Many people with disabilities have little savings or assets that can be used as collateral for a start-up loan, often due to a lack of work experience (Cooney and Aird, 2020 ^[30]). This challenge is further compounded by negative perceptions by lenders and investors about the potential of people with disabilities to manage a business.
	Higher cost of doing business	Many entrepreneurs with disabilities face additional costs of doing business due to a need to purchase special equipment or hire more assistants (Kyröläinen, 2020 ^[37]). In addition, it can be more difficult and more expensive to acquire insurance. These additional costs reduce the competitiveness of the business.
3. Low levels of awareness of disability issues in the entrepreneurship support system	Support providers are not prepared for working with people with disabilities	Unintentional bias and insufficient understanding of disability issues within public agencies and non-government support organisations can be a significant barrier to access entrepreneurship supports. This challenge is particularly true for people with mental health disabilities (Martin and Honig, 2020 ^[38]).

Source: (OECD/EU, 2023^[29])

Untapped potential for people with disabilities in entrepreneurship is not likely to significantly improve labour market outcomes overall

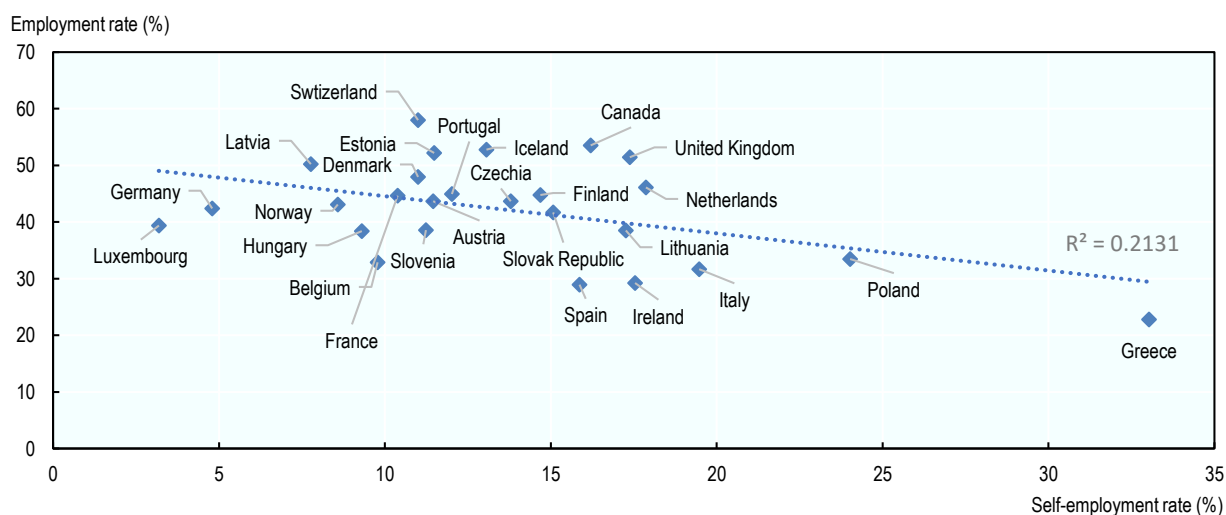
This (limited) evidence suggests that entrepreneurship can be a viable activity for some people with disabilities. This is driven by a range of factors:

- People with disabilities may face lower opportunity costs and associated risks in business creation due to their under-employment;
- Support (entrepreneurship and employment more broadly) is getting stronger due to a shift in approaches towards using “real world” situations rather than training based on hypothetical scenarios; and
- Demographic change (e.g. labour and skill shortages) and advancements in digital technologies (e.g. assistive technologies) are helping to open up opportunities in entrepreneurship for people with disabilities (Martin and Honig, 2020^[38]).

While entrepreneurship may improve individual lives by increasing income levels, boosting self-confidence and improving health overall, there is no conclusive evidence to show that labour market outcomes are improved overall. Self-employment is not associated with higher employment rates among people with disabilities in European OECD countries (Figure 7.6). Data from 26 European OECD countries show that there is a weak negative association between the share of workers in self-employment and employment rates among people with disabilities. This suggests that governments should not expect that entrepreneurship schemes for people with disabilities will lead to significant improvements in the labour market outcomes overall of people with disabilities.

Figure 7.6. Self-employment does not appear to improve the labour market position of people with disabilities

Employment rates and self-employment rates for people with disabilities, 2019



Note: Share of employed people with disability (aged 15-69) who are self-employed. Data refer to 2018 for Belgium, Iceland, Ireland, Italy and the United Kingdom.

Source: (OECD, 2022^[2])

Conclusions

People with disabilities account for a large and growing share of the population in OECD and EU countries (currently about 18%). Disabilities vary greatly in nature, severity, cause and duration. This heterogeneity makes it difficult for governments to ensure that everyone can get the right support, but it also creates an opportunity to go further in providing individualised support for everyone.

The share of people with disabilities in employment (among those who work) who are self-employed is similar to that of people without disabilities. This suggests that self-employment can be a feasible type of work for some, but there are important questions for policy makers about who should be supported and under which conditions since many people with disabilities operate small businesses with little growth potential. Entrepreneurship involves risk for everyone and, on average, people with disabilities may face greater consequences if their business does not succeed due to debt that may have been incurred, negative mental health effects and potential difficulties re-entering income support systems.

Improving the social and labour market inclusion of people with disabilities is a policy objective in OECD and EU countries. Policy makers should focus on increasing opportunities for people with disabilities to start businesses by addressing exclusion in the entrepreneurship support system and offering dedicated schemes when there is sufficient demand. It is also important to go further with disability mainstreaming by ensuring that public institutions and services are serving people with disabilities to the same extent as other population groups and are held accountable for doing so. They should help entrepreneurs understand appropriate pathways for business growth and also dissuade those who are unlikely to succeed because public schemes should not support the creation of precarious work. Priorities for strengthening public entrepreneurship support for people with disabilities are:

- Seek to build an entrepreneurial identity using role models;
- Train employment counsellors and business support organisations so they have a greater awareness and tools to address barriers persons with disabilities face;
- Use training and coaching schemes to build business management skills and networks;
- Offer financial support in increasing amounts based on demonstrated success;
- Adjust the delivery of support schemes for the capabilities of individual participants, including leveraging specialised organisations and the organisations of persons with disabilities in designing and delivering support;
- Ensure flexibility and adequacy of income support and benefits systems; and
- Increase investment in collecting data on people with disabilities, including measuring the impact of entrepreneurship schemes.

For more information and policy discussion on entrepreneurship by people with disabilities, please refer to (OECD/EU, 2023^[29]). Examples of recent policy action to support people with disabilities in entrepreneurship are contained in the country profiles in Part III of this report.

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Part II Policies for inclusive entrepreneurship



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