

Inclusive Entrepreneurship Policies,  
Country Assessment Notes

# Sweden

2020

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# Foreword

Inclusive entrepreneurship policies seek to ensure that everyone has an opportunity to create a sustainable business for those with realistic potential, regardless of their background. Business creation by people from under-represented and disadvantaged groups (e.g. women, youth, seniors, immigrants, the unemployed, people who experience disability) helps generate jobs, thereby fighting social and financial exclusion while stimulating economic growth.

These policies have become much more relevant with the COVID-19 pandemic, which has led to rapidly increasing unemployment and inactivity. Addressing this jobs crisis is one of the top policy priorities in European Union and OECD countries and inclusive entrepreneurship schemes have strong potential for moving some unemployed people back into work. Moreover, these policies can be leveraged to help re-boot economies as there is untapped growth potential among some of the target groups.

This note is the fourth country assessment note prepared by the Organisation for Economic Co-operation and Development (OECD) in collaboration with the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission on the state of inclusive entrepreneurship policies and programmes in each EU Member State. Each note provides an overview of the entrepreneurship activities by women, youth, seniors, immigrants and the unemployed. It also provides an assessment of policies and programmes that support people from under-represented and disadvantaged groups in business creation and self-employment, and suggests policy actions to address gaps in the support system and to improve the quality of available support offers. The notes cover national-level policies and programmes and, where relevant, sub-national initiatives and actions by the non-governmental sector.

The 2020 notes include a special section on entrepreneurship support for people who experience disability. This section provides an overview of the entrepreneurship activity levels, obstacles faced and policy responses. It also contains a new section on entrepreneurship framework conditions to provide additional context for interpreting the tailored policies and programmes.

These country-specific notes are part of a wider programme of work by the OECD and the European Commission that includes “The Missing Entrepreneurs” publications, the Better Entrepreneurship Policy Tool ([www.betterentrepreneurship.eu](http://www.betterentrepreneurship.eu)), a series of Policy Briefs on specific target groups, policies and issues, and national policy reviews of youth entrepreneurship and women entrepreneurship. This work stream examines how public policies and programmes can support inclusive entrepreneurship. This includes refining regulatory and welfare institutions, facilitating access to finance, building entrepreneurship skills through training, coaching and mentoring, strengthening entrepreneurial culture and networks for target groups, and putting strategies and actions together for inclusive entrepreneurship in a co-ordinated and targeted way. Governments are increasingly recognising the challenge of inclusive entrepreneurship, but there is still much to do to spread good practice. For more information please refer to: [www.oecd.org/employment/leed/inclusive-entrepreneurship.htm](http://www.oecd.org/employment/leed/inclusive-entrepreneurship.htm).

# Acknowledgements

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This note was prepared by Prof. Carin Holmquist. David Halabisky of the OECD CFE edited the note under the direction of Dr. Jonathan Potter, also of the OECD CFE.

An online seminar was organised to review the draft note on 7 July 2020. Feedback was received from representatives of Almi and HNA Hudiksvall.

Much of the data contained in this note were prepared under the direction of Dr. Jonathan Levie of the Global Entrepreneurship Monitor.

Finally, this note benefited from feedback and suggestions provided by Julien De Beys and Guy Lejeune of the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission.

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## Key messages

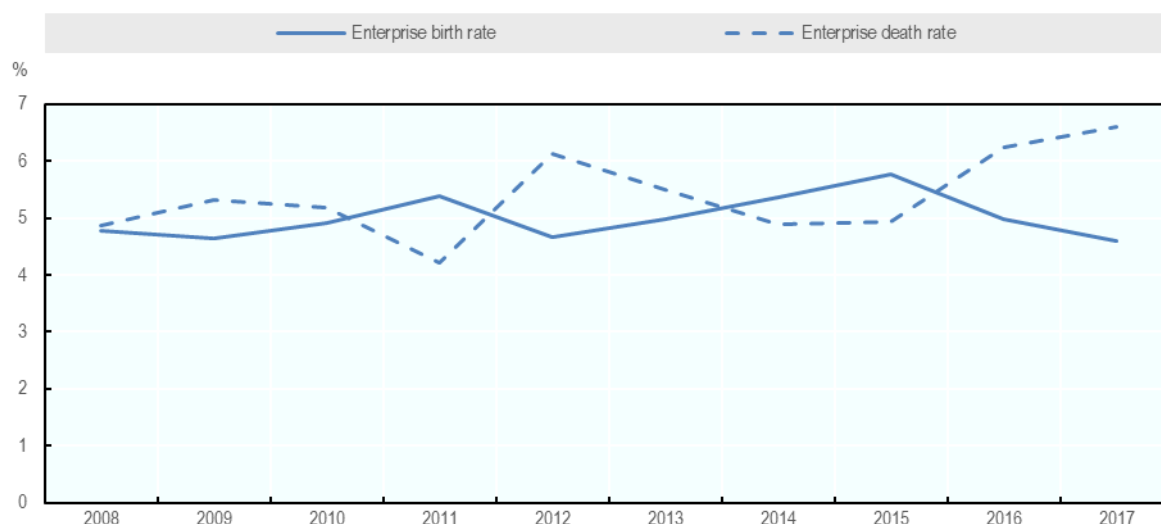
- The conditions for entrepreneurship contain elements that are very favourable relative to other European Union (EU) Member States, including low levels of administrative burden for start-ups and access to finance. However, a low share of people self-report having entrepreneurship skills. This would be expected to have a negative effect on the number of start-ups.
- Overall, the share of people involved in early-stage entrepreneurship (i.e. the share of the population involved in starting or managing a new business that is less than 42 months old) has increased over the past decade. The gender gap in early-stage entrepreneurship activities appears to be slightly greater than the EU average for the period 2015-19. Women were about 54% as likely as men to be involved in early-stage entrepreneurship, relative to 61% for the EU overall. On the other hand, seniors are more likely than the EU average to be involved in starting and managing new businesses.
- There are currently about 470 000 early-stage entrepreneurs. If the differences in entrepreneurship activity rates were eliminated across all population groups, there would be about 157 000 additional early-stage entrepreneurs. About half of these are people over 50 years old. Closing gender gap would result in about 140 000 more female entrepreneurs.
- Entrepreneurship policies are designed and delivered with a mainstream approach, aiming at increasing entrepreneurship and firm growth in general. Policies are generally developed by the Ministry for Enterprise and Innovation and implemented by agencies such as *Almi Företagspartner AB* ("Almi"), *Tillväxtverket* (Swedish Agency for Economic and Regional Growth), and *Arbetsförmedlingen* (Swedish Public Employment Service).
- Immigration flows have increased in recent years and a number of new employment programmes have been created, of which many are focussed on women. Several of these initiatives seek to promote and support entrepreneurship among immigrants.
- During the 1990s and 2000s women's entrepreneurship was heavily promoted and supported with tailored schemes. However, many of the national gender equality initiatives have been replaced by regional growth agreements that have gender equality as one of the main pillars. These agreements have increased the emphasis on economic growth and innovation in entrepreneurship schemes.
- The following actions are recommended to strengthen inclusive entrepreneurship support:
  - Strengthen the linkages between welfare, labour market and entrepreneurship policies;
  - Develop more entrepreneurship training, especially for seniors and women;
  - Apply the incubator concept to disadvantaged groups, i.e. to use the concepts and programmes developed in other incubators and adapt it to seniors, women, immigrants, and the unemployed;
  - Implement small scale financing, as microcredits or loan guarantees, and explore the potential for supporting new financing platforms such as crowdfunding; and
  - Improve access to information about business creation for immigrants.

# 1 Inclusive entrepreneurship trends

## Conditions for entrepreneurship

Business entry and exit rates have both increased slightly over the past decade (Figure 1.1). However, exit rates exceeded entry rate in five of the past seven years, suggesting that the business population is not growing. Business entry and exit rates are slightly below the median for European Union (EU) Member States.

Figure 1.1. Business entry and exit rates



Note: Enterprise birth rate is the share enterprise births in the reference period (t) divided by the number of enterprises active in t. Enterprise death rate is the share enterprise deaths in the reference period (t) divided by the number of enterprises active in t. The construction sector is excluded from these rates.

Source: Eurostat (2020), Business demography statistics, <https://ec.europa.eu/eurostat/web/structural-business-statistics/data/main-tables>.

The regulatory burden on new start-ups is very low relative to other EU Member States (Figure 1.2). This is due to the importance placed on regulatory simplification in the Swedish reform agenda, as well as the consolidation of a business online portal ([www.verksamt.se](http://www.verksamt.se)) and the digital simplification of communication between municipalities and firms (OECD, 2019). These broad efforts have also been complemented with sector-specific initiatives (e.g. the pilot programme *Serverat*, which targets micro firms in the food industry) and municipal efforts to reduce local regulations.

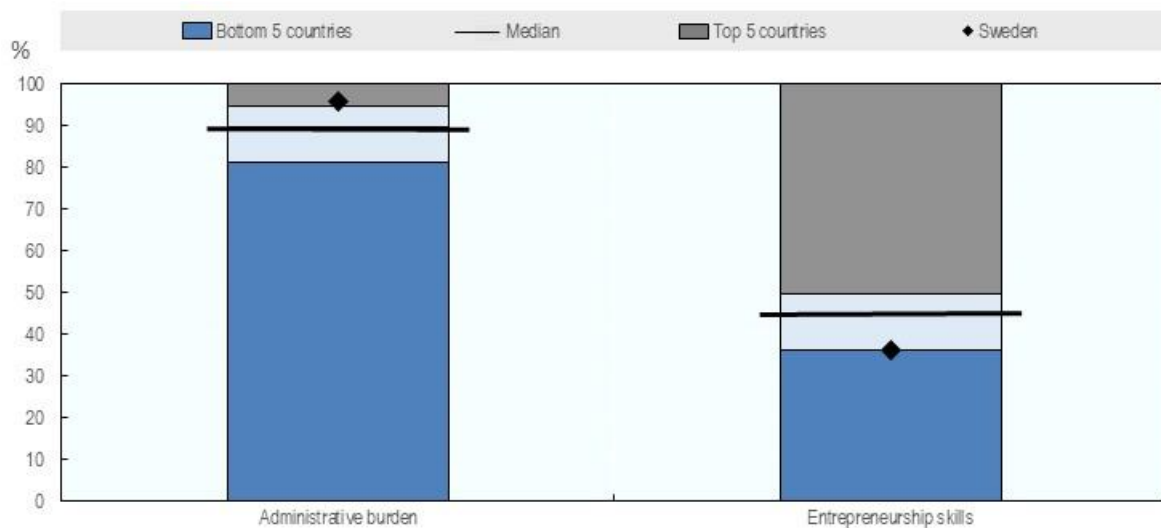
However, the share of the population that self-reports that they have the skills and knowledge to be entrepreneurs is relatively low (Figure 1.2). Over the period 2015-19, Sweden was below EU median. However, Sweden has a highly educated workforce, among the top five OECD countries with regard to its digital literacy (OECD, 2019). The government has invested in building digital skills among the past five

years, as well as lifelong learning initiatives and measures to improve the integration of immigrants into vocational education and training. There might be many reasons for the low levels of perceived entrepreneurship skills, for instance that high-tech firms are encouraged and hence high skills are required. Another reason might be the Swedish “*lagom*” (just about) culture where boasting is negative.

SME lending has increased in Sweden since 2012, coincidentally with decreasing interest rates, increasing business lending and low rate spread (OECD, 2019). Private equity funding and alternative finance are also on the rise. Venture capital (VC) investments were EUR 411 million in 2017, up from EUR 263 million the previous year. In addition, the volumes raised through alternative finance have increased by +548% in one-year time. The government restructured the public financing for innovation and sustainable growth in 2016 and simplified the state VC system to rationalise public resources in the area. *Saminvest AB* began operations in 2017 as a fund of funds focusing on development-stage companies.

### Figure 1.2. Conditions for business creation, 2019

Ranking relative to other European Union Member States, 2019



Note: The median score reported represents the median among EU Member States. Administrative burden is a score of 1 to 6 given to a country to reflect the relative scale of the administrative burden that new start-ups face. Entrepreneurship skills is the share of the population who report that they have the skills and knowledge to start a business. This indicator is an average of the period 2015-19.

Source: World Bank (2019), Ease of Doing Business Survey; GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD;

### Recent labour market trends

GDP growth in Sweden has been lower than the OECD average for the past two years (2.0% for 2018 vs. 2.3% for the OECD; 1.2% for 2019 vs. 1.7% for the OECD). GDP per capita continued to have a much slower growth due to the previous large influx of asylum seekers, a group that is not yet well integrated into the labour market and hence to a large degree not in the labour force at this time. These new Swedish residents often face barriers to entry on the labour market due to several factors. Language skill is one. Another factor is that the education level is lower for immigrants from some regions, i.e. MENA countries. Still another factor is the problem of segregated living – an example of such problems is that *Sveriges Radio* (Swedish Radio) reported (May 26, 2020) that 40% of children aged 6-15 studying with Swedish as second language were born in Sweden.

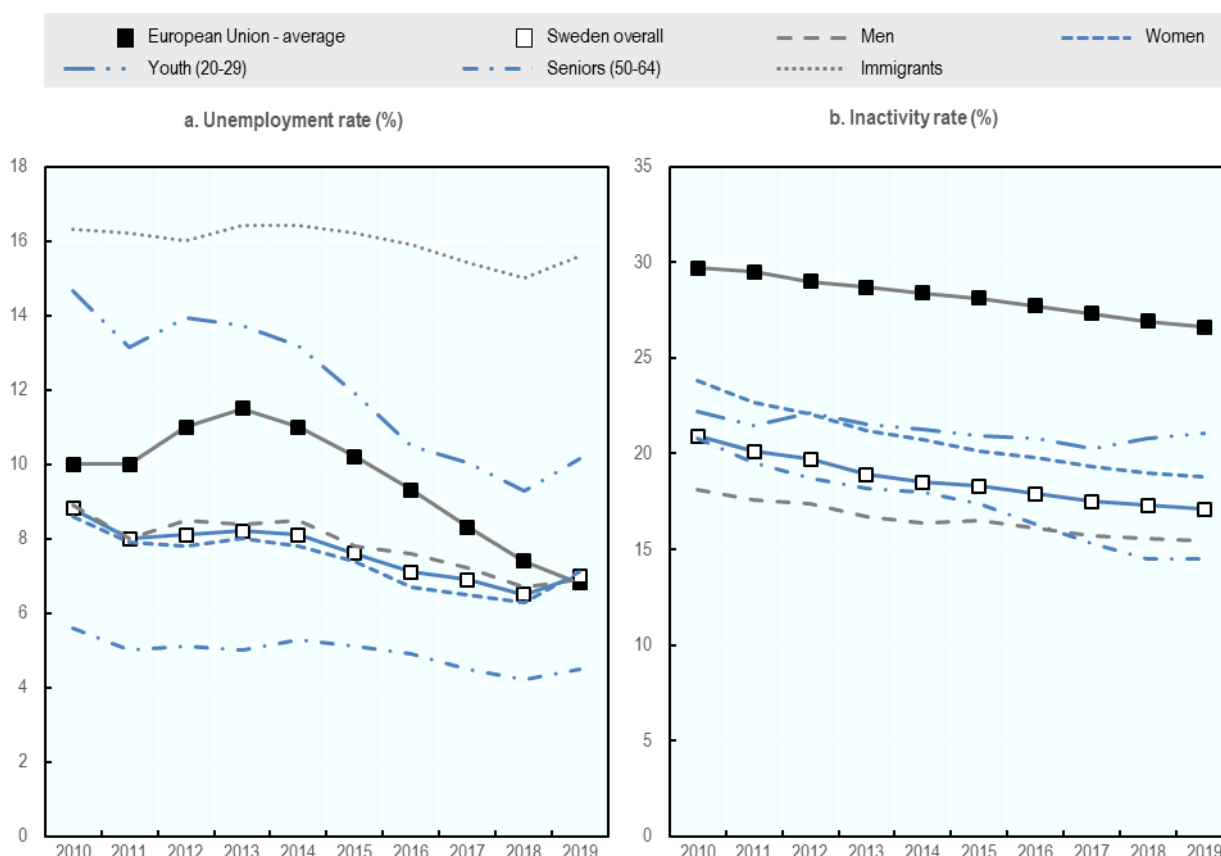


The unemployment rate in Sweden has traditionally been quite low and has often been below the EU average. However, the unemployment rate was slightly above the EU average in 2019 (7.0% vs. 6.8%) (Figure 1.3). The increase in unemployment rate is visible in all groups and the highest increase from 2018 is for youth (+1.9%). The unemployment rate differs between groups with seniors having the lowest rate (4.5%), and immigrants and youth having the highest (15.6% and 14.2%). There is virtually no difference between the unemployment rates of men and women. According to Ekonomifakta.se, Sweden has the largest difference in employment rates between immigrants and Swedish-born – 16.4% compared to the average for the EU of 5.5% (for 28 Member States in 2018).

Inactivity rates differ substantially between Sweden and the EU average (17.1% vs. 26.6%) (Figure 1.3). One big reason being the high participation of women in the workforce and cheap day-care for all children. However, youth are the exception to this overall trend – 28.5% of youth are inactive, most of whom would be in education or training. There is no data from Eurostat on immigrants' inactivity rate but data from Ekonomifakta.se shows that for refugees it takes on average 6-7 years for those with a secondary education or higher to have 50% of the group in employment. For those with lower education, only one-third have employment after that time and it takes more than 16 years for this group to reach 50% employment.

### Figure 1.3. Unemployment and inactivity

Proportion of the labour force that is unemployed and proportion of the working age population that is inactive



Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

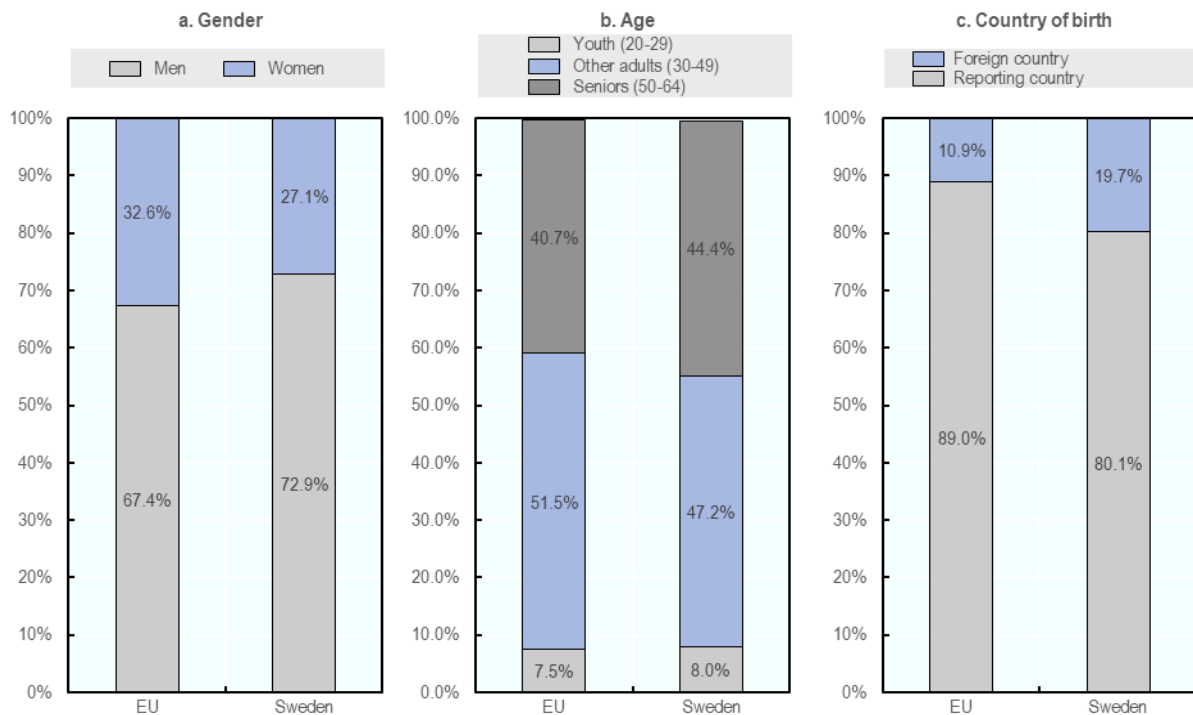
## Self-employment activities

More than 500 000 persons are self-employed in Sweden. The proportion of self-employed in different groups is a bit different from the EU average – in EU 32.6% of the self-employed are women, while the same figure for Sweden is 27.1% (Figure 1.4). This gap is likely explained by the social security system, which favours employment over self-employment for paternal leave and other social security benefits. The proportion of self-employed that are over 30 years old is the same in EU and Sweden but the proportion of seniors is higher in Sweden (44.4% vs. 40.7%). This higher proportion of self-employed is well known from earlier GEM studies where Sweden has shown higher proportions also in even higher ages. Also for the proportion of foreign-born among the self-employed, there is a sizable difference with the EU average – 10.9% of self-employed in the EU are foreign-born while 19.7% of the self-employed in Sweden are foreign-born. However, this share in Sweden is the same as the proportion of foreign-born people in the population.

Still, the proportion of individuals becoming self-employed is low in international comparison. In EU the average self-employment rate for 2019 is 13.4%, in Sweden it is 8.7%. These figures have been quite stable the last decade (Figure 1.5). There are however differences in self-employment rates between groups – seniors in Sweden have a rate of 12.6%, i.e. at par with the EU average, while youth only have a rate of 3.6%. Men also have comparatively higher rate (12.2%) and women lower (5.0%). According to Statistics Sweden (their labour market survey) the rates of self-employed among foreign-born are the same as for other Swedes, with the same difference between men and women.

**Figure 1.4. Composition of the self-employed**

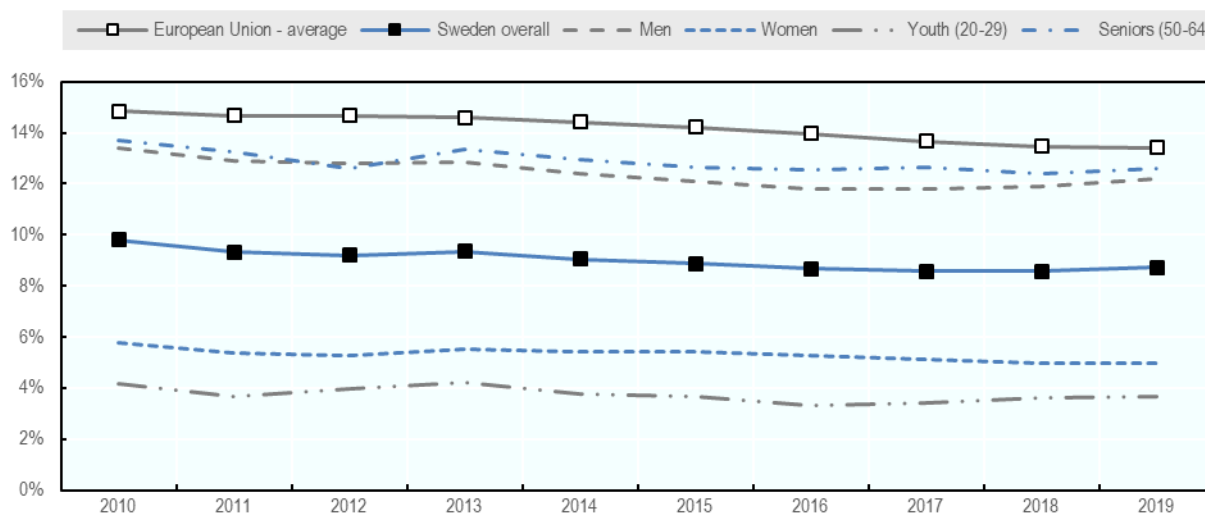
Proportion of self-employed workers, 2019



Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

**Figure 1.5. Self-employment rate**

Proportion of employment that is self-employed

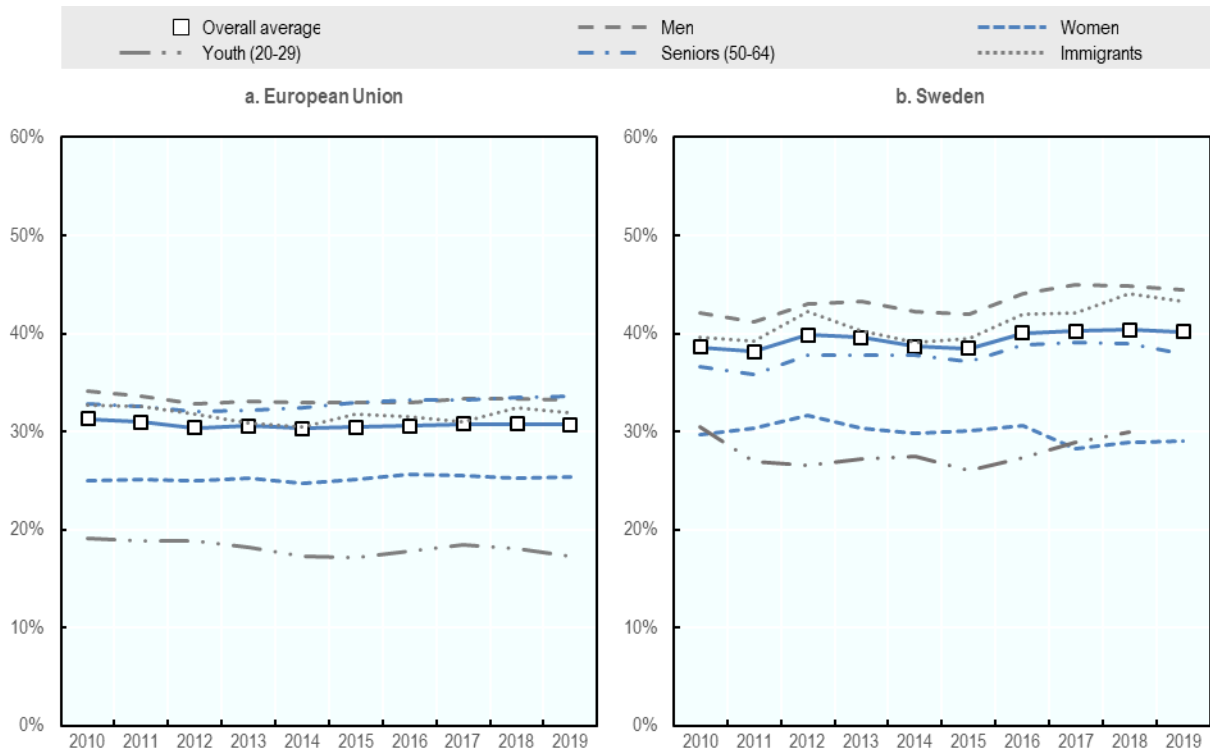


Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

In Sweden 40.2% of the self-employed have employees, which is higher than the EU average of 30.7%. This relation has been stable since 2010 (Figure 1.6). A higher share of self-employed men and immigrants had employees, while self-employed women and youth were less likely to have employees. However, about 30.0% of self-employed youth had in 2019 employees compared to the EU average of 17.2%.

**Figure 1.6. Self-employed as employers**

Proportion of the self-employed who employ others



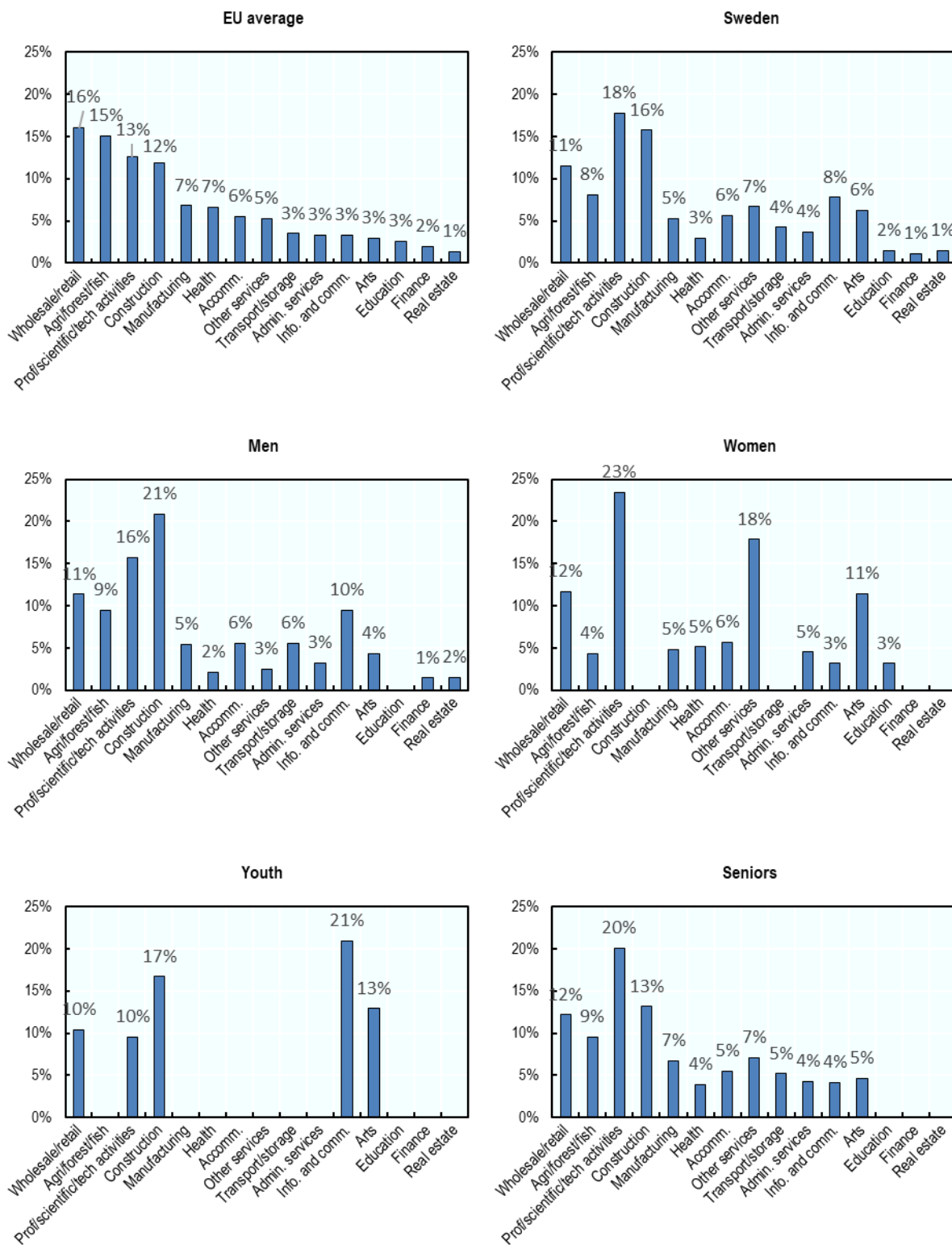
Note: There was a break in time series in 2018.

Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

The self-employed in Sweden are less likely than the EU average to be working in wholesale/retail and in agriculture but more likely to be working in professions and construction (Figure 1.7). Swedish male self-employed are twice as often active in construction than the EU average (20.8% vs. 11.9%), which is common across EU Member States. Most Swedish female self-employed work in professions and services. Self-employed youth were concentrated in Information and communication (20.9%), Construction (16.7%) and Arts, entertainment and recreation (15.5%).

**Figure 1.7. Self-employment by economic activity**

Distribution of the self-employed by sector, 2019



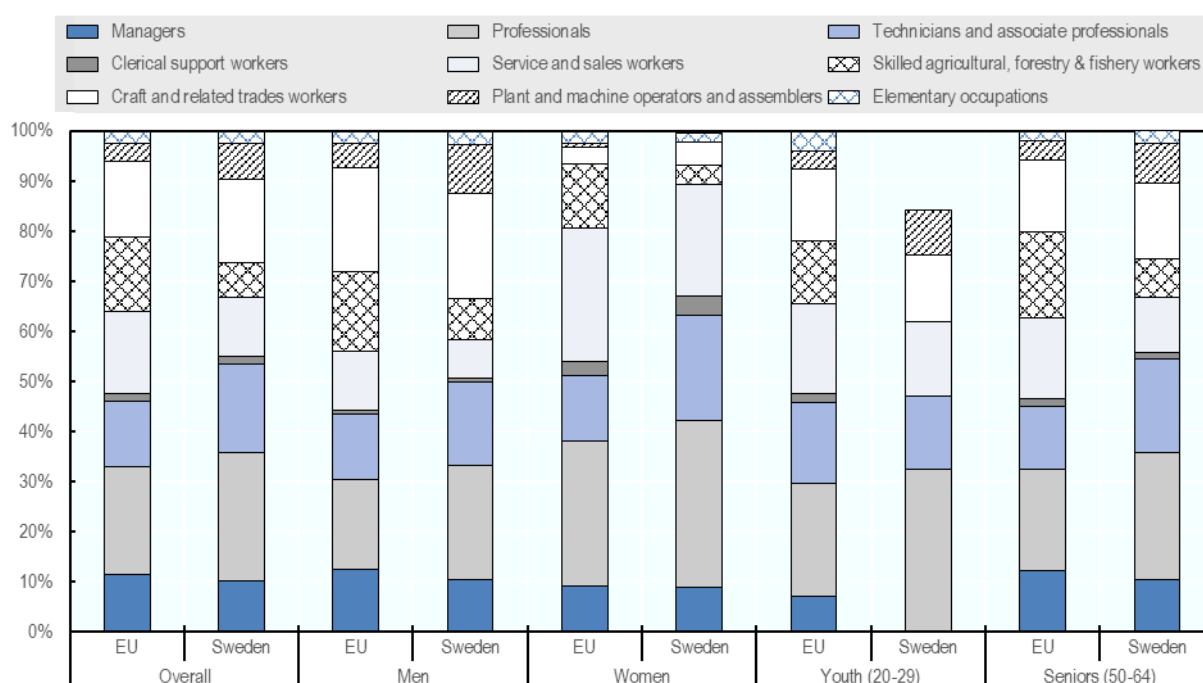
Note: Reliable data for men, women, youth and seniors are limited due to the quality of the estimates.

Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

About one-quarter of the self-employed worked as Professionals in 2017 (25.7%), which was slightly above the EU average (21.6%) (Figure 1.8). Other important occupations included Technicians and associate professionals (17.9%) and Craft and related trades workers (16.6%). Self-employed men were more likely than women to be working as Craft and related trades workers (21.4% vs. 4.7%), while self-employed women were much more likely to be Professionals (33.2% vs. 22.9%) and Service and sales workers (26.6% vs. 11.7%). The distribution of self-employed older workers mirrors the national average. Data for youth are incomplete, but it is clear that one-third of self-employed youth worked as Professionals (32.4%) in 2019.

**Figure 1.8. Self-employment by occupation**

Distribution of the self-employed by occupation



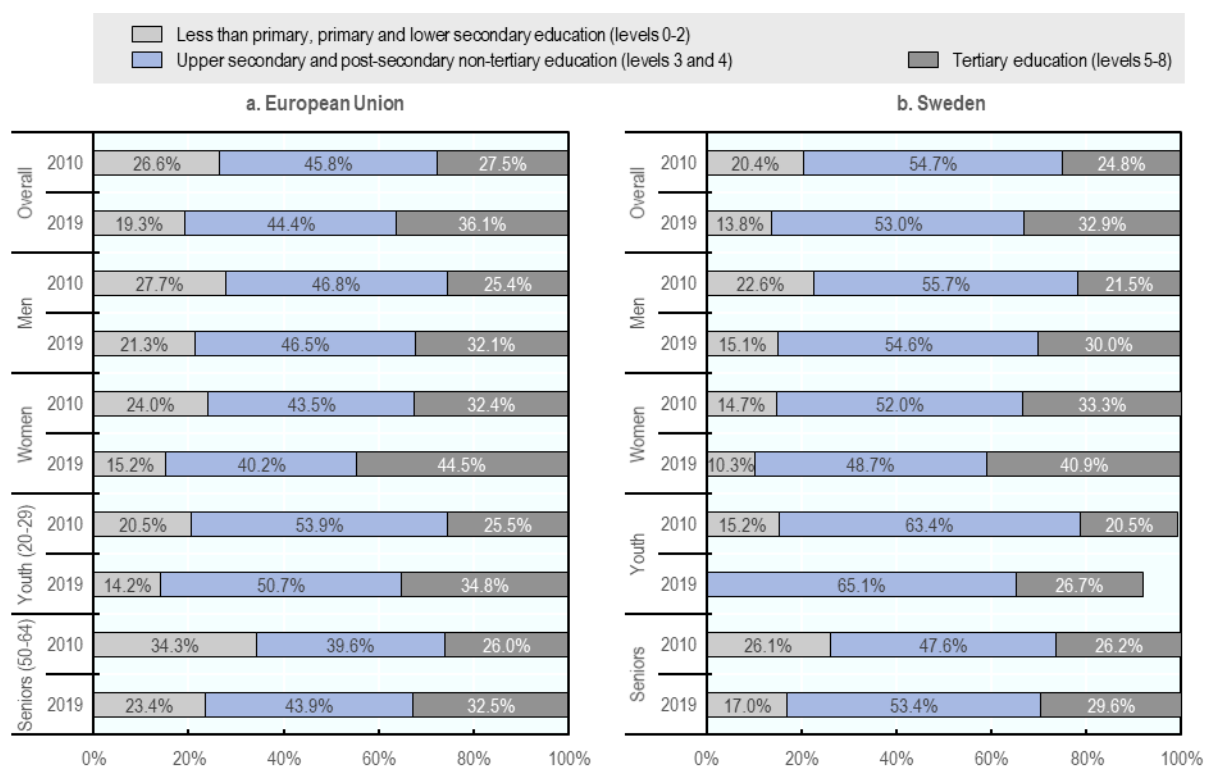
Note: Reliable data for youth is only available for 5 ISCO08 occupations out of 10.

Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

Among the self-employed around half have at least an upper secondary education (Figure 1.9). The proportion of those with a short education has decreased between 2010 and 2019 and the proportion of those with a longer education has increased. This holds for the EU average and for Sweden – and also for all groups. Self-employed women were more likely than self-employed men to have attained a tertiary level education (44.9% vs. 30.0%). Youth were the least likely to have a tertiary education (17.3%), likely because many are still completing their studies. The educational attainment of self-employed seniors was relatively similar to the national average.

**Figure 1.9. Self-employment by education level**

Distribution of the self-employed by educational attainment



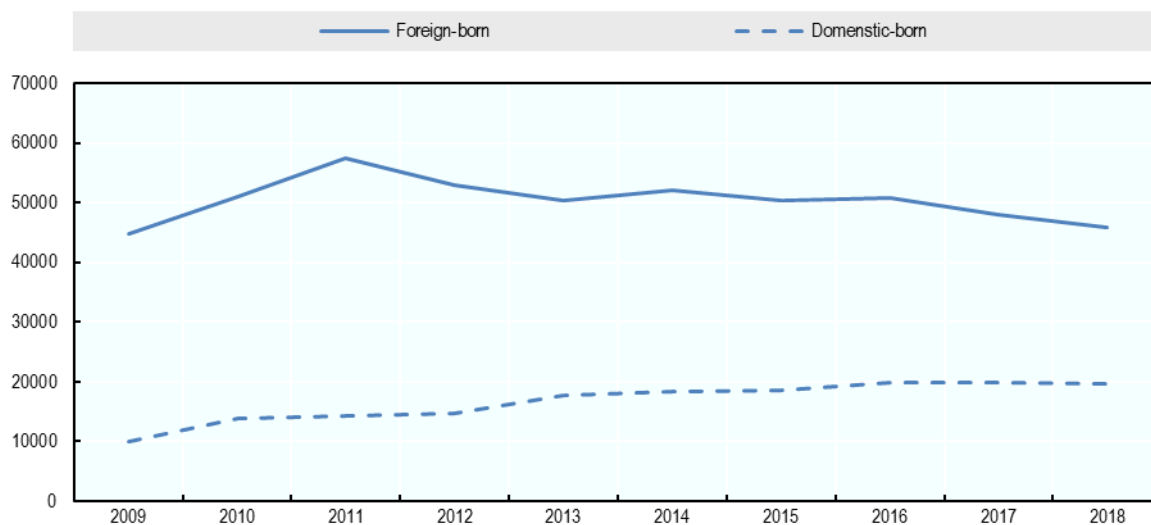
Note: Reliable data for youth is not available for primary education in 2019. Data for youth level 5-8 contain data that is unreliable for some employer status.

Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

## Entrepreneurship activities

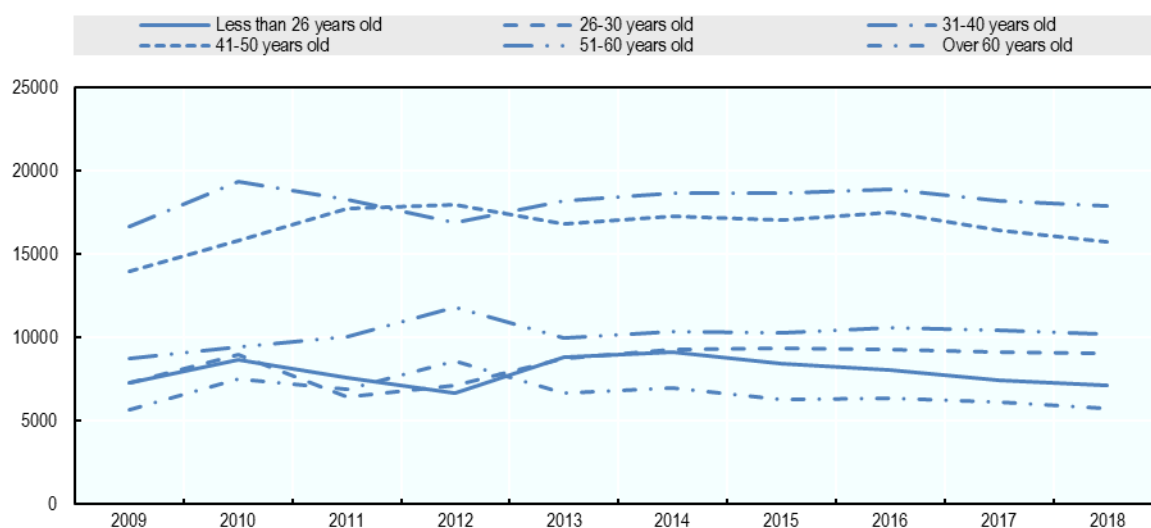
The dynamics of entrepreneurship is to some extent captured by the entries and exits into self-employment. The number of new firms started has been between 65 000 and 70 000 for some years (for 2019 the number was 66 892). Statistics from *Tillväxtanalys* shows that of the firms started in 2014 76% survived three years. In 2019, 6 407 firms went bankrupt (Ekonomifakta.se). Of the firms started in 2019 33% were started by women and 30% by foreign-born. The share of women is quite stable over the years but the share of foreign-born shows a quite high increase, 12% over a decade (Figure 1.10). Most new firms are start-ups by people aged 31-50 years old and fewest by the oldest and the youngest (Figure 1.11). This pattern has been stable over the past decade.

Figure 1.10. Number of new firms by founder's origin



Source: Tillväxtanalys

Figure 1.11. Number of new firms by founder's age



Source: Tillväxtanalys

A different measure of entrepreneurial activities is through surveys such as the Global Entrepreneurship Monitor (GEM), which ask specifically about business start-up activities. This survey measures two phases of early-stage entrepreneurship, namely nascent entrepreneurship (i.e. pre start-up activities) and new business ownership (i.e. businesses up to 42 months old). Combined, these are often referred to as the Total early-stage Entrepreneurial Activities (TEA) rate.

GEM data shows that nascent entrepreneurship rates are quite low, in EU as in Sweden (Figure 1.12). The rates have increased slightly for all groups in both EU and Sweden over the past decade, except for the EU average for youth, which has been constant. Sweden has higher rates for all groups in the 2015-19 period with a total rate of 5.0% relative to an EU average of 4.0%. Women and seniors have the lowest nascent entrepreneurship rates (3.8% and 4.0%) but both rates increased relative to the 2010-14 period.

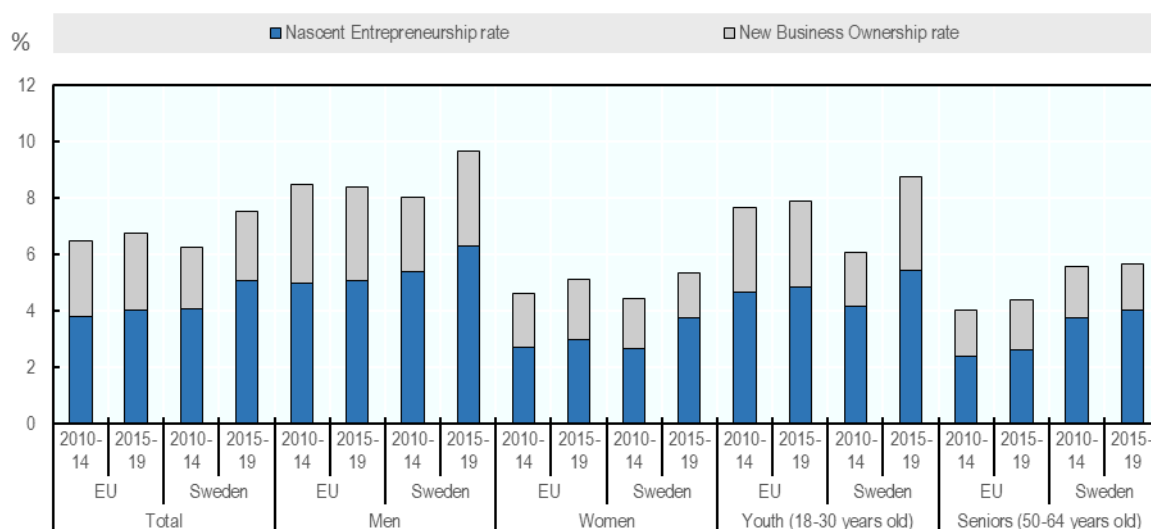


The rates for new business ownership are increasing overall in Sweden, except for women and seniors where the rates decreased (1.8% to 1.6% for both groups). However, these rates are below the EU average for all population groups. These figures indicate that pre start-up activities are not automatically followed by new establishment of a new firm. They also indicate that very few in the general population are engaged in start-up activities.

The proportion of nascent entrepreneurs and new business owners that start self-employment out of “necessity” is traditionally low in Sweden – the GEM data highlights a large difference between the EU average (18.8%) and Sweden (8.0%) (Figure 1.13). Youth is the group in Sweden with the highest necessity based rate (9.8%) and seniors with the lowest (6.5%). The reason for the low rate of necessity-based entrepreneurship is the strong social security system in Sweden, a system that secures living conditions for all. This positive view on entrepreneurship is shown in the reason for start-ups. According to the *Entreprenörskapsbarometern 2016*, more than half of new entrepreneurs state “personal development and realisation of ideas” as a reason to start-up. “Independence” is the prime driver for existing entrepreneurs. Younger people perceive fewer hindrances while women and foreign-born perceive more, for foreign-born people financing is much more of a hurdle. More than half intend to create a business in teams (60%), notably women and youth (63% and 66%, respectively).

**Figure 1.12. Nascent entrepreneurship and new business owners**

Proportion of the population (18-64 years old) that self-report being engaged in nascent entrepreneurship activities or new business owners



Note: The nascent entrepreneurship rate is defined as the proportion of the adult population (18-64 years old) that is actively involved in setting up a business they will own or co-own; this business has not paid salaries, wages or any other payments to the owners for more than three months. The new business ownership rate measures the proportion of the population (18-64 years old) that is currently the owner-manager of a new business that has paid salaries, wages or any other payments to the owners for more than three months, but not more than 42 months. All EU countries participated in the GEM survey between 2015 and 2019 except the Czech Republic, Denmark, Lithuania and Malta. Several countries did not participate in the survey in every year (missing years noted): Austria (2015, 2017), Belgium (2016-19) Bulgaria (2014), Cyprus (2015), Denmark (2015-18), Estonia (2018-19), Finland (2017-19), France (2015, 2019), Hungary (2017-19), Latvia (2018), Lithuania (2015-18), Portugal (2017-18), Romania (2016-19).

Source: GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD.

### How many “missing” entrepreneurs are there?

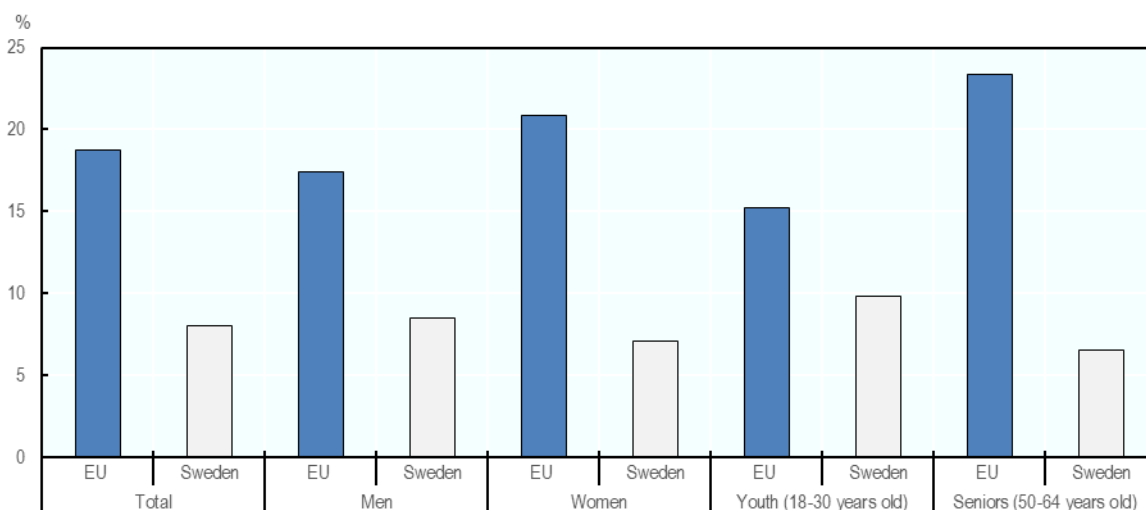
The gaps in early-stage entrepreneurship rates across population groups suggest that there are many “missing” entrepreneurs. There are currently about 470 000 early-stage entrepreneurs in Sweden (i.e. those starting or managing a business that is less than 42 months old) and this number would increase by about 157 000 if the early-stage entrepreneurship rate for core-age males (30-49 years old) was applied to the whole population.

A similar exercise can be done for each population group by applying the rate for core-age males to each group (i.e. women, youth, seniors, immigrants). This shows that about nearly 90% of these “missing” entrepreneurs are female and about half are over 50 years old, which is a lower share than in most EU Member States.

Public policy should not seek to convert all of these “missing” entrepreneurs into actual entrepreneurs. Entrepreneurship is a labour market activity that involves risk and it is not suitable for everyone. Nonetheless, the exercise of estimating the number of “missing” entrepreneurs can illustrate the scale of entrepreneurship gaps and the potential benefits if some of the gaps in activity rates were reduced.

### Figure 1.13. Necessity entrepreneurship

Proportion of nascent entrepreneurs and new business owners (18-64 years old) that self-report that their entrepreneurship is necessity-driven, 2015-19



Note: Necessity entrepreneurship is defined as entrepreneurship activities that were launched because there were no other options in the labour market. All EU countries participated in the GEM survey between 2015 and 2019 except the Czech Republic, Denmark, Lithuania and Malta. Several countries did not participate in the survey in every year (missing years noted): Austria (2015, 2017), Belgium (2016-19) Bulgaria (2014), Cyprus (2015), Denmark (2015-18), Estonia (2018-19), Finland (2017-19), France (2015, 2019), Hungary (2017-19), Latvia (2018), Lithuania (2015-18), Portugal (2017-18), Romania (2016-19).

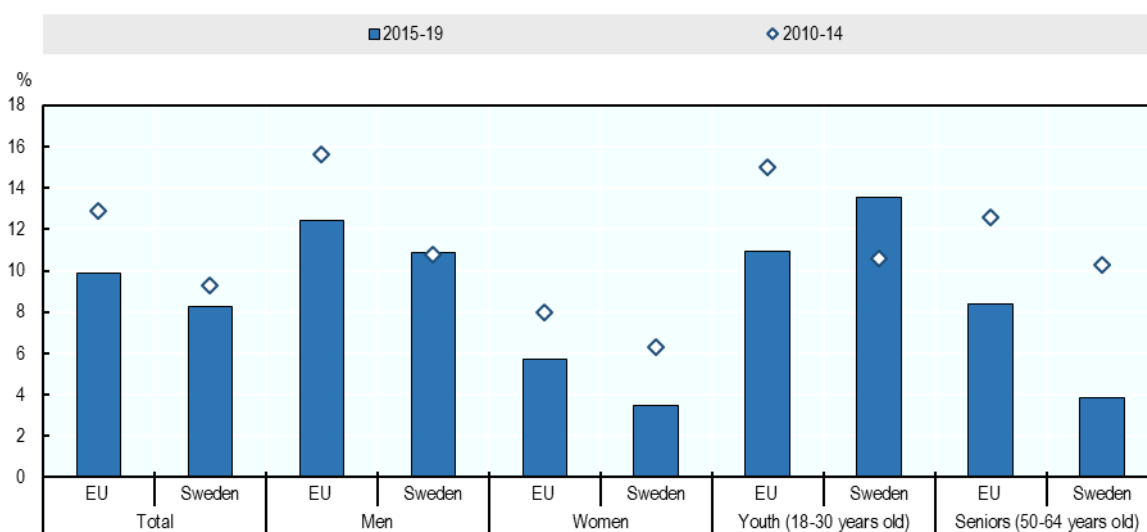
Source: GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD.

Many Swedish entrepreneurs expect to create a substantial number of jobs with their new businesses, but the total share was below the EU average for the period 2015-19 (Figure 1.14). There are differences in attitudes towards firm growth between firms. The group of solo entrepreneurs, micro companies and small companies intend to grow (69%) but fewer than earlier now have such ambitions (77% in 2005) due to a

diminished interest in growing through increasing the number of employed. Larger companies are more willing to hire additional personnel, want to grow more and have brighter outlooks on the future. However, two-thirds operate on in local and regional markets.<sup>1</sup> Entrepreneurs in hotels and restaurants, and wholesale and retail are most positive to growth while personal care and social services is the only line of business where less than a majority of the companies want to grow. A lack of management skills is the main hindrance for growth, especially for larger companies.

### Figure 1.14. Growth-oriented entrepreneurship

Proportion of nascent entrepreneurs and new business owners (18-64 years old) that expect to create at least 19 new jobs over the next five years



Note: All EU countries participated in the GEM survey between 2015 and 2019 except the Czech Republic, Denmark, Lithuania and Malta. Several countries did not participate in the survey in every year (missing years noted): Austria (2015, 2017), Belgium (2016-19) Bulgaria (2014), Cyprus (2015), Denmark (2015-18), Estonia (2018-19), Finland (2017-19), France (2015, 2019), Hungary (2017-19), Latvia (2018), Lithuania (2015-18), Portugal (2017-18), Romania (2016-19).

Source: GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD.

### Barriers to business creation

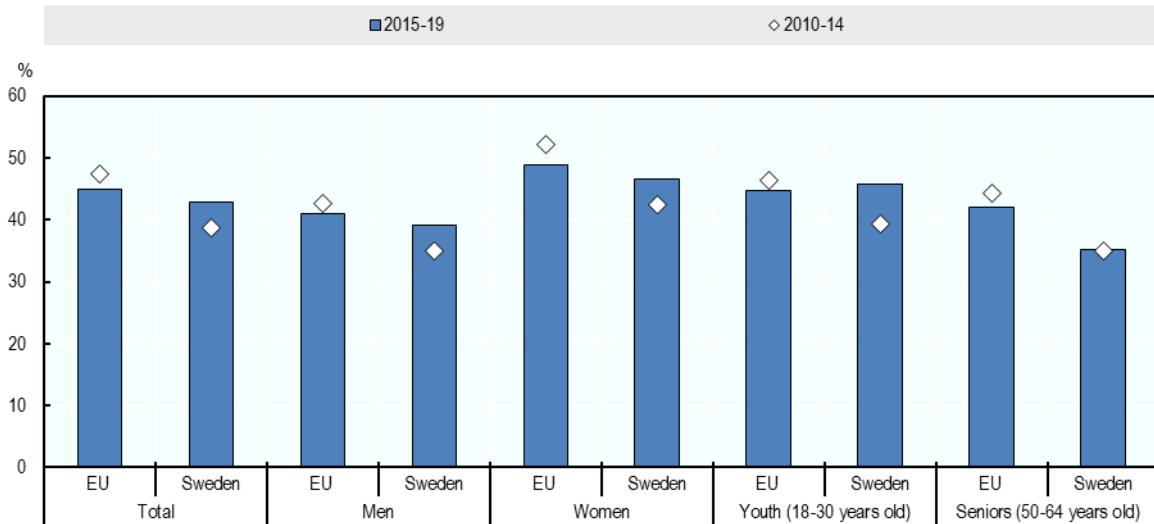
There are many barriers to business creation, lack of time and resources as well as lack of appropriate markets. In many countries “fear of failure” can be considered as a major barrier to entrepreneurship. This barrier was slightly lower in Sweden than the EU average between 2015 and 2019 (42.8% vs. 45.0%) (Figure 1.15). Of all groups, older people in Sweden were least likely to cite this barrier, while the EU average was about seven percentage points higher (35.3% vs. 42.0%).

However, all groups except older people were less likely than the EU average to feel that they had the skills to start a business (Figure 1.16). Less than one-quarter youth and women believed that they had appropriate skills. This may be explained by the nature of entrepreneurship undertaken by women and youth, which is often in service sectors as independent professionals. Therefore, many people in the population may not view these types of work as running businesses.

<sup>1</sup><https://tillvaxtverket.se/download/18.6c7cba4d15e847bac579ed56/1506430418387/Foretagens%20villkor%20och%20verklighet.pdf>

**Figure 1.15. Fear of failure**

“Does a fear of failure prevent you from starting a business?”  
 Percentage of population who responded “yes”, 18-64 years old

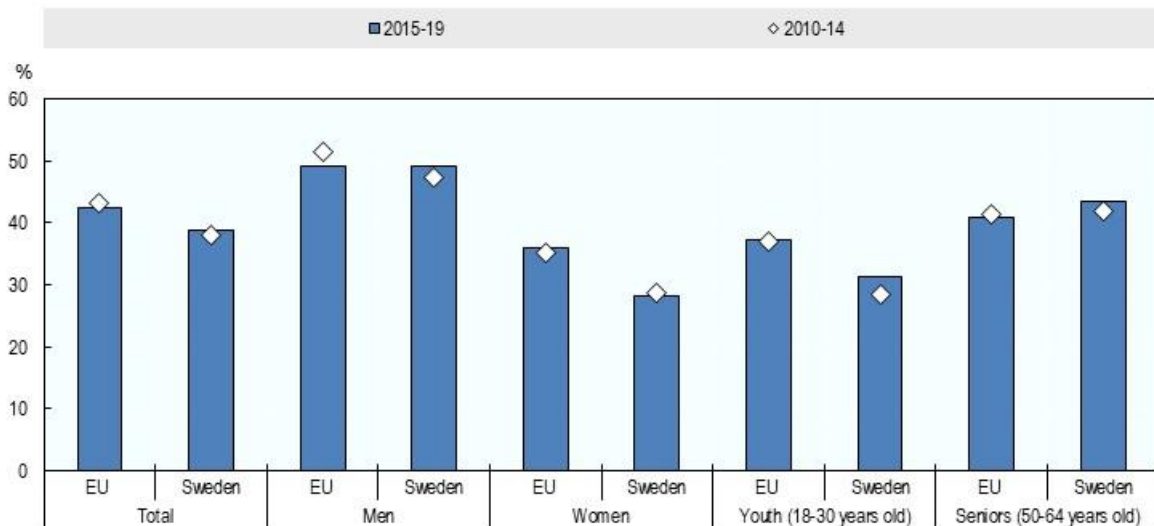


Note: All EU countries participated in the GEM survey between 2015 and 2019 except the Czech Republic, Denmark, Lithuania and Malta. Several countries did not participate in the survey in every year (missing years noted): Austria (2015, 2017), Belgium (2016-19) Bulgaria (2014), Cyprus (2015), Denmark (2015-18), Estonia (2018-19), Finland (2017-19), France (2015, 2019), Hungary (2017-19), Latvia (2018), Lithuania (2015-18), Portugal (2017-18), Romania (2016-19).

Source: GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD.

**Figure 1.16. Entrepreneurship skills**

“Do you have the knowledge and skills to start a business?”  
 Percentage of population who responded “yes”, 18-64 years old



Note: All EU countries participated in the GEM survey between 2015 and 2019 except the Czech Republic, Denmark, Lithuania and Malta. Several countries did not participate in the survey in every year (missing years noted): Austria (2015, 2017), Belgium (2016-19) Bulgaria (2014), Cyprus (2015), Denmark (2015-18), Estonia (2018-19), Finland (2017-19), France (2015, 2019), Hungary (2017-19), Latvia (2018), Lithuania (2015-18), Portugal (2017-18), Romania (2016-19).

Source: GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD.

# 2 Inclusive entrepreneurship policy framework

## Overview and assessment

Table 2.1. Characterisation of the inclusive entrepreneurship policy context

		Women	Immigrants	Youth	Seniors	Unemployed
1. Entrepreneurship policies for each target group are under the responsibility of the following level(s) of government (multiple levels can be checked)	National	✓	✓	✓		
	Regional	✓	✓	✓		
	Local	✓	✓	✓		
2. A group-specific entrepreneurship strategy has been developed (either stand-alone or embedded in another strategy)			✓	✓		
3. Clear targets and objectives for entrepreneurship policy have been developed and reported for different target groups				✓		
4. Monitoring and evaluation practices for entrepreneurship support are strong and wide-spread			✓	✓		

Note: A check-mark indicates the level policy responsibility for tailored entrepreneurship policy (multiple selections are possible) and characteristics of the entrepreneurship policy framework.

### **Policy responsibility**

Swedish national policies build heavily on the promotion and support of innovation and entrepreneurship. Increasing employment is currently one of the government's priorities, as underlined by its goals that include achieving an employment rate of 80%. This goal proves to be hard to attain due to the recent large influx of immigrants needing employment.

The **Ministry for Enterprise and Innovation** is primarily responsible for innovation and entrepreneurship policies and the broad objective is to “strengthen the Swedish competitive ability and create possibilities for more jobs in more and growing companies.” Entrepreneurship policy objectives aim to support everyone in business creation and self-employment, including those groups who are under-represented and disadvantaged in the labour market (e.g. women, youth, seniors, the unemployed, immigrants and people with disabilities), through a support system that is open for all. The only groups specifically mentioned in the policy document are youth (i.e. when discussing financing of generation shifts in existing companies) and people with non-Swedish background (i.e. when discussing information and counselling on entrepreneurship). In summary, all citizens are treated alike in the overall policy for economic growth and measures to promote certain groups is an exception to this rule – even if diversity often is stated as a general but not specified target

The Ministry for Enterprise and Innovation also contributes to entrepreneurship support, notably through regional growth agreements, which seek to support regional development, address the gender gap in the

labour market, and improve the integration of immigrants into the labour market. In July 2015, a national strategy for sustainable regional growth and attractiveness for 2015-20 was published. Its priorities are: (i) innovation and entrepreneurship, (ii) attractive environments and access, (iii) skills availability, and (iv) international co-operation. This work with regional growth is developed further for the period 2021-27 and is aligned to the EU cohesion policy.

Direct entrepreneurship support is often delivered by **Almi Företagspartner AB** (“Almi”), which works with regional units across the country to provide access to loans, venture capital and advisory services. Another large organisation delivering entrepreneurship support is **Tillväxtverket (Swedish Agency for Economic and Regional Growth)**, which is an organisation with the overarching goal to strengthen the competitiveness of Swedish SMEs and entrepreneurs. *Tillväxtverket* promotes entrepreneurship and regional growth by providing information (e.g. through the website [www.verksamt.se](http://www.verksamt.se)) and strengthening networks and linkages with investors. Similar to Almi, it is decentralised with locations across Sweden.

A small number of organisations are responsible for supporting specific groups of entrepreneurs. This includes for example, **Arbetsförmedlingen (Swedish Public Employment Service)**, which works to support the unemployed and **VINNOVA**, which supports innovative companies, mainly larger ones and **Coompanion** supporting co-operative and social enterprises and entrepreneurs.

There are also **private sector companies** that help entrepreneurs manage their information and regulatory obligations. In addition, **non-government organisations** also have a role in the support system, including, for example, *Nyföretagarcentrum* (provides advice and helps develop networks), IFS (works with immigrants) and *Ung Företagsamhet* (works with entrepreneurial projects in schools).

### ***Inclusive entrepreneurship strategies and objectives***

Sweden has adopted a mainstream approach to entrepreneurship policy, where policies and programmes are designed to support all citizens equally. The goal is to establish a system that is easy to understand for future and existing entrepreneurs. Support to future or existing entrepreneurs is offered in the form of training measures, coaching/networking opportunities and, to a small degree, by (micro) financing. In terms of funding these measures are a minor proportion of the funding directed towards enhancing business. The main bulk of support is directed towards companies, not entrepreneurs. Special focus is placed on high-tech, to innovative and growing companies.

In addition to these mainstream policies and support organisations, there are a small number of entrepreneurship schemes that are tailored for youth. These supports are typically linked to the higher education system (e.g. business incubators) and are typically focused on supporting innovative growth-oriented businesses.

In 2015, regional growth agreements were selected as main policy instrument for promotion of growth and entrepreneurship. A number of tailored schemes remains but these are driven by NGOs and the private sector rather than public policy. These programmes were successful in terms of effects on firm growth and survival, as shown by quite several evaluations, mostly done by *Tillväxtanalys*<sup>2</sup> (Swedish Agency for Growth Analysis) and by Ramböll. However, this approach could lead to uneven support across the regions as objectives and actions can vary so the availability and quality of support may not be adequate for all groups. This can be offset by assuring that the locally administered Almi financing and advisory services are strong and available in all regions.

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<sup>2</sup> <https://www.tillvaxtanalys.se/in-english.html>

### **Monitoring and evaluation practices**

The programmes are monitored by the organisation responsible for the policy measure, i.e. *Tillväxtverket*, *Almi*, *Arbetsförmedlingen*, etc. Since most of the measures are provided in co-operation with external organisations (NGOs, private firms, regional or local authorities etc.), it is customary to evaluate programmes during and after they run. Such evaluations are made by *Tillväxtanalys* or by external organisations. Evaluation is made more difficult because of the lack of communication of effects of many of the measures.

### **Recent developments**

#### ***Policy measures in response to COVID-19 to support entrepreneurs and the self-employed<sup>3</sup>***

Sweden has announced several support packages for SMES. On 25 March, Sweden announced a further support package for small companies, including the self-employed:

- A central government loan guarantee primarily targeted at SMEs, where the central government will guarantee 70% of new loans banks provide to companies that are experiencing financial difficulty due to the COVID-19 virus but that are otherwise robust. The Swedish National Debt Office will administer the guarantee and it is proposed that each company be allowed to loan up to SEK 75 million (EUR 7.2 million). Guarantees will be issued totalling a maximum of SEK 100 billion (EUR 9.6 billion) during 2020.
- A temporary reduction of employers' social security contributions for the period 1 March to 30 June 2020 for up to 30 employees) so that only the old age pension contribution is paid. The reduction would apply to up to 30 employees and on that portion of the employee's wage that does not exceed SEK 25 000 per month (EUR 2 400). This entails tax relief of up to SEK 5 300 per employee and month (EUR 500). To provide equivalent relief to sole traders, a reduction of individual contributions is also proposed. The proposal's cost to public finances are estimated to SEK 33 billion (EUR 3.2 billion).
- Temporary discount for rental costs in vulnerable sectors, where the central government will cover 50 percent of the rental reduction up to 50 percent of the fixed rent for the period 1 April until 30 June 2020. SEK 5 billion (EUR 480 million) is being allocated for this.
- The government prepares further measures targeting small enterprises, including tax cuts for sole proprietors of 100 per cent of the taxable profits for 2019, up to SEK 1 million (EUR 95 600).

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<sup>3</sup> The text was drafted in June 2020. Policy actions implemented after this date are not covered in this report.

# 3 Assessment of current and planned inclusive entrepreneurship policies and programmes

## Developing entrepreneurship skills

### Overview and assessment of policies and programmes

Table 3.1. Characterisation of schemes for developing entrepreneurship skills

		<b>Tailored:</b> Are public programmes tailored for the target group (i.e. dedicated)?	<b>Consultation:</b> Are the targeted entrepreneurs consulted during the design of programmes?	<b>Outreach:</b> Are appropriate outreach methods used for different target groups?	<b>Delivery:</b> Are specialist organisations used to deliver programmes?	<b>Take-up:</b> Does the support have high take-up among target group?	<b>Scale:</b> Is the scale of available support sufficient?	<b>Impact:</b> Does evaluation evidence show a positive impact?	<b>Integrated:</b> Is the programme delivered linked other related supports?	<b>Links:</b> Do tailored programmes link to mainstream support programmes?
Women	1. Entrepreneurship training	✓	✓	✓	✓			✓	✓	✓
	2. Entrepreneurship coaching and mentoring	✓	✓	✓	✓			✓	✓	✓
	3. Business consultancy, including incubators/accelerators	✓	✓	✓	✓			✓	✓	✓
Immi-grants	1. Entrepreneurship training	✓	✓		✓			✓	✓	✓
	2. Entrepreneurship coaching and mentoring	✓	✓		✓			✓	✓	✓
	3. Business consultancy, including incubators/accelerators	✓	✓		✓			✓	✓	✓
Youth	1. Entrepreneurship training				✓			✓		✓
	2. Entrepreneurship coaching and mentoring				✓			✓		✓
	3. Business consultancy, including incubators/accelerators				✓			✓		✓
Seniors	1. Entrepreneurship training									
	2. Entrepreneurship coaching and mentoring									
	3. Business consultancy, including incubators/accelerators									
The unem-ployed	1. Entrepreneurship training			✓	✓					✓
	2. Entrepreneurship coaching and mentoring			✓	✓					✓
	3. Business consultancy, including incubators/accelerators			✓	✓					✓

Note: This table presents the characteristics of entrepreneurship schemes that are directly offered by national, regional and local governments, as well as those that are financed by the public sector but delivered by other actors. It considers the “typical” entrepreneur in each of the different target groups, in the “typical” region in the country. A check-mark indicates when the characteristic is typically fulfilled.



Policies and programmes for entrepreneurship in Sweden to a large degree focus on building skills and entrepreneurial culture. Nearly all business start-up support schemes include measures that aim to build entrepreneurship skills and culture.

National policies and programmes are mainly executed through Almi and *Tillväxtverket* and both organisations use their regional outlets to reach entrepreneurs across Sweden. While these two organisations offer business counselling and training to entrepreneurs, Almi also has specialised advisors for immigrants. These advisers can speak various languages to ensure that the support can be provided to the entrepreneurs in their native language. Their objective, however, is to help them move into the mainstream supports available for Swedish entrepreneurs. Since the end of 2016 measures and programmes directed towards foreign-born, mainly new immigrants, have been implemented. *Tillväxtverket* together with *Arbetsförmedlingen* received funding for immigrants to quickly start a business. Counselling and education in entrepreneurship was the most successful measure in the 22 projects that received funding. Additional projects have been established, often using the slogan “fast track into entrepreneurship”.

Overall, schemes that support the development of entrepreneurship skills do not appear to be widely available in Sweden. Relative to other EU Member States, there appear to be few entrepreneurship training offers for women, seniors, youth, the unemployed, immigrants and disabled people, despite the suite of support that was previously available for women and projects such as Incubator 55+ for older people. There are some measures, as the free advice and support to unemployed and disadvantaged groups offered by *Coompanion* to help set up work-integrated social co-operatives (80% of the WISE start-ups, employing 10 000 people are started this way). Hence, more might be done to help potential entrepreneurs develop both general entrepreneurship skills that can be applied in employment or personal life (e.g. leadership) and more specific business management skills (e.g. financial planning). For youth and for immigrants there is need for both types of skills, and immigrants also need more support in learning either Swedish or English. Another challenge is that information on business start-up and available support is not easily accessible so potential entrepreneurs have difficulty knowing where to find support (the portal *verksam.se* has become widely used which shows the need of such information systems). This is especially a challenge for under-represented and disadvantaged group who already have the most difficulty navigating the institutional environment.

### *Women*

The previous women entrepreneurship programme was heavily geared towards the development of entrepreneurship skills (and networks). The responsibility now lies on the regions (where gender equality goals are used as steering instrument). The new programme to promote entrepreneurship among foreign-born women addresses two groups in intersection: women and immigrants. This national programme is headed by *Tillväxtverket* with a budget of EUR 5.3 million over four years. Another program for 2017-19, also headed by *Tillväxtverket*, has a budget of EUR 4.2 million. Support is given to women who aim at starting a business and consists of mentoring and networking activities.

### *Youth*

Entrepreneurship training for youth is primarily delivered through the general educational system. The main training up to high-school level is provided through the *Ung Företagsamhet* where students start a business as a project. Entrepreneurship is more developed in the higher education system and all major universities have business incubators. Most of these incubators are specifically oriented towards high-tech start-ups and many are located at technical faculties. However, the aim of these nationally funded incubators is not to encourage young people into entrepreneurship *per se*, rather it is to encourage high-tech and innovative entrepreneurship.

### *Immigrants*

This target group has mainly been (partially) addressed by the programmes aimed at women mentioned above, i.e. women immigrants are targeted in these programmes. As mentioned, Almi works toward including immigrants albeit in their regular programs. Some other organisations, as *Nyföretagarcentrum* and IFS are involved in projects like the ones mentioned under “women” above.

### *Unemployed*

The unemployed have no specific entrepreneurship support except for the short-term possibility of unemployment compensation for six months. However, the unemployed are in focus of the work-integrating social enterprises programme, headed by *Tillväxtverket* and *Sofisam*, which aims at creating social enterprises for those far from the labour market in the form of co-operatives. However, most of the activities in these programmes seek to move people into employment rather than helping them to create businesses.

## Financing entrepreneurship

### Overview and assessment of policies and programmes

Table 3.2. Characterisation of schemes for facilitating access to finance

		Tailored: Are public programmes tailored for the target group (i.e. dedicated)?	Consultation: Are the targeted entrepreneurs consulted during the design of programmes?	Outreach: Are appropriate outreach methods used for different target groups?	Delivery: Are specialist organisations used to deliver programmes?	Take-up: Does the support have high take-up among target group?	Scale: Is the scale of available support sufficient?	Impact: Does evaluation evidence show a positive impact?	Integrated: Is the programme delivered linked other related supports?	Links: Do tailored programmes link to mainstream support programmes?
Women	1. Grants for business creation									
	2. Loan guarantees									
	3. Microfinance and loans									
	4. Other instruments (e.g. crowdfunding, risk capital)									
Immigrants	1. Grants for business creation									
	2. Loan guarantees									
	3. Microfinance and loans									
	4. Other instruments (e.g. crowdfunding, risk capital)									
Youth	1. Grants for business creation									
	2. Loan guarantees									
	3. Microfinance and loans									
	4. Other instruments (e.g. crowdfunding, risk capital)									
Seniors	1. Grants for business creation									
	2. Loan guarantees									
	3. Microfinance and loans									
	4. Other instruments (e.g. crowdfunding, risk capital)									
The unemployed	1. Grants for business creation									✓
	2. Loan guarantees									
	3. Microfinance and loans									
	4. Other instruments (e.g. crowdfunding, risk capital)									✓

Note: This table presents the characteristics of entrepreneurship schemes that are directly offered by national, regional and local governments, as well as those that are financed by the public sector but delivered by other actors. It considers the “typical” entrepreneur in each of the different target groups, in the “typical” region in the country. A check-mark indicates when the characteristic is typically fulfilled.

In international comparisons, Sweden ranks well in terms of access to finance. As with all entrepreneurship policies and programmes, those that facilitate access to start-up financing follow a mainstream approach. There are currently no tailored products or offers for any of the main target groups of inclusive entrepreneurship policies (e.g. women, youth, seniors, immigrants), however as already noted, the unemployed can access up to six months of unemployment benefits while working to start a business. Most SME financing programmes focus on supporting high-tech and high growth-potential enterprises with venture capital and facilitating business angel investments.

However, there are a small number of lending schemes that receive public support. Almi offers microloans (up to EUR 25 000) to enterprises with fewer than 10 employees. These loans, that have favourable terms in terms of interest and payback conditions, are open to all entrepreneurs but monitoring data indicate that these microloans are disproportionately used by women, youth and immigrants. These microloans were supported by the Progress MicroFinance Facility up until 2016 and will continue to be supported by the EU's Programme for Employment and Social Innovation (EaSI). Almi also offers Growth Loans that target innovative firms (EU guarantee through EFSI). In addition, *Jordbruksverket* (the Department of Agriculture) has a start-up grant for young people in the green sector.

Currently, Sweden's public support for financing entrepreneurship emphasises large-scale financing for high-tech and high-growth entrepreneurship. This is generally not accessible for most entrepreneurs who come from groups that are under-represented or disadvantaged in the labour market. While this fits with current policy priorities there is evidence that the lower end of the market is underserved, particularly for entrepreneurs who operate service and trade-based businesses. Traditional policy instruments such as microcredit and loan guarantees are not widely available.

Most start-ups require small amounts of capital but despite the relatively favourable situation in terms of access to capital new entrepreneurs report problems accessing capital. This is especially the case for women, youth, immigrants and the unemployed. Finding information on funding is a challenge for entrepreneurs. For these groups a more evolved system with microfinancing would be of great value.

## Entrepreneurship culture and social capital

### Overview and assessment policies and programmes

**Table 3.3. Characterisation of public policy actions to promote entrepreneurship and develop networks**

		<b>Tailored:</b> Are public programmes tailored for the target group (i.e. dedicated)?	<b>Consultation:</b> Are the targeted entrepreneurs consulted during the design of programmes?	<b>Outreach:</b> Are appropriate outreach methods used for different target groups?	<b>Delivery:</b> Are specialist organisations used to deliver programmes?	<b>Take-up:</b> Does the support have high take-up among target group?	<b>Scale:</b> Is the scale of available support sufficient?	<b>Impact:</b> Does evaluation evidence show a positive impact?	<b>Integrated:</b> Is the programme delivered linked other related supports?	<b>Links:</b> Do tailored programmes link to mainstream support programmes?
Women	1. Entrepreneurship campaigns, including role model initiatives	✓	✓	✓	✓		✓	✓	✓	✓
	2. Networking initiatives	✓	✓	✓	✓		✓	✓	✓	✓
Immigrants	1. Entrepreneurship campaigns, including role model initiatives	✓	✓		✓			✓	✓	✓
	2. Networking initiatives	✓	✓		✓			✓	✓	✓
Youth	1. Entrepreneurship campaigns, including role model initiatives									
	2. Networking initiatives									
Seniors	1. Entrepreneurship campaigns, including role model initiatives									
	2. Networking initiatives									
The unem- ployed	1. Entrepreneurship campaigns, including role model initiatives									
	2. Networking initiatives									

Note: This table presents the characteristics of entrepreneurship schemes that are directly offered by national, regional and local governments, as well as those that are financed by the public sector but delivered by other actors. It considers the “typical” entrepreneur in each of the different target groups, in the “typical” region in the country. A check-mark indicates when the characteristic is typically fulfilled.

Overall, entrepreneurship is viewed positively in Swedish culture and it is valued as an important contribution to society and the economy. However, promotional efforts emphasis entrepreneurship that entails innovation, growth and high-tech, which tends to marginalise the benefits of other types of entrepreneurship. The positive effects of attention to previously invisible groups were shown over the past two decades when women’s entrepreneurship was heavily promoted and supported. There were many media campaigns, events and networks to promote entrepreneurship as a viable and valuable career choice. This included the Women’s Ambassadors Programme that sought to inspire women to become entrepreneurs.

However, now that national entrepreneurship policy has taken a mainstream approach, there are fewer activities by the national government to promote entrepreneurship. The regional growth agreements have,

to some extent, taken over the task. In addition, the education system and non-government actors also play a stronger role in promoting entrepreneurship. Still, the focus is on high-tech and high-growth, which implicitly promotes activities by young and middle-aged males. As a result, measures to promote entrepreneurship among women, seniors, immigrants, youth (not high-tech), the unemployed and people who experience disability are scarce. No specific measures are aimed at older people, for the unemployed two specific measures administered by *Arbetsförmedlingen* exist (unemployment compensation for six months – disabled unemployed might get a minor funding to adapt their working environment when starting a business), for young people there are incubators (though these are mainly university-based). There was a period when women's entrepreneurship was stressed in programmes to advance it but most of these actions have stopped. The only direct measures now are for immigrants – and then mainly for the intersection immigrant-women (and often also unemployed).

There has been growing attention placed on social entrepreneurship and new forms of business, such as co-operatives. One such measure where *Tillväxtverket* and *Arbetsförmedlingen* can give support (with EU funding) is work-integration social enterprises where people far away from the labour market can find meaningful work.<sup>4</sup> The government just launched a programme to promote social entrepreneurship, granting EUR 12 million for the period 2018-20. *Tillväxtverket* and VINNOVA manage the programme that aims to increase knowledge about social enterprises, strengthen networks and build incubators.

Overall, there is also a need to help strengthen the networks of entrepreneurs, especially those who face challenges in this area such as youth, the unemployed and seniors who have been out of the labour market for some time. There is currently very little public policy support in this area.

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<sup>4</sup> [www.sofisam.se](http://www.sofisam.se)

## Regulatory measures

### Overview and assessment of regulatory environment

Table 3.4. Characterisation of regulatory measures used to support entrepreneurship

			Tailored: Are public programmes tailored for the target group (i.e. dedicated)?	Consultation: Are the targeted entrepreneurs consulted during the design of programmes?	Outreach: Are appropriate outreach methods used for different target groups?	Delivery: Are specialist organisations used to deliver programmes?	Take-up: Does the support have high take-up among target group?	Scale: Is the scale of available support sufficient?	Impact: Does evaluation evidence show a positive impact?	Integrated: Is the programme delivered linked other related supports?	Links: Do tailored programmes link to mainstream support programmes?
Women	1. Support with understanding and complying with administrative procedures										
	2. Measures to address group-specific regulatory challenges	Maternity leave and benefits for the self-employed Access to childcare									
Immigrants	1. Support with understanding and complying with administrative procedures		✓								
	2. Measures to address group-specific regulatory challenges	Entrepreneurship visa Administrative and tax obligations can be met in several languages	✓								
Youth	1. Support with understanding and complying with administrative procedures										
	2. Measures to address group-specific regulatory challenges	Student business legal form Reduced tax and/or social security contributions for new graduates									
Seniors	1. Support with understanding and complying with administrative procedures										
	2. Measures to address group-specific regulatory challenges	Medical leave schemes for the self-employed									
The unemployed	1. Support with understanding and complying with administrative procedures										
	2. Measures to address group-specific regulatory challenges	Welfare bridge to support those moving into self-employment Mechanisms for regaining access to unemployment benefits if business is not successful	✓								

Note: This table presents the characteristics of entrepreneurship schemes that are directly offered by national, regional and local governments, as well as those that are financed by the public sector but delivered by other actors. It considers the “typical” entrepreneur in each of the different target groups, in the “typical” region in the country. A check-mark indicates when the characteristic is typically fulfilled.

As with all EU countries, Sweden has streamlined and reduced the regulatory burden on new start-ups and SMEs. There are no specific support schemes to help disadvantaged groups with business registration and the start-up process (with the exception of previous programmes for women and the new programmes launched for immigrants. This is not viewed as a significant obstacle to business creation and self-employment.

One of the underlying principles of the welfare system is that all individuals are treated the same, with extra benefits for those who have dependent children. Thus, entrepreneurs (including those from under-represented and disadvantaged groups) are, in principle, eligible for support on the same conditions as others. Since employment is the norm for the welfare system, it treats entrepreneurs as employees of their own firms. On this basis, the same rules are applied to entrepreneurs for sick leave, unemployment benefits, childcare support, etc. Since many entrepreneurs have a low salary, they are only eligible for the corresponding level of benefits.

The unemployed can benefit from additional regulatory support for business start-up. *Arbetsförmedlingen* (the Unemployment Office) can grant unemployment compensation for six months for unemployed who can demonstrate a quality business idea with business and financial plans. In addition, *Arbetsförmedlingen* can provide small grants to help unemployed people with disabilities to adjust their working space when they return to employment or self-employment. The regulatory environment for start-ups and businesses is considered to be favourable and there are no clear gaps that need to be addressed with regulatory amendments or policy actions. However, there is some pressure to make some changes since a well-developed social welfare system can be a hindrance to entrepreneurship, particularly for people that are considering moving from working as an employee to self-employment. Although the social welfare system treats everyone equally, benefits are determined by income and since self-employed people typically have lower incomes, moving into self-employment also implies a lower level of coverage by the social security system.

The regulatory context in itself is not a hindrance for entrepreneurship but still existing regulations favour employment over entrepreneurship as a way of life. For instance, only a limited number of companies offer the possibility of self-employment on the same terms as regular employment. As with policy frameworks, the regulatory context is geared towards firms as the basis for entrepreneurship, not towards the individuals running these firms. On the labour market inclusive policies are frequently used and the regulations in that field account for inclusion of women (equality plans are mandatory for instance), for adaptation of working conditions for people who experience disability and for non-discriminatory practices. No such measures for inclusive entrepreneurship are at hand.



# 4 Supporting people who experience disability in entrepreneurship

## Self-employment and entrepreneurship activities

There are no official statistics on the number of people who experience disability in Sweden but there are some estimates. MFD states that between 10% and 30% of people experience some form of disability – compared to the general estimate of WHO of 10%-15%. EU Statistics on Income and Living Conditions suggest that 13% of people experience disability, which is lower than the European average. Statistics on subsidies, support etc. gives other indications on the prevalence of disabled. The number of persons aged 19+ that received a disability support was 62 000 in 2018. More than 70 000 people had received support based on LSS (*Lagen om stöd och service till vissa funktionshindrade* - The Swedish Act concerning Support and Service for Persons with Certain Functional Impairments)

## Policy framework

**Table 4.1. Characterisation of the entrepreneurship policy context for people who experience disability**

		People who experience disability
1. Entrepreneurship policies for each target group are under the responsibility of the following level(s) of government (multiple levels can be checked)	National	✓
	Regional	
	Local	
2. A dedicated entrepreneurship strategy has been developed (either stand-alone or embedded in another strategy)		
3. Clear targets and objectives for entrepreneurship policy have been developed and reported		

Note: A check-mark indicates the level of policy responsibility for tailored entrepreneurship policy (multiple selections are possible) and characteristics of the entrepreneurship policy framework.

Sweden has special policies directed towards people who experience disability. These were largely implemented in 2017 and are based on the UN declaration on the rights for disabled. The goals are to achieve equality in living conditions and also support full participation in a society based on diversity. The goals should contribute to increased equality and to consideration of the rights of children.

The budget for these policies are within the areas of health and social care and the responsibility for measures typically falls under *Myndigheten för delaktighet* (Swedish Agency for Participation). In addition,

Samhall (samhall.se) is an important actor and there are numerous NGOs that support people who experience disability – for a brief overview, please see <https://www.funktionshindersguiden.se/foreningar-och-intresseorganisationer/>.

### Overview and assessment of policies and programmes

There are no specific entrepreneurship policies or measures directed towards those who experience disability. The only exception is a small grant from *Arbetsförmedlingen* for people who are unemployed and experience a disability. However, the grant is intended for adjust the work place rather than being used as start-up capital.

# 5 Policy recommendations

Entrepreneurship policies in Sweden are designed and delivered as mainstream policies, i.e. they intend to support the whole population and everyone is treated in the same way. While there are a small number of public schemes, which are complemented by projects run by non-governmental organisations, public policies and the welfare system typically treat everyone equally. To improve access to entrepreneurship for more people who have potential for creating sustainable businesses, the following actions are recommended:

1. ***Strengthen the linkages between welfare, labour market and entrepreneurship policies.*** During a lifetime people often go back and forth between being employed and being entrepreneurs, sometimes via a spell of unemployment. There is a need to acknowledge this and understand the conditions that enhance or hinder such shifts. Equating the conditions for entrepreneurs and employed in terms of for instance social benefits would make it easier for individuals to take the first step in entrepreneurship. This is especially true for those more dependent on a viable social security – as people without capital (youth, seniors, women, immigrants, unemployed) – who tend to prefer positions with a security net. The social welfare system and the employment policies are the areas that mainly have to be discussed in relation to entrepreneurship policies – this has also long been a demand from organisations representing entrepreneurs.
2. ***Develop more entrepreneurship training and education, especially for groups where such training is lacking as seniors, women and immigrants.*** Data show that Swedish people do not view themselves as having the skills for entrepreneurship and key target groups such as youth, seniors, women and immigrants are even less likely to have entrepreneurship skills. The current approach of providing generic training is likely inadequate to address the additional and greater barriers that these groups face. For example, immigrants would need education on the Swedish system and also adequate language skills. Entrepreneurship training should focus on networking (meeting entrepreneurs in ones line of business as well as representatives from relevant organisations).
3. ***Apply the incubator concept to key target groups (women, the unemployed, seniors and immigrants) to deliver business development services and help them build entrepreneurship networks.*** The incubator concept is currently used mostly within the context of higher education and supporting young entrepreneurs. Adapting this model to the needs of women, the unemployed, older people and immigrants will improve the quality of support provided and will help them build entrepreneurship networks to improve their access to resources. This could build on the experience of Inkubator 55+, which supported senior entrepreneurs.
4. ***Implement small-scale start-up financing, such as microcredits or loan guarantees for youth, women, older people and immigrant entrepreneurs.*** These entrepreneurs have few options for obtaining small loans for business start-up. Current start-up financing heavily favours innovative and high-growth potential businesses, which often does not match the profile of entrepreneurs from the following groups: youth, women, older people and immigrants. Thus the needs of a significant part of market are unmet.

5. **Improve access to information about business creation for immigrants.** Immigrants account for a much higher share of the self-employed in Sweden relative to the EU average. A more proactive approach to supporting these entrepreneurs is needed. Information about starting businesses should be provided earlier, including through earning interactions with employment offices and during Swedish language training courses.

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## Annex A. Methodology

Each country report was prepared by a national expert in co-operation with the OECD Secretariat. Information was collected through desk research and interviews (i.e. telephone, face-to-face, email) with policy officers, entrepreneurship support organisations and other stakeholders. The information was then verified by government ministries, programme managers and other inclusive entrepreneurship stakeholders, including through the circulation of draft reports for comment and online seminars that were organised between June and September 2020.

The reports are based on a common assessment framework that was developed by the OECD Secretariat. The framework contains five pillars:

1. Policy framework
2. Entrepreneurship skills
3. Financing entrepreneurship
4. Entrepreneurial culture and social capital
5. Government regulations

The reports provide an overview of the current inclusive entrepreneurship policies and programmes. They also notes assess programmes against the following international good practice criteria, considering the “typical” entrepreneur in each of the different target groups (i.e. women, immigrants, seniors, youth, the unemployed, people who experience disability), in the “typical” region in the country. It covers schemes that are directly offered by national, regional and local governments, as well as those that are financed by the public sector but delivered by other actors. The international good practice criteria used in the assessment are:

- **Tailored:** Are public programmes tailored for the target group (i.e. dedicated)?
- **Consultation:** Are the targeted entrepreneurs consulted during the design of programmes?
- **Outreach:** Are appropriate outreach methods used for different target groups?
- **Delivery:** Are specialist organisations used to deliver programmes?
- **Take-up:** Does the support have high take-up among target group?
- **Scale:** Is the scale of available support sufficient?
- **Impact:** Does evaluation evidence show a positive impact?
- **Integrated:** Is the programme delivered linked other related supports?
- **Links:** Do tailored programmes link to mainstream support programmes?

A focus is placed on the most commonly targeted population groups, namely women, immigrants, youth, seniors and the unemployed. Other groups such as the Roma are covered by the report when relevant. A special thematic section was added on entrepreneurship support for people who experience disability (Section 4) to highlight their potential as entrepreneurs and to showcase the variety of tailored entrepreneurship schemes that are in place around the European Union.