

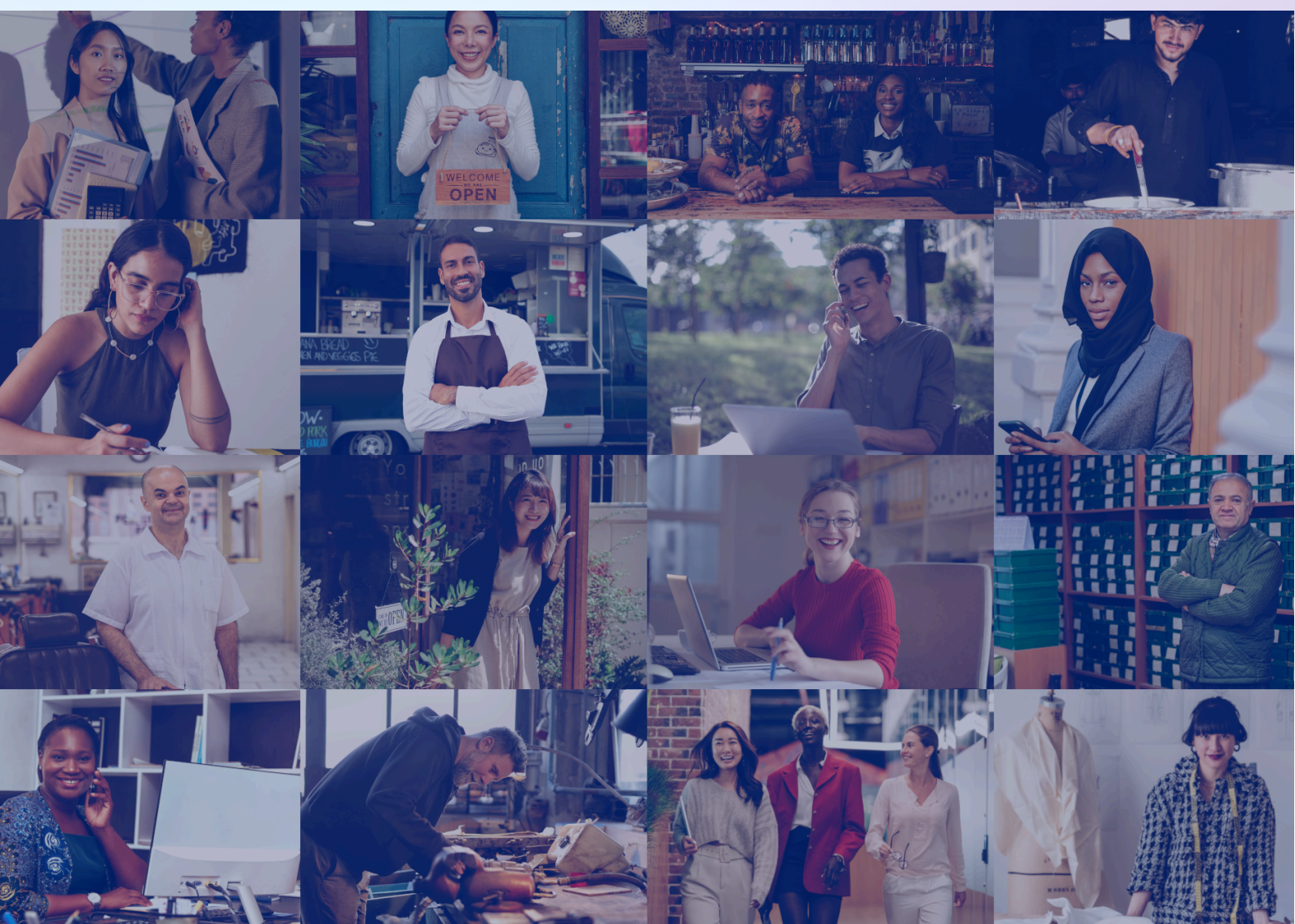


UNITEE
New European Business Confederation

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A European Agenda for Inclusive Entrepreneurship

Policy Brief

Why Inclusive Entrepreneurship?

Entrepreneurship is for all. Anyone should have the same chance to become an entrepreneur, regardless of age, gender, or life experience.

Yet, only some people who dream of being entrepreneurs get to transform their ideas into actual businesses.

The latest research shows that entrepreneurship and business sectors have huge room for improvement in inclusivity, with certain groups such as women, people with cross-cultural backgrounds or lived migration experience, and young people being underrepresented from entrepreneurship figures.¹

If everyone were as successful as male entrepreneurs aged 30 to 49, we would have 7.5 million more entrepreneurs in the EU and 34.1 million more entrepreneurs in the OECD.²

Inclusive entrepreneurship policies are designed to ensure that everyone, irrespective of gender, age, place of birth, ethnicity, work status, or other personal characteristics, has an equal chance to establish a successful and sustainable business at the same level as the male entrepreneurs from this research.

The benefits of inclusive entrepreneurship for the European economy and society include increasing innovation, competitiveness, social cohesion, and resilience.

Cross-Cultural Backgrounds

People with cross-culture backgrounds represent almost 20% of the European population.³

Nonetheless, they face high unemployment rates and overqualification in the positions they work in, even though in many European countries, their educational attainment rate matches that of native populations.⁴

Newcomers to Europe face unique challenges including language barriers, which make it difficult to join established business networks and access governmental and financial support, and precarious employment status due to the disparities across Europe in working visas.

Improvements have been made with the share of migrant entrepreneurs in Europe almost doubling since 2013 from 2% to 5%.⁶ Governments can increase these rates even further by utilising the skills of migrant entrepreneurs by adapting existing programs to accommodate their growing presence in the business world.

This might involve providing more networking opportunities for immigrant entrepreneurs to connect with local business communities, as well as improving access to markets, funding, mentorship, and other essential resources.

27.3 million

of the 448.8 million people living in the EU on 1 January 2023 were non-EU citizens, according to Eurostat. That's 6.1% of the EU population.

DID YOU KNOW?

In Sweden, businesses owned by people with migrant backgrounds hire more people and have more employees compared to those owned by natives, and in Germany, diverse-led businesses grow more than those led by natives, and 60% of the country's unicorns have one or more founders who come from diverse backgrounds.⁵

Gender Imbalances



Most entrepreneurs missing in the EU and OECD are women, representing 73% of untapped entrepreneurs.⁷

For many years, obstacles like not receiving funding at the same rate as men, unfair treatment based on gender, and lack of targeted government support have prevented women from getting into entrepreneurship.

The latest OECD data shows that only 10% of women express a desire to start a business, compared to 14% of men. Additionally, when it comes to feeling equipped with the necessary skills and knowledge to become an entrepreneur, 53% of men believe they have what it takes, while only 43% of women feel the same. Moreover, in terms of securing funding, 27% of men would consider using a bank loan, whereas only 20% of women would.⁸

These differences may be attributed to varying levels of confidence, with men generally exhibiting more confidence while women may face societal pressures and perceptions that affect their self-belief. Ultimately, cultural and social attitudes play a significant role in shaping individuals' self-perceptions and consequently influencing their desire to become entrepreneurs.

Young People

Young people are significantly underrepresented in the field of entrepreneurship.

Motivation levels can be high, with many young people interested in starting their businesses. But according to research, only a few young people establish a business.

39% of young people in the EU would like to be self-employed, but only 5% reported working on a start-up and 4% reported starting a new business.⁹

Despite this optimism, many youth-led businesses struggle to survive, and few end up creating jobs for others. Youth entrepreneurs face various obstacles, including a lack of role models, experience, skills, savings, and networks.

To support them, policymakers have implemented programs such as entrepreneurship education, coaching, and financing. Nevertheless, more efforts are needed to foster innovation and increase the likelihood of success for young entrepreneurs.



Barriers

As examined above, the lack of adequate support to overcome common barriers to entrepreneurship has reduced the number of entrepreneurs in Europe. We need to reduce barriers and provide tailored support and policies for different groups to unleash the potential of those left out, allowing them to maximise the economic and cultural contributions they can offer. Addressing these obstacles not only benefits these groups but also amplifies economic development and innovation for Europe as a whole.

These barriers constrain access to external funding, broader markets, entrepreneurial assistance and support schemes, and other necessary resources crucial for achieving success in business¹⁰. These disparities in business establishment and growth show the need for targeted interventions and support mechanisms. By giving everyone equal opportunities to become an entrepreneur, we can stimulate innovation, foster job creation, and contribute to more inclusive and sustainable economic growth.

COMMON BARRIERS TO INCLUSION IN ENTREPRENEURSHIP INCLUDE:

- Difficulties in accessing finance due to complicated bureaucratic processes and regulatory hurdles, non-European nationality restrictions, and lack of confidence and trust from funders due to discrimination.
- Lack of targeted business development support specifically for inclusive entrepreneurship.
- High levels of discouragement due to societal norms around entrepreneurship.
- Lack of high-networks, mentorship opportunities, and role models.
- Cultural differences and language barriers.

Intersectional Approach

To genuinely foster inclusive entrepreneurship, we need to embrace an intersectional approach.

We must recognise the matrices and interlocking structures of power in our society, and how individuals' identities and experiences across various social categories such as race, ethnicity, gender, sexuality, ability, and socio-economic background influence these interactions.

Intersectionality recognises the complexity and diversity within diverse populations, highlighting that individuals may face compounded challenges due to the intersection of multiple forms of discrimination.

It enables the identification of nuanced challenges faced by individuals from diverse backgrounds and ensures that strategies designed for inclusive entrepreneurship consider these multifaceted experiences.

For example, a woman from an ethnic minority background might encounter both gender bias and racial discrimination when seeking funding or mentorship for her business. As a mother or caretaker, she might face further difficulties related to time poverty and care responsibilities among other factors.

Inclusive entrepreneurship is not only about gender and migrant background, but also extends to the unemployed, older individuals, and people with disabilities.

The Agenda for Inclusive Entrepreneurship provides a pathway for job seekers to re-enter the workforce, offers flexible working options for those with disabilities, and supports older entrepreneurs, thereby contributing to talent retention in the labour market.

In essence, inclusive entrepreneurship is a catalyst for a more equitable and thriving economic landscape, fostering diversity, innovation, and sustainable growth.



CREATE AN INCLUSIVE ENVIRONMENT

We call for a supportive and open environment for cross-cultural entrepreneurs, removing barriers to their inclusion and participation in Europe. We can unlock their creative and innovative potential by providing them with tools and support specifically adapted to their needs.

EMPOWER ENTREPRENEURS

We call for an intersectional approach that ensures every entrepreneur is included. We need inclusivity across all backgrounds, with strategies to uplift all entrepreneurs, ensuring they have the tools and opportunities they need to succeed.

CONNECT ACROSS DIVERSITY

We call for an economically strong, sustainable and fair Europe that draws its strength from the diversity of its citizens. By fostering deeper economic relationships with countries of origin and promoting diversity and sustainability in business, we boost innovation and economic development.

The European Agenda for Inclusive Entrepreneurship is a framework aimed at fostering more diverse and inclusive entrepreneurial ecosystems across Europe. Recognising the vital role that entrepreneurs play in shaping societies and driving economic growth, the agenda emphasises the need for entrepreneurship to reflect the diversity of European societies.

Challenges such as climate upheaval, demographic change, and digital transformation require sustainable solutions adapted to the populations they aim to serve.

By adopting the European Agenda for Inclusive Entrepreneurship, we aim to ensure that everyone has equitable access to entrepreneurship, tapping into unique skills and experiences to bridge cultures, spark new ideas, and sustainably grow our economies.

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Evidence-based policy-making

To overcome a problem, it is crucial to know exactly what that problem is. By collecting national and EU-level data on inclusion in entrepreneurship, we can accurately identify disparities to better inform our policy-making, dedicating resources to areas that need it most and monitoring progress.

This is why it is crucial to develop a Europe-wide policy on inclusive entrepreneurship with a clear vision for achieving inclusive and sustainable growth along with enhanced social rights.

Stronger EU Mandate

For inclusive entrepreneurship to thrive, we need to build a robust entrepreneurial ecosystem at multiple governance levels.

At the EU level, by giving inclusive entrepreneurship a dedicated commission portfolio, we can give focused attention to strengthening diversity, allowing for integrated approaches to inclusive entrepreneurship across policy areas and greater policy coherence and coordination.

This opens the possibility to large-scale advocacy initiatives such as the European Year of Inclusion. It also would allow coordination across policy areas and more effective allocation of resources.

THE MISSING ENTREPRENEURS

The Missing Entrepreneurs is a biennial report co-produced by the OECD and the European Commission that examines how government policies can release untapped entrepreneurial potential from under-represented parts of the population of impactful entrepreneurs, including women, youth, seniors, the unemployed, immigrants and people with disabilities.

It offers comparative data on the entrepreneurship activities and the barriers faced by each group across OECD and European Union countries and is a crucial example of high-quality data collection that provides evidence behind policy and decision-making in Europe.

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Stronger EU Mandate

Creating an inclusive entrepreneurship intergroup in the European Parliament would serve as a vital forum for informal discussions and exchanges among MEPs and civil society stakeholders.

An intergroup would provide a platform for fostering dialogue, sharing best practices, and advancing policies aimed at promoting greater inclusion within the entrepreneurial sphere.

Forming a European Commission expert group dedicated to inclusive entrepreneurship would facilitate consultations with diverse stakeholders, including professionals, academics, and industry representatives.

By meeting regularly, this group would inform evidence-based policy formulation and ensure that Commission initiatives effectively address the unique challenges faced by underrepresented groups in entrepreneurship.

At the national level, governments can make use of tools such as the OECD's Better Entrepreneurship Policy tool to review their existing policy and see how it can be further improved and aligned with other EU member states.

EUROPEAN YEAR OF INCLUSION

We need to work together to make our societies more inclusive. Whether this be entrepreneurship, politics, sports or business, Europe needs to acknowledge persistent discrimination rooted in factors such as race, ethnicity, gender, sexual orientation, disability, and socio-economic status.

A European Year of Inclusion would allow actors from across the field of equality to join forces for the cross-sectoral action needed to bridge the gaps to equality. By prioritising inclusion through a year of targeted activism, we can promote social cohesion, empower those who are marginalised, and move down the path to greater equality and protection of rights at all levels.

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Inclusive SME Bank

SMEs face challenges accessing finance from traditional banks. By establishing a dedicated European SME bank, we can ensure that inclusive and equitable funds tailored to SMEs' needs are available to all entrepreneurs, creating a supportive and inclusive environment for those who want to start a business.

An SME bank would support sustainable economic development and address a gap in the market where traditional banks are less likely to fund ventures they deem risky. This will lead to more innovation and technology adaptation, allowing European SMEs to compete on a global scale and expand across borders, fostering entrepreneurship across diverse communities.



BRITISH BUSINESS BANK

Many entrepreneurs and SMEs struggle to access finance. These include limited collateral, insufficient credit history, perceived high risk by lenders, complex application processes, seasonal cash flow fluctuations and regulatory compliance requirements. That's why it's crucial to have accessible finance available from institutions aware of the issues SMEs face.

An example of this is the British Business Bank. Created in 2014, the bank's mission is to help UK small businesses survive, grow, and prosper. Owned by the Department for Business and Trade, but operationally independent, the bank is a key example of an institution that is catered towards supporting SMEs by providing accessible funding as well as expertise.

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Inclusive Support

Entrepreneurship involves risk, which can act as a barrier to those who wish to start a business. That is why providing the support services necessary to inform, educate and guide entrepreneurs is important. Services like business development support provide access to funding, mentorship, training and network opportunities. Robust social security systems can support those who face financial insecurity, from guaranteed health insurance and welfare support to education opportunities and comprehensive care systems.

Overhaul Europe's Social Contract

Europe's social contract needs an upgrade. Social protection measures introduced by the European Union in the 20th century are long-due revision. Sustainable economics should be at the forefront of a new social contract, prioritising people and the planet.

With a renewed social contract, community-oriented entrepreneurs and SMEs are positioned to lead the way in sustainable economic development as we move towards phasing out the economic dominance of large multinational businesses with solely profit-driven objectives.

WELFARE BRIDGES

Welfare Bridges are programs that help unemployed people use their unemployment payments to start their businesses. Instead of just receiving regular payments while looking for a job, unemployed individuals can choose to use some of that money to kickstart their entrepreneurial ventures.

Here's how it works: if you're unemployed and registered in this program, instead of receiving your usual unemployment payments, you can opt to receive a grant or allowance to help you start a business. This support can make it easier for you to get your business off the ground and become self-employed.

These kinds of programs are already in place in 15 European Union countries.¹¹ They're designed to give unemployed people more options and support in creating their own opportunities for work and income.

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Accessible Administration

For many aspiring entrepreneurs, the initial task of registering a business with the relevant authorities can be a daunting one. Accessible administration is crucial for fostering inclusive entrepreneurship, as it ensures that all individuals, regardless of their background or abilities, can participate and thrive in the business world. This could mean letting entrepreneurs start businesses from a young age, providing multilingual support for technical administration, easing reporting requirements and cutting red tape when setting up businesses.

By simplifying the administrative procedures required to start a business, from start-up fees and regulations to legal status and reporting requirements, we can make entrepreneurship a possibility for everyone, rather than only those who can navigate complicated bureaucratic processes.

Education and Mentorship

The world of entrepreneurship can seem daunting to those who don't have much experience in starting a business. That is why it is crucial to expose people to entrepreneurship at an early age and offer mentorship opportunities to guide everyone through the process of becoming an entrepreneur.

Entrepreneurial can depend on access to knowledge, whether from the daily tasks and administrative requirements of starting a business to more specialised knowledge of specific fields and niches of different industries.

By ensuring that entrepreneurial mindsets are taught in schools and universities and inclusive mentorship programmes receive funding, we can teach transferable skills and increase the likelihood of success of entrepreneurs and their first ventures.

INNOVATIONS IN ADMINISTRATION

Several member states have taken action towards reducing administrative burdens for aspiring entrepreneurs.

In the Flanders region of Belgium, local authorities have decided to forgo the requirement of having a business management certificate to establish a business, streamlining the process to become an entrepreneur.¹²

In Croatia, the pioneering START digital system allows entrepreneurs to register their businesses online through a single procedure.¹³

ENTREPRENEURSHIP IN EDUCATION

Developing an entrepreneurial mindset at an early age results in children learning transferable skills such as problem-solving, innovation, adaptability, resilience, independence, and networking.

In Denmark, the Danish Foundation for Entrepreneurship provides funding for the development of entrepreneurial mindsets in education, with entrepreneurial training and education embedded at all stages of education from elementary school to university.¹⁴

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Super Diverse Cities

As cities become more and more diverse, inclusive entrepreneurship will play a key role in fostering inclusion and social cohesion.

The mosaic of cultures, backgrounds, and perspectives in super-diverse cities can serve to enrich the entrepreneurial ecosystem and provide fertile ground for individuals from all walks of life to engage in entrepreneurship, breaking down barriers and fostering innovation through collaboration.

We need to direct resources towards ensuring that the super-diversity of cities is leveraged to propel inclusive and social entrepreneurship forward.



GOING FOR GROWTH

One of the best ways to learn how to grow a business is through mentorship. Starting a business can be an intimidating and isolating process. More experienced entrepreneurs who have already overcome these challenges have the potential to guide budding entrepreneurs through business and bureaucratic tables while giving them a foot in the door of the business world through connections.

In Ireland, the Going for Growth programme offers a peer-led learning environment where Lead Entrepreneurs and participants tackle common challenges. Lead entrepreneurs, and successful businesswomen, volunteer their time monthly to support women entrepreneurs, sharing real-life growth experiences in action-oriented round table sessions.

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Networks

Networks underpin business and entrepreneurship. They provide access to resources, specialised knowledge, new markets, increased visibility, and most importantly, funding opportunities. However, entrepreneurs from marginalised backgrounds often lack access to traditional business networks.

As one of the most important ways of helping a business grow and prosper, we need to incentivise the creation and continuation of diverse business networks. This can be achieved through tax deductions to reduce membership fees or subsidised memberships for participants.

Partnerships

Forming partnerships with both public and private actors, from municipalities and banks to universities and policymakers, can improve SMEs' access to funding and support programmes and open new avenues of opportunity.

Relationships between partners and entrepreneurs go two ways, as partners also serve to benefit by taking advantage of entrepreneurial approach to challenges, and the innovative and targeted solutions offered by their partners.

PUBLIC-PRIVATE PARTNERSHIPS

Due to a combination of systemic barriers and societal biases ingrained within the investment landscape, women, youth, and entrepreneurs from cross-cultural backgrounds' businesses are more likely to be perceived as "risky investments".¹⁵

Recognising this problem, the French Ministry for Gender Equality formed a partnership with investment bank Bpifrance by funding women entrepreneurs with business ideas traditionally perceived as risky. Bpifrance now provides specialised funding and coaching programmes tailored to women entrepreneurs, while running a campaign to combat ingrained biases and stereotypes that often hinder women's entrepreneurial endeavours.

The initiative has garnered support from other major French financial institutions including Caisses d'Epargne and has inspired ten local action plans across France to replicate the outcomes of this partnership.

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Mobility

The European Union is currently experiencing a skills shortage. To address this, the EU must ease visa requirements for third-country nationals by introducing specific visas for entrepreneurship. These requirements will promote deeper economic relationships with the countries of origin of our diverse population.

Encouraging entrepreneurship as a viable career option for refugees and asylum seekers can drive innovation and economic growth while promoting the social integration and general well-being of refugees and asylum seekers, who are prevented from working in many countries while awaiting their asylum decision.

Europe should take advantage of the cultural riches this group can bring to the entrepreneurial landscape including job creation, community revitalisation and cross-cultural expertise in sectors ranging from food and science to music and architecture.

Inclusive Entrepreneurship Charter

We're stronger when we work together. By allying aligned stakeholders, from universities and businesses to municipalities and civil society organisations, we can use the power of people to create a robust ecosystem for inclusive entrepreneurship and to hold governments to account.

We can do this by creating an EU Charter for Inclusive Entrepreneurship, outlining our commitment to inclusive entrepreneurship and signed by members of the alliance.

ERASMUS FOR YOUNG ENTREPRENEURS

Young entrepreneurs can face challenges such as a lack of expertise and experience when it comes to starting their own business. To address this, the EU funds the Erasmus for Young Entrepreneurs.

Erasmus for Young Entrepreneurs is a cross-border exchange programme which gives new or aspiring entrepreneurs the chance to learn from experienced entrepreneurs running small businesses in other Participating Countries. The exchange of experience takes place during a stay with the experienced entrepreneur, which helps the new entrepreneur acquire the skills needed to run a small firm.

The host benefits from fresh perspectives on his/her business and gets the opportunity to cooperate with foreign partners or learn about new markets.

Entrepreneurship for All

The European Agenda for Inclusive Entrepreneurship offers a solution to our collective challenges. By incorporating inclusion, diversity, and equity within the entrepreneurial landscape we acknowledge and integrate diverse contributions to our society and economy.

By dismantling barriers and fostering new economic relationships, the European Agenda for Inclusive Entrepreneurship envisions a resilient and innovative Europe that draws strength from the richness of its citizens. Embracing this agenda is not only a response to current challenges but a strategic move towards a more inclusive and prosperous future.



UNITEE

United Entrepreneurs Europe (UNITEE) was founded in 2011 as an International Non-Profit Organisation under Belgian Law. Based in Brussels, Belgium, UNITEE adopts a comprehensive approach to support entrepreneurs, playing a pivotal role as the only organisation in Europe representing New European entrepreneurs - professionals with migrant and cross-cultural backgrounds.

The term 'New European' reflects our mission to champion entrepreneurs and business professionals of all backgrounds across Europe. Through advocacy and project work, we highlight the powerful impact of a diverse and inclusive society, creating spaces for growth for everyone, regardless of age, gender, cultural background, ethnicity, or ability.

UNITEE brings forward the invaluable assets of its members, transcending cultural and linguistic barriers. Through our national federations and member associations, we represent entrepreneurs and business professionals across European countries, spanning all major sectors of the European economy.

Entrepreneurial and Business Support Services

With over 30 years of experience, UNITEE offers extensive training, workshops, and consulting services, guiding Business Member Organisations and businesses. Our network of experts provides a range of services, including training, consultations, access to finance, and business development support. These services enable entrepreneurs from all backgrounds to seize business opportunities across Europe, contributing to vital sectors of the European economy. To date, UNITEE has conducted hundreds of training sessions and workshops throughout Europe, assisting hundreds of organisations and companies.

Advocacy

Situated near the European Institutions in Brussels, UNITEE acts as a mediator between its members and European stakeholders, strengthening the members' position as key actors in Europe's economic, social, and sustainable development. UNITEE has authored numerous publications on migration, inclusive entrepreneurship, and economics. We collaborate with key stakeholders in Brussels and across Europe, including industry organisations, business networks, EU institutions, universities, and civil society actors to advocate for positive change in entrepreneurship. Our communication activities include hosting over 300 events, fostering dialogue, and building partnerships.

Projects

UNITEE's project work prioritises inclusive entrepreneurship and the participation of diverse groups. By addressing the barriers faced by New European entrepreneurs and professionals, we aim to develop innovative solutions to pressing societal issues. Our projects serve as platforms for collaboration, knowledge exchange, community engagement and advocacy, enabling dialogue and forming partnerships with new stakeholders across the continent. UNITEE's projects not only benefit our members but also contribute to building a more vibrant, resilient, and inclusive entrepreneurial ecosystem in Europe. We have successfully undertaken five EU projects in collaboration with 65 partners, resulting in over 100 publications.

Through our dedicated efforts in entrepreneurial support, advocacy, and project work, UNITEE continues to build a thriving community of New European entrepreneurs and professionals, driving forward Europe's economic and social progress.

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