



Inclusive Entrepreneurship Policies, Country Assessment Notes

France, 2016



Acknowledgements

This note is part of a series of notes on country-level inclusive entrepreneurship policies and programmes prepared by the Organisation for Economic Co-operation and Development (OECD) for the European Commission. These notes provide an overview of current and planned policy actions and identify some actions that could be implemented to address gaps in the current support offering, or improve current offerings.

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FOREWORD

Inclusive entrepreneurship policies aim to offer all people an equal opportunity to create a sustainable business, whatever their social group. This is an important requirement for achieving the goal of smart, sustainable and inclusive growth set out in the Europe 2020 strategy. It is also a means to respond to new economic challenges, to create jobs and to fight social and financial exclusion. Among the key targets of inclusive entrepreneurship policies and programmes are women, youth, older people, the unemployed, migrants and people with disabilities, who all continue to face challenges in the labour market and are under-represented or disadvantaged in entrepreneurship activities. ‘The Missing Entrepreneurs’ series of publications of the Organisation for Economic Co-operation and Development (OECD) and the European Union discuss 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.

The proportions of youth (5.7%), women (3.4%) and older people (3.1%) creating businesses in France over the period 2010-14 were below the European Union (EU) averages (7.7% for youth, 4.6% for women and 4.0% for older people). To boost entrepreneurship among these groups, policies have been developed in a range of strategic areas including regional development, employment, and innovation policies. In particular, a recent focus has been on developing entrepreneurship initiatives in disadvantaged communities. Inclusive entrepreneurship policies and programmes could be further developed fostered by improving the identification of needs for each of the key target groups and ensure that support offered meets these needs. It is also important to improve the coherence between the different policy instruments used.

This note is part of a series of annual country assessments prepared by the 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 European Union Member State. Each note provides an overview and 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 notes are part of a wider programme of work by the OECD and the European Commission that includes ‘The Missing Entrepreneurs’ publications, a series of Policy Briefs on specific target groups, policies and issues, country reviews of youth entrepreneurship and women entrepreneurship, and the production of online policy guidance. For more information please refer to: <http://www.oecd.org/employment/leed/inclusive-entrepreneurship.htm>.

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KEY MESSAGES

- Business creation is supported by many policies and initiatives, including tailored support programmes for entrepreneurs from under-represented and disadvantaged groups (e.g. women, youth, the unemployed, older people). Offers include both generic and tailored supports, including start-up finance, entrepreneurship training, and coaching and mentoring programmes. These are offered by the government at national and local levels, as well as many actors in the non-governmental and private sectors.
- The self-employment rate in France was slightly below the European Union average in 2015 (10.8% vs. 14.1%). This holds for all of the key under-represented and disadvantaged groups. However, over the 2010-14 period, people from these groups in France were more likely to expect to create a business over the next 3 years than the European Union average (for each group), especially youth (27.7% vs. 20.9%). Businesses operated by entrepreneurs from under-represented and disadvantaged groups have lower survival rates than the mainstream population of entrepreneurs, which could signal a need to strengthen entrepreneurship skills among the population.
- There are currently no major gaps in the inclusive entrepreneurship support system, but there is a need to put more attention on monitoring and evaluation so that policy makers have a better understanding about how the policy instruments are aligned with policy gaps and needs. Moreover, a very large amount of funding goes into business start-up support but it is not known which measures make the greatest impact. There is also room to bring more coherence to the support system so that entrepreneurs can more easily find the support that they need. Recent initiatives to build start-up support web portals are a good step but more co-ordination between actors is needed, especially at the national level, to ensure that measures are consistent and complementary.
- The following recommendations are offered to improve the current suite of inclusive entrepreneurship policies and programmes: i) improve the identification of needs for each of the key target groups and ensure that support offered meets these needs; ii) improve the coherence between training programmes and the provision of start-up finance; iii) offer training for support delivery organisations; iv) improve the governance and co-ordination of actors and stakeholders; and v) strengthen evaluation and monitoring of inclusive entrepreneurship policies and programmes.

1. INCLUSIVE ENTREPRENEURSHIP OBJECTIVES AND TARGETS

The creation of an entrepreneurial spirit is an important policy priority for the current French government as it seeks to encourage the creation and development of businesses, and generate employment and income. While this policy is aimed at all people, some social target groups can access additional tailored measures, including the unemployed, women, youth and residents of deprived areas. However, there are no specific quantitative targets for the number of businesses that policy actions seek to create and support.

The Entrepreneurship Agency (*Agence France Entrepreneuriat*) was created in April 2016 to support the implementation of the large number of programmes and initiatives related to business creation and entrepreneurship. It has a mandate to contribute to the creation of sustainable and growing companies and to facilitate co-operation between small and large firms to bolster innovation in France. The Agency aims to quadruple the number of new entrepreneurs located in targeted areas by

2017 and then support these businesses in hiring their first employee. It will also develop training programmes to build ICT competences for these entrepreneurs.

Furthermore, women's entrepreneurship is supported by new legislation on gender equality. Following the Entrepreneurship Conference at the beginning of 2013, the National Plan on Female Entrepreneurship was introduced in August 2013. It set an objective of increasing the rate of female entrepreneurs by 10 percentage points to achieve a share of 40% of female business creators by 2017.

These policies are part of a broader suite of labour market policies that seek to achieve France's national targets that support the Europe 2020 strategy. National targets include reaching an employment rate for those 20 to 64 years old of 75% and reducing the number of people at risk of poverty or social exclusion by 20 000 (since 2008).

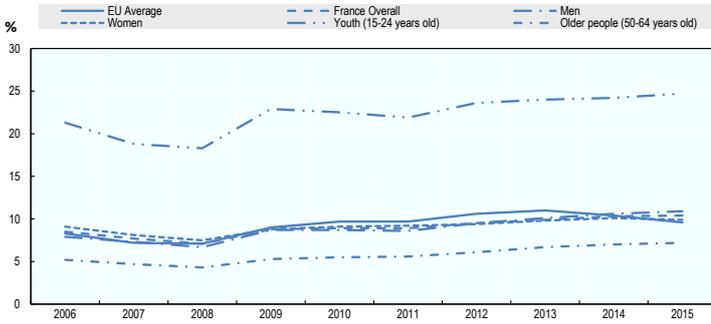
2. KEY INCLUSIVE ENTREPRENEURSHIP INDICATORS

Unemployment in France has been steadily increasing since the onset of the economic crisis. In 2008, the unemployment rate was 7.1% and it reached 10.4% in 2015 (Figure 1a). While there has been little difference in the unemployment rate for men and women over the past decade, youth unemployment has been among the highest in the European Union. In 2015, the youth unemployment rate was 24.7%.

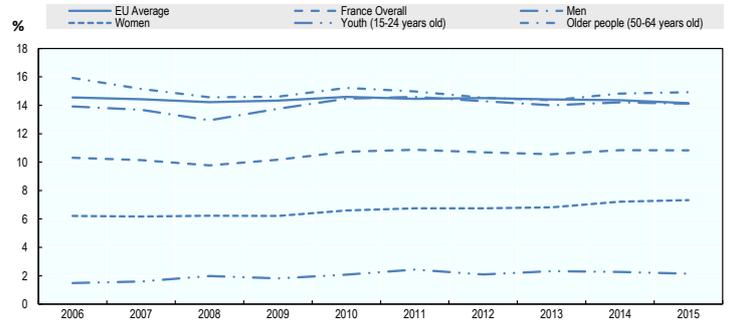
French people are less likely than the European Union average to be self-employed or entrepreneurs. The overall self-employment rate in 2015 in France was 10.8%, below the European Union average of 14.1% (Figure 1b). As in most European countries, women were about half as likely as men to be self-employed and youth were unlikely to be self-employed (2.1% in 2015). Similarly, the Total early-stage Entrepreneurship Activity (TEA) rate, a measure of the proportion of people involved in the process of start-up or managing a new business that is less than 42 months old, was slightly lower than the European Union average over the 2010-14 period (5.1% vs. 6.5%) (Figure 1c). As in most EU Member States, women were half as likely as men to be involved in starting or managing new businesses (3.4% vs. 6.9%) while youth were as likely as adults (5.7% vs. 5.1%).

Figure 1. Key inclusive entrepreneurship indicators

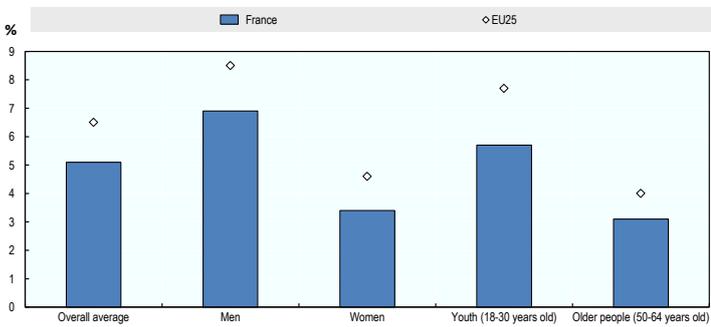
a. Unemployment rate, 2006-15



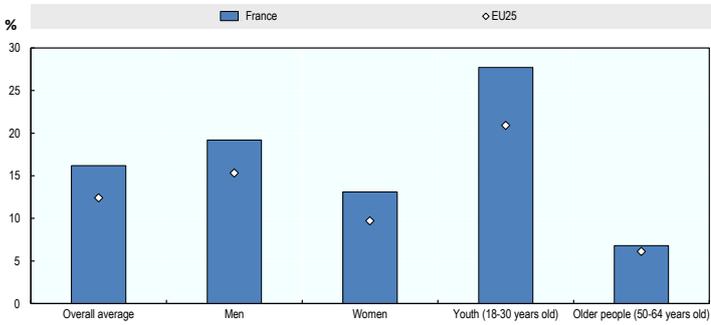
b. Self-employment rate, 2006-15



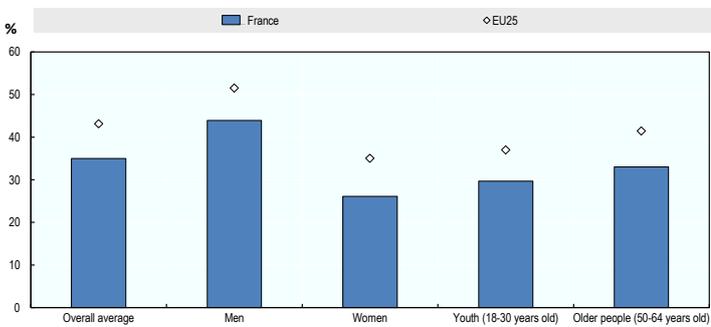
c. TEA Rate, 2010-14



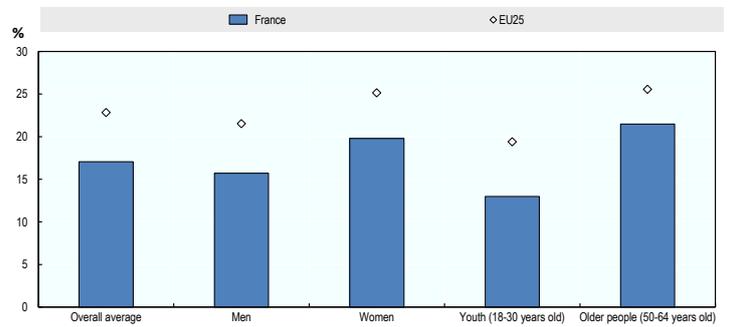
e. Proportion who expect to start a business in the next 3 years, 2010-14



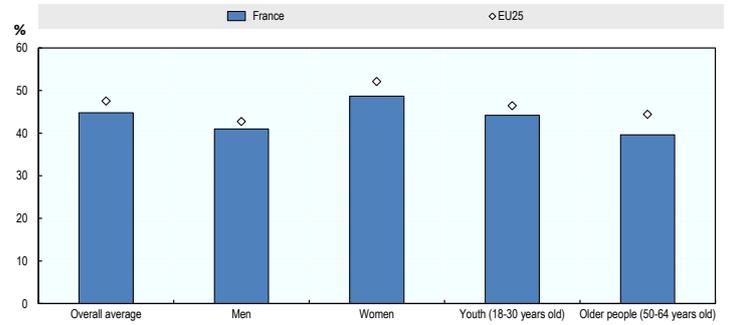
g. Proportion who perceive that they have the skills to start a business, 2010-14



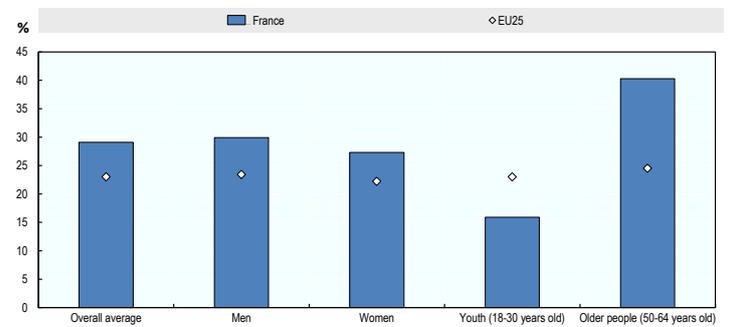
d. Proportion of TEA that is necessity entrepreneurship, 2010-14



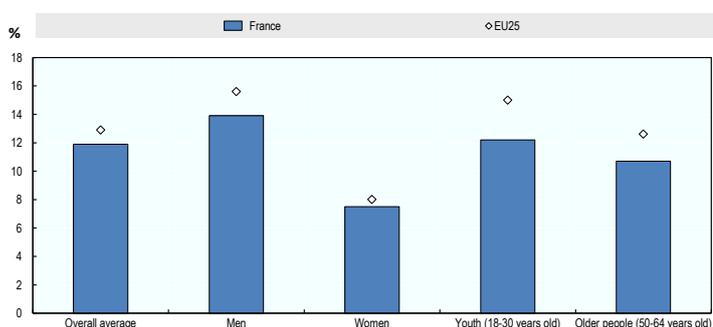
f. Proportion who report that a fear of failure prevents them from starting a business, 2010-14



h. Proportion of new entrepreneurs whose products or services are new to all or some customers and who have few or no businesses offering the same products or services, 2010-14



i. Proportion of early-stage entrepreneurs who expect to create more than 19 jobs in 5 years, 2010-14



Note: The self-employment rate is defined as the proportion of those in employment who are self-employed. The TEA rate is the Total Entrepreneurial Activity rate, which is defined as the proportion of the population actively involved in pre start-up activities and those who have started a new business within the last 42 months. The proportion of TEA that is necessity entrepreneurship is the proportion of entrepreneurs involved in setting-up a new business or operating a business that is less than 42 months old, who were motivated to start their business because they had no better options for work. Data for panels c, d, e, f, g, h and i were pooled for the period 2010-14, producing an unweighted average. The EU25 average in panels c, d, e, f, g, h and i covers all EU28 countries, except Bulgaria, Cyprus and Malta.

Source: Panels a and b contain data from Eurostat (2016), Labour Force Survey; Panels c, d, e, f, g, h and i contain data from the 2010 to 2014 Global Entrepreneurship Monitor household surveys that were tabulated for the OECD (2016).

Of those involved in starting and running new businesses between 2010 and 2014, nearly 20% were doing so because they had no other opportunities in the labour market (Figure 1d). Older people were the most likely to be entrepreneurs out of “necessity” (21.5%) and youth the least likely (13.0%). Women were more likely than men to be involved in entrepreneurship due to a lack of other opportunities (19.8% vs. 15.7%). However, the proportion of people who were involved in entrepreneurship out of necessity was lower than the European Union average, both overall and for each of the target groups.

Despite a lower proportion of people starting businesses out of necessity, French people were more likely than the European Union average to expect to create a business over the next three years over the 2010-14 period (Figure 1e). In particular, youth were very likely to expect to start a business (27.7%).

French people were slightly less likely to report a fear of failure as a barrier to business creation relative to the European Union average (44.8% vs. 47.5% over the 2010-14 period) (Figure 1f). Women were the most likely to report this barrier of the key target groups (48.7%), which is true in all EU Member States. However, a lack of entrepreneurship skills appears to be a greater barrier in France than in most countries. Only 35.0% of people indicated over the 2010-14 period that they had the skills to start a business, relative to the European Union average of 43.1% (Figure 1g). Less than one-third of youth reported that they had the appropriate skills to be an entrepreneur and only one-quarter of women did.

New businesses in France were more likely than the European Union average to offer new products or services between 2010 and 2014 (Figure 1h). While older entrepreneurs were much more likely than the EU average to be innovative (40.3% vs. 24.5%), youth were less likely (15.9% vs. 23.0%). Moreover, French entrepreneurs from all social target groups were slightly less likely than the EU average to expect to create at least 19 jobs over the next five years even though they were more likely to be innovative (Figure 1i). The gap was greatest among youth (12.2% vs. 15.0% over the 2010-14 period).

3. ASSESSMENT OF CURRENT AND PLANNED INCLUSIVE ENTREPRENEURSHIP POLICIES AND PROGRAMMES

3.1. Policy framework

In general, the government uses two kinds of support mechanisms for business creation and self-employment:

1. Direct mechanisms, which are provided to project initiators, including grants, tax exemptions, loans and advances (these may sometimes be reimbursed if the business is successful) and loan guarantees. A report by the Court of Auditors on support mechanisms for business creation estimates that the cost of approximately 15 direct national aid programme is slightly more than EUR 2 billion (Court of Auditors, 2012);
2. Indirect mechanisms, which include information provisions, regulatory changes, entrepreneurship training, networking support, and business incubation.

For the past decade, policies that support business creation have been based on three main categories of aid: i) aid to people in need, ii) aid to areas in need, iii) aid offered to innovative businesses. Inclusive entrepreneurship programmes refer to the first two categories. However, at the Entrepreneurship Conference in 2013, the President announced a number of measures to meet the three priority objectives to stimulate the spirit of enterprise and mobilise available talent in all social target groups:

- Improve awareness among youth about entrepreneurship and innovation;
- Facilitate access to business creation support for all and mobilise available talent; and
- Construct a personalised offer of entrepreneurship support on a long-term basis, placing particular emphasis on supporting the entrepreneur.

There are approximately 1 500 support structures for entrepreneurs in France offered by all levels of government and many of these initiatives are co-ordinated by the newly created Entrepreneurship Agency. In 2012, these structures supported approximately 225 000 institutions (LABEX, 2014):

- Traditional support providers, including Chambers of Commerce and Industry and the Chambers of Trades and Crafts;
- Business incubators (partly represented by the ELAN network of incubators);
- Business Management Boutiques (i.e. BGE network);
- Technological incubators, including academic incubators, incubators from science and technology parks and those operated by the European Community Business and Innovation Centres (CEEI); and
- New support providers such as the Employment and Industry Creation Co-operatives (CAE).

Inclusive entrepreneurship policies and programmes hold promise in France for addressing both labour market and social challenges. The current priority to emphasise the development of entrepreneurial mindsets by policy actions is appropriate since many self-employed people, especially those from disadvantaged groups, are not seeking to start high-impact businesses (see Figure 1i).

However, it is largely unknown whether current measures are having an impact. Monitoring the number of people affected by the actions is, at best, carried out by actors who are often content with indicating the number of participants or support recipients. Monitoring after six months is very rare and more sophisticated evaluation studies do not appear to be regular. The only exceptions are schemes that help the unemployed to create and acquire businesses, which are monitored by the Employment Centre (i.e. *Pôle-Emploi*, the public employment service) and the Directorate for Research, Studies and Statistics (*Dares*), a government department that is under the auspices of the Ministry of Labour, Employment, Vocational Training and Social Dialogue.

Moreover, business creation policy is not the subject of an overall strategy but is one element amongst several other strategic areas, including labour market policies, regional development and supporting research and innovation. Therefore, the effectiveness of business creation policies is to some extent reliant on the effectiveness of other policies (e.g. economic policies, education policy).

3.2. Government regulations

The legal framework relevant for inclusive entrepreneurship is largely defined by the *Law on Modernisation of the Economy of 4 August 2008*, whose aim is to stimulate growth by removing structural and regulatory obstacles. To achieve this objective, a section of the law outlines how entrepreneurship is to be encouraged:

- simplify the status of those who create a business with the establishment of the (former) auto-entrepreneur regime;
- facilitate the development of SMEs by, for example, changing tax thresholds to promote growth and innovation;
- simplify the functioning of the Limited Liability Partnership (EURL), as well as the organisation of Annual General Meetings in limited liability companies (SARL);
- create a more favourable environment for seed capital, including the simplification of the legal framework related to venture capital; and
- encourage a return to work by the unemployed through business creation.

The establishment of an “auto-entrepreneur” regime has been accompanied by a significant increase in the number of businesses created. Although this measure is not without its limits; it contributes towards facilitating access to entrepreneurial activity for everyone, from the youngest (students) to the oldest (retired people), including people with disabilities but excluding migrants (i.e. those without valid residence card). Formally, the auto-entrepreneur status no longer exists (since 2015). It has been replaced by the micro-entrepreneur status, which gives access to the “micro-social” regime. The auto/micro-entrepreneur status is somewhat controversial because it may lead to some

“bogus” self-employment, i.e. self-employed people with a single client where there is an employer-employee relationship.¹

Another important programme is the ACCRE (*Aide aux chômeurs créateurs et repreneurs d'entreprise*, or “Aid for the Unemployed; aid for the unemployed creating or taking over a business”), which supports the unemployed in business creation. It provides a temporary exemption from a portion of payroll taxes and social security contributions. However, evaluations tend to be sceptical about its results on business survival and growth (Cabannes and Fougère, 2013; Desiège et al., 2011).

Since 2008 there has been no new law either wholly or partly devoted to business creation, with the exception of the creation of the “status of sole trader with limited liability” (*Le statut Entrepreneur Individuel à Responsabilité Limitée*). It has been in force since 1 January 2011. In contrast, business creation was included in the General Review of Public Policies (*Révision générale des politiques publiques*). The review resulted in several measures, including:

- the measure on support networks for business creators;
- the “One-stop shop” project;
- the programme “Make an entrepreneur’s life easier from creation to the first months of the business’s financial year”, supported by the Directorate-General for Competitiveness, Industry and Services, which includes 14 actions to simplify the administrative requirements.

At the sub-national level, each region has signed an agreement with the Employment Centre in at least four areas: business research, the region’s priority economic sectors, the distribution of Employment Centre’s resources according to the employment areas that are suffering the most, help for business creation for jobseekers. The unemployed and recipients of basic welfare benefits are much more numerous than other types of recipients, as the total amount of aid reserved for them is far higher than that reserved for other business creators, and the average amounts are much lower. The numbers of these have increased significantly since 2006, doubling of the recipients of the ACCRE and a nearly six-fold increase in the recipients of the ARCE (*Aide à la reprise ou à la création d'entreprise*). However, these benefits tend to be dispersed which creates difficulties for some of the target groups, notably older people and migrants, in accessing these measures. The take-up rate is therefore quite low.

Most recently, support has been developed for potential entrepreneurs in deprived regions. The Entrepreneurship Agency aims to facilitate access to entrepreneurship by supporting all those who wish to create and develop their business, particularly in deprived regions, where the provision of support and funding is currently inadequate. It will also attempt to remove legal and administrative constraints on creating and taking over businesses by mobilising and co-ordinating all the partners. The Agency plans to increase the amount of business start-up support available in identified deprived regions by 50% by 2018.

Overall, there is scope for simplifying business start-up measures further, and to increase efforts on monitoring. The annual cost of public aid for business creation is estimated to be EUR 2.7 billion (including direct and indirect support). Evaluations often point to a confusion between the cost of managing the measures (i.e. operating costs of public and private organisations when the latter are subsidised) and costs corresponding to financing actions (e.g. payment of a grant or expenditure on tax

¹ <http://www.cci.fr/web/auto-entrepreneur/le-regime-micro-entrepreneur>

and social security exemptions). Financial partners can be called on to contribute to one or other of these categories, or both of them. The challenge in identifying expenditures and measuring the impact of policies and programmes is due to four phenomena:

- the difficulty of tracking the different actions undertaken by local authorities;
- the difficulty distinguishing between aid for business creation and measures aimed at the takeover and transfer of a business, since many measures do both;
- the difficulty in accurately allocating the amounts corresponding to exemptions from the solidarity tax on capital (*L'impôt de solidarité sur la fortune*); and
- the characteristics of some support measures, which are designed to be eventually repaid by the entrepreneurs, or where the nature of the expenditure is not certain (e.g. the public guarantee of a loan taken out by a private individual).

3.3. Financing entrepreneurship

Financial support for business creation is one of the most important public assistance means offered in France and most of this support is directed towards the unemployed. Nearly half the amount of expenditure on supporting business creation (approximately EUR 1.2 billion) corresponds to the provision of grants paid to jobseekers who create business. Actions in this area are financed by the unemployment insurance system and the social security system.

One of the main mechanisms is ACCRE. It is a one-year exemption from national insurance contributions on the share of wages that does not exceed 120% of the minimum wage (i.e. *Smic*). It is intended for people who face challenges in the labour market, including jobseekers in certain conditions, recipients of basic welfare benefits, youth (under 26 years old), people with disabilities (under 30 years old) and those who create a business in a priority disadvantaged area. Nearly EUR 43 million of benefits were provided in 2014 (Table 1).

Table 1. Number of recipients of the ACCRE and related budget expenditure

	2014 Finance Law	Realised in 2014
Employees	7 164	7 305
Average daily rate 2014	EUR 16.14	EUR 16.10
Amount of benefits	EUR 42.2 million	EUR 42.93 million

Notes: Employees (number of claimants involved) have been recalculated over the whole of the year from the estimates of the Employment Centre in order to ensure a consistent interpretation with the elements set out in the Finance Act. The average daily rate (2) is provided by the Employment Centre. In 2014, recipients of the ASS-ACCRE spent an average of 343 days in the system. Expenditure is slightly higher than the credits provided for in the Initial Finance Law (*La loi de finances initiale*), because the number of recipients is very slightly higher than those provided for in the Law.

Another important support is the zero interest loan without a guarantee from the NACRE programme (New support for business creation and take over). The amount varies between EUR 1 000

and EUR 8 000 over a period of 1 to 5 years. The beneficiaries must be jobseekers or recipients of basic welfare benefits.²

In addition, the measure ARCE allows part of the unemployment benefits to be paid in the form of a start-up grant. In 2014, this aid was equal to half the benefits remaining due on the date when the business activity started. ARCE is granted if the claimant has obtained the ACCRE. In 2014, 55 500 people benefited from ARCE and the total benefits paid amounted to EUR 719 million.

Jobseekers who have a disability can also receive a grant from *Agefiph*, an organisation under the responsibility of the Minister of Employment and Health that supports people with disabilities entering work. The amount of this aid ranges from EUR 1 500 to EUR 5 000. To receive this support, the jobseeker must have a disability and hold more than 50% of the capital of the business created (or taken over).

At the regional level, the State's devolved services, particularly the Regional Directorates for Companies, Competition, Consumption, Work and Employment (*Dirrecte*) implement measures in collaboration with the regional authorities under the authority of regional prefects³ and the general secretariats for regional affairs (*Sgar*). These local measures are growing, particularly in relation to accommodation solutions for new businesses, like incubators or business service centres.

There are also a large number of loan and microcredit providers in the non-governmental sector. Grants and zero interest loans are offered by a number of organisations, including Adie (*Association pour le droit à l'initiative économique*), *Société financière de la NEF* and the *caisses solidaires* (i.e. banks providing social funding). Entrepreneurs are nearly always required to meet specific eligibility criteria (e.g. refused a bank loan) and have an assessed business idea and plan. These initiatives and measures typically provide up to EUR 10 000 for various lengths of time (e.g. the average for microcredit is four years, while personal loans are often for five years). For young entrepreneurs, *Créajeunes*, launched by Adie, offers a microcredit supplemented by a zero rate personal loan and a support programme. Some of these microcredit providers are supported by the European Union's Programme for Employment and Social Innovation (EaSI), including Adie, NEF and Initiative France. Programmes support by EaSI can provide loans of up to EUR 25 000.

The private sector is also active in providing finance to entrepreneurs. Support for project initiators has also long been provided by the network of Chambers of Commerce (Chambers of Commerce and Industry, Chambers of Trade and Crafts, Chambers of Agriculture), by the community network (*Réseau Entreprendre*), and other initiatives such as *France Active*, Adie, *Initiative France* and *Action'elles*. These initiatives provide assistance with the preparation of business plans, business management and provide advice on registering a company. Most of these service providers are accredited and funded by the government.

Despite the large amount of measures, there are a number of weaknesses of the current support system. Improving the system of financial supports will require a streamlining and rationalisation process. Too many operators intervene and propose the same kind of aid for the same target clients.

² Other conditions include holding more than 50% of the capital of the business created, and being obliged to arrange an additional bank loan (or equivalent) for an amount and a duration that is greater than the aid.

³ Prefects represent the national government at the local level and as such exercises the powers that are constitutionally attributed to the national government.

Targeted recipients can therefore become overwhelmed with their support options. Even public support schemes are implemented by many operators.

3.4. Entrepreneurship skills

One of the key players in supporting the acquisition of entrepreneurship skills for new entrepreneurs is the Chambers of Commerce. They provide advice and training to potential and nascent entrepreneurs during the pre-start-up phase (e.g. how to register a company, how to select the appropriate legal status, how to write a business and financial plan). Over the last few years, the Chambers of Commerce have supported more than 200 000 start-ups every year (including approximately 45 000 people who want to become auto-entrepreneurs) and carried out more than 80 000 pre-diagnoses. They organised close to 50 000 training sessions on business creation, which were open to anyone.

In general, it is rare for entrepreneurship training programmes to be tailored and targeted to specific groups but there are a number of large initiatives for youth and for the unemployed. For youth, one of the largest support schemes is *CréaJeunes*. Launched in 2007 by Adie, it is offered free-of-charge to young people who are 18 to 32 years old. It consists of modules focusing on increasing confidence and practical knowledge for operating a business. This is followed by individual support in launching or formalising the project (i.e. through coaching and mentoring), as well as with networking activities. Participants can then access funding in the form of microcredits and zero-interest rate personal loans. Between the establishment of this measure (in 2007) and 2014, approximately 5 300 youth took part in the programme and 30% of them started their own business (*École d'économie de Paris*, 2014).

Another important support is the Student Centres for Innovation, Transfer and Entrepreneurship (PEPITE) (Ministère de l'Enseignement supérieur, de la Recherche et de l'Innovation, 2014). These centres provide training at the bachelor's, master's and doctorate levels and link different universities, colleges, economic players and community networks to provide entrepreneurship support for students, including providing access to financing such as grants, seed funding and unsecured loans. These 29 centres are financed by the Ministry of National Education, Higher Education and Research and the Ministry of Economy, in partnership with the bank *Caisse des Dépôts*.

For the unemployed, entrepreneurship training is often delivered by social economy organisations, including a number of social incubators. Adie has also developed a relatively new scheme to support the unemployed with microfranchises. This initiative provides a turn-key business model and mentoring to allow unemployed people to start a small business with a reasonable chance for success.

Overall, entrepreneurship training and coaching and mentoring programmes appear to be readily available and accessible for entrepreneurs from under-represented and disadvantaged groups. Entrepreneurs from under-represented and disadvantaged groups, however, face a number of barriers: . First, support providers do not operate in a co-ordinated way, which weakens their ability to provide referrals for their clients. For example, entrepreneurship-related networks tend not to communicate amongst themselves. This is particularly the case for youth support providers, which has been noted by several evaluation reports. Second, it is very difficult for potential entrepreneurs to learn about the availability of tailored support offers since the information is so dispersed. There is a need for improved co-ordination of actions of the local authorities.

3.5. Entrepreneurial culture and social capital

Efforts to promote and strengthen an entrepreneurial culture are undertaken primarily by the Ministry of National Education and the Ministry of Higher Education and Research (MESR). One of the main instruments is the Plan for Student Entrepreneurs (PEE), which was launched in 2009 and aims at higher education graduates. While the amount invested in this initiative is modest (approximately EUR 1 million), the plan introduces courses and seminars to promote entrepreneurship in the education system from school-level to universities. The objectives are to i) increase the interest of student to entrepreneurship and to raise their awareness of entrepreneurship during their studies, ii) provide students with the skills they need to set up a business and manage its growth; and iii) develop the entrepreneurial ability to identify and exploit opportunities. Pedagogical experiences and tools in entrepreneurship are collected and disseminated through a national good practice observatory (*l'Observatoire des pratiques pédagogiques en entrepreneuriat*) which existed prior to 2009 but is now more heavily promoted than in the past. Similar actions are being developed for lower levels of school education (e.g. Junior Enterprises).

In addition, there are a number of other actions aimed at promoting entrepreneurship to youth. These include actions that are delivered through schools such as the education programme on the spirit of initiative and innovation in secondary education as well as in higher education, led by the foundation *Entreprendre*. Another example is the “Creation of a Student Entrepreneur” initiative, which will allow students who wish to start a business after their studies to continue to benefit from the status of student so that they can continue to access certain social security benefits.

More recently, the “Programme Ticket for Change” is a new national six-month programme to encourage social entrepreneurship among young people. The programme aims to increase the leadership potential of 50 young people committed to solving social problems, and to help them develop a social entrepreneurship business. The core of the programme consists of 10 days of personal and business development activities, followed by six months of business counselling support. While the Ministry of National Education, Youth and Sport funds 15% of the initiative’s operating expenses, participants pay approximately EUR 12 000 each to participate (approximately equivalent to one year of tuition fees at a prestigious French business school).

The National Secretariat on Women’s Rights, in partnership with the Ministry of National Education, Higher Education and Research, the Ministry of Economy, Industry and the Digital Sector, the Ministry of Agriculture, Agrifood and Forestry, and many non-governmental organisations organises an awareness week for youth on women’s entrepreneurship. During this week, female entrepreneurs are invited to talk about their entrepreneurial experience to colleges, secondary schools and higher education establishments. This initiative is part of the inter-ministerial plan to develop female entrepreneurship and illustrates the Ministry’s desire to strengthen linkages between the education and business sectors. In 2016, 454 women participated as entrepreneurs during the awareness week and it is estimated that the event reached more than 11 200 young people, increasing awareness about the potential of women’s entrepreneurship.

The promotion of the culture of entrepreneurship and recognition of risk-taking are drivers for at the core of many of the Government’s actions on entrepreneurship. The Entrepreneurship Conference organised by the government in 2013 can be interpreted as a desire to spread an entrepreneurial spirit into all areas of society and for the entrepreneurial process to be made easier. Despite these actions, most of which target youth and women, many of the announced measures have not yet been implemented. For example, the “entrepreneur visa” was announced during the Entrepreneurship Conference in April 2013 as a mechanism to attract young foreign talent and to encourage foreign entrepreneurs to move to France. This residence permit, issued on condition of a minimum investment

and prior expertise, should have received a fast-track procedure with simplified supporting documents in prefectures or in consulates. To date, the procedures are still complex.

4. POLICY RECOMMENDATIONS

Entrepreneurship support is well-developed in France with a wide variety of tailored schemes offered by the national government, local governments and a very active non-government sector (including social enterprises). The main challenge is that there are so many offers available that it can be difficult for potential entrepreneurs to know where to go for the support needed. Moreover, little attention is paid to monitoring and evaluation so it is difficult to assess the impact and efficiency of these many measures and schemes. To strengthen support for entrepreneurs from under-represented and disadvantaged groups, the following recommendations are offered:

1. *Improve the identification of needs of entrepreneurs from under-represented and disadvantaged groups.* The objective of the public policy to support business creation should seek to assist entrepreneurs in creating sustainable start-ups. Entrepreneurs from different social target groups face different, and often greater barriers, to business creation. While tailored entrepreneurship support is available, inclusive entrepreneurship schemes could be better tailored to meet the unique needs of each social target group. Moreover, few of the existing initiatives undertake a needs assessment of programme participants during the intake process to ensure that the support provided is well-suited to the needs of the individual.
2. *Improve the coherence between entrepreneurship training programmes and the provision of start-up financing.* Many financial support schemes are only conditional to specific characteristics of the entrepreneurs or of the project they want to launch. However, the rate of default of early-stage companies remains high (i.e. one out of three “auto-entrepreneurs” exits before the third year after registration, and the business survival rate is lower for people without diplomas) mainly because entrepreneurs do not have the necessary skills to properly manage their business. Many report difficulties in identifying and prospecting potential clients, some consider that they cannot clearly communicate with their bank, and many point to difficulties with complying with regulatory requirements. In order to make the provision of finance more effective, and to limit the risk of default by the entrepreneur, financing schemes should be delivered in parallel with training and skills programmes that match the needs that have been identified by a needs assessment.
3. *Offer quality training for policy delivery organisations.* Strengthening the quality of support services also requires an improvement in the qualifications of people working in the support organisations. This is achieved by training people responsible for providing support services in community networks or public bodies. This also includes specific training on the needs of the target groups of inclusive entrepreneurship, as well as adaptation for the local context.
4. *Improve the governance and co-ordination of policy makers and delivery organisations.* Co-ordination of inclusive entrepreneurship policy actors should be clarified and improved. Mechanisms to promote business creation are spread across more than 10 national programmes as stated in the budget law and under the remit of three national ministries. To

ensure that inclusive entrepreneurship policies are coherent and implemented effectively, it is important to develop a strategic vision. This would also reduce duplication in programme delivery.

5. *Strengthen evaluation and monitoring of inclusive entrepreneurship policies and programmes.* All schemes that receive public funding should be required to undertake regular monitoring and evaluations. These should go beyond counting number of participants or amount of funding provided. Outcomes and impacts should be identified and tracked so that the government knows which approaches work so that they can be scaled-up. It is important to make evaluation results available publically.

5. REFERENCES

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ANNEX: METHODOLOGY

Each note 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 key stakeholders and government representatives. The information was then verified by government partners, programme managers and other inclusive entrepreneurship stakeholder groups through email exchanges and one-day seminars in selected countries.

The notes are based on an assessment framework that was developed by the OECD Secretariat. The assessment framework provided a common analytical framework and report structure for the 28 notes that are in this series.

The framework contains 5 pillars:

1. Policy framework

- Is there an entrepreneurship strategy or action plan that explicitly covers the promotion and support of entrepreneurship for people in under-represented and disadvantaged groups?
- Is there a mechanism for co-ordinating inclusive entrepreneurship policy actions across relevant national ministries, and with regional and local governments and civil society organisations?
- Is there a systematic monitoring and evaluation process for the policies, programmes and schemes that promote and support entrepreneurship for people in under-represented and disadvantaged groups?

2. Government regulations

- To what extent are entrepreneurs from under-represented and disadvantaged groups treated equally with employees by social security schemes?
- Do measures exist that temporarily cover the loss of state income supports (e.g. unemployment benefits, disability allowances) for entrepreneurs amongst under-represented and disadvantaged groups when they start a business?
- Do measures exist to support under-represented and disadvantaged entrepreneurs in dealing with administrative procedures for entrepreneurship amongst under-represented and disadvantaged groups (e.g. information provision, support with administrative requirements)?
- Are there any entrepreneurship policy initiatives or schemes to address group-specific institutional challenges related to dependents (e.g. childcare, eldercare)?

3. Financing entrepreneurship

- Are there grants for business creation offered to support entrepreneurs from under-represented and disadvantaged groups?
- Is microcredit for business creation available to support entrepreneurs from under-represented and disadvantaged groups?
- Are there loan guarantee schemes for business creation to support entrepreneurs from under-represented and disadvantaged groups?
- Are there self-financing groups for business creation to support entrepreneurs from under-represented and disadvantaged groups?

- Are there public policy schemes that encourage and support business angel networks to support entrepreneurs from under-represented and disadvantaged groups?
 - Are there schemes that encourage and support crowdfunding and peer-to-peer lending to support entrepreneurs from under-represented and disadvantaged groups?
 - Is financial literacy training offered to support entrepreneurs from under-represented and disadvantaged groups?
- 4. Entrepreneurship skills**
- Are there entrepreneurship training initiatives for entrepreneurs from under-represented and disadvantaged groups?
 - Do high potential entrepreneurs from under-represented and disadvantaged groups have access to one-to-one or group coaching and mentoring?
 - Are there public initiatives that provide information on available support programmes or on business start-up procedures for entrepreneurs from under-represented and disadvantaged groups?
 - Are there business consultancy and advisory services for entrepreneurs from under-represented and disadvantaged groups?
 - Are there business incubators for entrepreneurs from under-represented and disadvantaged groups?
- 5. Entrepreneurial culture and social capital**
- Is entrepreneurship actively promoted as an employment opportunity amongst under-represented and disadvantaged groups through the education system, media, role models, etc.?
 - Are there public policy actions that attempt to build specific business networks for entrepreneurs amongst under-represented and disadvantaged groups?