



Inclusive Entrepreneurship Policies, Country Assessment Notes

Greece, 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 proportion of women, youth and older people who were active in business creation over the period 2010-14 was approximately equal to the European Union (EU) average. However, these groups were much more likely than the EU average to be starting businesses because they did not have any other opportunities in the labour market. Given the difficult economic and labour market conditions following the economic crisis in 2008, the government launched a wide range of training and labour market measures to create employment and upgrade the skills of the labour market. Several inclusive entrepreneurship initiatives were launched, notably for young unemployed people and women. However, there is scope to strengthen tailored entrepreneurship support for disadvantaged groups, including by providing more support for high potential women entrepreneurs and by offering greater support to migrant entrepreneurs.

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

- Inclusive entrepreneurship policies and programmes have been developed with a focus on supporting unemployed youth and women. Persons from other vulnerable population groups have been targeted to a smaller extent, including migrants and older people. The vast majority of initiatives are realised with the support of the European Social Fund (ESF).
- Greeks are much more likely to be self-employed than other EU citizens. In 2015, the self-employment rate was 29.9%, slightly more than double the European Union (EU) average. Older people and youth, were disproportionately affected by the crisis and exhibit high self-employment rates. Despite the high level of self-employment rates, the proportion of people who cited “fear of failure” as a barrier to business creation was much higher than the EU average between 2010 and 2014 (68.4% vs. 47.5%). The proportion of women, youth and older people who cited this barrier was approximately the same, so it is likely that this is a reflection of the difficult economic conditions.
- The challenge for policy makers is to help create innovative enterprises that will be able to generate additional demand and hence employment, especially among youth and women who often have high skill levels. However, a lack of management, marketing, and ICT skills is frequent among the potential beneficiaries of start-up support schemes. There is also a need to improve the understanding of the barriers faced in business creation by different target groups among policy makers so that policies and programmes can be better aligned with the challenges.
- The following measures are recommended to strengthen inclusive entrepreneurship in Greece: (i) provide tailored assistance to women in supporting them on the path to innovative entrepreneurship; (ii) strengthen entrepreneurship support for migrants; (iii) increase tailored entrepreneurship support for older people; (iv) further develop entrepreneurship education and training in secondary and tertiary level education curriculums, including in vocational education and training.

1. INCLUSIVE ENTREPRENEURSHIP OBJECTIVES AND TARGETS

As Greece has been hit severely by the financial and economic crises, employment and labour market reforms have been high on the political agenda. Reforms have been largely targeted at introducing greater flexibility in the labour market and making the pension system more effective. A preliminary assessment of the labour market reforms undertaken indicates however that most reforms had little, if any, effect on labour market performance (Karantinos, 2014).

In the context of the Europe 2020 Strategy, Greece defined a number of employment and social targets in late 2010. In the area of employment, Greece set as goal an employment rate of 70% for those 20-64 years old by 2020. The achievement of this target seems increasingly unrealistic as it would require annual growth rates of greater than 5% until 2020, which would be above pre-crisis rates. In 2014, the employment rate for those 20-64 years old stood at 53.3%, which was below the EU-28 average of 69.2% and substantially lower than the national target set in the framework of the Europe 2020 strategy (70%). The unemployment rate in 2014 was 26.5% -- the highest in the EU.

To address high unemployment and low participation rates, the latest National Reform Programmes (NRP, 2015; NRP, 2016) put a strong emphasis on employment programmes. Key

priorities are to improve the effectiveness of employment and training programmes, and to address the lack of labour demand through the implementation of public work schemes and business start-up support.

Start-up schemes have proved to be very popular during and prior to the crisis, which is often attributed to positive perceptions of self-employment. As a consequence of the economic crisis, current efforts to improve the design, efficiency and impact of the start-up schemes focus on innovation and also on the development of social enterprises. Grants have also been adjusted downwards since the start of the crisis and eligibility rules have been tightened in an effort to limit deadweight and substitution effects. Prior to the crisis, the start-up schemes were modelled on the basis of various target groups rather than on the basis of promising sectors and potential areas for job growth. The crisis has shifted the public perception of entrepreneurship, by revealing or highlighting business opportunities. In an environment of record level unemployment levels and almost complete lack of job vacancies, innovative entrepreneurship gained prominence as a forward looking method of recovery.

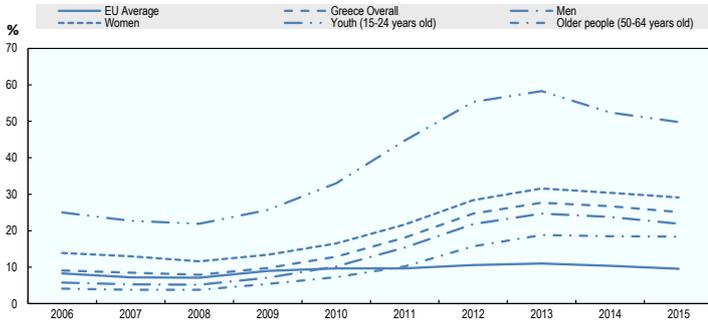
2. KEY INCLUSIVE ENTREPRENEURSHIP INDICATORS

Greece is faced with a severe and protracted economic recession. Following strong growth rates between 2000 and 2007, GDP started to drop in 2008 and has yet to recover. Since 2010, the government has taken a wide range of measures in order to bring public finances back on a sustainable track with the support of the International Monetary Fund, the European Commission and the European Central Bank. The Economic Adjustment Programmes introduced an internal devaluation policy in the hope that increasing flexibility in the labour market (mainly through a reduction of wage and non-wage costs) will lead to a reduction in prices and to an expansion of exports. Nevertheless, the economy has yet to recover and the Greek economic and social context remains highly challenging.

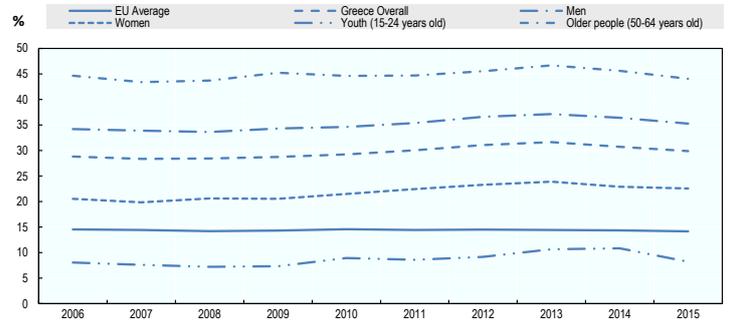
As expected, the economic recession has had a major impact upon the Greek labour market. Employment rates have fallen and unemployment rose to record levels (Figure 1a). Further, poverty has increased and there are signs of growing polarisation among the various socio-economic groups of the labour force. Unemployment rates are particularly high among youth (15-24 years old) and immigrants.

Figure 1. Key inclusive entrepreneurship indicators

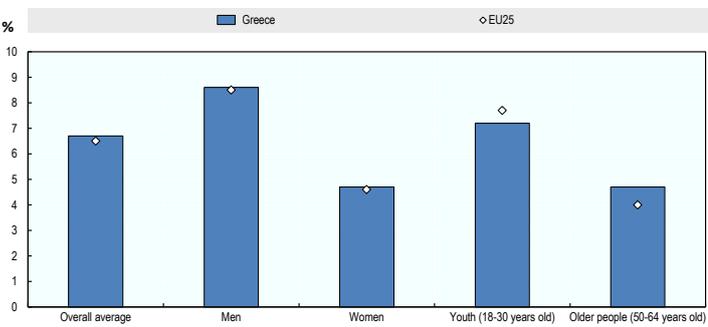
a. Unemployment rate, 2006-15



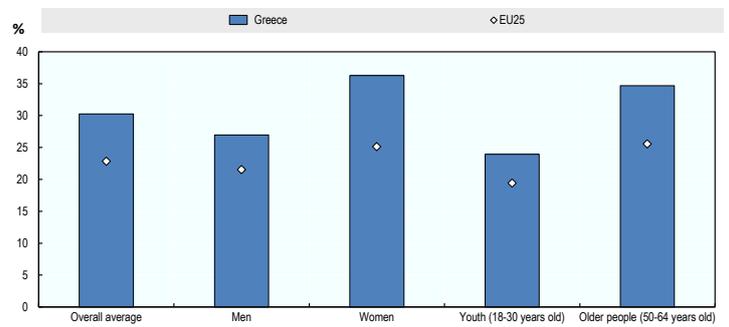
b. Self-employment rate, 2006-15



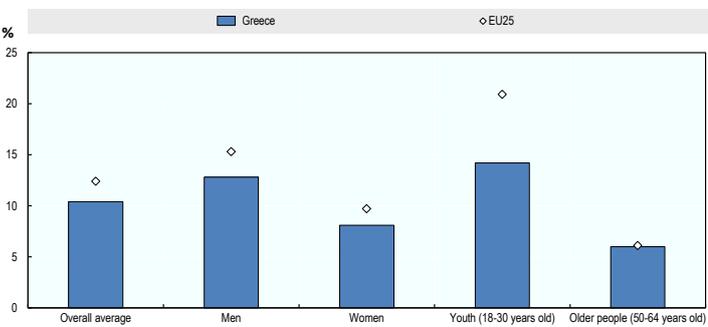
c. TEA Rate, 2010-14



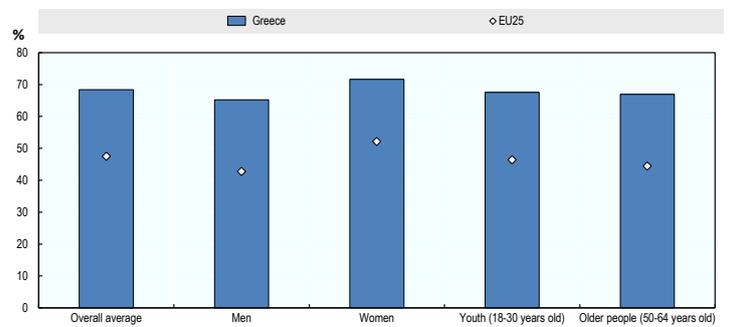
d. Proportion of TEA that is necessity entrepreneurship, 2010-14



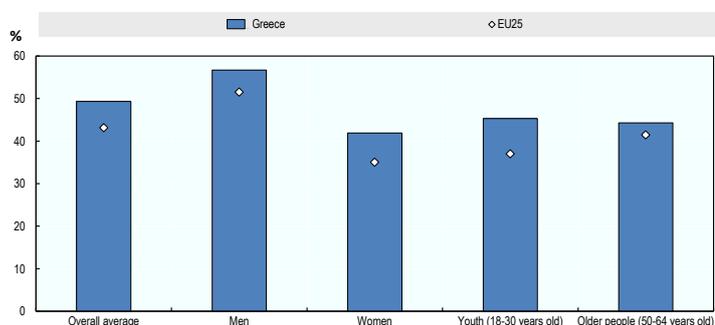
e. Proportion who expect to start a business in the next 3 years, 2010-14



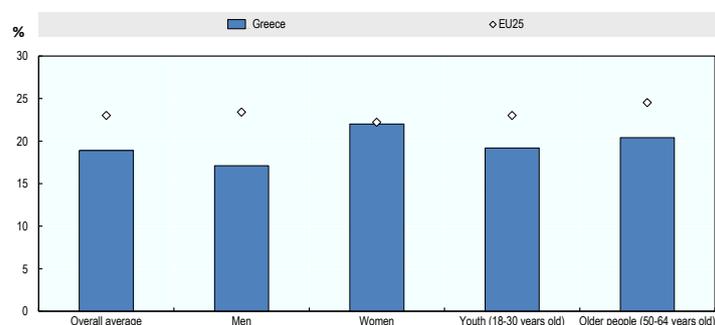
f. Proportion who report that a fear of failure prevents them from starting a business, 2010-14



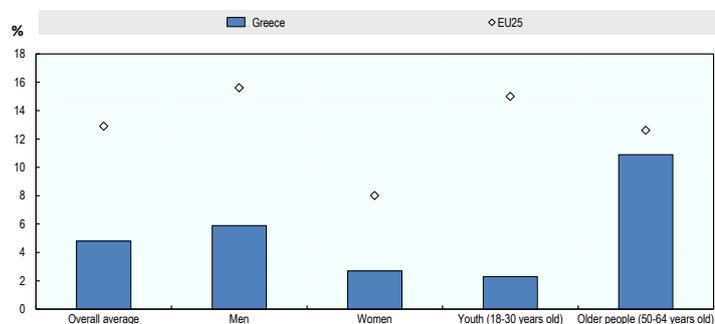
g. Proportion who perceive that they have the skills to start a business, 2010-14



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. Total 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 measures the proportion of those who were 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 unemployment 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).

Self-employment is quite pronounced in Greece and Greeks are much more likely than other EU citizens to be self-employed, i.e. the proportion of workers who are self-employed is double the EU average (Figure 1b). Salaried employees account for 64% of all employed people in 2014, a share that is well below the European average. In contrast, self-employed without employees accounted for 24.9% of total employment in 2014, self-employed with personnel account for 6.3% of total employment, while assistants in family enterprises correspond to 4.7% of total employment (all above EU average). Greece also has a very high share of SMEs, particularly micro enterprises when comparing to the EU average.

Several longer term factors must be noted when looking at self-employment in Greece. First, strict employment protection legislation, especially prior to the economic crisis, made the entry into wage employment difficult for the “periphery” of the labour force, i.e., the young and women. For these groups, self-employment constitutes an alternative to unemployment and/or inactivity. Second, during the last fifteen years, successive governments have invested heavily in incentives to move

young persons and women out of unemployment and into self-employment. Start-up grants and self-employment aid are among the most basic and longer running ALMPs in Greece, being implemented largely with the support of Structural Funds. Third, changes in the organisation of work, present in Greece as elsewhere, have inflated the number of self-employed. Outsourcing of secondary activities, for example, has increased the amount of work sub-contracted to the self-employed. On top of these, cultural factors such as tradition and family values may also have an influence. According to the results of a Eurobarometer survey, the majority of Greeks (50%) prefer to be self-employed in contrast to being an employee (43%) (EC, 2012). Preference rates for self-employment in Greece were among the highest recorded in EU, where on average, 50% would prefer to be employees and 45 % self-employed.

The Total Entrepreneurial Activities (TEA) Rate for 2010-14 indicates that adults in Greece were slightly more likely to be active in starting a business or operating a new business (less than 42 months old) than adults across the European Union (6.7% vs. 6%) (Figure 1c). This result holds across all of the population groups (i.e. men, women, youth, and older people). A relatively high proportion of new entrepreneurship activity (i.e. TEA) in Greece over the 2010-14 period was however driven by people who did not have other employment opportunities (30.3%) (Figure 1d). While this was true for all key social target groups, more than one-third of women (36.3%) and older entrepreneurs (34.7%) active in pre start-up activities or managing a new business were driven by necessity.

Approximately 10.4% of adults in Greece expected to create a business within the next three years during the 2010-14 period (Figure 1e). This is slightly lower than the rate for the European Union (12%). Youth were most likely to expect to create a business (14.2%). Fear of failure appeared to be a high barrier to business creation in Greece in comparison to other European Union countries in the 2010-14 period (Figure 1f). 68.4% of people in Greece cited this barrier relative to 49.0% in the European Union. Women (71.6%) and youth (67.5%) were the most likely to report a fear of failure as a barrier to business creation.

People in Greece were slightly more likely to believe that they had the skills to start a business than in the European Union (49.3% vs. 43.1%) (Figure 1g). While 56.7% of men felt that they had suitable skills, only 41.9% of women did. Entrepreneurs in Greece were less likely than the EU average to offer new services and products (18.9% to 23.0%) (Figure 1h). However, there was a gap between men and women. Approximately 22% of female entrepreneurs were innovative, whereas only 17.1% of men did. Finally, Greek entrepreneurs were much less likely to expect to create more than 19 jobs with their business in the next five years than those in the European Union (4.8% vs 12.9%) (Figure 1i). Older people were the most optimistic (10.9%), while youth were the least (2.3%).

The economic crisis appears to have taken a disproportionately high toll on employment in micro firms (NBG, 2014). These firms have, in general, limited capacity to absorb adverse shocks on their turnover, simultaneously facing severe liquidity problems due to high uncertainty and rapidly falling collateral values. In this environment, the share of wage costs in the aggregate business cost structure of a typical micro firm is relatively small compared with other aspects of operating costs (e.g. energy, social security contributions, rental, real estate tax or financial costs). In this context, a significant number of micro-business owners have chosen to close their firms and become self-employed. This strategy could partially explain the relative stability in the number of self-employed.

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

3.1. Policy framework

The Greek Government has developed a relatively large number of initiatives focusing directly on strengthening entrepreneurship, including for some of the target groups of inclusive entrepreneurship. Particular attention has been given to young unemployed and women. Individuals from other vulnerable population groups have been targeted to a lesser extent, notably senior and migrants. The European Social Fund (ESF) has proven as helpful in implementing inclusive entrepreneurship policies and programmes.

Over the period 2007-2013, ESF investments in Greece focused on promoting employment, lifelong learning and social inclusion. The objective of access to employment has been particularly strengthened after the economic crisis. Resources devoted to placing the unemployed got further increased and active labour market policies (ALMPs) were diversified and increasingly diverted towards supporting the young, unemployed and people at risk of exclusion from the labour market. In this context, the schemes providing financial support and counselling to unemployed people wishing to start their own business have also been strengthened.

The interventions aimed at strengthening inclusive entrepreneurship that were implemented during the period 2007-13 are presented in Table 1.

Table 1. Inclusive entrepreneurship programmes, 2007–13

Operational Programme	Title of the action	Objective of the action	Target group	Expenditure (total ESF and national contribution)	Number of participants
Human Resources Development	Promotion of entrepreneurship for unemployed youth (22-32 years old) (1 st Round)	Move young unemployed people (22-32 years old) to employment through financial support to entrepreneurial initiatives	Young unemployed	EUR 59 000 000	2 925
	Promotion of entrepreneurship for unemployed youth (22-32 years old) (2 nd Round)	Move young unemployed people (22-32 years old) to employment through financial support to entrepreneurial initiatives	Young unemployed	EUR 56 500 000	2 720
	Promotion of Entrepreneurship for the Unemployed Scientists up to the age of 35 years old	The programme provides financial support to young scientists such as doctors, dentists, veterinarians, pharmacists, lawyers, engineers wishing to practice their profession thus aiming at encouraging the establishment of new enterprises	Young unemployed	EUR 126 000 000	5 850
National Contingency Reserve	1. Establishment of enterprises by unemployed people (in start-up status) 2. Support to the Enterprises	1. Establishment of new enterprises by unemployed people 18-64 years old with the ability to hire personnel 2. Intervention plans to support both enterprises and employees	Unemployed workers	EUR 72 000 000 [65% off the total budget (equal to EUR 46 800 000)]	6 500 people, 4 225 of whom are young individuals aged 18 – 35

	adaptability through Programs of Training, Guidance etc.			has been allocated to unemployed people aged 18 – 35 years old	years old
	Promotion of unemployed people to enterprises (women, young people, people belonging to socially vulnerable groups) aged 18-35 years old.	Establishment of new enterprises by people belonging to socially vulnerable groups with a view to combating exclusion from labour market	Young unemployed, women and persons from socially vulnerable groups	EUR 126 000 000	5 000
Entrepreneurship & Competitiveness	Support to Youth Entrepreneurship	It relates to financial aid to young people up to 39 years of age for the implementation of specific business plans in almost all economic activity sectors	Young unemployed	EUR 45 000 000	1 150
	Support to Women Entrepreneurship	It relates to the provision of financial aid to unemployed women up to 39 years of age for the implementation of specific business plans	Women	EUR 37 000 000	985
	Entrepreneurship for the Unemployed above 18 years old focusing on new innovative enterprises, products and services	Establishment of enterprises focusing on innovative products and services	Unemployed workers	EUR 38 000 000	440
Rural Development	Setting up of New Farmers	Support to new farmers for their setting up in agriculture provided in the form of the initial capital	Unemployed workers	EUR 177 000 000	12 600

Source: Ministry of Labour, Social Security and Welfare, Action Plan of Targeted Interventions to Strengthen Youth Employment and Entrepreneurship, December 2012, Athens.

In total, 35 895 persons have been assisted to start their own business and become self-employed (own account workers) or employers (self-employed with employees) at a total cost of EUR 637.3 million. The main target group of the entrepreneurship interventions during the 2007-13 period were young people.

In January 2013, a National Plan for Youth Employment (NPYE) was announced by the Minister of Education and Religious Affairs, the Minister of Labour, Social Security and Welfare, and the Minister of Development and Competitiveness. The Action Plan aimed at the implementation of targeted policies and measures to develop employment and entrepreneurship for young people of two age groups - 15-24 and 25-35 years old - putting particular emphasis on the less qualified. It included a total of 20 individual actions already under implementation or new interventions meant to directly put into effect. The main action lines concern the reinforcement of apprenticeship systems and practical training, the establishment of programmes for the transition from education to employment to support the acquisition of initial work experience, as well as the promotion of entrepreneurship. The Action Plan is the first comprehensive and integrated effort of the State to support young people,

incorporating into a single plan, all activities and projects of NSRF Operational Programmes aimed at young people, funded by the European Social Fund (ESF) and the European Regional Development Fund (ERDF).

Turning to the new programming period (2014-20), there are currently two programmes running, the “Start-Up Entrepreneurship”, and a programme called “Fostering Self-employment Among Tertiary Education Graduates”. The “Start-Up Entrepreneurship” Programme aims to support start-ups with growth ambitions. The Programme “Fostering Self-Employment among Tertiary Education Graduates” helps university graduates to start and sustain a business related to their field of specialisation. These programmes are co-financed by the European Social Fund (ESF) in the framework of the “Competitiveness, Entrepreneurship and Innovation (EPAnEK)” Operational Programme of PA 2014 – 2020 and with the application of the flexibility clause for financing interventions that fall within the scope of aid under the European Regional Development Fund (ERDF).

Future actions in the area of inclusive entrepreneurship include those to be implemented in the frame of the Youth Guarantee Plan. Greece submitted a Youth Guarantee Implementation Plan (YGIP) on 31 December 2013 (updated in June 2014) and foreseen to be fully implemented by 2016. The YGIP measures are expected to target a total of around 181 000 NEETs. In mid-2013 there were about 240 000 young people in Greece aged 15-24 years old who were not in education, training or employment (of those about 150 000 were unemployed and the rest were “disengaged” youth). The total EU budget for the YGIP in Greece is EUR 260 million for 2013-2016, of which EUR 170 million corresponds to the Youth Employment Initiative (YEI) and EUR 90 million to ESF. A number of institutions are involved in the programme. The main implementation agency however is the Public Employment Agency (OAED).

Another strongly supported target group is women. Women traditionally exhibit lower employment rates and higher unemployment than men, and increasing female participation rates was a key objective in the various National Reform Programmes (NRPs) activities. During the 2007-13 period, women were given priority in various interventions, which led to increased female presence among the beneficiaries.

Other social target groups, such as the long-term unemployed, people at risk of poverty or exclusion from the labour market, and migrants, generally receive less public support in self-employment and business creation. Unemployed workers classified as belonging to a vulnerable group of the population (i.e. long-term unemployed with low qualifications and over 45 years old; people with disabilities; women victims of domestic violence; single parent families; immigrants; refugees; ex-detainees) were able to benefit from an intervention titled “Local actions for vulnerable groups (TOPEKO)”. The aim of this intervention was to mobilise local actors to create jobs and provide a set of services facilitating the integration of the unemployed. The intervention was implemented locally by Development Partnerships (DPs), which operate as non-profit organisations with the participation of public and private actors. Assisted individuals were given three options consisting of secure (subsidised) wage employment, self-employment, and training and counselling services. The intervention supported 11 839 persons. Most of the beneficiaries were long-term unemployed (36%) and persons at risk of poverty (34%). The disabled, lone parents and migrants also benefited (7%, 6%, and 4%, respectively).

With respect to migrants, following the 2014 New Migration Code, non-EU citizens have slightly favourable access to the labour market, including self-employment. Under the Code, non-EU citizens renewing their first permit receive a permit for employment or entrepreneurship with clearer conditions on setting up a business in Greece. The new system benefits several categories of

immigrants, though migrant workers can only become entrepreneurs after becoming long-term residents. The new Code lays down the adequacy of knowledge of Greek language, history and culture as a criterion for inclusion and granting a long-term residents permit. It should also be noted that as of April 2016, through the Law 4375/2106, all international protection beneficiaries (refugees, beneficiaries of subsidiary protection and beneficiaries of humanitarian protection) have access to wage employment, or self-employment on the base of the same terms and conditions that apply for Greeks, provided they hold a valid residence permit.

Finally, it should be noted that in relation to the previous programming period (2007-13), the priorities for entrepreneurship have shifted in the current programming period (2014-20). Presumably prompted by the impact of the economic crisis, current interventions focus on the promotion of innovation, supported by research and technological development. The new priorities are perhaps best exemplified in the new Operational Programme “Competitiveness, Entrepreneurship and Innovation (EPAnEK)”, which is one of the five sectoral operational programmes of the Partnership and Co-operation Agreement (the new National Strategic Reference Framework – NSRF) for the period 2014-20.

3.2. Government regulations

In order to facilitate access to legal and regulatory information on starting a business, the Greek government has launched the online platform “Start-up Greece”, which aims to support new entrepreneurs in Greece. Start-up Greece is an information, networking and collaboration space supported by the Ministry for Development and the Greek Government in collaboration with communities of young entrepreneurs. It provides entrepreneurs with the information necessary to start their own business (e.g. funding options, legal framework), and supports networks to bring together people, ideas, businesses, and universities, with the purpose of exploring partnerships and investment opportunities.

3.3. Financing entrepreneurship

Access to finance for entrepreneurs and SMEs in general and for the key social groups of inclusive entrepreneurship remains a major problem in Greece. Reluctance persists among banks to offer loans if the necessary collaterals cannot be provided, which is often the case for start-ups and SMEs. Some efforts have been undertaken during the past years to improve the situation for SME access to finance, but tailored programmes have only been developed for youth.

The main instrument to support business start-up financing is loan guarantees. The main tool is the National Fund of Entrepreneurship and Development (ETEAN S.A.), which was created as a wholly owned state corporation in 2011 with a start-up capital of EUR 1.7 billion. ETEAN is Greece’s national fund to support access of finance for SMEs and start-ups. ETEAN operates as a *Société Anonyme* to leverage financing through revolving debt, bank guarantees and counter guarantees, joint ventures and equity participation. While ETEAN provides the guarantee, private banks, which are selected by ETEAN through an open international tender, implement the scheme. Under the ETEAN umbrella, different funds have been created for green development, entrepreneurship, outward-oriented business activities, fisheries, agricultural development, and social entrepreneurship. For every Euro guaranteed by the state, banks guarantee two euros. The capital is made available to companies in the form of soft loans provided by the banks. Using the fund, enterprises can borrow fully secured business loans with significantly less collateral than normally required by banks. ETEAN is co-funded by the Operational Programme “Competitiveness and Entrepreneurship” and other NSRF programmes supported by the European Regional Development Fund and the European Fisheries Fund. By July 2016, approximately EUR 200 million has been disbursed to cover the approved loans to SMEs. It

should be noted however that no special programmes have been created for entrepreneurs who are under-represented or disadvantaged on the labour market.

Another important development in the area of financing entrepreneurship has been the establishment of the Institution for Growth (IfG), which has been designed in 2012 by a European working party composed of representatives of the European Investment Bank (EIB), European Commission, French Ministry for Finance and German Investment Bank KfW. In February 2013, the Greek authorities approved the proposed concept for an IfG umbrella fund with three different sub-funds providing each long-term debt and equity capital for dedicated purposes: one sub-fund was meant to provide borrowed funds to Greek SMEs, one sub-fund that would provide equity capital to Greek SMEs and one sub-fund would finance infrastructure projects. The IfG will thus make it easier for Greek SMEs to access investment loans and working capital, thereby contributing towards the recovery of the Greek economy.

Furthermore, the European Investment Fund (EIF) and the Cooperative Bank of Karditsa have signed (May 2016) the first guarantee agreement aimed at supporting micro-enterprises in Greece under the EU Programme for Employment and Social Innovation (EaSI). The EaSI agreement signed with Cooperative Bank of Karditsa will cover a loan portfolio of EUR 5 million for over 300 micro-borrowers targeting mainly farmers, young unemployed borrowers, co-operatives and social enterprises, as well as micro businesses active in the green economy.

The government has also tried to increase the availability of risk capital with the establishment of a government-sponsored Greek venture capital fund of funds, The New Economy Development Fund S.A. (TANEO)¹. Areas of assistance are enterprises in the seed stage (i.e. using the capital to finance the study, assessment and development of a business concept), in the start-up stage (i.e. using the capital for product development and initial marketing without having sold their product or service, nor generating a profit), and in the expansion stage (i.e. using the capital for the purposes of increasing production capacity, market or product development, or the provision of additional working capital). TANEO has shown a noteworthy performance in the years preceding the crisis and during 2009-11. As expected, the crisis has severely affected TANEO and its co-investors who have been characterised by risk adversity. As of December 2012, TANEO participated in 11 Venture Capital Funds with total commitments amounting to EUR 140 million.

Despite the overall effort to introduce equity and debt capital, no dedicated measures have been introduced to support the target groups of inclusive entrepreneurship in access to finance with dedicated schemes for women, youth, migrants or seniors.

During the funding period 2007-14, subsidies were provided to support entrepreneurship among the unemployed, provided the following two conditions were met: a) they were registered unemployed having drawn up an individual business plan, and b) they had attended a seminar on entrepreneurship at a Centre for Employment Promotion (KPA). After submitting an application, a committee decided on whether a business will receive funding or not based on the adequacy of the business plan, of the financial resources available, and the qualifications and work experience of the applicant and their relevance to the business. Priority was given to innovative business proposals, specified in some detail in the accompanying Ministerial Decision and in the relevant Law.² Following approval, KPAs were

¹ It was established through Art. 28 of Law 2843/2000 (as amended by Art. 8 of Law 2992/2002, article 26(4) of Law 3091/2002 and article 84(3) of Law 3606/2007).

² (Official Gazette No. 3194/16, December 2013)

obliged to keep records of each unemployed participating in the scheme and to perform regular checks (every six months).

Further, as noted in section 3.1, the “Start-Up Entrepreneurship” Programme was launched in February 2016 and aims to support start-ups and job creation by providing grants to innovative micro and small businesses. Potential beneficiaries are people born before 1 January 1991, or registered unemployed, or pursue a professional activity without having a salaried employment relationship. Projects with a total investment budget (subsidised budget) up to EUR 60 000 are eligible and the rate of aid for the investment proposals is set at 100% of the total investment budget. The overall budget for the public expenditure for the action amounts to EUR 120 million and will be allocated in two cycles (1st cycle: 60% and 2nd cycle: 40%).

3.4. Entrepreneurship skills

The government has been very active in strengthening entrepreneurship skills since the economic crisis. The main initiative related to skills formation is the “Voucher for the entrance of unemployed young people to the labour market according to their formal skills”. This programme aims to provide first job experiences for youth who are new to the labour market, resulting eventually into their recruitment by private sector enterprises. At the same time, this policy initiative gives a more active role to training organisations that are called upon to play the role of an unofficial employment service, by bringing together job offers and job demand. More concretely, training providers have the responsibility for the training part of the programme and for finding the enterprises offering on-the-job training, as well as for providing guidance and mentoring to the beneficiaries during their on-the-job training. The project is fully managed and co-ordinated by the Special Service for the Implementation of Actions Co-Financed by the European Social Fund, and currently forms part of the Youth Guarantee Plan. It is estimated that the first round of the programme, implemented in 2013, benefited approximately 45 000 individuals. The second round of the voucher scheme, which started in late 2014, covers 12 000 young people (18-24 years old) at a cost of EUR 43.2 million.

In addition, some training interventions have been developed for higher education graduates. The Youth Innovation and Entrepreneurship Units were established with the support of the Operational Programme “Education and Lifelong Learning 2007-2013” and they were developed to upgrade the skills for innovation and entrepreneurship activities by students in higher education. The main objective was to equip students with the development of an entrepreneurial mindset as well as specialised entrepreneurial skills and competencies. It is estimated that 45 534 university students and 17 901 TEI students benefited from the actions of the Innovation and Entrepreneurship Unit during the period 2012-15.

There is also some tailored entrepreneurship training for women. The “Integrated intervention supporting women’s employment by enhancing entrepreneurship” programme is co-funded by the European Social Fund (ESF) within the framework of the Operational Programme “National Contingency Reserve”. It provides entrepreneurship training for women threatened by unemployment. Participation requires the submission of a business proposal and the selection process favours innovative business plans.

In addition to these tailored measures, a number of training programmes have been recently launched to improve skill levels among the population of entrepreneurs and the SME workforce. These include “Upgrading of micro and small enterprises by developing their skills in new markets” and “Aid to tourism SMEs for their modernisation and upgrading the quality of services provided”. Both are financed through the Operational Programme “Competitiveness, Entrepreneurship, Innovation (EPAnEK)” 2014-2020.

3.5. Entrepreneurial culture and social capital

A number of competitions and awards have been developed to promote digital innovation and entrepreneurship by the E-business Research Centre (ELTRUN) of the Department of Management Science and Technology of the Athens University of Economics and Business (AUEB).³

There are also a number of targeted actions to promote entrepreneurship to different population groups. For example, the National Plan for Youth Employment (NPYE) will create “Entrepreneurship Cells”, which promote entrepreneurship and also offer small grants, co-working spaces and mentors.

In addition, the non-governmental sector has also launched several initiatives. This includes, for example, the Business and Innovation Centre of Attika (BIC). Although it does not offer tailored support for any specific target group, many of the people using the business development services, technical support, access start-up financing, networking support, and training are unemployed.⁴

4. POLICY RECOMMENDATIONS

Entrepreneurship and in particular inclusive entrepreneurship have a role to play in facilitating the return to growth and to a sustainable recovery. Taking in account the state of the economy and of the labour market, the entrepreneurship actions launched for youth and women have been adequate and strengthened due to the crisis. There has also been a recent effort to strengthen entrepreneurial skills among the population. Nevertheless, there is still ample room for improving the inclusive entrepreneurship support system:

1. *Provide tailored assistance to women in supporting them on the path to innovative entrepreneurship.* The drive towards innovation is expected to benefit women aspiring to become entrepreneurs, especially those with higher education qualifications. However, women entrepreneurs are currently concentrated in a limited number of traditional economic activities, typically with low growth potential. There is a need to encourage women to towards modern and innovative sectors and activities, including through the business development support services offered but also through the education system by ensuring that women have opportunities to study in all fields, including STEM (Science, Technology, Engineering, and Mathematics) fields.
2. *Strengthen entrepreneurship support for migrants.* Legal migrants, refugees and asylum seekers should be encouraged to participate in entrepreneurship schemes by national bodies (notably by OAED, the Greek PES). In addressing the issue of self-employment among migrants, the authorities should also take measures to encourage undeclared (i.e. informal) self-employment into legitimate business activity.
3. *Increase tailored entrepreneurship support for senior entrepreneurship.* There are currently no schemes providing start-up assistance tailored to the needs of older workers. Offering

³ Please see: <http://www.eltrun.gr/e-shops-seal/?lang=en>

⁴ Please see: <http://www.bicofattika.gr/default.aspx>

tailored entrepreneurship training and support could help older people remain attached to the labour market for longer and help transfer their knowledge and expertise to younger workers.

4. *Integrate entrepreneurship education and training in secondary and tertiary level education curriculums, including vocational education and training.* Entrepreneurship education should be strengthened within the formal curricula in order to build an entrepreneurial mindset among students at all age. Schools should further be used to increase entrepreneurship promotion, e.g. by extra-curricular activities or entrepreneurs visiting schools. There is also a need to strengthen entrepreneurship training for teachers so that they can effectively deliver entrepreneurship education.

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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?