



# Inclusive Entrepreneurship Policies, Country Assessment Notes

Malta, 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 working adults who are self-employed has been stable over the last decade in Malta. Men were nearly three times as likely to be self-employed as women in 2015, which was a larger gap than in most European Union (EU) countries. The number of entrepreneurship support initiatives in Malta has increased substantially over the last decade, much of which is designed to support youth. There is scope to strengthen inclusive entrepreneurship support in policy as tailored entrepreneurship support is less available for groups such as women, older people and the unemployed.

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

- The number of entrepreneurship support initiatives in Malta has increased substantially over the last decade, including several awareness-raising campaigns and entrepreneurship training programmes. Much of this new support is directed towards youth, notably students, under the National Youth Policy, which also emphasises the availability of entrepreneurship education. Tailored entrepreneurship support is less available for people from other groups that are under-represented or disadvantaged in entrepreneurship (e.g. women, older people, the unemployed, people with disabilities).
- Although unemployment is relatively low in Malta, the proportion of adults active in the labour market is also low. There is therefore scope to promote business creation as a potential way of moving people into the labour market and work. Self-employment rates in Malta are approximately equivalent to the rates of the whole European Union (13.3% for Malta in 2015 and 14.1% across the European Union) including for different social target groups such as youth (3.7% vs. 4.2%) and older people (19.3% vs. 18.5%).
- The further development of inclusive entrepreneurship policies and programmes face a number of challenges, including the lack of a national strategy that prioritises this issue. Moreover, there is currently no Ministry with a clear responsibility for designing and implementing entrepreneurship promotion and support. Consequently, support programmes are fragmented and not well-aligned with each other.
- Inclusive entrepreneurship policies and programmes could be strengthened by: i) developing a national entrepreneurship policy to clearly define objectives and targets that are consistent with the European Union's Entrepreneurship 2020 Action Plan; ii) extending the Malta Enterprise Micro Invest Scheme for women to other social target groups; iii) tailoring entrepreneurship training programmes to the needs of the key social target groups (i.e. women, youth and the unemployed); and iv) using role models from different social target groups to promote entrepreneurship as a viable labour market activity.

## 1. INCLUSIVE ENTREPRENEURSHIP OBJECTIVES AND TARGETS

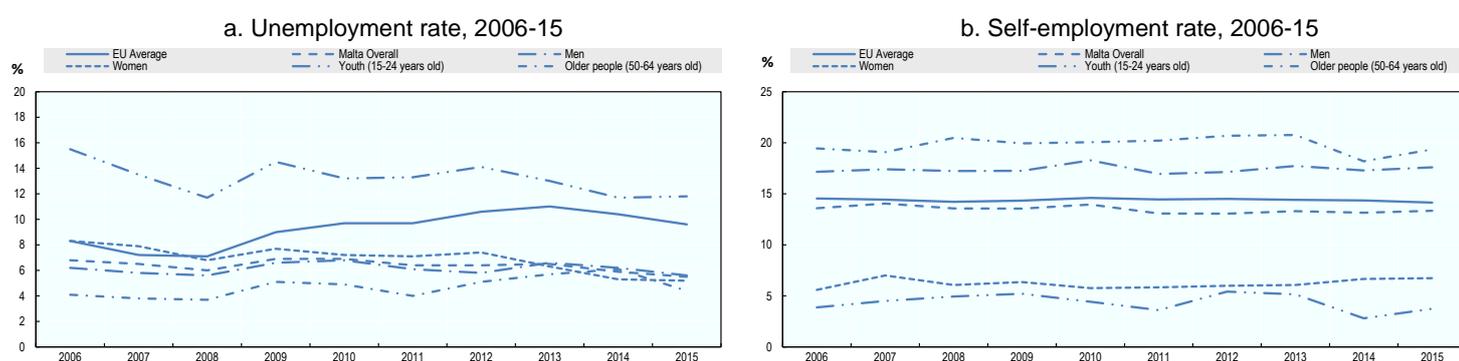
The National Reform Programme states that “The Government is committed to continue raising labour market participation amongst all groups including females, youths, older workers and long-term unemployed. In order to reach this target, it is seeking to implement a number of reforms which aim to encourage higher labour employment rates including making work pay” (Ministry for Finance, 2016). Although relevant, inclusive entrepreneurship measures are not explicitly part of this Programme and thus, objectives and targets have not been developed for supporting people from different social target groups. However, as part of the Europe 2020 strategy, Malta committed to increasing labour market participation to 62.9% for people between 20 and 64 years old and this has already been achieved.

Malta has also developed a target related to poverty and social exclusion, and there could also be a role for inclusive entrepreneurship policies and programmes in attaining this objective. Malta aims to reduce the number of people at risk of poverty and social exclusion by 6 560 by 2020.

## 2. KEY INCLUSIVE ENTREPRENEURSHIP INDICATORS

Malta's economy is currently growing faster than the European Union's economy and therefore most labour market indicators are relatively positive. The unemployment rate in Malta was approximately half of the rate for the European Union in 2015 (5.5% vs. 9.6%), although labour market participation rates are among the lowest in the European Union. The unemployment rate has been quite stable in Malta over the last decade and the youth unemployment rate declined from 15.5% in 2006 to 11.8% in 2015 (Figure 1a).

**Figure 1. Key inclusive entrepreneurship indicators**



Note: The self-employment rate is defined as the proportion of those in employment who are self-employed. Data from the Global Entrepreneurship Monitor (GEM) that are presented in other country notes are not available for Malta.

Source: Panels a and b contain data from Eurostat (2016), Labour Force Survey.

Self-employment rates have been stable in Malta over the last decade (Figure 1b). Overall the self-employment rate is slightly below the rate for all European Union countries. Men are nearly three times as likely to be self-employed as women, which is a larger gap than in most European Union countries. The self-employment rate for youth was 3.7% in 2015, which is slightly lower than the overall self-employment rate for youth (15-24 years old) across the European Union (4.2%).

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

### 3.1. Policy framework

Overall, the framework for inclusive entrepreneurship policies is under-developed, although several relevant policies have recently been developed for youth.<sup>1</sup> This includes the National Youth Policy: Towards 2020, which features an action plan on supporting youth in employment and entrepreneurship through entrepreneurship training, coaching and mentoring (Parliamentary

<sup>1</sup> Government policies and programmes consider youth to be 13 to 30 years old.

Secretariat for Research, 2015). More recently, the proposal “Boosting Youth Entrepreneurship in Malta and the European Union” was presented to the Minister for the Economy, Investment and Small, the Minister for Education and Employment and the European Commissioner for Internal Market, Industry, Entrepreneurship and SMEs. It includes actions to develop entrepreneurial mind-set among youths (Dalli, 2015), building on the National Curriculum Framework, which has “Education for Entrepreneurship, Creativity and Innovation” as one of six cross-curricular themes.

There are currently no dedicated entrepreneurship policies or programmes for other target groups such as women, older people, the unemployed, migrants or people with disabilities. However, for many of these social target groups, other policies address entrepreneurship implicitly. For example, the National Strategic Policy for Active Ageing: Malta 2014-2020 has three major pillars, one of which is active participation in the labour market. While this provides scope to encourage and support business creation and self-employment, the strategy is focused on employment (Parliamentary Secretariat for Rights, 2015). Similarly, the National Employment Policy aims to move the unemployed back into work and it specifically notes the challenges faced by women, youth, older persons and people with disabilities (Ministry for Education and Employment, 2014). The policy document “Towards a National Migrant Integration Strategy: 2015-2020” outlines support for immigrants, focussing on labour market integration, although self-employment is not mentioned (Ministry for Social Dialogue, 2015). The National Disability Strategy includes a section on employment, with an initiative to “incentivise social enterprise programmes involving persons especially youth with a disability” (Parliamentary Secretariat for Rights, 2016).

In addition, the Ministry for the Economy, Investment and Small Business is working on the introduction of a *Social Enterprise Act*. A proposed draft law provides the legal framework to enable the development of sustainable social enterprise organisations.

### **3.2. Government regulations**

A number of regulatory measures have been implemented to support various population groups in participating in the labour market, including through self-employment. These measures include free childcare services for children whose parents are either both employed (including self-employed) or in education.<sup>2</sup> In addition, there was recently an increase in the maternity benefit rate for women in self-employment. The weekly rate payable for self-employed persons is EUR 168.01 (compared to EUR 89.10 for employed women) for a maximum of 14 weeks.<sup>3</sup>

There are some regulatory supports for immigrants to become self-employed in Malta. According to the ETC (public employment service), “EEA/Swiss nationals, and their third country national family members or other family members, may take up self-employment in Malta without the need for an employment licence, as long as they send an Engagement Form to ETC (in line with Legal Notice 110 of 1993). For third country nationals, an employment licence is required and is only granted in exceptional cases”.<sup>4</sup> Further information regarding the employment licences (including self-employment licences) required by immigrants is available in the ETC employment licence guidelines that are accessible on the internet.<sup>5</sup>

However, there are also a number of regulatory measures that put the self-employed at a disadvantage relative to employees, and this could act as a disincentive for those considering moving

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<sup>2</sup> <https://education.gov.mt/en/Pages/Free-Childcare.aspx>

<sup>3</sup> <https://socialpolicy.gov.mt/en/ChildBenefits/Pages/default.aspx>

<sup>4</sup> [http://etc.gov.mt/Resources/file/ELU/ETC\\_Guidelines\\_-\\_FINAL\\_Document\\_JM.pdf](http://etc.gov.mt/Resources/file/ELU/ETC_Guidelines_-_FINAL_Document_JM.pdf)

<sup>5</sup> [http://etc.gov.mt/Resources/file/ELU/ETC\\_Guidelines\\_-\\_FINAL\\_Document\\_JM.pdf](http://etc.gov.mt/Resources/file/ELU/ETC_Guidelines_-_FINAL_Document_JM.pdf).

into self-employment. For example, unemployed people who return to the labour market as self-employed are not able to access the Tapering of Benefits Scheme, which continues to pay a proportion of unemployment benefits to those who are hired as employees. Moreover, employers receive a wage subsidy for hiring unemployed people, but the self-employed cannot access this support for creating their own jobs.<sup>6</sup> There are also additional incentives for employers when they hire an older unemployed person (45-65 years old).<sup>7</sup> Another example is employers receive fiscal incentives and reduced social security contributions when they hire a person with a disability.<sup>8</sup> A person with a disability cannot access these benefits if they create their own business and become self-employed.

### 3.3. Financing entrepreneurship

The government has recently taken several steps to improve access to finance for all entrepreneurs and small businesses, including measures to boost the provision of equity financing and venture capital. One of the main measures is Malta Enterprise's Micro Invest Scheme, which is a tax credit for self-employed who are registered with the Employment and Training Corporation or small enterprises that employ less than 30 employees that either undertake new investments in their own operations and/or increase their workforce.<sup>9</sup> In addition, Malta Enterprise manages the Micro Guarantee Scheme which provides a guarantee of up to 80% on loans of up to EUR 100 000.<sup>10</sup> This is open to all entrepreneurs.

Innovative entrepreneurs can receive financial support through the TAKEOFF Business Incubator, which provides up to EUR 100 000 in seed funding. This scheme is operated by the Ministry for Economy, Investment and Small Business (MEIB), and the Centre for Entrepreneurship and Business Incubation (CEBI) of the University of Malta.<sup>11</sup> In addition, Malta Enterprise operates the B.Start scheme, which offers seed funding of up to EUR 10 000 and an additional investment of up to EUR 15 000 calculated upon the full-time employment with the start-up.<sup>12</sup> The scheme Go Beyond offers early stage business angel investment to start ups in five industry categories, including technology, internet and mobile.<sup>13</sup>

The Bank of Valletta (a private bank) is also active in supporting entrepreneurs with two offers. First, the Start Plus is a loan of up to EUR 25 000. It is secured by a guarantee issued under the European Commission's Competitiveness and Innovation Framework Programme.<sup>14</sup> The second offer is the BOV JAIME (Joint Assistance Initiative for Maltese Enterprises) Financing Package, which provides SMEs with up to EUR 500 000 at low interest rates and reduced collateral obligations.<sup>15</sup>

Other start-up financing options include the recently established ZAAR Crowdfunding Platform, which is spearheaded by Promotion of Entrepreneurial Initiatives Limited, which was set up jointly by the Malta Business Bureau and the University of Malta. It is also supported by the Ministry for Economy, Investment and Small Business and the Arts Council Malta.<sup>16</sup> In addition, the annual National Enterprise Support Awards offers cash prizes of up to EUR 10 000 in recognition of

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<sup>6</sup> <https://socialpolicy.gov.mt/en/Social-and-Unemployment-Assistance/Pages/Tapering-of-Benefits.aspx>

<sup>7</sup> <http://etc.gov.mt/Category/4/97/employing-older-persons.aspx>

<sup>8</sup> <http://etc.gov.mt/Category/4/100/employing-persons-with-disability.aspx>

<sup>9</sup> <http://www.maltaenterprise.com/en/support/microinvest>

<sup>10</sup> <http://www.maltaenterprise.com/en/support/micro-guarantee-scheme>

<sup>11</sup> <http://takeoff.org.mt/seed-funds/takeoff-seed-fund-award-2016/>

<sup>12</sup> <http://www.maltaenterprise.com/en/support/business-start-bstart>

<sup>13</sup> <https://go-beyond.biz/>

<sup>14</sup> [https://www.bov.com/cont\\_JAInt/bov-start-plus-financing-package](https://www.bov.com/cont_JAInt/bov-start-plus-financing-package)

<sup>15</sup> <https://www.bov.com/content/bov-jaime-financing-package-page>

<sup>16</sup> <http://www.zaar.com.mt/>

initiatives which support entrepreneurship and enterprise growth in six categories, including in “Responsible and Inclusive Entrepreneurship”.<sup>17</sup>

In addition to these general measures, there are a small number of initiatives that are targeted at specific groups. For women entrepreneurs, Malta Enterprise’s Micro Invest Scheme was recently amended to increase the tax credit available to self-employed women and businesses that are majority owned by females to EUR 50 000 (instead of EUR 30 000).<sup>18</sup> In addition, the non-profit financial institution Malta Microfinance Ltd. offers loans to people who cannot access bank financing, especially women and migrants.<sup>19</sup>

There are no funding programmes that are offered specifically to youth entrepreneurs. However, young people currently benefit from the Entrepreneurship Through Education Scheme offered by the Ministry for the Economy, Investment and Small Business in collaboration with the Ministry for Education and Employment, which offers funds of up to EUR 5 000 to schools in order to finance projects related to entrepreneurship education and training.<sup>20</sup>

Both generic and tailored funding schemes are available to entrepreneurs, which provides several options for those looking for start-up support. Some social target groups (e.g. older people) do not have any dedicated financing schemes available to them but Malta is very small market so it may not require dedicated support for all of the groups. However, more publicity about the general funding schemes is needed as very few entrepreneurs from under-represented or disadvantaged groups appear to utilise the available support. Another improvement that could be made is to combine grants and guarantees with training, coaching or mentoring to increase the likelihood that the entrepreneur will use the financing effectively.

### **3.4. Entrepreneurship skills**

A number of information services and entrepreneurship training courses are offered by Malta Enterprise. These offers are open to everyone and include “Business First”,<sup>21</sup> which provides information and individual assistance with meeting administrative requirements and the Business Advisory Scheme,<sup>22</sup> which provides individual coaching and mentoring for entrepreneurs.

In addition, entrepreneurs can receive support through several business incubators. These are generally accessible to all entrepreneurs, provided that they satisfy the in-take criteria. Many of these incubators receive public support, including the Kordin Business Incubation Centre (KBIC), which is operated by Malta Enterprise, the Malta College of Arts, Science and Technology Entrepreneurship Centre,<sup>23</sup> which was set up in collaboration with KBIC and Malta Enterprise and the TAKEOFF Business Incubator at the University of Malta.<sup>24</sup> The private sector also operates some incubators such as the Microsoft Innovation Centre.<sup>25</sup>

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<sup>17</sup> <https://commerce.gov.mt/en/NESA/Documents/Brochure.pdf>

<sup>18</sup> <http://www.maltaenterprise.com/en/media/news/2015/new-schemes-announced-budget-2016-speech>

<sup>19</sup> [www.maltamicrofinance.org/](http://www.maltamicrofinance.org/)

<sup>20</sup> [https://economy.gov.mt/en/schemes/Documents/Entrepreneurship%20through%20Education%20Scheme%202016/Guidance%20Notes\\_Entrepreneurship%20Through%20Education%20Scheme%202016.pdf](https://economy.gov.mt/en/schemes/Documents/Entrepreneurship%20through%20Education%20Scheme%202016/Guidance%20Notes_Entrepreneurship%20Through%20Education%20Scheme%202016.pdf)

<sup>21</sup> [www.businessfirst.com.mt](http://www.businessfirst.com.mt)

<sup>22</sup> <http://www.maltaenterprise.com/en/support/business-advisory-services>

<sup>23</sup> <http://www.maltaenterprise.com/en/media/news/2014/mcast-entrepreneurship-centre-set-kbic>

<sup>24</sup> <http://takeoff.org.mt/>

<sup>25</sup> [www.microsoftventures.com/locations/mic/malta](http://www.microsoftventures.com/locations/mic/malta)

These mainstream approaches are complemented by a small number of training programmes that are tailored to the needs of different social target groups. For example, women can access tailored training programmes such as “Promoting the Culture of Entrepreneurship”,<sup>26</sup> and the “Female Business Café”.<sup>27</sup>

There are also several initiatives to support the development of entrepreneurial skills for youth. The most notable measure is the recent introduction of “Education for Entrepreneurship, Creativity and Innovation” as a cross-curricular theme in the National Curriculum Framework (Ministry of Education and Employment, 2012). This is in-line with the European Union’s Entrepreneurship 2020 invitation to Member States to “Ensure that the key competence ‘entrepreneurship’ is embedded into curricula across primary, secondary, vocational, higher and adult education before the end of 2015” (EC, 2013). To support this, a book called “Fostering Entrepreneurship Through Education: A Handbook for Teachers” was distributed to all schools in Malta. The book consists of nearly 200 suggested activities and strategies for embedding entrepreneurship across the curriculum at all levels of compulsory education (Baldacchino and Pulis Xerxen, 2013). However only a limited number of copies were printed as funds were limited (it was partly funded by the Malta National Enterprise Support Awards - NESAs) so it is not likely to reach all teachers.

Junior Achievement-Young Enterprise (JA-YE) complements classroom learning by offering learning-by-doing entrepreneurship programmes at primary, secondary, post-secondary and tertiary levels. The most popular are the Company Programme (post-secondary level) and Start-Up Programme (tertiary level). JA-YE also offers group coaching and mentoring for youths through these programmes.<sup>28</sup>

Entrepreneurship education and training is offered in higher education by the University of Malta and the Malta College of Arts, Science and Technology. Entrepreneurship programmes are available at all degree levels and as professional development programmes.

In the non-governmental sector, Junior Chamber International Malta organises an annual “Hack-it-on bootcamp”, where keynote speakers and trainers help young people to generate their business ideas and validate them. They organise competitions for the best business idea and incentivise them with business counselling and cash grants. The winning idea receives EUR 1 000 together with professional consultancy services and branded stationery.<sup>29</sup>

For people with disabilities, the “Hands-On” project at Dun Manwel Attard Resource Centre was launched in 2012 to help them develop entrepreneurial skills. It involves an initial tailor-made training programme in entrepreneurship skills for the Resource Centre’s educators, followed by the transfer of the newly acquired entrepreneurship skills from the educators to their students through a process of coaching, mentoring and hands-on workshops where the students produce (and later sell) hand-made items including wedding invitations, wedding souvenirs and, more recently, souvenirs of Malta to be sold primarily to tourists. This programme was recently awarded a prize at the National Enterprise Support Awards for Responsible and Inclusive Entrepreneurship.<sup>30</sup>

There are currently no tailored entrepreneurship skills initiatives for older people, the unemployed or immigrants. These are gaps in the current entrepreneurship training system.

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<sup>26</sup> <http://women.org.mt/index.php/services-7/trainingservices>

<sup>27</sup> [http://www.women.org.mt/images/Women/female\\_business\\_cafe.png](http://www.women.org.mt/images/Women/female_business_cafe.png)

<sup>28</sup> <http://www.youngenterprise.org.mt/>

<sup>29</sup> <http://www.jci.org.mt/website-pages/business-entrepreneurship/2015-bbp/>

<sup>30</sup> <https://www.facebook.com/nesamalta/videos/vb.606475886045777/1351202394906452/?type=2&theater>

Relative to other areas of policy intervention to support inclusive entrepreneurship, policies and programmes related to the development of entrepreneurship skills are the most widely available and well-developed. Nevertheless, the entrepreneurship education and training offers do not always adequately address the specific needs of all of the various social target groups. While youth are relatively well-served, but there is scope to further strengthen recent efforts to embed entrepreneurship in schools. Although the National Curriculum Framework stipulates that “Education for Entrepreneurship, Creativity and Innovation” should be merged into all learning areas through which the cross-curricular themes are to be embedded, teachers still require support in designing and delivering this education. The dissemination of a handbook is a good start but teacher training is required and it would also help to set-up networks and mechanisms for good practice exchange.

### **3.5. Entrepreneurial culture and social capital**

There are a large number of initiatives and organisations that promote an entrepreneurial culture. For example, EU SME Week is organised by the Ministry for the Economy, Investment and Small Business and it promotes entrepreneurship to potential entrepreneurs and offers workshops for those who are already in business.<sup>31</sup> In addition, Global Entrepreneurship Week is held annually in November.<sup>32</sup> This initiative, which takes place in 160 countries around the world, is designed to connect aspiring and inspiring entrepreneurs, helping them embrace originality, imagination and ingenuity through local and global activities.<sup>33</sup> The Malta Chamber of Commerce and Industry also actively promotes entrepreneurship and is typically involved in promotional events that are organised by the government.

The media also helps to promote entrepreneurship. There are a number of radio programmes, including “*Fi Kliem Iehor*” programme on the national Radio Station Radio Malta and “Entrepreneur Clinic”, which aired in 2016 on Campus FM, the local radio station broadcasting from the University of Malta.

The National Enterprise Support Awards, which are organised by the Ministry for the Economy, Investment and Small Business, aim to foster awareness of the importance of entrepreneurship. One of the award categories is “Responsible and Inclusive Entrepreneurship” to recognise initiatives to promote entrepreneurship among under-represented or disadvantaged groups including people with disabilities, the unemployed, migrants, and people from ethnic minorities.

In addition to these activities that target the entire population, there are some organisations that promote entrepreneurship within the social target groups of inclusive entrepreneurship and help them build networks. For example, the Foundation for Women Entrepreneurs aims to promote opportunities, build awareness, provide training and conduct research in the field of female entrepreneurship<sup>34</sup> and the Association of Women in Business aims to foster an environment for growth and to provide support for women in business and professions.<sup>35</sup> These two institutions collaborated on the establishment of a network of “Women Ambassadors” as part of the European Network of Women Entrepreneurs.<sup>36</sup> However, the network ceased operations in 2012.

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<sup>31</sup> <https://economy.gov.mt/en/SME/Pages/SME-Week-2015.aspx>

<sup>32</sup> <http://www.um.edu.mt/create/Events/GEW>

<sup>33</sup> <http://wearegen.co/gew>

<sup>34</sup> <http://women.org.mt>

<sup>35</sup> [www.mawb.eu](http://www.mawb.eu)

<sup>36</sup> <http://women.org.mt/index.php/projects-16/past-projects/amie>

Global Entrepreneurship Week<sup>37</sup> also contains events to promote women's entrepreneurship such as Women's Entrepreneurship Day in November 2014. To celebrate this event, successful female entrepreneurs shared their experiences with the students.<sup>38</sup> The event also included a pitching event where a number of budding female entrepreneurs presented their business ideas to the Minister for the Economy, Investment and Small Business<sup>39</sup> and a panel discussion on the challenges and opportunities that experienced female entrepreneurs.<sup>40</sup>

A number of organisations are active in promoting youth entrepreneurship, including Junior Achievement-Young Enterprise (JA-YE) Malta,<sup>41</sup> Junior Chamber International Malta (JCI),<sup>42</sup> and Young Entrepreneurs and Leaders.<sup>43</sup> JCI promotes entrepreneurship among its members through networking events, training and competitions. Young Entrepreneurs and Leaders aims at encouraging youths to enhance their entrepreneurship and leadership skills.

Global Entrepreneurship Week also has activities for youth such as the Budding Rockstars Conference in November 2015. This entrepreneurship and innovation conference was targeted at Malta's brightest young minds. It used panel discussions, presentations and group activities to promote entrepreneurship and to get youth to work together and with experienced entrepreneur to help them develop their networks. This conference was organised by The Malta Communications Authority in collaboration with other entities.<sup>44</sup>

There are currently no organisations or programmes that promote an entrepreneurial culture or build social capital among older people, the unemployed or immigrants.

The non-government sector is very active in Malta in promoting entrepreneurship and working to build social capital and entrepreneurial networks, along with several higher education institutions. This can be effective because many actors in the non-government sector have close ties to the business community, which are needed to build social capital for entrepreneurship. The risk, however, is that these activities will be disjointed and not well-aligned with government policies. Many of the organisations involved in promoting entrepreneurship work independently and there is little evidence of co-ordination, aside from large events such as Global Entrepreneurship Week.

#### 4. POLICY RECOMMENDATIONS

Inclusive entrepreneurship policies are at an early stage of development in Malta. Many recent tailored actions have been launched to support youth and women, including embedding entrepreneurship throughout formal education. In further developing policy actions in the area, careful consideration is needed about the scale of support developed. Women and youth are large target

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<sup>37</sup> <http://www.um.edu.mt/create/Events/GEW>

<sup>38</sup> [http://www.um.edu.mt/create/Events/GEW/2014/WED\\_Presentations\\_Experienced](http://www.um.edu.mt/create/Events/GEW/2014/WED_Presentations_Experienced)

<sup>39</sup> [http://www.um.edu.mt/create/Events/GEW/2014/WED\\_Presentations\\_Budding](http://www.um.edu.mt/create/Events/GEW/2014/WED_Presentations_Budding)

<sup>40</sup> [http://www.um.edu.mt/create/Events/GEW/2014/WED\\_Panel\\_Discussion](http://www.um.edu.mt/create/Events/GEW/2014/WED_Panel_Discussion)

<sup>41</sup> [www.youngenterprise.org.mt](http://www.youngenterprise.org.mt)

<sup>42</sup> [www.jci.org.mt](http://www.jci.org.mt)

<sup>43</sup> [www.yel.org.mt](http://www.yel.org.mt)

<sup>44</sup> <http://www.um.edu.mt/create/Events/GEW/gew2015/gewbuddingrockstars>

groups so it is feasible to develop tailored initiatives to address the needs of these groups. Developing policies and programmes for older people, migrants, the unemployed and people with disabilities may not be feasible given the costs of developing and delivering tailored support. Instead, mainstream supports can be adjusted and more attention can be given to outreach methods to ensure that these groups are aware available entrepreneurship support offers. More specific recommendations are as follows:

1. *Develop a national action plan for entrepreneurship policy that covers inclusive entrepreneurship.* A national entrepreneurship strategy or action plan is required to define objectives and key targets for fostering entrepreneurship in Malta. This should include general measures and strategies, as well as specific considerations for under-represented or disadvantaged groups to enable them to engage in entrepreneurship. The action plan should be consistent with the European Union's Entrepreneurship 2020 Agenda.<sup>45</sup> The action plan should be developed in consultation with relevant ministries, agencies, NGOs, educators, students and representatives of entrepreneurs (e.g. business associations). A central entity is required to consolidate the work being carried out to promote and strengthen entrepreneurship by the various organisations in Malta. This entity should identify the gaps and overlaps in initiatives and resources, and aim to bring the different public and private players closer together.
2. *Extend the Malta Enterprise Micro Invest Scheme for women to other social target groups.* The Malta Enterprise Micro Invest Scheme amendment which grants a maximum tax credit of up to EUR 50 000 instead of EUR 30 000 to self-employed women and businesses owned in their majority by females could be extended to the other under-represented or disadvantaged groups.
3. *Tailor entrepreneurship training programmes to the needs of the key social target groups (i.e. women, youth and the unemployed).* Entrepreneurship training programmes should be tailored specifically to the different needs of different target groups to the extent possible. Training should be delivered by entrepreneurs from the different target groups to ensure that the training is relevant. Training should cover the basics of business start-up and business registration as well as a range of skills to support business development and growth (e.g. opportunity recognition, risk management). Such training should also have linkages with relevant entrepreneurship supports (e.g. incubation, coaching, mentoring) and financing.
4. *Use role models from different social target groups to promote entrepreneurship.* In-line with the European Union's Entrepreneurship 2020 Action Plan, entrepreneurs should be portrayed as positive role models to promote an entrepreneurial culture and inspire more people to become entrepreneurs in Malta. Entrepreneurship success stories should be made more visible (especially those from entrepreneurs from different groups) and entrepreneurship should be celebrated as a preferred career path. A concerted effort is required from a variety of stakeholders, including the media, educational institutions, ministries, agencies and non-government organisations, to enhance the entrepreneurial culture and social capital in Malta.

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<sup>45</sup> European Commission (2013). *Entrepreneurship 2020 Action Plan: Reigniting the entrepreneurial spirit in Europe*, p. 7: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52012DC0795&from=EN>

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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?