



Inclusive Entrepreneurship Policies, Country Assessment Notes

Portugal, 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, with the co-operation of Sociedade Portuguesa de Inovação (SPI) in Portugal. 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.

Portuguese labour market conditions were among the most difficult in the European Union during the recent economic crisis. Although unemployment is now declining, it remains very high for youth – one third of youth were unemployed in 2016. The proportion of working adults who are self-employed has declined over the last three years, likely due to increasing opportunities in wage employment. Despite this downward trend, between 2010 and 2014, Portuguese adults were slightly more likely than the EU average to expect to create a business over the next three years (15.3% vs. 12.4%). The expectation was particularly high among youth. With the difficult labour market conditions, the government has implemented several entrepreneurship programmes, many of which are tailored for the unemployed and youth. Despite these recent policy actions, there is scope to strengthen inclusive entrepreneurship policies and programmes through increased dissemination of good practices and evaluation results. Other areas for improvement include increasing the quality of support offers with more training for support providers and strengthening entrepreneurship education for youth.

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 government launched a set of national reforms to increase entrepreneurship support in 2016, which are implemented through the Startup Portugal Strategy. This strategy aims to promote and accelerate the entry of start-ups into the global market, attract foreign investment, and co-finance start-ups during the early stages of their development. Dedicated support for different social target groups such as youth, women and older people is anticipated but specific measures and targets are not yet defined. However some tailored entrepreneurship programmes are available for youth through the Youth Guarantee, and there are also several tailored programmes for women.
- The self-employment rate has declined over the past three years, from 17.1% in 2013 to 14.5% in 2015. The rate is now in line with the European Union average. However, Portuguese adults are slightly more likely than the EU average to expect to create a business over the next three years (15.3% vs. 12.4%). The expectation was particularly high among youth between 2010 and 2014 – one quarter expected to create a business over the next three years. This likely reflects both a positive view towards entrepreneurship but also difficult labour market conditions.
- The majority of current entrepreneurship support programmes focus on the development of skills through training and mentoring, although financial support also appears to be readily available. There is a very active non-government sector that supports the government in delivering many programmes. However, the implementation of entrepreneurship education in the mandatory school system is at an early stage and there is a need to improve communication between ministries, and also with civil society organisations, so that good practices can be exchanged and duplication of offers reduced.
- To further advance inclusive entrepreneurship support, the following recommendations are made: i) create a good practice observatory of inclusive entrepreneurship initiatives to disseminate knowledge, good practices and evaluation results; ii) improve business development support services for entrepreneurs from under-represented and disadvantaged groups by offering training for support providers; iii) provide more training on business development and growth within existing entrepreneurship training programmes for youth and women; iv) develop a clear strategy and teaching material for entrepreneurship education in schools and vocational education and training institutions; and v) promote the use of independent evaluations.

1. INCLUSIVE ENTREPRENEURSHIP OBJECTIVES AND TARGETS

The XXI Portuguese government proposed a National Programme of Reforms to spur innovation and growth entitled “More Growth. Better Employment. More Equality.” (*Mais Crescimento. Melhor Emprego. Maior Igualdade.*)¹ The main pillars focus on promoting qualifications, innovation in the economy, modernising the state, and reinforcing cohesion and social equality. This programme aims to support the Europe 2020 growth strategy,² notably by outlining how Portugal will reach its targets such as an employment rate of 75%. The main objective related to entrepreneurship is to further strengthen the start-up ecosystem and business development infrastructure.

¹ <http://bit.ly/1ZjHgZt>

² http://ec.europa.eu/europe2020/index_en.htm

The national entrepreneurship strategy (“Startup Portugal”) was launched in March 2016.³ This is the main strategy for creating and supporting the start-ups and has links to the National Reform Programme. It also seeks to attract foreign investors, outlines co-financing measures to support early-stage start-ups and actions to promote and accelerate Portuguese start-ups in the global market.

The main target established in the National Reforms Programme is to support 1 500 new companies. However, the targets of Startup Portugal are not yet defined as the strategy was only recently launched.

2. KEY INCLUSIVE ENTREPRENEURSHIP INDICATORS

The Portuguese labour market was among the hardest hit in the European Union with the recent economic crisis. However, the overall unemployment rate has declined in recent years to 12.9% in 2015 from a peak of 17.0% in 2013 (Figure 1a). This is only slightly above the average for the European Union. Despite this, the youth unemployment rate (32.0% in 2016) is one of the highest in Europe.

In 2015, approximately 815 000 people were self-employed, or 14.5% of those in employment (Figure 1b). This reflects a reduction from 2010 when there were approximately 1 million self-employed people. This declining trend can be seen across all population groups, but was strongest among women (15.0% in 2010 to 11.1% in 2015) and older people (30.7% to 23.1%).

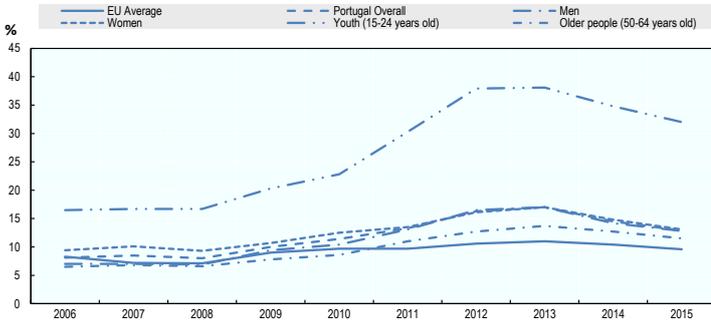
However, the Total early-stage Entrepreneurial Activity (TEA) rate has increased in recent years, especially for youth, and is now approximately equal to average for youth across the European Union for the period 2010-14 (8.2% vs. 7.7% for the EU) (Figure 1c). This rate measures the proportion of people involved in setting up a new business or managing one that is less than 42 months old. Further, the TEA rate for women was slightly above the EU average over this period (5.8% vs. 4.6%). Approximately one out of five entrepreneurs indicated that they started their business because they did not have any other employment opportunities. This is approximately equal to the European Union average (Figure 1d). Women (25.1%) and older people (23.9%) were the most likely to report that they started their businesses out of necessity.

The Portuguese were more likely to expect to create a business within the next three years than the European Union average (15.3% vs. 12.4%) (Figure 1e). Youth had very high expectations for creating a business (24.0%), suggesting that an increasing number of young people are engaged and interested in business creation, likely, at least in part, due to the difficult conditions in the labour market.

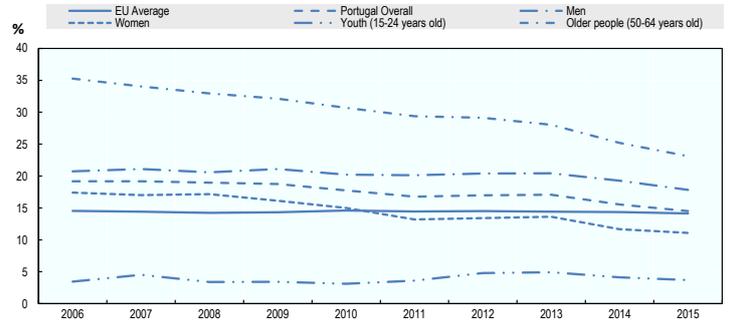
³ <http://startupportugal.com/about-index/>

Figure 1. Key inclusive entrepreneurship indicators

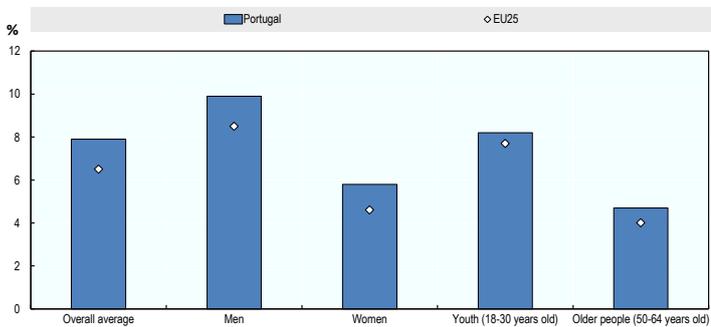
a. Unemployment rate, 2006-15



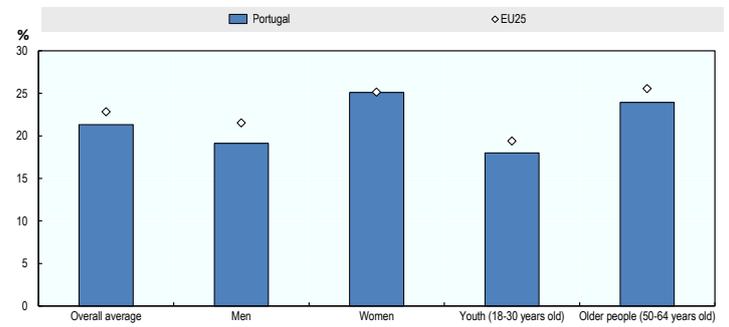
b. Self-employment rate, 2006-15



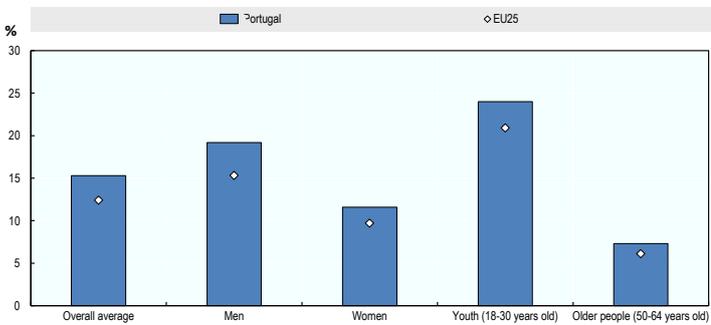
c. TEA Rate, 2010-14



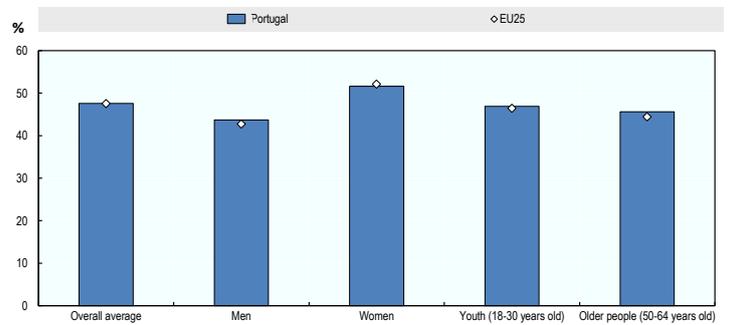
d. Proportion of TEA that is necessity entrepreneurship, 2010-14



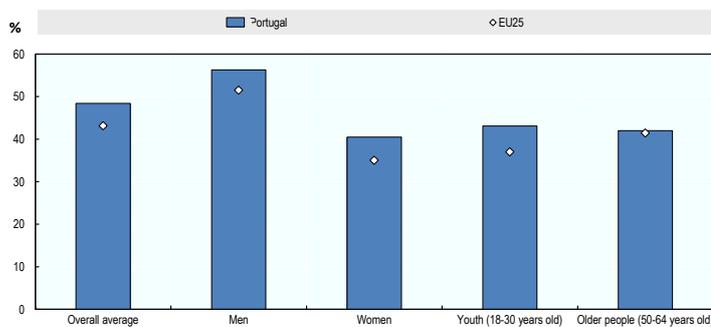
e. Proportion who expect to start a business in the next 3 years, 2010-14



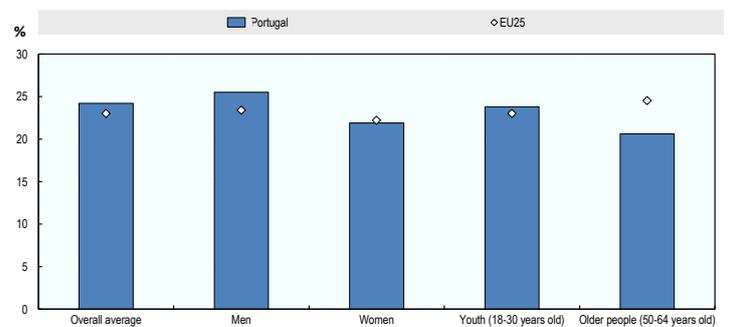
f. Proportion who report that a fear of failure prevents them from starting a business, 2010-14



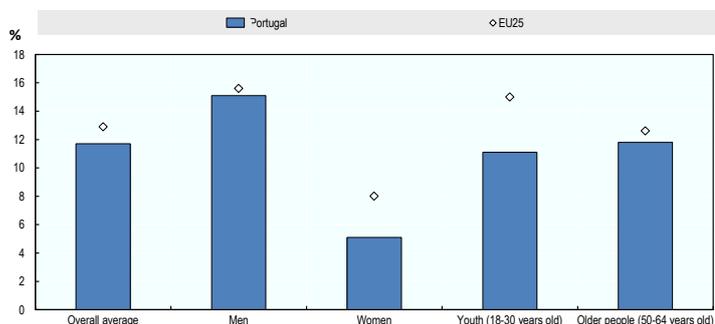
g. Proportion who perceive that they have the skills to start a business, 2010-14



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. Proportion 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).

There are several barriers to business creation and self-employment and these barriers tend to be greater for groups that are under-represented or disadvantaged in the labour market. Barriers that are commonly cited include difficulty accessing financing for start-up, a heavy regulatory burden or cultural attitudes, such as fear of failure. The Portuguese were as likely as the European Union average to cite a fear of failure as a barrier over the 2010-14 period (47.6% vs. 47.5%) and it was most often cited by women (51.6%) (Figure 1f). Another significant barrier for many potential entrepreneurs is a lack of entrepreneurship skills. In Portugal, this appears to be less of a barrier for potential entrepreneurs, on average, as they were more likely to feel like that have the skills to start a business relative to the European Union average over the 2010-14 period (48.4% vs. 43.1%) (Figure 1g). Other barriers faced by entrepreneurs include the high price of leases and a need to improve networking and partnerships among actors in the business start-up support system.

These barriers to entrepreneurship impact different social target groups to varying degrees. Entrepreneurship research in Portugal provides the following additional insights on the challenges faced by different social target groups:

- Women: the key barrier is a lack of entrepreneurial skills and some women report difficulty accessing entrepreneurship and business training.
- Youth (15-34 years old): the most common barriers include lack of available funds, little previous professional experience and lack of clear information on the available programmes supporting the start-up initiatives (and high levels of risk aversion).
- Older people: the most common barriers faced by seniors are the lack of training and difficulties in using new information technologies. There are also other barriers directly related to age, including health challenges, discrimination in the market and difficulties understanding administrative processes. A recent report from IFDEP recommends further tailoring of existing policies to improve support for older people, including creating specific

entrepreneurship networks and online platforms with easy-to-understand information, as well as increasing funding for senior entrepreneurship (IFDEP, 2014).

- Immigrants: the key barriers to entrepreneurship include a lack of knowledge about the processes and requirements (e.g. licenses) for starting and operating a business in Portugal. The IFDEP report provides recommendations on further tailoring of entrepreneurship policies for immigrant groups and to increase the availability of financing for business creation (IFDEP, 2015).
- Unemployed: this group faces obstacles related to a lack of sufficient financial resources, knowledge of regulations and few skills or training in business.

Overall, entrepreneurs in Portugal were as likely as the European Union average to offer new products and services over the 2010-14 period (24.2% vs. 23.0%) (Figure 1h). However, older entrepreneurs were less likely than the EU average to be innovative in their offerings (20.6% vs. 24.5%). This provides a strong argument for supporting youth and women entrepreneurs as there appears to be a low risk of displacement. Despite this result, new entrepreneurs in Portugal were much less likely than the European Union average to expect to create a substantial number of jobs (Figure 1i).

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

3.1. Policy framework

The Startup Portugal strategy outlines the government's priorities for entrepreneurship. There is an emphasis on developing youth entrepreneurs, notably related to the development of entrepreneurship skills. In addition, it also outlines similar actions related to supporting women, unemployed and immigrants in business creation. These actions are largely implemented by the public employment service (*Instituto do Emprego e Formação Profissional*), which provides a wide range of training offers to various groups and the High Commission for migration (*Alto Comissariado para as Migrações*), which provides training for immigrants through the programme *Escolhas*.⁴

Programmes are generally monitored for participation and expenditures, and the results can be accessed available by the public. However, this monitoring is typically fairly basic and there are few indicators that can be used to assess impact and performance. There are occasionally external evaluations, such as for the programme Passport for Entrepreneurship (*Passaporte para o Empreendedorismo*), but there is a need for more regular independent evaluations.

In addition to broad entrepreneurship support provided by the Startup Portugal strategy, tailored support for youth entrepreneurship is provided under the Youth Guarantee scheme. Although many of the Youth Guarantee programmes aim to support youth in acquiring skills and entering employment, there is a programmes that specifically supports youth entrepreneurship. The Youth Guarantee scheme

⁴ <http://www.programaescolhas.pt/>

has been assessed favourably by the European Commission as its approach emphasises building partnerships at the local level to help reach youth who need the support most (EC, 2016a).

Another policy that is relevant for inclusive entrepreneurship is the “Industrial Development Strategy for Growth and Jobs 2014-20” (*Resolução do Conselho de Ministros n.º 91/2013 de 23 de dezembro*). This strategy identifies nine priority axes to stimulate entrepreneurship, innovation and job creation, including one focused on entrepreneurship. Several measures have been identified and the most relevant for inclusive entrepreneurship are to create a national network of entrepreneurship mentors, to expand the availability of entrepreneurship training courses, to further embed entrepreneurship in compulsory education and to create an entrepreneurship visa. While these measures appear to hold promise for helping to open up entrepreneurship to all, it appears that implementation of these measures has been slow.

The current policy framework provides a substantial amount of entrepreneurship training, as well as coaching and mentoring. Financial supports are also available. However, there are a few gaps in the policy framework, notably an absence of clear policy directions on implementing entrepreneurship education more broadly. Another challenge is a lack of co-ordination and communication between national ministries, as well as with regional and local governments and civil society organisations. The latter is particularly important given the large number of non-government organisations that complement policy actions in this area.

3.2. Government regulations

The regulatory environment for new business start-ups is not considered to be poor but there is room for improvement. In the World Bank Doing Business Survey 2015, Portugal was ranked 25th out of 189 countries in the “ease of doing business”. Therefore, in response to recent recommendations from the European Commission (EC, 2016b), there are ongoing efforts to improve and accelerate administrative and licensing procedures, accelerate tax litigations and reduce regulatory barriers, especially in business services. For example, the Entrepreneur Portal (*Balcão do Empreendedor*) is a website that directs entrepreneurs to relevant information resources about business laws, regulations and start-up procedures, as well as allowing entrepreneurs to submit electronic forms and applications to governments. While such actions do not contain any specific measures aimed at assisting entrepreneurs from under-represented or disadvantaged groups, although they will likely benefit disproportionately since entrepreneurs from these groups typically have the most difficulty understanding and complying with regulatory requirements. To achieve this objective, it will be important to ensure that documents and instructions are written in easy-to-understand language so that people with little experience in the labour market can understand them.

There is also a regulatory measure that allows the self-employed to access social protection in some cases (e.g. sickness, parenthood, occupational accidents). The self-employed can also access unemployment benefits if they are economically dependent on one employer (for at least 80% of their income) or if the entrepreneur operates a limited liability company. There is also a welfare bridge type of programme for youth that allows unemployed youth to convert their unemployment benefits into a lump sum grant to start a business (see next section).

3.3. Financing entrepreneurship

There are several start-up financing programmes that are tailored to meet the needs of different target groups, most of which are targeting youth. Under the Youth Guarantee, youth can receive support from the Youth Investment Programme (*Investe Jovem*), which provides grants (up to EUR 2 500) and interest-free loans to entrepreneurs between the ages of 19 and 29 years old. Financial

support is always coupled with entrepreneurship training. This programme is delivered by the *Instituto do Emprego e Formação Profissional* (IEFP) and has supported 171 youth entrepreneurs in the first half of 2015, investing EUR 3.4 million. The result has been 165 additional jobs created.

Grants are also available for specific social target groups in certain industries. For example, the Programme Supporting the Establishment of Young Farmers (*Apoio à instalação de Jovens Agricultores*), which provides grants of EUR 15 000 to young farmers between 18 and 40 years old and an additional amount of funding is provided depending on the size of the project. Between 2008 and 2014, 8 199 projects were funded (out of 11 771 applications) with a total investment of EUR 624.0 million.

Microcredit is readily available, including through the National Programme of Microcredit (*SOU MAIS*), managed by *Cooperativa António Sérgio para a Economia Social* (CASES). CASES provides a small amount of funding to support projects whose maximum amount of investment is EUR 20 000. Portuguese entrepreneurs may also access microcredit lines such as MICROINVEST, which are offered through banks. Some of the banking institutions that offer financial microcredit (i.e. *Millennium BCP*, *Novo Banco*) are supported by the European Union through the Progress Microfinance Facility. Several government programmes also provide microcredit including *FINICIA*,⁵ which is supported by the Agency for Competitiveness and Innovation (*Agência para a Competitividade e Inovação*) and the National Association of Credit Rights (*Associação Nacional de Direito ao Crédito*).⁶ While most of the public initiatives are not directly aimed to the inclusive entrepreneurship target groups, there are a small number of programmes for youth. One example is *Finicia Jovem*, which provides up to EUR 25 000 for new youth entrepreneurs (18-35 years old) who have operated a company for less than three years. The programme also offers loans for up to EUR 45 000 and offers entrepreneurship training and business counselling.

Unemployed youth can also benefit from the Programme of Support for Entrepreneurship and Self-employment Creation (*Programa de Apoio ao Empreendedorismo e à Criação do Próprio Emprego*). It provides unemployed youth with a full or partial lump-sum payment of their unemployment benefits to start a business, and may also facilitate guaranteed credit lines and interest rate subsidies. The programme also provides technical support in the creation and consolidation of approved projects, which is provided by accredited organisations before grant approval and for up to 24 months after implementation.

Business angel networks will be supported and encouraged with public financial support through the Startup Portugal initiative launched in March 2016. Previously, the government created several co-investment funding schemes with Business Angels under *Programa Operacional Competitividade e Internacionalização* (Compete) / *Quadro de Referência Estratégica Nacional* (QREN). Another related programme is *Empreende Jovem*, which aims to promote the creation of innovative companies by young entrepreneurs with investments of between EUR 15 000 and EUR 300 000 in construction, energy, environment, tourism, information and communication, education, health or social and support services.

There are crowdfunding platforms such as PPL (<http://ppl.com.pt/en>) and Novo Banco Crowdfunding (<https://novobancocrowdfunding.ppl.pt/>). These platforms essentially offer credit in the form of advanced sales and there do not yet appear to be any equity crowdfunding platforms.

⁵ <http://www.iapmei.pt/iapmei-mstplindex.php?msid=12>

⁶ <http://www.microcredito.com.pt/>

There is no public policy support for self-financing groups in these target groups, although they likely exist in large cities to support small personal and business loans. These often occur within ethnic minority groups.

In addition to working to improve access to start-up finance, there are also efforts to improve financial literacy, which is typically included in all entrepreneurship training programmes. There is a National Plan for Financial Literacy Training,⁷ although this is not aimed specifically at entrepreneurs. Instead it aims to support people in managing household budgets. According to the Agency for Competitiveness and Innovation (*Agência para a Competitividade e Inovação, I.P.*), guidelines for financial literacy were developed to be integrated in the school curricula and also for micro companies and entrepreneurs. These guidelines were developed in partnership between the Agency and *Banco de Portugal*.

There are thus a range of programmes and initiatives to support people from under-represented and disadvantaged groups in business start-up. This large number of initiatives, especially for youth, makes it difficult to ensure the most beneficial programmes are always adopted and scaled-up. There is a tendency to launch many small-scale initiatives and it can be difficult to ensure that they are all consistent with policy directions and that potential clients are aware of their options. There is therefore a need to improve co-ordination across the different government and non-government actors that are active in financing business start-up and Startup Portugal appears to be a strong start to this process.

3.4. Entrepreneurship skills

There are a number of entrepreneurship training programmes offered in Portugal for various under-represented and disadvantaged groups. These include the programmes for women, youth, unemployed and seniors that are offered by IEFP and programmes for immigrants that are offered by the High Commission for Migration (*Alto Comissariado para as Migrações*). Furthermore, programmes that offer start-up financing that are operated by the *Instituto do Emprego e Formação Profissional* typically include entrepreneurship training and/or business counselling. While there are currently no specific entrepreneurship training programmes for people with disabilities, they can access generic training programmes as well as those aimed at women or youth, provided those conditions are also met.

In addition to these government programmes, a large number of entrepreneurship training offers are available from non-government organisations and private enterprises. These offers often include awareness and capacity building sessions, mentoring with business development experts and training courses. The most well-known examples include PEEP (Portugal Education Entrepreneurship Platform), Junior Achievement and the National Association of Young Entrepreneurs (*Associação Nacional de Jovens Empresários*), which all offer training that is linked to the formal education system.

More intensive support is available through entrepreneurship mentoring programmes, notably for youth entrepreneurs. The National Network of Mentors is a measure within the +E+I programme, which matches youth entrepreneurs with an experienced entrepreneurs to help them develop their business ideas and projects. The programme is managed by the Agency for Competitiveness and Innovation (*Agência para a Competitividade e Inovação*) and approximately 600 mentors are involved.

⁷ <http://www.todoscontam.pt/>

Also for youth entrepreneurs, the Network of Perception and Business Management supports young entrepreneurs in the development of sustainable business initiatives. Support includes training, mentoring, networking support and business competitions. It is run by the Portuguese Institute of Sports and Youth (*Instituto Português do Desporto e da Juventude*).

While there are a number of training and mentoring initiatives, mostly for youth entrepreneurs, there are some gaps in the support offer. The biggest gap in the current support system is an under-developed approach to entrepreneurship education. The government has not implemented a complete strategy for entrepreneurship education in schools. The curricula of vocational education and training institutions offer also lack focus on the development of entrepreneurial skills. In addition, Higher Education Institutions have very different approaches towards entrepreneurship education, which makes it difficult to assess the true impact on university students.

Another gap is that the majority of these activities are oriented to supporting entrepreneurs during the initial phases of their projects. Additional support on business development and growth would also be beneficial. This is evident in the business incubators that are operated by the IEFP, which house new start-ups for up to three years. Following the end of this support and a re-location outside of the incubators, most businesses have experienced difficulties.

3.5. Entrepreneurial culture and social capital

Entrepreneurship, especially for youth, is seen as a method of moving out of unemployment and is widely promoted in the national media and by a range of public institutions. The programmes have websites and calls for applications are disseminated to the public. For example, Startup Portugal has received a great deal of media attention. However more awareness-building actions for different target groups are needed increase awareness about the numerous entrepreneurship supports that are available.

Entrepreneurial networks are also used to promote and support entrepreneurs from various under-represented and disadvantaged groups. Table 1 shows the specific business networks available for women, youth, immigrants and seniors. These networks are generally viewed positively but there is a need to strengthen networks and relationships between support providers. This would facilitate the exchange of good practices and strengthen referrals between different types of support.

Table 1. Business networks and communities

Target Group	Business networks and communities
General population	Associação Portuguesa para o Empreendedorismo - http://empreend.pt/web/
	Empreendedor - http://www.empreendedor.com/
	Portugal Education Entrepreneurship Platform - http://www.peep.pt/
	Portuguese Entrepreneurs - http://www.entrepreneurs.pt/
	Ship - http://startupship.org/
Immigrants	Alto Comissariado das Migrações - http://www.acm.gov.pt/inicio
Seniors	Associação Cristã de Empresários e Gestores - http://www.acege.pt/
Women	Associação Nacional de Empresárias - http://www.ane.pt/
	Connect to Success - https://www.facebook.com/connecttosuccessportugal
	Nova Women in Business - https://www.facebook.com/novawomeninbusiness/
	Women Winwin - http://www.womenwinwin.com/
Youth	Associação Nacional de Jovens Empresários - http://www.anje.pt/
	Junior Achievement - http://www.japortugal.org/
	Startup Buzz - http://startupbuzz.up.pt/en/
	Startup Pirates - http://www.startuppirates.org/

4. POLICY RECOMMENDATIONS

Public policies to promote entrepreneurship have increased in importance in recent years. They have, in particular, been used as a way to increase opportunities for youth to enter the labour market and overcome unemployment. The recently launched strategy, Startup Portugal, includes a range of initiatives to support entrepreneurs (e.g. measures for funding, start-up acceleration and strengthening of the entrepreneurship ecosystem). These efforts will likely improve business start-up support for the various target groups but the measures are yet to be defined. To strengthen inclusive entrepreneurship support, the following actions are recommended:

1. *Create a good practice observatory of inclusive entrepreneurship initiatives to disseminate knowledge, good practices and evaluation results.* Most inclusive entrepreneurship support programmes are small-scale operations. Strengthening linkages between them would increase the potential for sharing knowledge and information across support providers. This would also be expected to improve referrals across the support system.
2. *Improve business development support services for entrepreneurs from under-represented and disadvantaged groups by providing training for support providers.* The quality of support programmes could be improved by providing training to support providers so that

- they are aware of the different challenges faced by different groups and their unique needs. This also includes training for mainstream business development support providers.
3. *Provide more training on business development and growth within existing entrepreneurship training programmes for youth and women.* Many start-up training programmes are available for women and youth but they are heavily focussed on pre start-up activities. More attention is needed on businesses development and growth through the identification of new markets, customers and potential products and services.
 4. *Develop a clear strategy and training material for entrepreneurship education in schools and vocational education and training institutions.* Entrepreneurship is largely absent in the curricula so learning material needs to be developed at all levels and teachers need to be trained in how to deliver it. It is important to design active learning methods and the most effective approaches tend to use the knowledge and experience of “real” entrepreneurs.
 5. *Promote the use of independent evaluations.* Few programmes and initiatives have been independently assessed for the impact, effectiveness and efficiency. There is a need to have a better understanding about what works and why, so that successful initiatives can be scaled-up. The government could include this as a condition for funding.

5. REFERENCES

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- Startup Portugal, <http://startupportugal.com/>

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?