

Inclusive Entrepreneurship Policies,
Country Assessment Notes

Spain

2020

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 seek to ensure that everyone has an opportunity to create a sustainable business for those with realistic potential, regardless of their background. Business creation by people from under-represented and disadvantaged groups (e.g. women, youth, seniors, immigrants, the unemployed, people who experience disability) helps generate jobs, thereby fighting social and financial exclusion while stimulating economic growth.

These policies have become much more relevant with the COVID-19 pandemic, which has led to rapidly increasing unemployment and inactivity. Addressing this jobs crisis is one of the top policy priorities in European Union and OECD countries and inclusive entrepreneurship schemes have strong potential for moving some unemployed people back into work. Moreover, these policies can be leveraged to help re-boot economies as there is untapped growth potential among some of the target groups.

This note is the fourth country assessment note prepared by the Organisation for Economic Co-operation and Development (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 of the entrepreneurship activities by women, youth, seniors, immigrants and the unemployed. It also provides an 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 2020 notes include a special section on entrepreneurship support for people who experience disability. This section provides an overview of the entrepreneurship activity levels, obstacles faced and policy responses. It also contains a new section on entrepreneurship framework conditions to provide additional context for interpreting the tailored policies and programmes.

These country-specific notes are part of a wider programme of work by the OECD and the European Commission that includes “The Missing Entrepreneurs” publications, the Better Entrepreneurship Policy Tool (www.betterentrepreneurship.eu), a series of Policy Briefs on specific target groups, policies and issues, and national policy reviews of youth entrepreneurship and women entrepreneurship. This work stream examines 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. For more information please refer to: www.oecd.org/employment/leed/inclusive-entrepreneurship.htm.

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 were prepared by the OECD Centre for Entrepreneurship, SMEs, Regions and Cities (CFE) led by Lamia Kamal-Chaoui, Director, as part of the programme of work of the OECD Local Economic and Employment Development (LEED) Programme, led by Karen Maguire, Head of Division. They 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.

This note was prepared by Prof. Francisco Liñán of *Universidad de Sevilla*. Cynthia Lavisson of the OECD CFE edited the note under the direction of Dr. Jonathan Potter, also of the OECD CFE.

An online seminar was organised to review a draft of the report on 14 September 2020. Suggestions and inputs were received from representatives of the Ministry of Industry, Trade and Tourism, the Ministry of Economic Affairs and Digital Transformation, the Ministry of Work and Social Economy, ENISA, the EOI Foundation, the Chamber of Commerce, the Spanish Business Confederation of Social Economy (CEPES), the Spanish Committee of representatives of people with disabilities (CERMI), Global Entrepreneurship Spain, and the ADR Forum.

Much of the data contained in this note were prepared under the direction of Dr. Jonathan Levie of the Global Entrepreneurship Monitor.

Finally, this note benefited from feedback and suggestions provided by Julien De Beys and Guy Lejeune of the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission.

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Key messages

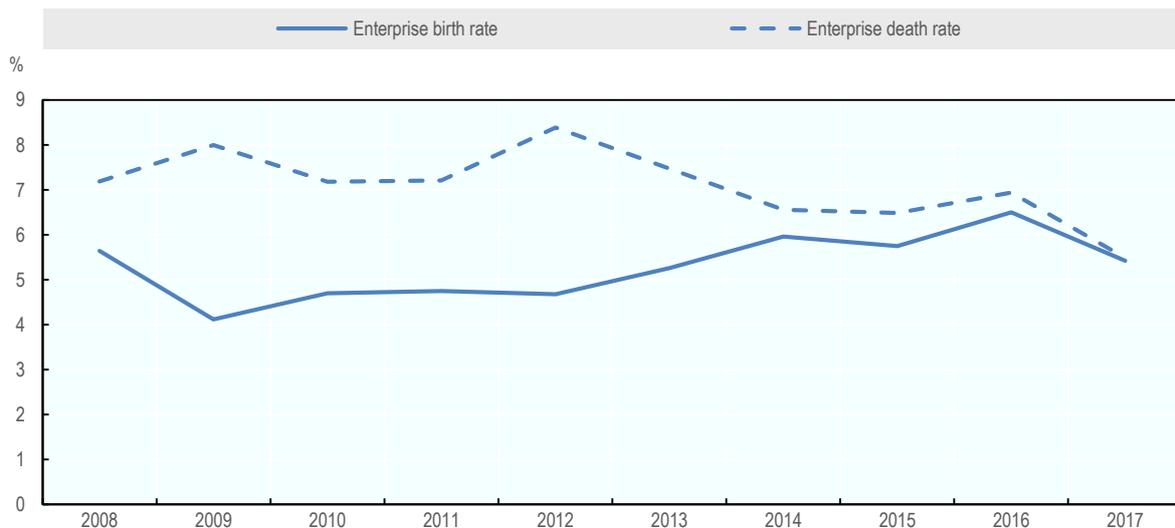
- The framework conditions for entrepreneurship in Spain are about equal to the European Union (EU) average. Administrative burdens for business are relatively low and SME lending is around the EU median and has been improving since 2014.
- The self-employment rate was slightly above the EU average in 2019 (14.9% vs. 13.4%). Men were significantly more active than women in self-employment (18.2% vs. 11.0%). Seniors were the most likely group to be self-employed (20.1%), while youth were the least likely (6.2%) and the only population group to be less involved in self-employment than the EU average.
- In contrast, the Total early-stage Entrepreneurial Activity (TEA) rate, which measures the share of people involved in creating or managing a new business, was below the EU average for the period 2015-19. This was true for all population groups except women, who were as active as the EU average for this group (4.9% vs. 5.1%). This lower TEA rate was driven by a limited involvement in business creation (2.2%, significantly under the 4.0% EU average).
- Eliminating all of the gaps in entrepreneurship activity rates across population groups (i.e. applying the early-stage entrepreneurship rate of men who are 30-49 years old to the whole population) would result in an additional 608 000 entrepreneurs. About 60% of these “missing” entrepreneurs are female and 60% are over 50 years old. Immigrants, however, are over-represented.
- Entrepreneurship support in Spain has expanded in recent years. Support is mostly offered through general entrepreneurship programmes, but a number of measures are in place to facilitate entrepreneurship among under-represented and disadvantaged groups, especially for the unemployed, youth and women. Tailored support for seniors, immigrants and people with disabilities is more limited and typically schemes are more often focused on employment.
- Inclusive entrepreneurship measures are often developed within the framework of employment strategies and objectives, but strategic co-ordination is limited as there are currently no clearly defined overarching entrepreneurship or inclusive entrepreneurship objectives. The introduction of an entrepreneurship strategy has been announced and should address the former, although there is no information on whether inclusive entrepreneurship objectives will be included. A more co-ordinated approach could help increase coverage of inclusive entrepreneurship support and increase awareness to entrepreneurship as a valued career option for diverse people.
- Key recommendations for strengthening inclusive entrepreneurship support are to:
 - Strengthen co-ordination of entrepreneurship policy and include clear strategic goals for different demographic groups;
 - Promote group-specific adaptations within mainstream programmes and foster linkages between generic and group-specific initiatives;
 - Reinforce financing options for new entrepreneurs; and
 - Develop awareness campaigns to normalise and promote entrepreneurship for people from different under-represented and disadvantaged groups.

1 Inclusive entrepreneurship trends

Conditions for entrepreneurship

The enterprise death rate converged with the enterprise birth rate in 2017, after being on a downward trend since 2012. The enterprise birth rate was on a slow upward trend until 2016, recovering from a dip in 2009, but it decreased again in 2017 (Figure 1.1). The enterprise birth rate stayed consistently under the European Union (EU) median over the period. The business death rate converged with the EU median in 2017, after being consistently above it since 2008.

Figure 1.1. Business entry and exit rates



Note: Enterprise birth rate is the share enterprise births in the reference period (t) divided by the number of enterprises active in t. Enterprise death rate is the share enterprise deaths in the reference period (t) divided by the number of enterprises active in t. The construction sector is excluded from these rates.

Source: Eurostat (2020), Business demography statistics, <https://ec.europa.eu/eurostat/web/structural-business-statistics/data/main-tables>.

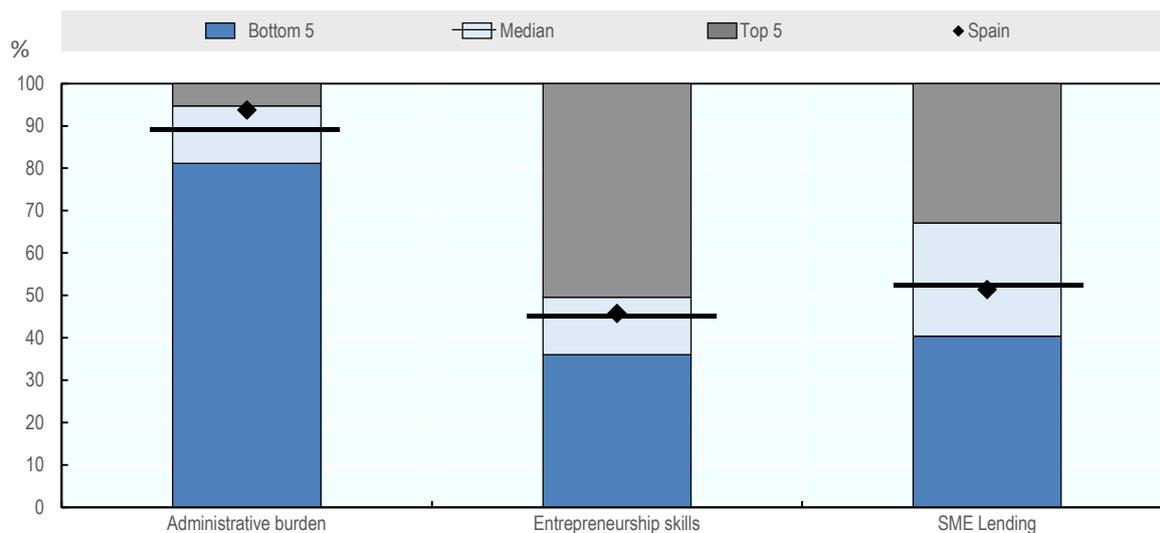
Administrative burden for business is relatively low in Spain, lower than the EU median in 2019 despite a relatively strict insolvency regime (Figure 1.2). The legal implementation framework for the SME test was reinforced in 2017. Efforts are ongoing on implementing the Market Unity Law (MUL) to address regional variations in regulation for businesses. The MUL sets a new framework for all new regulations to be approved, and it is only effective as new legislation is passed (OECD, 2019).

The Spanish jobs market is quite polarised, with higher demand for high-skills and low-skills staff and fewer in the middle of the skills spectrum (OECD, 2019). Over-qualification is an issue, and there is a high level of temporary contracts. With regards to self-reported entrepreneurship skills, Spain is around the EU median (Figure 1.2).

SME lending is close to the EU median (Figure 1.2) and had been improving since 2014, recovering from a dramatic drop during the crisis. Credit conditions overall have stabilised (OECD, 2019). The government has taken steps to improve access to finance for SMEs, including through earmarked funding (loans and venture capital) for technological SMEs by the Centre for Industrial Technological Development (CDTI) (OECD, 2019).

Figure 1.2. Conditions for business creation

Ranking relative to other European Union Member States, 2019



Note: The median score reported represents the median among EU Member States. Administrative burden is a score of 1 to 6 given to a country to reflect the relative scale of the administrative burden that new start-ups face. Entrepreneurship skills is the share of the population who report that they have the skills and knowledge to start a business. This indicator is an average of the period 2015-19. SME lending is share of loans to SMEs as a percentage of total outstanding business bank loans.

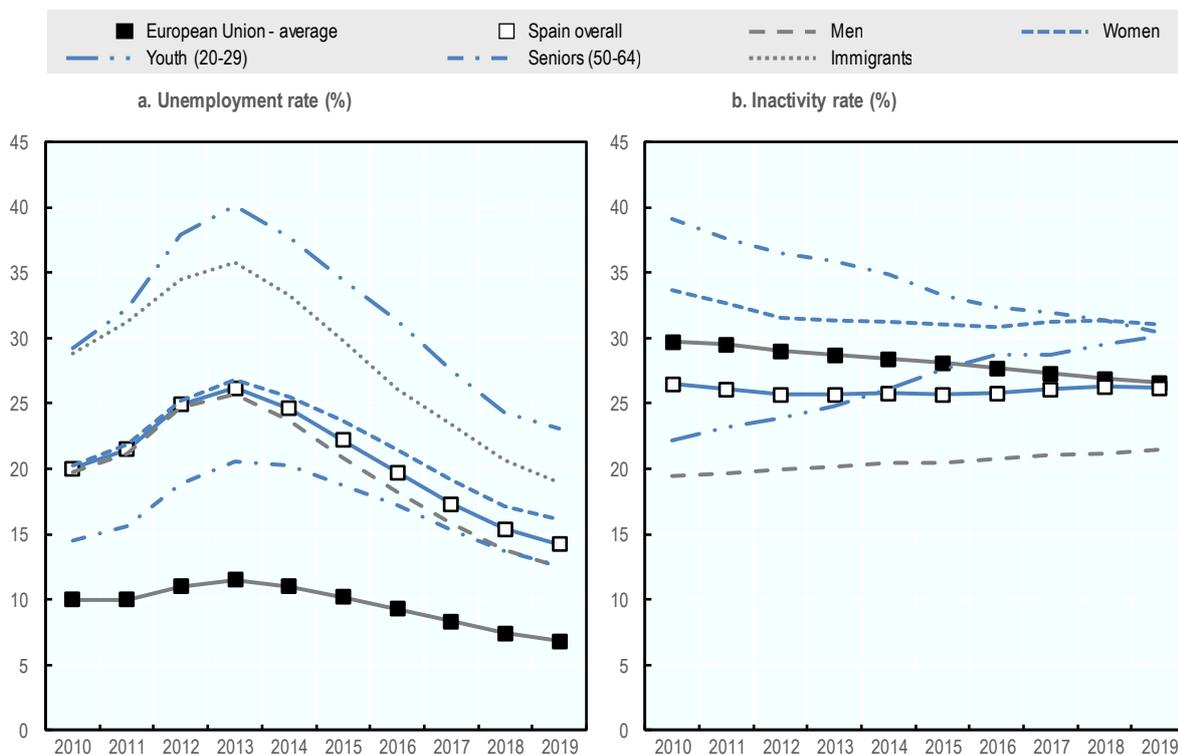
Source: World Bank (2019), Ease of Doing Business Survey; GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD; OECD (2020), Financing SMEs and Entrepreneurs 2020.

Recent labour market trends

The unemployment rate increased substantially following the financial crisis in Spain, which was one of the most affected countries in the EU. The unemployment rate peaked at 26.2% in 2013 (15 percentage points over the EU average). It has been decreasing since 2014 but remained over twice the EU average in 2019 (14.2% vs. 6.8%). (Figure 1.3). Youth and immigrants (usually non-European, with low qualification and low stability) were particularly affected. The youth unemployment rate reached 40.1% in 2013, and the youth inactivity rate has been decreasing steadily since 2010. Similarly, the unemployment rate of immigrants reached 35.8% in 2013. Unemployment among youth and immigrants has been on a downward trend since 2014 but remain well above the national average. Older people, however, have relatively low unemployment rates, explained partly by high (albeit rapidly declining) levels of inactivity and early retirement (even at the expense of reduced pension). The gender gap in unemployment rates which had practically disappeared after the financial crisis has re-emerged in recent years.

Figure 1.3. Unemployment and inactivity

Proportion of the labour force that is unemployed and proportion of the working age population that is inactive



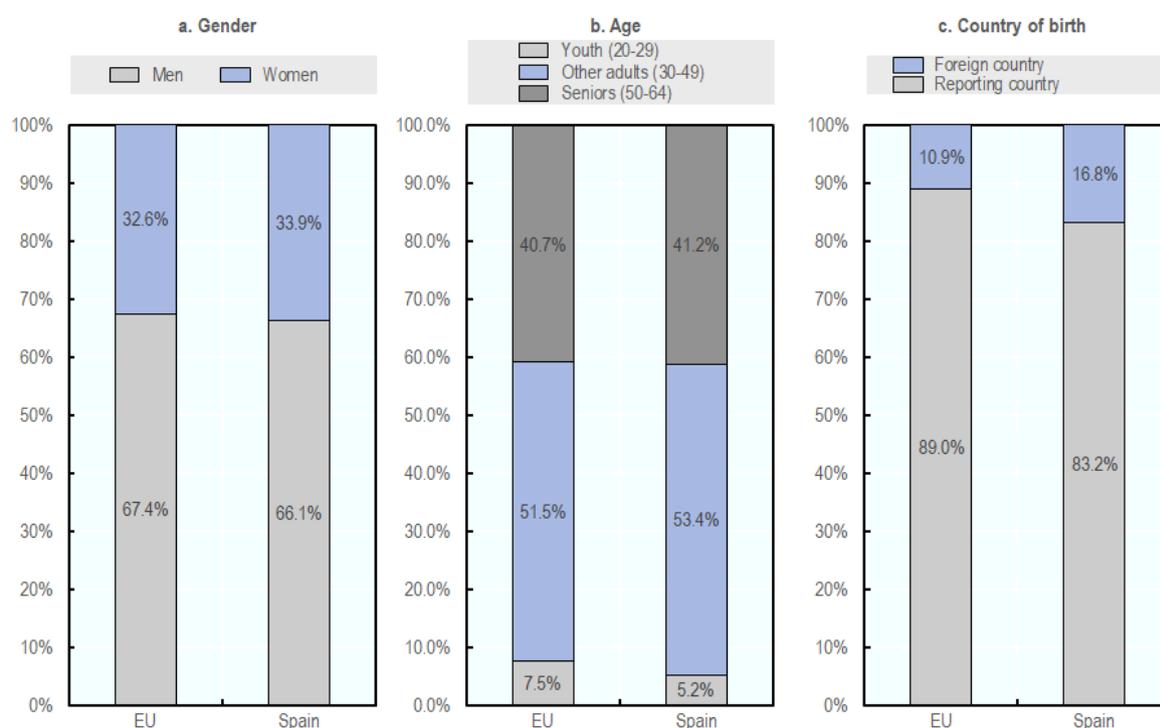
Source: (Eurostat, 2020_[1]), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>

Self-employment activities

The demographic composition of the self-employed population in Spain is similar to the EU average in terms of age and gender, albeit with a slightly higher share of women (1.3 points over the EU average) and lower share of youth (2.3 points below the EU average) (Figure 1.4). There is however a notable difference in the proportion of foreign-born people among the self-employed. It is almost six percentage points higher in Spain than the EU average. This may be partly explained by the rapid increase in the number of immigrants prior to 2007 and the important impact of the financial crisis on this group.

Figure 1.4. Composition of the self-employed

Proportion of self-employed workers, 2019

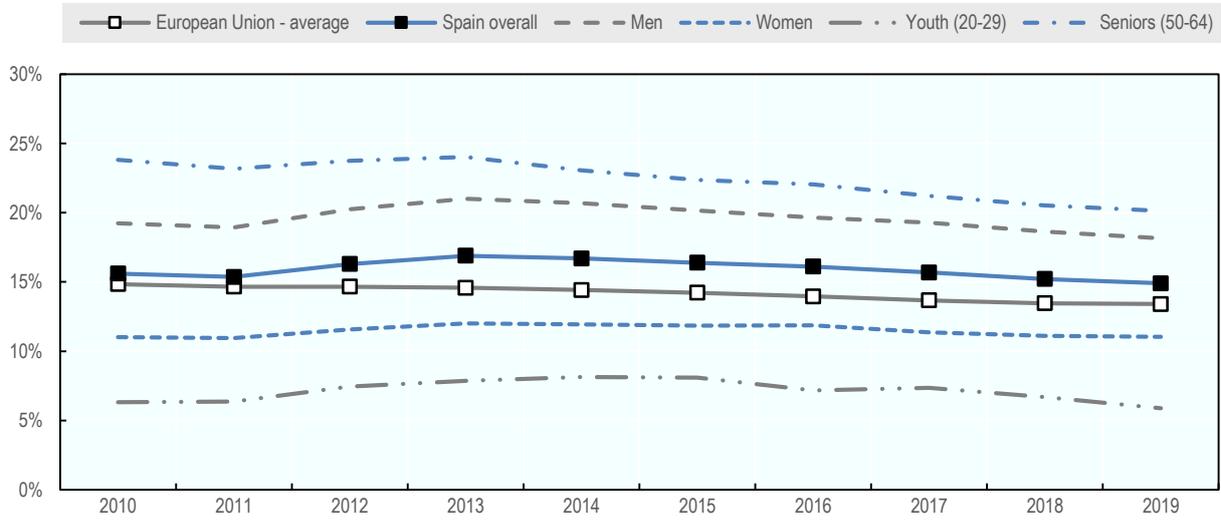


Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

Self-employment rates have been relatively stable in Spain for all demographic groups over the last decade, with a slight downward trend since 2013 (Figure 1.5). The overall self-employment rate was slightly above the EU average in 2019 (14.9% vs. 13.4%). Seniors have had the highest self-employment rate over the last decade while youth have had the lowest. Men were significantly more active than women in self-employment in 2019 (18.2% vs. 11.0%).

Figure 1.5. Self-employment rate

Proportion of employment that is self-employed.

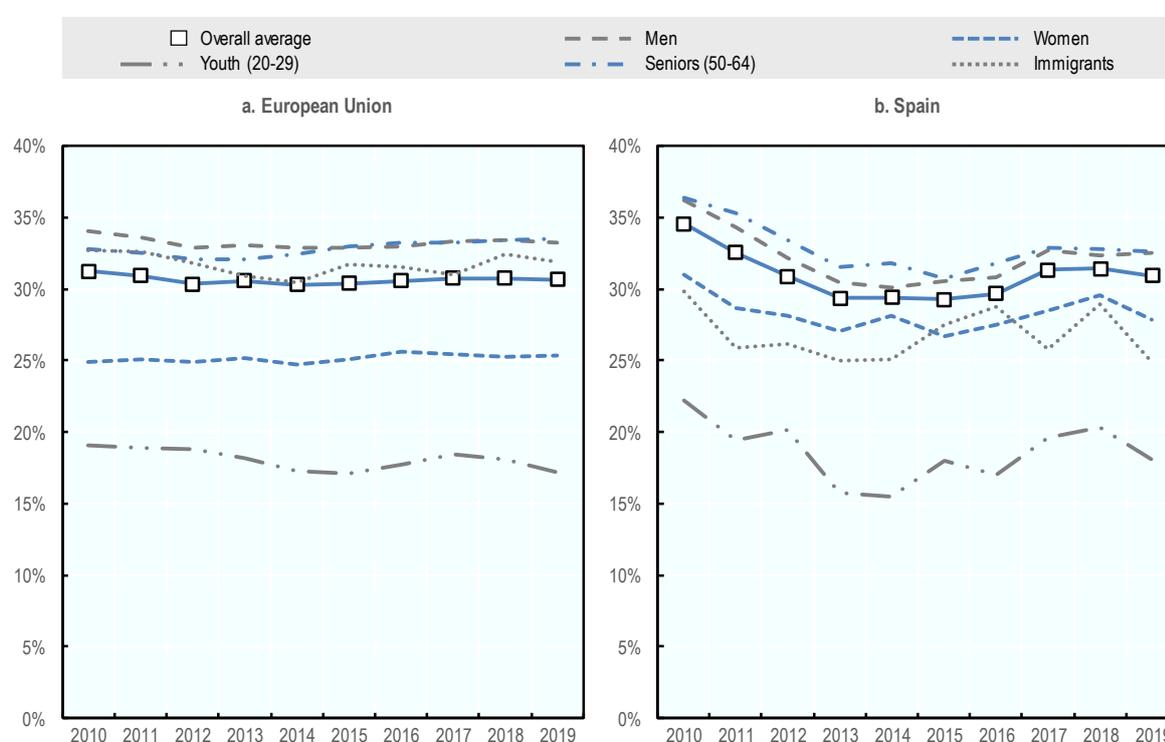


Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

The economic crisis has severely affected the Spanish labour market as a whole, including the self-employed. The proportion of employers within the self-employed has evolved cyclically since the financial crisis in all the segments of the population. The oscillations have been more pronounced in Spain than in the EU. While the share of self-employed workers with employees was close to the EU average in 2019 (30.9% vs. 30.7%), it was below pre-crisis levels (Figure 1.6). Youth were the least likely to employ others over the period (18.1% in 2019), while seniors were the most likely to have staff (32.6% in 2019). Most groups were close to the EU average in their propensity to employ others, with the exception of immigrants and women. Immigrants were around 7 percentage points less likely than the EU average to have employees. By contrast, women were 2.5 percentage points more likely to be employers than the EU average for women.

Figure 1.6. Self-employed as employers

Proportion of the self-employed who employ others

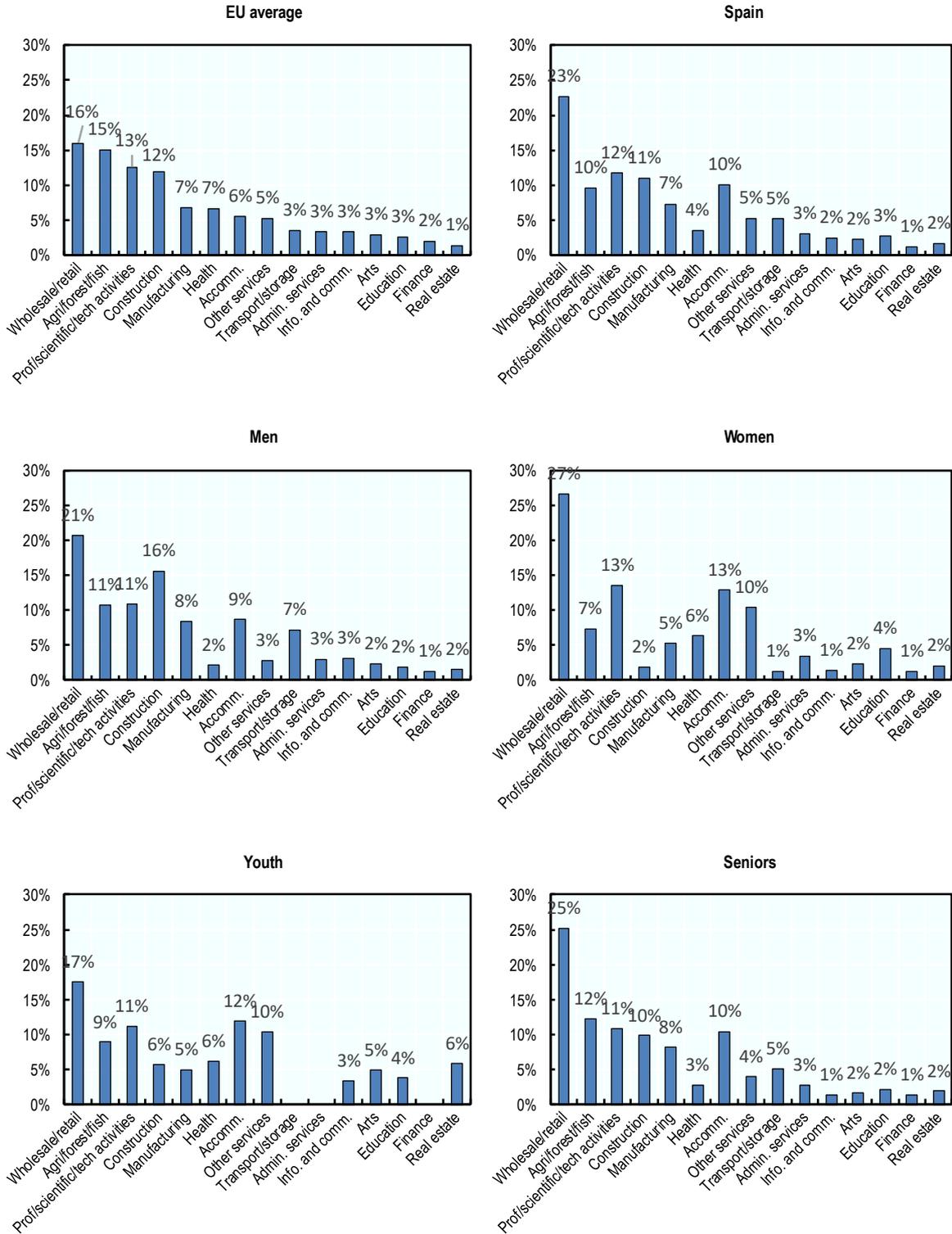


Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

In terms of sectoral distribution, the self-employed in Spain concentrate in wholesale activities (22.7% of self-employed workers are active in this sector vs. 16% in the EU), followed by professional activities (11.7%) and construction (10.9%), both in line with the EU average (respectively 12.6% and 11.9%). Accommodation and food services also stand out as a sector where self-employed workers are more active in Spain than in the rest of the EU (10.1% vs 6.8%). This concentration in the wholesale/retail and hospitality sectors is prominent in the inclusive entrepreneurship target groups. 26.6% of self-employed women are concentrated in wholesale and 12.8% in accommodation and food service activities. The proportion is similar for seniors. Youth self-employed workers are also primarily active in wholesale and retail trade, although this was the only demographic group where this sector concentrated less than 20% of workers. The prevalence of the wholesale and retail trade and hospitality sectors may be partly explained by the large number of small tourism-related businesses in the country.

Figure 1.7. Self-employment by economic activity

Distribution of the self-employed by sector, 2019

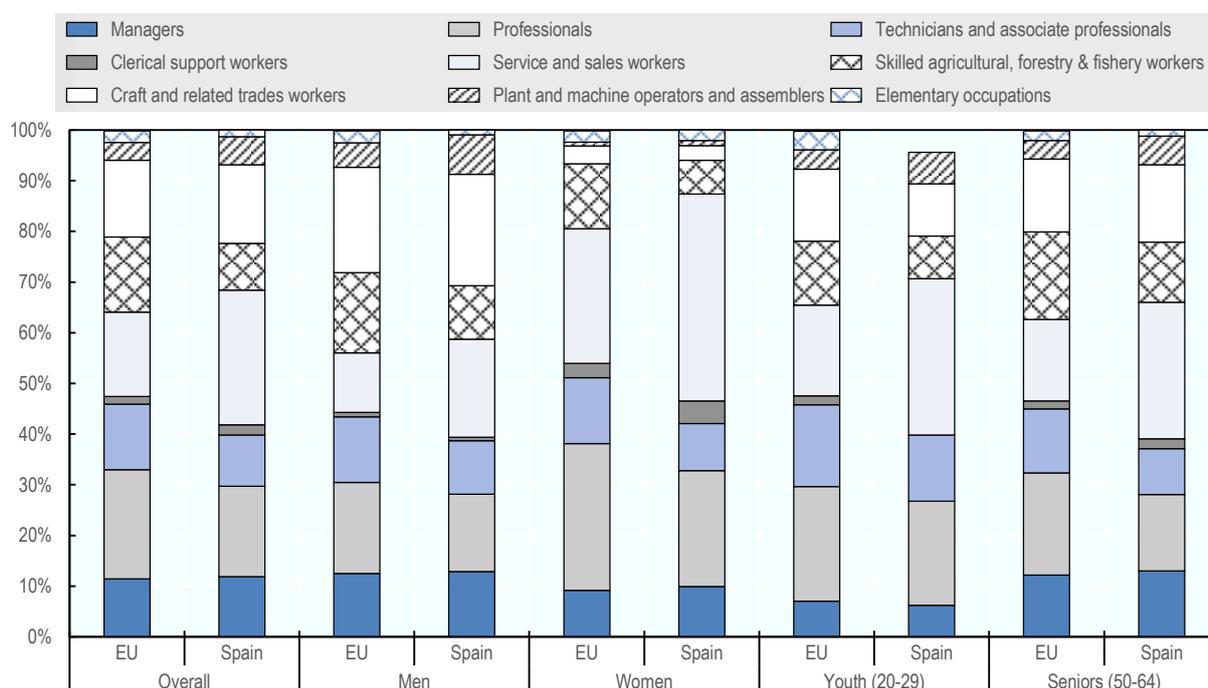


Note: Reliable data for youth are only available for 12 NACE activities out of 21.
 Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

Self-employed workers in Spain have relatively similar occupational distribution than the EU average, with a few notable differences. First, over a quarter of the self-employed work as service and sales workers (26.6%), significantly higher than the EU average (16.6%) (Figure 1.8), potentially reflecting the importance of traditional services in Spain, such as trade and tourism. This holds true for all the target groups, especially women, for whom this occupation represent 40.8% of the total (vs. 26.6% at the EU level). The second most frequent occupation is professionals, slightly lower than the EU average (17.9% vs. 21.6%). This occupation is most frequent for women (over 22.8% vs. 29.0% at the EU level), and the difference with the EU average is observed across all groups.

Figure 1.8. Self-employment by occupation

Distribution of the self-employed by occupation



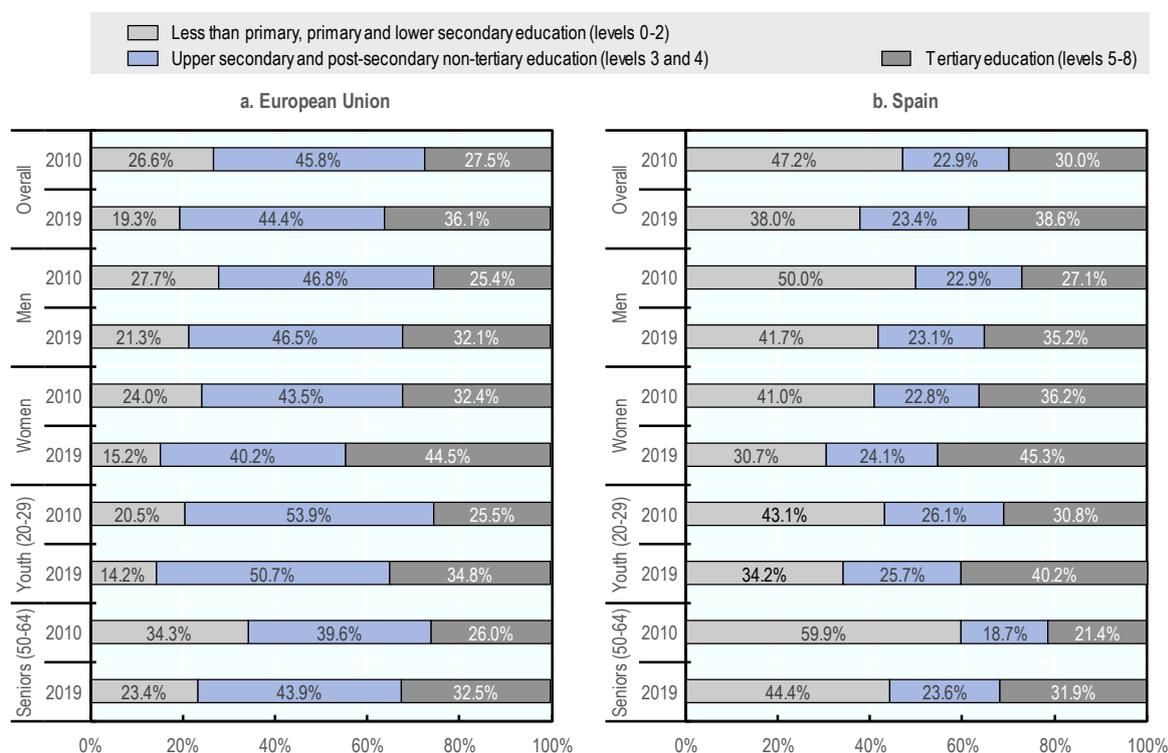
Note: Break in time series in 2014. Reliable data for youth are only available for 7 ISCO08 occupations out of 10.
 Source: (Eurostat, 2020_[1])

The distribution of the self-employed across educational attainments in Spain contrasts with the EU average (Figure 1.9). While close to half of the self-employed workers in Europe had intermediate educational achievements in 2019 (44.4%), self-employed workers in Spain were concentrated at the ends of the spectrums, with 38.0% having completed only basic education and 38.6% holding a tertiary degree. The share of self-employed workers with low educational attainments (lower secondary education or lower) in Spain was almost twice the EU average (19.3%) and the share of self-employed workers with tertiary education was slightly above the EU average (36.1%). The educational profile of self-employed workers changed significantly over the past decade, with a 9.8 percentage points decrease of the share of workers with basic education and an 8.6 percentage points increase in the share of workers with tertiary education. The share of workers with intermediate educational achievements remained stable.

The educational profile of self-employed workers varies by demographic group. The percentage of low-educated self-employed workers is especially high among seniors (44.4% vs 23.4% in the EU) and men (41.0% vs. 21.3% in the EU). This is coherent with the lower levels of education observed among the wider senior population. The educational profile of self-employed seniors is rapidly changing: 59.9% of self-employed seniors had only completed basic education in 2010, 15 percentage points higher than the 2019 level. Conversely, women and youth were very likely to hold a tertiary degree (respectively 45.3% and 40.2%). All groups were more likely than the EU average to have completed tertiary education, and the gap was the widest for youth, (40.2% vs. 34.8% at the EU level).

Figure 1.9. Self-employment by education level

Distribution of the self-employed by educational attainment



Note: Break in time series in 2014.

Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

Entrepreneurship activities

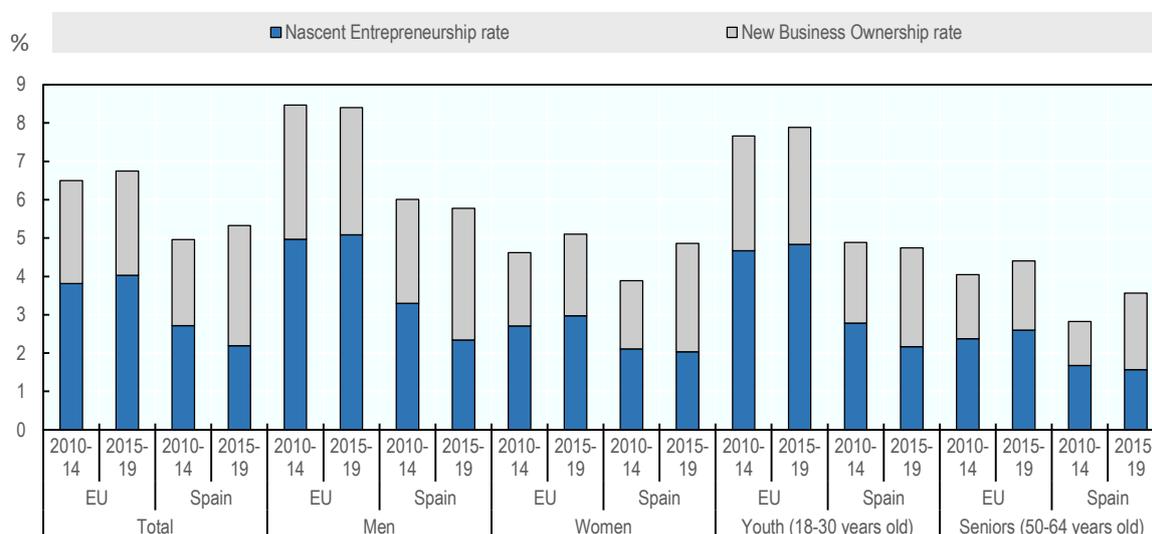
The Total early-stage Entrepreneurial Activity (TEA) measures the share of people involved creating (nascent entrepreneurship) or managing (new business ownership) a new business (i.e. less than 42 months old). It increased slightly between 2010-14 and 2015-19 but remained around two percentage points below the EU average (Figure 1.10). Over 2015-19, the gap in entrepreneurial activities between Spain and the EU average was widest for men (5.8% vs. 8.4%) and youth (4.7% vs. 7.9%). The TEA rate for these two groups also decreased between 2010-14 and 2015-19 while it has increased or remained stable for all groups at the EU level. By contrast, the TEA rate for women in Spain was close to the EU average in 2015-19 (4.9% vs. 5.1%), a 1 percentage point increase compared to 2010-14. Seniors had the lowest TEA rate in Spain in 2015-19, but this rate was up from 2010-14.

This under-average TEA rate is driven by a low involvement in business creation. The nascent entrepreneurship rate in Spain was significantly lower than the EU average (2.2% vs. 4.0% in 2015-19), and this observation held true for all groups. By contrast, people in Spain were slightly more likely than the EU average to be involved in managing a young business (between 3 months and 3 and a half years old) in 2015-19 (3.1% vs. 2.7%). This was true for all groups except youth.

Although, it is too early to assess the effects of the COVID-19 crisis on Spanish entrepreneurship, the provisional partial data from the Adult Population Survey (GEM, 2020) in Spain had not revealed a dramatic decrease in TEA levels as of September 2020.

Figure 1.10. Nascent entrepreneurship and new business owners

Proportion of the population (18-64 years old) that self-report being engaged in nascent entrepreneurship activities or new business owners



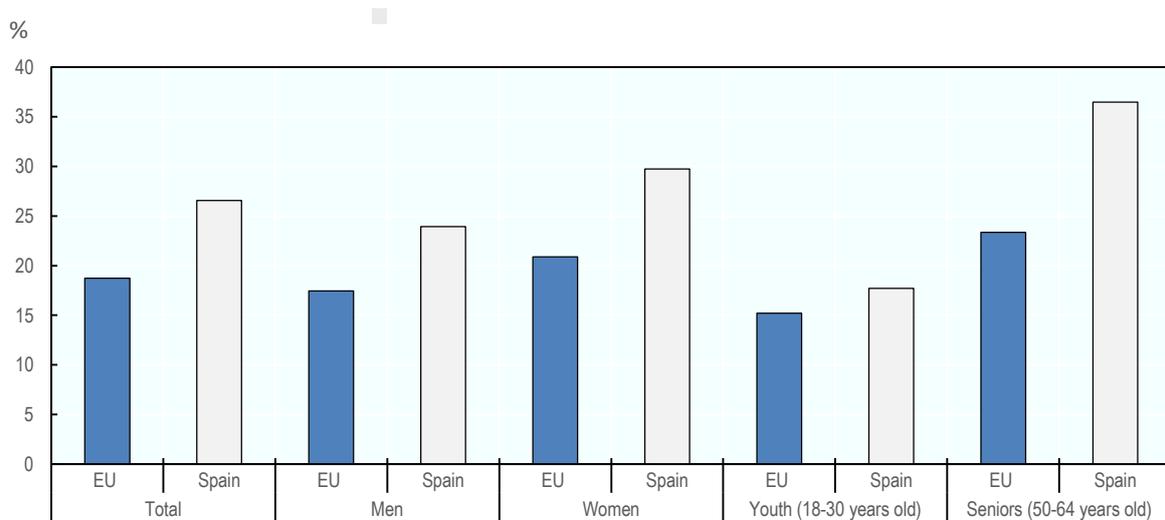
Note: The nascent entrepreneurship rate is defined as the proportion of the adult population (18-64 years old) that is actively involved in setting up a business they will own or co-own; this business has not paid salaries, wages or any other payments to the owners for more than three months. The new business ownership rate measures the proportion of the population (18-64 years old) that is currently the owner-manager of a new business that has paid salaries, wages or any other payments to the owners for more than three months, but not more than 42 months. All EU countries participated in the GEM survey between 2015 and 2019 except the Czech Republic, Denmark, Lithuania and Malta. Several countries did not participate in the survey in every year (missing years noted): Austria (2015, 2017), Belgium (2016-19), Bulgaria (2014), Cyprus (2015), Denmark (2015-18), Estonia (2018-19), Finland (2017-19), France (2015, 2019), Hungary (2017-19), Latvia (2018), Lithuania (2015-18), Portugal (2017-18), Romania (2016-19).

Source: GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD.

Entrepreneurs in Spain were more likely to report starting their business out of necessity than the EU average over the 2015-19 period (Figure 1.11). This was true for all target groups, to different extents. The gap was particularly large for seniors (36.5% vs. 23.4% EU average) and women (29.7% vs. 20.9% EU average). This may be partly explained by the labour market conditions in Spain, which are less favourable than many European countries.

Figure 1.11. Necessity entrepreneurship

Proportion of nascent entrepreneurs and new business owners (18-64 years old) that self-report that their entrepreneurship is necessity-driven, 2015-19



Note: Necessity entrepreneurship is defined as entrepreneurship activities that were launched because there were no other options in the labour market. All EU countries participated in the GEM survey between 2015 and 2019 except the Czech Republic, Denmark, Lithuania and Malta. Several countries did not participate in the survey in every year (missing years noted): Austria (2015, 2017), Belgium (2016-19), Bulgaria (2014), Cyprus (2015), Denmark (2015-18), Estonia (2018-19), Finland (2017-19), France (2015, 2019), Hungary (2017-19), Latvia (2018), Lithuania (2015-18), Portugal (2017-18), Romania (2016-19).

Source: GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD.

How many “missing” entrepreneurs are there?

The gaps in early-stage entrepreneurship rates across population groups suggest that there are many “missing” entrepreneurs. There are currently about 1.6 million early-stage entrepreneurs in Spain (i.e. those starting or managing a business that is less than 42 months old) and this number would increase by about 608 000 if the early-stage entrepreneurship rate for core-age males (30-49 years old) was applied to the whole population.

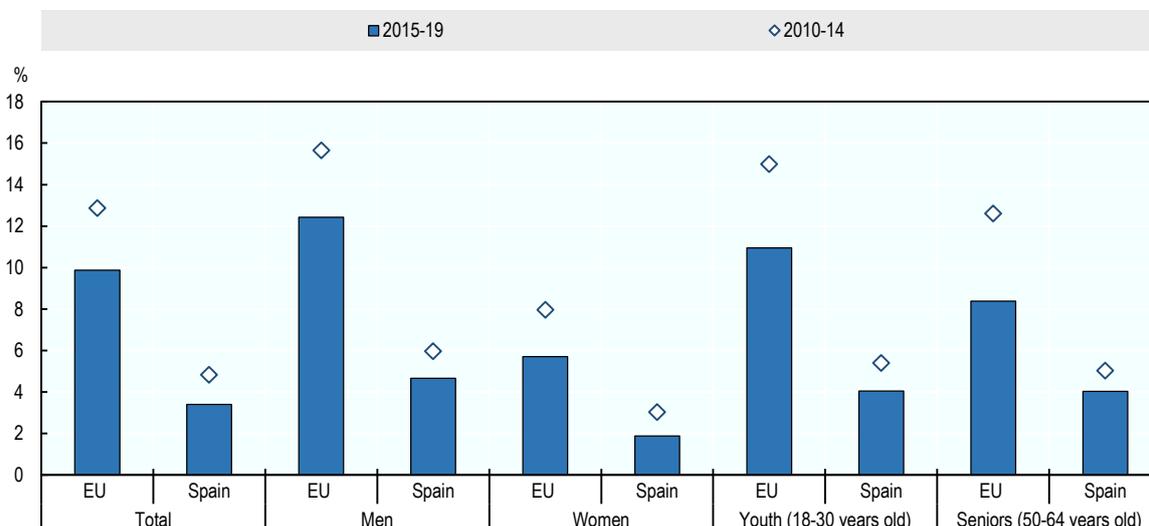
A similar exercise can be done for each population group by applying the rate for core-age males to each group (i.e. women, youth, seniors, immigrants). This shows that about 60% of these “missing” entrepreneurs are female, which is slightly lower than in most EU Member States. Another 60% are over 50 years old, which is slightly above the EU average. Immigrant entrepreneurs are over-represented in Spain.

Public policy should not seek to convert all of these “missing” entrepreneurs into actual entrepreneurs. Entrepreneurship is a labour market activity that involves risk and it is not suitable for everyone. Nonetheless, the exercise of estimating the number of “missing” entrepreneurs can illustrate the scale of entrepreneurship gaps and the potential benefits if some of the gaps in activity rates were reduced.

Entrepreneurs in Spain were also less likely than the EU average to report high employment growth expectations (Figure 1.12). Over 2015-19, 3.4% of entrepreneurs in Spain expected to create a substantial number of jobs in the next five years, around one third of the EU average (9.9%). A gap of the same proportion was observed for all groups, albeit to a smaller extent for seniors who were half as likely as the EU average to report high employment growth expectations (4.0% vs. 8.4%). As in the rest of the EU, women reported the lowest level of high-growth expectations (1.9%). While necessity-driven entrepreneurship is more likely to be associated with the creation of small subsistence businesses, a variety of factors may explain the relatively low growth expectations reported in Spain, including legislative complexities for SMEs that may create disincentives to growth and a relatively low prestige associated with successful entrepreneurship (European Commission, 2019).

Figure 1.12. Growth-oriented entrepreneurship

Proportion of nascent entrepreneurs and new business owners (18-64 years old) that expect to create at least 19 new jobs over the next five years



Note: All EU countries participated in the GEM survey between 2015 and 2019 except the Czech Republic, Denmark, Lithuania and Malta. Several countries did not participate in the survey in every year (missing years noted): Austria (2015, 2017), Belgium (2016-19), Bulgaria (2014), Cyprus (2015), Denmark (2015-18), Estonia (2018-19), Finland (2017-19), France (2015, 2019), Hungary (2017-19), Latvia (2018), Lithuania (2015-18), Portugal (2017-18), Romania (2016-19).

Source: GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD.

Source: (Global Entrepreneurship Monitor, 2019^[2])

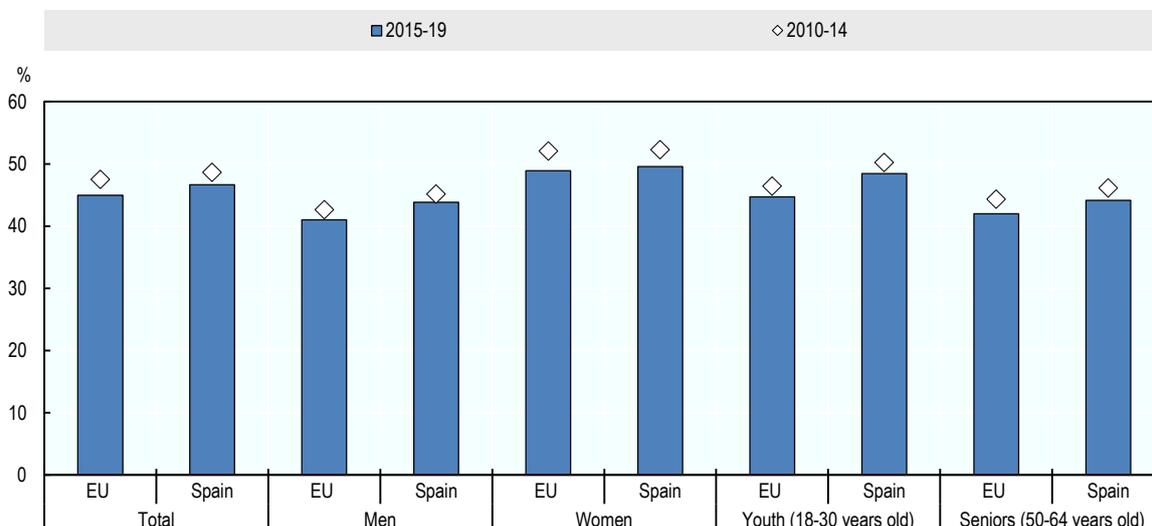
Barriers to business creation

Fear of failure is a commonly reported barrier to entrepreneurship, and 46.5% of Spanish adults cite it as an obstacle to business creation over 2015-19, close to the EU average (45.0%) and slightly lower than the 2010-14 level (48.6%) (Figure 1.13). Women were the most likely to report this fear, followed, by youth, seniors and men. A slightly higher than average fear of failure was reported for all groups, and the gap between Spain and the EU was largest for youth (48.4% reported this fear vs. 44.7% EU average).

Adults in Spain were more likely than the EU average to believe they had the skills to become entrepreneurs over 2015-19 (46.3% vs. 42.5%) (Figure 1.14). This was true for all demographic groups considered. The gap was largest among women: 42.0% saw themselves as equipped with the skills to start a business while only 36.0% of women did at the EU level. However, they were still less likely than men (50.5%) and seniors (43.9%) in Spain to report confidence in their entrepreneurship skills over the period. The relatively higher confidence in entrepreneurship skills observed in Spain may be due to the respondents' perception of business creation. Entrepreneurship is frequently seen as the starting up of a small-scale, locally-oriented business. While many believe that they have the skills to run such businesses, they do not necessarily see it as a desirable career.

Figure 1.13. Fear of failure

“Does a fear of failure prevent you from starting a business?”
Percentage of population who responded “yes”, 18-64 years old

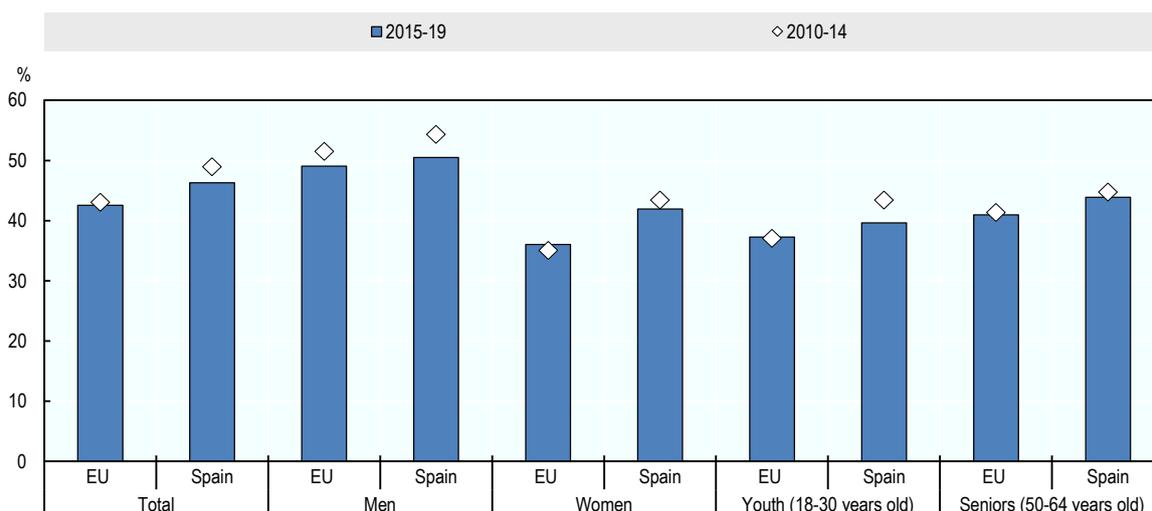


Note: All EU countries participated in the GEM survey between 2015 and 2019 except the Czech Republic, Denmark, Lithuania and Malta. Several countries did not participate in the survey in every year (missing years noted): Austria (2015, 2017), Belgium (2016-19), Bulgaria (2014), Cyprus (2015), Denmark (2015-18), Estonia (2018-19), Finland (2017-19), France (2015, 2019), Hungary (2017-19), Latvia (2018), Lithuania (2015-18), Portugal (2017-18), Romania (2016-19).

Source: GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD.

Figure 1.14. Entrepreneurship skills

“Do you have the knowledge and skills to start a business?”
Percentage of population who responded “yes”, 18-64 years old



Note: All EU countries participated in the GEM survey between 2015 and 2019 except the Czech Republic, Denmark, Lithuania and Malta. Several countries did not participate in the survey in every year (missing years noted): Austria (2015, 2017), Belgium (2016-19), Bulgaria (2014), Cyprus (2015), Denmark (2015-18), Estonia (2018-19), Finland (2017-19), France (2015, 2019), Hungary (2017-19), Latvia (2018), Lithuania (2015-18), Portugal (2017-18), Romania (2016-19).

Source: GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD.

2 Inclusive entrepreneurship policy framework

Overview and assessment

Table 2.1. Characterisation of the inclusive entrepreneurship policy context

		Women	Immigrants	Youth	Seniors	Unemployed
1. Entrepreneurship policies for each target group are under the responsibility of the following level(s) of government (multiple levels can be checked)	National	✓	✓	✓	✓	✓
	Regional	✓		✓		✓
	Local					
2. A group-specific entrepreneurship strategy has been developed (either stand-alone or embedded in another strategy)		✓		✓		✓
3. Clear targets and objectives for entrepreneurship policy have been developed and reported for different target groups						
4. Monitoring and evaluation practices for entrepreneurship support are strong and widespread						

Note: A check-mark indicates the level policy responsibility for tailored entrepreneurship policy (multiple selections are possible) and characteristics of the entrepreneurship policy framework.

Policy responsibility

Spain is a decentralised country. Different government levels have their own competencies and legislation. The main levels of governance are the national government, regions (*Comunidades Autónomas*, autonomous communities), provinces and municipalities. Although entrepreneurship policy is mainly the responsibility of the central government, the regions have autonomy to manage and establish their own laws in this area, adjusted to their local context. At the national level, three ministries are mainly responsible of self-employment and entrepreneurship policy: (i) the Ministry of Industry, Trade and Tourism, (ii) the Ministry of Labour and Social Economy, and (iii) the Ministry of Economic Affairs and Digital Transformation. However, entrepreneurship policy is transversal and affected by measures in several other ministries.

Policies that promote the creation of new firms, often led by the Ministry of Economic Affairs, represent a significant part of support to business creation. A large part of entrepreneurship support is also framed within active employment policies. The National Employment System¹ (*Sistema Nacional de Empleo*, SEPE) sets objectives for employment policy and its delivery that apply on a national basis and to all autonomous communities. Co-ordination bodies are in place to facilitate co-ordination and co-operation

¹ Royal Legislative Decree 3/2015 of 23 October, approving the revised text of the Employment Act.

between the Central State and the autonomous communities regarding employment policy and the implementation of the European Employment Strategy.

Several civil society organisations are consulted in the planning and development stages of all major action plans. This includes the development of strategic actions related to employment and entrepreneurship. The following consultation bodies are particularly relevant for issues related to self-employment and entrepreneurship of under-represented and disadvantaged groups:

- The Council of Women's Participation², includes representatives from women's organisations and associations at the state level and Public Administrations and representatives of business organisations and trade unions.
- The Spanish Youth Council (CJE) is a platform of youth entities, created by law in 1983 and formed by the Youth Councils of the Autonomous Communities and youth organisations in the state. It promotes the participation of young people in political, social, economic and cultural development.
- There is a consultative forum for the social integration of immigrants³, with representatives from the public administration, immigrants' associations and NGOs, but its activities do not focus on entrepreneurship.
- Finally, the Spanish Committee of Representatives of People with Disabilities (CERMI) was created in 1997. It is a defence and self-advocacy platform for people with disabilities, and includes the main national disability organisations and around 3 000 smaller organisations.

Inclusive entrepreneurship strategies and objectives

In the last decade, in the context of the Europe 2020 strategy (European Commission, 2010), Spain has developed a number of laws and strategies to support entrepreneurship.⁴ There is currently no overarching national plan to promote entrepreneurship in Spain, but a Strategic Framework for SME Policy 2030 (*Marco Estratégico en Política de PYME 2030*) released in 2019 has some relevance for the context for entrepreneurs, and a National Strategy for Spain as an Entrepreneurial Nation (*Estrategia España Nación Emprendedora*) is foreseen to be released in 2021. The creation of a High Commissioner for Spain as an Entrepreneurial Nation was also announced in January 2020. A Startup Law (*Ley de Startups*) was also announced, and a consultation process was conducted in 2019 in preparation for it. While no specific objectives are currently defined regarding entrepreneurship in general or inclusive entrepreneurship, several strategic documents make reference to entrepreneurship and self-employment among specific groups:

- Two strategic programmes are particularly relevant for youth entrepreneurship support: The Youth Guarantee (Garantía Juvenil) programme and the Youth Entrepreneurship and Employment Strategy 2013/2016 (EEEJ)⁵ (*Estrategia de Emprendimiento y Empleo Joven*)—both of which benefit from European funding— include the promotion of youth entrepreneurship and follow European Council recommendations.
- Objectives related to women's entrepreneurship promotion are included in two major strategic documents. The Equal Opportunities Strategic Plan 2014-16 (*Plan Estratégico de Igualdad de*

² Royal Decree 1791/2009 (20 November).

³ Created by Organic Law 4/2000 (11 January) and regulated by Royal Decree 3/2006 (16 January).

⁴ Including, for example: the Entrepreneurs' Law (Law 11/2013 26 July 2013), the Law to support entrepreneurs and their internationalisation (Law 14/2013, 27 September), the Spanish Employment Activation Strategy 2014-16 (2014), Promoting Business Financing (Law 5/2015, (27 April), the Law to update regulations on self-employment (Law 31/2015 (9 September) and the Law on Urgent Self-employment Work Reforms (Law 6/2017, 24 October).

⁵ Law 4/2013 (Royal Legislative Decree, 22 February 2013). The EEEJ has been renovated for 2017-20, although no details of new targets, measures, etc., have so far been provided.

Oportunidades) was approved in March 2014. A new plan has been proposed for the period 2019-22, which was still under discussion in 2020. The plan sets goals and proposes measures to eliminate gender discrimination and to achieve equal opportunities between women and men. Entrepreneurship is a priority in the plan: Objective 4 is “to foster female entrepreneurship, supporting business creation and self-employment”. Similarly, the Plan for Rural Women 2015-18 aims, as one of its objectives, to foster female entrepreneurship and self-employment.

- A strategy is in place to address unemployment. The Spanish Employment Activation Strategy 2014-16 (*Estrategia Española de Activación para el Empleo 2014-16*) is a multi-year framework for the programming and coordination of active labour market policies (ALMPs) nationwide following the economic crisis. One of its strategic objectives is to promote entrepreneurship. A new version of this strategy is currently in preparation.
- The Action Plan on Disability Strategy 2014-20⁶ established measures to foster entrepreneurship from this group, including the improvement of educational conditions for persons with disabilities. This follows the General Law for Persons with Disabilities and their Social Inclusion,⁷ which made a call to adopt policies to promote self-employment among persons with disabilities through social economy initiatives.
- The National Strategy for the Social Inclusion of the Roma Population in Spain 2012-20 includes the fostering of self-employment in Roma people among its targets.

There is no specific legislation or action plan to promote entrepreneurship among older people and immigrants. The Strategic Citizenship and Integration Plan 2011-14 (*Plan Estratégico de Ciudadanía e Integración*) and the National Action Plan for Social Inclusion 2013-16 (*Plan Nacional de Acción para la Inclusión Social del Reino de España*) mentions the promotion of self-employment and business creation by immigrants but the next strategic plan has not yet been approved. Only a small number of initiatives have been launched. In practice, most support for these target groups is provided through available support targeted to other personal characteristics (e.g. youth and, particularly, women or the unemployed).

Overall, the framework for institutional support to inclusive entrepreneurship has been largely developed on an *ad hoc* basis. Some strategic objectives related to inclusion of different groups have been set, but most are not directly related to entrepreneurship and most strategies incorporate entrepreneurship as a secondary aim.

A related strategic priority in Spain is social entrepreneurship. A Spanish Strategy for social economy 2017-2020 is in place, as well as a dedicated law on social economy (Law 5/2011 on Social Economy). The social economy is seen as an important driver of economic recovery and job creation, in particular for under-represented and disadvantaged groups, and is integrated in active labour market policies. While strategic priorities on social entrepreneurship do not include inclusive entrepreneurship targets, they are believed to contribute to labour market inclusion of certain groups (such as youth, women, older people, people with disabilities, and people at risk of social exclusion) as employees, and possibly as entrepreneurs.

Monitoring and evaluation practices

The implementation of strategies is generally monitored or evaluated. Examples of evaluations relevant for inclusive entrepreneurship include:

- Evaluations of the Youth Employment Initiative: A first evaluation of the Youth Employment Initiative was carried out with data up to the end of 2015. More than 325 000 young people had participated in Youth Guarantee actions in 2016, particularly disadvantaged groups, but only 2% of the budget was

⁶ Plan de Acción de la Estrategia Española sobre Discapacidad 2014-2020.

⁷ Royal-Decree 1/2013 (29 November) approved the consolidated text of this law.

dedicated to entrepreneurship measures, while the measures towards employee insertion represented 58% (UAFSE, 2016; Cabasés et al., 2016; Cueto et al., 2017). The European Court of Auditors showed inconsistencies and verification problems in the feedback reported by Spain—for example, 42% of locations in Spain are unknown (poor data quality), and only 45% of beneficiaries keep working 12 months after an initial contract within this programme (low long-term effectiveness). This Institution called for a comprehensive analysis of the population of youth Not in Education, Employment, or Training (NEET) population, recommending a skill mismatch analysis (European Court of Auditors, 2017). A second evaluation (Dec. 2018) highlighted similar issues and found that actions on entrepreneurship only accounted for 1.1% of the total actions completed from 2013 to 2017.

- Evaluations of the Equal Opportunities Strategic Plan 2014-16: The final implementation and evaluation report of the Plan reviewed the main actions carried out. A notable measure related to entrepreneurship was the Business Support Programme for Women (PAEM), which had granted 459 microcredits over the period. Other relevant programmes include the Innovative Entrepreneurs Programme which trained 128 women and the Women’s Entrepreneurship in Emerging Economic Sectors and New Market Opportunities Project, which offered grants to 1 604 women. 79% of the measures in the strategies have been fulfilled, but there is no indication of which share of measures has been dedicated to entrepreneurship.
- While self-employment was not a central focus of the evaluation of the *Disability Action Plan 2014-18*, this evaluation found that the SEPE programme to promote the self-employment of people with disabilities was being implemented unequally across regions.

Monitoring and evaluation of individual initiatives is not systematic and is done at the programme level. Projects for which some results have been published include the EEA Grants⁸ project implemented by INCYDE⁹ on women entrepreneurship¹⁰. 656 women took part in the 31 entrepreneurial awareness programmes and 31 formative programmes in 31 different towns. Results indicate that 45% of them had set up their businesses and another 11% were still trying to start up.

Recent developments

The complex political situation since 2017 (with a Motion of Censure against the Government of Mariano Rajoy in 2018, two general elections in 2019 and the uncertainty of a coalition government formed only in January 2020) has stalled progress inclusive entrepreneurship policies. A number of initiatives have been delayed. For instance, the Equal Opportunities Strategic Plan 2018-21 was not developed and has been replaced by the Equal Opportunities Strategic Plan 2019-22, which is still pending. Similarly, the preparation process for a new Spanish Employment Activation Strategy for 2017-20¹¹ and the Second Action Plan of the Youth Strategy 2017-20 have been announced but finalised strategies have not been approved.

⁸ <http://eeagrants.org/Who-we-are/EEA-Grants>.

⁹ INCYDE Foundation (*Instituto para la Creación y Desarrollo de la Empresa*, Institute for Enterprise Creation and Development) is an Initiative of the Spanish Chambers of Commerce.

¹⁰ “*Emprendimiento de mujeres en sectores económicos emergentes y nuevas oportunidades de mercado*” (women entrepreneurship in emerging economic sectors and new market opportunities):

www.incyde.org/proyecto/proyecto-emprendimiento-femenino-en-sectores-economicos-emergentes-y-nuevas-oportunidades-de-mercado-2015.

¹¹ Approved by Royal Decree 1032/2017 of 15 December.

Nonetheless, several relevant developments were introduced. The Council of Ministers approved, on 7 December 2018, the Young Employment Action Plan 2019-21 (*“plan de choque para el empleo joven”*) with the unanimous support of the social partners. It includes 50 measures with an estimated cost of EUR 667 million for 2020. Entrepreneurship promotion is one of its objectives. In addition, the Plan *Reincorpora-T 2019-21*, approved on 5 April 2019, seeks to prevent and reduce long-term unemployment. It includes 63 measures with an estimated cost of EUR 1,480 million for 2020, with EUR 487 million earmarked for activation policies. Entrepreneurship promotion is also among the objectives of this strategy. Similarly, grants for activities to promote the role of women in rural development were also approved in 2019.¹² The aim is to strengthen the role of women in the rural area and to curb depopulation, encouraging rural women’s entrepreneurship.

Policy measures in response to COVID-19 to support entrepreneurs and the self-employed¹³

Several Royal Decree-Laws have been approved to try to alleviate the impact of the COVID-19 crisis on firms. In summary, this support includes, among other measures, the following:

- Mortgage moratorium: creditors are required to grant a moratorium on the payment of mortgage debts incurred for the acquisition of properties affected by the economic activity developed by the self-employed and professionals in a position of economic vulnerability (loss of income or a fall in sales exceeding 40%).
- Waiver to request the declaration of bankruptcy: if a debtor is in a state of insolvency he/she will not be obligated to request the declaration of bankruptcy and Spanish judges shall not admit applications for necessary bankruptcy (*concurso necesario*) that have been presented during the state of alarm or in the two months following the end of the state of alarm.
- Guarantees provided by the Spanish government in order to facilitate access to liquidity for companies and the self-employed: the Spanish government is providing lenders with a State guarantee operated via the Spanish Official Credit Institute (ICO) covering 80% of new loans or credit facilities, as well as renewals of pre-existing agreements of financing transactions to self-employed workers or small and medium-sized enterprises.
- Ordinary provision of cessation of activity benefits compatible with the working as a self-employed: The self-employed worker must have experienced a reduction in the invoicing during the third quarter of 2020 of at least 75% in relation to the same period of 2019. The amount of the provision is 70% of the amount due for a full cessation of activity.
- Extraordinary benefit of cessation of activity for seasonal self-employed workers: these workers receive 70% of the minimum regulatory base if they fulfil some requirements (not having perceived any benefits from the Social Security System nor having earned income over EUR 23 275 during 2020, having being self-employed at least 5 months between March and October in 2018 and in 2019).
- Exemption from payment in the self-employed contribution: one of the lines of action planned is to exempt the payment of the social security contribution for the self-employed during the three months following the end of the emergency state.

¹² Royal Decree 146/2019 (15 March).

¹³ Policy measures up to mid-July 2020 have been considered. However there might be changes in duration and amount of existing measures respectively new measures upcoming.

3 Assessment of current and planned inclusive entrepreneurship policies and programmes

Developing entrepreneurship skills

Overview and assessment of policies and programmes

Table 3.1. Characterisation of schemes for developing entrepreneurship skills

		Tailored: Are public programmes tailored for the target group (i.e. dedicated)?	Consultation: Are the targeted entrepreneurs consulted during the design of programmes?	Outreach: Are appropriate outreach methods used for different target groups?	Delivery: Are specialist organisations used to deliver programmes?	Take-up: Does the support have high take-up among target group?	Scale: Is the scale of available support sufficient?	Impact: Does evaluation evidence show a positive impact?	Integrated: Is the programme delivered linked other related supports?	Links: Do tailored programmes link to mainstream support programmes?
Women	1. Entrepreneurship training			✓	✓				✓	
	2. Entrepreneurship coaching and mentoring	✓		✓	✓			✓	✓	
	3. Business consultancy, including incubators/accelerators							✓	✓	✓
Immigrants	1. Entrepreneurship training	✓			✓	✓		✓		
	2. Entrepreneurship coaching and mentoring	✓						✓	✓	
	3. Business consultancy, including incubators/accelerators	✓								
Youth	1. Entrepreneurship training	✓			✓				✓	
	2. Entrepreneurship coaching and mentoring	✓			✓				✓	
	3. Business consultancy, including incubators/accelerators	✓			✓				✓	✓
Seniors	1. Entrepreneurship training								✓	
	2. Entrepreneurship coaching and mentoring								✓	
	3. Business consultancy, including incubators/accelerators								✓	✓
The unemployed	1. Entrepreneurship training	✓		✓	✓					
	2. Entrepreneurship coaching and mentoring				✓					
	3. Business consultancy, including incubators/accelerators								✓	✓

Note: This table presents the characteristics of entrepreneurship schemes that are directly offered by national, regional and local governments, as well as those that are financed by the public sector but delivered by other actors. It considers the “typical” entrepreneur in each of the different target groups, in the “typical” region in the country. A check-mark indicates when the characteristic is typically fulfilled.

The offering of entrepreneurship training in Spain has been expanding in recent years. Legal reforms to reinforce the development of entrepreneurial skills in the education system have been approved, such as the LOMCE¹⁴ which introduces the "Sense of initiative and entrepreneurial spirit" as a core competence for students. There has also recently been a substantial increase in the availability of business incubators for all entrepreneurs. The support for women and young people have expanded in recent years – with specialist organisations to deliver the programmes. However, there are no national public entrepreneurship skills development programmes tailored to older people, immigrants, and persons with disabilities.

Women

Policy actions have been launched to provide tailored support to women entrepreneurship and encourage self-employment. In general, specialist organisations are used to deliver the support and a gender perspective is taken into account in policy. However, more coordination is needed between the different programmes. The main programmes supporting women entrepreneurs are the following.

The Institute for Women and Equal Opportunities (*Instituto de la Mujer y para la Igualdad de Oportunidades*) coordinates two relevant programmes with other institutions. Both include an element of coaching and mentoring specifically tailored for women entrepreneurs (mainly offered by women entrepreneurs and counsellors). The existing evaluations, although partial, seem to be positive:

- The Rural Woman Challenge Programme (*Programa Desafío Mujer Rural*) is developed in collaboration with the EOI Foundation (public postgraduate business school) and co-financed by the European Social Fund. It aims at promoting the innovation and competitiveness of women entrepreneurs in rural areas. It provides continued support to rural women developing entrepreneurial projects. Actions include the Rural Women's Challenge competition, training, mentoring, coaching and a web site for women entrepreneurs.¹⁵ It also includes an e-commerce site, although it is not very active (only around 100 firms are registered).
- The Business Support Programme for Women (PAEM) programme is an initiative to develop a national network promoting and supporting women start or expand a business, the programme is supported by the Spanish Chambers of Commerce and the European Social Fund. The PAEM offers basic training, business advice, support in strategic development, and information on a microcredit programme developed in collaboration with MicroBank. It also provides tailored mentoring by women entrepreneurs ("*W&W Sabiduría mujer*" programme), support to find credit guarantees, etc. There are over 50 Chambers of Commerce throughout the whole of Spain, and support is also offered online.¹⁶

Immigrants

The Directorate-General for Inclusion and Humanitarian Care (Ministry of Inclusion, Social Security and Migration) awards grants to actions promoting coexistence and social cohesion (co-financed with European Union funds). The Autonomous Communities also provide similar grants. These subsidies support the work of associations, foundations and NGOs, as well as municipal services that carry out training activities for this group. Their activities usually include business advisory services, specific training, mentoring and support in seeking start-up funding.

¹⁴ Organic Law 8/2013 for the Improvement of Educational Quality Ley Orgánica (9 December).

¹⁵ <http://desafiomujerrural.es>

¹⁶ <http://empresarias.camara.es>

For example, in 2019 the Tomillo Foundation¹⁷ (*Fundación Tomillo*) and its programme Entrepreneurship and Integration (co-financed by the European Social Fund) helped to create 111 businesses. Another example is *Lanzadera: apoyo a iniciativas de autoempleo de personas inmigrantes* (Lanzareda: support to immigrants' self-employment initiatives) developed by the *Asociación AD Los Molinos*¹⁸ since 2008 (in collaboration with the Ministry of Employment and Social Security and the European Social Fund). Workshops for immigrant entrepreneurs are also offered by the *Centro de Estudios Sociales Luis Vives*,¹⁹ of the non-profit Action against Hunger (*Acción Contra el Hambre*).

Other notable initiatives include a pilot programme carried out by the Chambers of Commerce in some areas (the Balearic Islands, Valencia, Almería) to develop the European Refugees Integration Action Scheme (ERIAS)²⁰ project, where almost 100 immigrants will receive between 24 and 30 hours of training on basic skills and entrepreneurship. Another relevant programme was developed within the Youth Employment and Entrepreneurship Strategy, and financed by the European Social Fund. It is a training and support programme for immigrants for self-employment developed by the UPTA (Union of Professionals and Self-Employed Workers).²¹ This includes training, mentoring and advice on procedures and requirements for self-employment.

Youth

Training and coaching for youth entrepreneurs is mainly offered through the specialised agency INJUVE (National Youth Institute). The INCYDE also offers these support measures through the Youth Employment Operative Programme (funded by the European Social Fund). They aim to collaborate with incubators and accelerators to host the new entrepreneurs there. The main relevant programmes for youth entrepreneurship are:

- INCYDE (part of the Confederation of Chambers of Commerce) offers training to young entrepreneurs (aged under 30 years old) through the programme *Construye tu futuro* (build your future). It includes a first stage to promote the entrepreneurial culture and idea generation; a second stage with entrepreneurship training; and a third stage devoted to mentoring. While this is a private organisation, it is highly regulated, works in close connection with the public administration and is mostly publicly funded. Most Chambers of Commerce have their own incubators, where young entrepreneurs can be hosted.
- Young Entrepreneur Challenge (*Desafío Emprendimiento Juvenil*) is a programme offered by the EOI.²² It is addressed to young people registered for the Youth Guarantee scheme. It includes 10 hours of online training, followed by 20 hours of personal tutoring.

In addition, the Young Employment Action Plan 2019-21 includes three measures that specifically promote entrepreneurship (out of 50 structural measures). These measures aim to promote entrepreneurship, training and counselling, support for digitalisation (including the collaboration with start-up incubators and accelerators). Another notable programme is *Programa ACELERA-PYME* which offers training, entrepreneurship support and the development of digital competences for the self-employed and SMEs in

¹⁷ <https://tomillo.org/que-hacemos/emprendimiento/>

¹⁸ www.admolinos.org/autoempleo-y-empredimiento/lanzadera-apoyo-iniciativas-autoempleo-inmigrantes/

¹⁹ www.accioncontraelhambre.org/es/empleabilidad/emprende

²⁰ www.camara.es/creacion-de-empresas/programa-integracion-mercado-laboral-migrantes-erias

²¹ <https://upta.es/proyecto-inmigracion/>

²² www.eoi.es/es/cursos/34583/desafio-empredimiento-juvenil-ambito-nacional-3a-edicion

general. While it is not targeted at youth specifically, its beneficiaries are mostly people 35 years old or younger.

Seniors

There are very few specific public entrepreneurship programmes for seniors. In 2019, the Professional Women's Network Madrid started the program "*M+50 Emprende*".²³ This programme is a line of work to promote entrepreneurship among women over 50 years old. This project is co-financed by the European Social Fund and Directorate General for Women. The project includes the organisation of workshops to facilitate entrepreneurship, a training programme and support and mentoring. It also helps entrepreneurs to seek funding for their projects.

The unemployed

The Spanish Public Employment Service offers training courses for the unemployed in several domains, including in start-up and self-employment. This is part of the Youth Guarantee and the Spanish Employment Activation Strategy. Additionally, the unemployed have access to DGPYME²⁴, which offers online training courses in collaboration with the EOI²⁵ or INCYDE. Additionally, associations, foundations and NGOs, as well as municipal services, carry out training activities for this group. For example, the EOI Foundation²⁶ - with the help of European Social Fund - has been training entrepreneurs and developing business creation programmes for over 20 years.

Recent policy developments

The aforementioned *Reincorpora-T* 2019-21 and Young Employment Action Plan 2019-21, while in very early stages, include measures related to entrepreneurship skills development for youth and the unemployed. Among the 63 actions proposed by *Reincorpora-T*, 2 are connected to entrepreneurship skill development. Action 50 contemplates the promotion of self-employment and collective entrepreneurship through specialised technical teams and advisors. Action 52, in turn, promotes the need for counselling and mentoring services for entrepreneurial initiatives. The programme is still to be implemented.

The Young Employment Action Plan includes some specific actions for developing young self-employment. For example, Action 38 foresees the provision of incentives for unemployed young women to start businesses to revitalise the economy and encourage female entrepreneurship. A mentor will be assigned to advise them on their business plan. These female entrepreneurs will be offered mentoring services, and once the viability of the business is demonstrated they will be able to access financial assistance provided for the self-employed.

²³ www.50pro.es/portfolio/proyecto-m50-emprende/

²⁴ <http://www.ipyme.org/es-ES/CreaEmpresa/Paginas/Crea-tu-empresa.aspx>

²⁵ www.eoi.es

²⁶ <https://www.eoi.es/es/empresas/emprendedores>

Financing entrepreneurship

Overview and assessment of policies and programmes

Table 3.2. Characterisation of schemes for facilitating access to finance

		Tailored: Are public programmes tailored for the target group (i.e. dedicated)?	Consultation: Are the targeted entrepreneurs consulted during the design of programmes?	Outreach: Are appropriate outreach methods used for different target groups?	Delivery: Are specialist organisations used to deliver programmes?	Take-up: Does the support have high take-up among target group?	Scale: Is the scale of available support sufficient?	Impact: Does evaluation evidence show a positive impact?	Integrated: Is the programme delivered linked other related supports?	Links: Do tailored programmes link to mainstream support programmes?
Women	1. Grants for business creation	✓								
	2. Loan guarantees							✓	✓	
	3. Microfinance and loans				✓			✓	✓	
	4. Other instruments (e.g. crowdfunding, risk capital)									
Immigrants	1. Grants for business creation									
	2. Loan guarantees									
	3. Microfinance and loans	✓		✓	✓	✓			✓	
	4. Other instruments (e.g. crowdfunding, risk capital)									
Youth	1. Grants for business creation									
	2. Loan guarantees									
	3. Microfinance and loans			✓	✓	✓		✓	✓	
	4. Other instruments (e.g. crowdfunding, risk capital)									
Seniors	1. Grants for business creation									
	2. Loan guarantees									
	3. Microfinance and loans									
	4. Other instruments (e.g. crowdfunding, risk capital)									
The unem- ployed	1. Grants for business creation			✓	✓	✓				
	2. Loan guarantees									
	3. Microfinance and loans									
	4. Other instruments (e.g. crowdfunding, risk capital)									

Note: This table presents the characteristics of entrepreneurship schemes that are directly offered by national, regional and local governments, as well as those that are financed by the public sector but delivered by other actors. It considers the “typical” entrepreneur in each of the different target groups, in the “typical” region in the country. A check-mark indicates when the characteristic is typically fulfilled.

The amount of resources devoted to entrepreneurship in Spain has increased substantially in recent years, both in terms of funds (e.g. loans, subsidies, microcredits) and facilities (e.g. incubators).

Alternative sources of finance are available. Crowdfunding is well developed. It was regulated as a new form of access to credit in 2015²⁷ and has been growing steadily ever since. In 2018, it amounted to EUR 159 million, 12% higher than in 2017. However, no specific regulation or programme is addressed to

²⁷ Law 5/2015 (April 27th) on the Promotion of Entrepreneurial Finance.

disadvantaged groups. MicroBank (part of La Caixa Group) is the only one large-scale programme providing microcredits to new entrepreneurs. This initiative is open to any entrepreneur, the conditions are relatively favourable, and no collateral is required. Around 18 000 firms have been created in 2018 and 2019 with these microcredits.

Overall, public policy actions to facilitate access to finance for entrepreneurs focus on mainstream approaches, with very limited tailoring for under-represented or disadvantaged groups. Some mainstream support programmes nonetheless include specific provisions for some underrepresented and disadvantaged groups. For example, the Ministry for Employment and Social Security provides grants to new entrepreneurs with a limit of up to EUR 10 000 per applicant. Unemployed people under 30 years old, unemployed women and unemployed people with disabilities are eligible for the maximum amount of these grants. This programme is managed by the regions which set the specific limits and have the possibility of establishing different grant levels for specific disadvantaged beneficiaries. The call opens at different dates in each region and the amounts also differ by region (up to EUR 10 000). The main programmes offering tailored financial support to under-represented and disadvantaged groups are described below.

Women

Two main programmes support access to finance for women entrepreneurs:

- Loan Guarantee support. The Women's Institute offers a bonus of up to EUR 800 to women entrepreneurs seeking a loan guarantee through any of the Reciprocal Guarantee Societies (SGR) collaborating in the project (15 out of 18 SGRs). This initiative is developed in collaboration with the state company CERSA²⁸ (Spanish Re-guarantee Society). CERSA covers all or part of the fee for the bonus (once the project is deemed viable). This support is available for new starters or women having started their firms in the previous three years.
- Microcredit. This initiative is developed within the framework of the PAEM programme. It is addressed to women creating or consolidating their own company. It offers participants access to micro-financing of up to EUR 25 000. No third party guarantees are needed and the conditions are advantageous. The programme is developed thanks to a collaboration agreement signed between the Women's Institute and MicroBank.²⁹

In addition, some local or regional grants for business creation available to women, together with subsidised social security contributions.

Immigrants

Overall, there is a limited number (and sometimes scale) of institutions and programmes offer financial support to immigrants, which may lead to unmet demand. The main type of support available is microcredit. Immigrants are a priority target group for many associations and NGOs included in the Spanish Microfinance Association.³⁰ For these various microcredit providers, the maximum loan available is EUR 25 000, without the need for a guarantee. To develop these programmes, these associations usually collaborate with the Ministry of Labour, Migration and Social Security and the European Social Fund. Another example is the programme *Vives emprende*,³¹ developed by the NGO *Acción contra el Hambre*, which supports young people and immigrants, or *Activa Tu Emprendimiento*, which provides immigrant

²⁸ <http://www.cersa-sme.es/>

²⁹ <http://empresarias.camara.es/financiacion/microcreditos>

³⁰ <https://www.asociacionmicrofinanzas.org/>. This has 14 associates including MicroBank.

³¹ <https://www.accioncontraelhambre.org/es/vivesemprende>

women with all the services that they need to start up a business (workshops, advice) through access to micro-loans.

Youth

Financing is a frequently cited barrier for youth entrepreneurship. As few financial support programmes are tailored to this group, additional targeted financial support may be beneficial. The main financial support programmes targeting youth are:

- The National Innovation Company (Empresa Nacional de Innovation ENISA). One of the lines of credit by ENISA is specifically addressed to young entrepreneurs below 40 years old. It provides funds from EUR 25 000 to EUR 75 000 to projects from viable SMEs created in the last two years. Young entrepreneurs can apply directly, but most often they do so with the help of a local/regional support agency.
- The INJUVE *Emprendimiento* (entrepreneurship) programme provides access to micro-financing of up to EUR 25 000. No third party guarantees are needed and the conditions are advantageous. The programme is developed thanks to a collaboration agreement signed between the INJUVE and MicroBank.

The unemployed

Grants are available to registered jobseekers through the Autonomous Employment Promotion Programme. This programme aims to facilitate the establishment of unemployed people as self-employed workers. These grants are processed and awarded independently by the autonomous communities. Their amount is determined based on the personal situation of each candidate and the difficulties they face in accessing the labour market, up to EUR 10 000. Beneficiaries are required to maintain their situation as self-employed (with registration in the Social Security system) for at least 3 years. Unemployed people with disabilities and, in particular, unemployed women with disabilities, are specific groups considered by these programmes. Financial assistance is also available to cover the interest of loans necessary for the establishment of a person with a disability as a self-employed worker (up to four points over the interest set by the financial institution, and up to EUR 10 000).

The Autonomous Employment Promotion Programme also offers a subsidy for the acquisition of skills and one for technical assistance. The training subsidy covers training needs for the self-employed during the start-up phase (courses on business and management, information and communication technologies). The subsidy covers up to 75% of the cost of the courses received, with a maximum of EUR 3 000. The technical assistance subsidy covers viability analysis, marketing, diagnosis or others services for improving business development processes. The subsidy covers up to 75% of the cost of the service provided with a maximum of EUR 2 000.

The unemployed also have the option to “capitalise” their remaining unemployment benefits into a lump sum to invest in their new venture (Law 31/2015). The amount is to be used to start a new business (either as social capital or to fund the necessary investment). Before 2015, these possibilities were limited in amount (60% of the total due benefit) and varied by age groups (100% for men under 30 years old and women under 35 years old).

Recent policy developments.

Most financing programmes supporting under-represented and disadvantaged groups have been in place for several year.

Entrepreneurship culture and social capital

Overview and assessment policies and programmes

Table 3.3. Characterisation of public policy actions to promote entrepreneurship and develop networks

		Tailored: Are public programmes tailored for the target group (i.e. dedicated)?	Consultation: Are the targeted entrepreneurs consulted during the design of programmes?	Outreach: Are appropriate outreach methods used for different target groups?	Delivery: Are specialist organisations used to deliver programmes?	Take-up: Does the support have high take-up among target group?	Scale: Is the scale of available support sufficient?	Impact: Does evaluation evidence show a positive impact?	Integrated: Is the programme delivered linked other related supports?	Links: Do tailored programmes link to mainstream support programmes?
Women	1. Entrepreneurship campaigns, including role model initiatives	✓		✓	✓				✓	
	2. Networking initiatives	✓		✓	✓			✓	✓	
Immigrants	1. Entrepreneurship campaigns, including role model initiatives	✓		✓		✓			✓	
	2. Networking initiatives									
Youth	1. Entrepreneurship campaigns, including role model initiatives	✓		✓	✓					
	2. Networking initiatives									
Seniors	1. Entrepreneurship campaigns, including role model initiatives			✓						
	2. Networking initiatives	✓							✓	
The unem- ployed	1. Entrepreneurship campaigns, including role model initiatives									
	2. Networking initiatives									

Note: This table presents the characteristics of entrepreneurship schemes that are directly offered by national, regional and local governments, as well as those that are financed by the public sector but delivered by other actors. It considers the “typical” entrepreneur in each of the different target groups, in the “typical” region in the country. A check-mark indicates when the characteristic is typically fulfilled.

There has been increased media attention towards entrepreneurship in recent years in Spain, along with the introduction of a growing number of actions offering visibility to entrepreneurs (e.g. several TV or annual entrepreneurship awards). These actions are addressed mainly to the general public, with few initiatives targeting under-represented and disadvantaged groups, aside from youth, and to a lesser extent, women. Immigrants and people with disabilities are rarely targeted by outreach efforts. There is also limited public support for networks of entrepreneurs, which tend to be generic rather than focused on specific profiles. There are two main professional associations of self-employed workers in Spain,³² both offering services

³² The National Federation of Self-employed Workers -ATA (www.ata.es) - and the Union of Professionals and Self-employed Workers – UPTA (www.upta.es).

to their members, but limited networking and interaction activities. On the public side, *Red Emprende verde*,³³ started in 2011, is a Green Start-Up Network supported by the Ministry for Agriculture, Food and Environment. This aims to act as a meeting point for these entrepreneurs and to offer a set of free services for them.

Women

Two public programmes, supported by the Women's Institute aim to develop role models and an entrepreneurial culture among women. The first one is INNOVATIA 8.3. This programme was developed in collaboration the University of Santiago de Compostela and has been operating since 2011. Participation is open to most universities throughout the country. The aim is to promote women's entrepreneurship in science and technology. To do so, the programme has created an intervention model to integrate a gender perspective in both the processes of knowledge transfer and of technology-based business creation. This includes a mentoring programme bringing together established women entrepreneurs with women starting up their firms in universities. It is also a place where participants can reflect on issues related to women-led technology-based entrepreneurship. The programme is integrated within the *Woman Emprende*³⁴ initiative, which showcases entrepreneurial women role models and promotes connections. The second programme is the "*Red de EmpresariasNet*", a networking initiative developed and supported within the PAEM by the Chambers of Commerce.³⁵ This includes a network of women-led businesses, which gives visibility to its members and allows them to offer or demand products or services from other members. The network includes over 1 000 businesses, but there is no data on the level of activity within the network.

Immigrants

Entrepreneurship campaigns targeting immigrants are most often carried out at the local level. Municipal offices usually offer workshops and meetings to promote the social integration of immigrants in their local area. This often includes disseminating information on self-employment, and sometimes organising meetings with entrepreneurs and thus promoting the identification of successful role models. For example, the Office for Information, Orientation and Support to Social Integration of Immigrants in Madrid (*Oficina Municipal de Información, Orientación y Acompañamiento para la Integración Social de Inmigrantes, Ayuntamiento de Madrid*)³⁶ offers such services. In the past, there have been attempts to build networks of self-employed immigrants (for instance, the Tomillo Pop Up by the Tomillo Foundation was run in 2016 and 2017), but they have been discontinued.

Youth

Competitions are the main self-employment promotion activity targeted at youth in Spain. For example, INJUVE organises the National Young Entrepreneurs Contest (*Certamen Nacional de Jóvenes Emprendedores*³⁷), which was launched in 2015 as part of EEEJ 2013-16 and runs annually. It is open to entrepreneurs under 35 years old. To be eligible, firms must have been in existence for at least one year, and no more than three years. The ten selected winners receive a grant (EUR 20 000 in 2020).

³³ www.redemprendeverde.es/

³⁴ www.womanemprende.org/

³⁵ <https://empresarias.camara.es/tu-espacio/>

³⁶ <https://oficinamunicipalinmigracion.wordpress.com/>

³⁷ www.injuve.es/programas-injuve/jovenes-emprendedores

Another notable entrepreneurship contest is the Confederation of Young Entrepreneur Associations (CEAJE) award. CAJE is a non-profit private association representing the interest of its members. It organises the National Young Entrepreneur Award³⁸ yearly since 2001 to celebrate outstanding entrepreneurs under 40 years old. The Prince/Princess of Asturias usually attends the ceremony and awards the prize.

Seniors

There are no specific national-level measures to promote entrepreneurship by seniors but a few actions have been developed in the private or semi-private sector. For example, the 50Pro programme (supported by the Salamanca Chamber of Commerce, among others) targets entrepreneurs over 50 years old who want to start their “second professional life”. It includes the 50Pro Club, a space designed to promote networking between 50Pro programmes participants and the tutors or mentors who make up the network.

A notable initiative is the Entrepreneur XXI awards (*Premios Emprendedor XXI*). Managed by CaixaBank and Enisa, the awards include regional and sectoral prizes and targets young firms (up to 3 and a half years old) with a focus on the founders’/partners’ experience in the sector. While it is not directly addressed to seniors, the focus of the prize means that awardees are frequently over 50 years old.

Unemployed

There are no specific entrepreneurship campaigns, role modelling or networking for the unemployed. However, *Reincorpora-T* plan stipulates that the Public Employment Services will promote those training actions, information campaigns and good practice examples that may help increase the visibility of self-employment initiatives. This is still to be implemented.

Recent policy developments

Most initiatives supporting the development of an entrepreneurial culture have been in place for several years.

³⁸ <http://premiojovenempresario.com/>

Regulatory measures

Overview and assessment of regulatory environment

Table 3.4. Characterisation of regulatory measures used to support entrepreneurship

			Tailored: Are public programmes tailored for the target group (i.e. dedicated)?	Consultation: Are the targeted entrepreneurs consulted during the design of programmes?	Outreach: Are appropriate outreach methods used for different target groups?	Delivery: Are specialist organisations used to deliver programmes?	Take-up: Does the support have high take-up among target group?	Scale: Is the scale of available support sufficient?	Impact: Does evaluation evidence show a positive impact?	Integrated: Is the programme delivered linked other related supports?	Links: Do tailored programmes link to mainstream support programmes?
Women	1. Support with understanding and complying with administrative procedures		✓			✓	✓	✓		✓	
	2. Measures to address group-specific regulatory challenges	Maternity leave and benefits for the self-employed Access to childcare	✓								
Immigrants	1. Support with understanding and complying with administrative procedures										
	2. Measures to address group-specific regulatory challenges	Entrepreneurship visa Administrative and tax obligations can be met in several languages	✓			✓					
Youth	1. Support with understanding and complying with administrative procedures		✓			✓	✓			✓	
	2. Measures to address group-specific regulatory challenges	Student business legal form Reduced tax and/or social security contributions for new graduates									
Seniors	1. Support with understanding and complying with administrative procedures										
	2. Measures to address group-specific regulatory challenges	Medical leave schemes for the self-employed									
The unemployed	1. Support with understanding and complying with administrative procedures		✓			✓	✓		✓		
	2. Measures to address group-specific regulatory challenges	Welfare bridge to support those moving into self-employment Mechanisms for regaining access to unemployment benefits if the business is not successful	✓ ✓			✓ ✓					

Note: This table presents the characteristics of entrepreneurship schemes that are directly offered by national, regional and local governments, as well as those that are financed by the public sector but delivered by other actors. It considers the “typical” entrepreneur in each of the different target groups, in the “typical” region in the country. A check-mark indicates when the characteristic is typically fulfilled.

The regulatory framework for entrepreneurship is relatively complex in Spain, in part due to regional heterogeneity and administrative procedures. Several reforms have been implemented in recent years to simplify the creation and registration of new ventures. For example, since October 2018, all procedures related to registration, calculation and payment of social security contributions must be done online. Similarly, all notifications from the Social Security are handled electronically.³⁹ However, there is still substantial room for an improvement and simplification of the start-up procedures and associated costs. Seven procedures are needed to start a business in Spain, while the average across all countries is 3.9, and the World Bank Doing Business report ranked Spain 97th out of 190 countries in 2020 for that aspect (World Bank, 2020). Most of the regulatory changes introduced in recent years have focused on improving the general environment for starting businesses rather than targeting specific populations. Further evaluation would be needed to assess impact of measures on different groups. Outreach to different groups could be further developed, but some regulatory measures are in place to support underrepresented and disadvantaged entrepreneurs.

Women

The Equal Opportunities Strategic Plan 2014-16 included as one of its objectives “to foster female entrepreneurship, supporting business creation and self-employment”. The development of this line of action is implemented through the aforementioned PAEM initiative in over 50 Chambers of Commerce throughout the country, as well as through the PAEM web portal, which replies to queries in 48 hours. Young women also benefit from an extended reduction on social security contributions. While all business starters benefit from reduced contributions for their first two years of activity,⁴⁰ women entrepreneurs under 35 years old are entitled to the reduction for three years.

Public childcare or schooling for children up to 3 years of age is limited, and in most instances not subsidised. There is no specific programme for women entrepreneurs and those registered as self-employed generally have the same rights as those working as employees. They are entitled to 16 weeks of continuous maternity leave with a benefit of 100% of the base for their social security contribution (regulatory base). The self-employed have the option to hire a replacement during their maternity/parental leave. Following a recent legislation to guarantee gender equality,⁴¹ the social security contributions for hiring this person are fully subsidised and there is an 80% reduction on these contributions for 12 months when reincorporating after this leave.

Immigrants

There is no public programme to help immigrant entrepreneurs understand and comply with procedures, but some non-profits offer support in that domain. The Social Security and the *Agencia Tributaria* (Inland Revenue) Websites have included information in English since 2005. Their language policy is based on providing citizens with access to as much translated content as possible. Nevertheless, some content (e.g. regulations) is published only in Spanish for reasons of legal certainty (*Boletín Oficial del Estado*).

In 2013, the law to support entrepreneurs and their internationalisation was approved, creating the entrepreneurship visas. The entrepreneur’s visa is granted to foreigners who set up an innovative business that promotes socio-economic development. A business plan is required, which must demonstrate the

³⁹ Order ESS/214/2018 (1 March), Ministry of Employment and Social Security.

⁴⁰ Subsidised social security contributions are offered to all newly established self-employed person. A flat monthly rate of EUR 60 (EUR 50 before January 2019) is paid during the first year, and a reduced contribution is offered during the second year (50% reduction in months 13-18, and 30% reduction in months 19-24).

⁴¹ Royal Decree 6/2019 (March 1st) of urgent measures to guarantee gender equality and opportunities for women in employment.

viability of the project and how it can contribute to the country's economy and create jobs. Few of these visas are granted every year.

Youth

Youth entrepreneurs benefit from extended reductions on social contributions: men under 30 years old and women under 35 years old benefit from reduced contributions for three years while the benefit ends after two years for other starters. In addition, the INJUVE entrepreneurship programme, as well as the Young Entrepreneur Action Plan deliver support to help young entrepreneurs to comply with procedures.

Seniors

The Social Security system offers people over 65 years old the possibility of staying in activity with reduced social security contributions. This active retirement is regulated by Royal Decree Law 5/2013 for both employed and self-employed workers. The law allows people to receive a retirement pension while starting up a business. To be eligible, one must be 65 years old and have at least 36 contribution years. Entrepreneur with employees receive is 100% of the corresponding pension while those with no employees receive 50% of that amount. In 2019, 58 469 persons were combining retirement and work in Spain.

Self-employed workers are typically at a disadvantaged regarding retirement. Self-employed workers are able to freely choose their contribution level (above the minimum legal level). The vast majority (82%) pay this minimum legal level, leading to a low retirement benefit. Overall, the pensions of self-employed retired self-employed workers are 41% lower than those of retired employees, according to a report by UPTA.⁴² There are further divergences between the employment and self-employment retirement regimes for people with disabilities. While early retirement (at 52 years old) for employees is possible depending on the number of years worked, this option is not available for the self-employed. There has been a recent debate about the need to make self-employed people contribute according to their actual income,⁴³ but the measure has not yet been approved.

The unemployed

The National Employment System (SEPE) provides information and help in complying with regulations. This is done in collaboration with regional authorities. Since 2015, a welfare bridge scheme allows the unemployed to continue receiving unemployment benefits for 270 days after creating a business (subject to some restrictions). They can also interrupt the benefits and resume them later if the business activity ceases (up to five years after initially starting the self-employment activity).

Recent policy developments

A notable recent reform, entering into force in 2018, was the improvement of self-employed workers' conditions through a new Law on Urgent Self-employment Work Reforms approved in October 2017.⁴⁴ This aims to simplify the administrative process by allowing several entries into and exits from self-employment during the year, to reduce initial social security costs, to increase social protection (particularly for women re-joining the labour force after maternity leave and for entrepreneurs with disabilities) and to

⁴² www.europapress.es/economia/laboral-00346/noticia-pension-media-trabajador-autonomo-523-euros-inferior-asalariado-upta-20190910110444.html

⁴³ www.eldiario.es/economia/Ligar-PSOE-Podemos-PP-Ciudadanos_0_955054967.html

⁴⁴ Law 6/2017 (24 October), *Ley de Reformas Urgentes del Trabajo Autónomo*.

clarify the applicability of some tax deductions. In January 2018, the aforementioned Social Security contributions reductions was introduced. This initiative originally started as a targeted action to focus on young entrepreneurs. At present, the flat rate is applicable to all new entrepreneurs. Young people and women still benefit from extended applicability though.

Another important reform introduced at the end of 2019 was the regulation on benefits for self-employed workers who suffer an accident at work or occupational illness.⁴⁵ The Social Assistance Reserve (*Reserva Asistencia Social*) includes allowances related to rehabilitation, recovery, professional reorientation or support measures aimed at adapting essential means and jobs.

⁴⁵ Decision of the Directorate General for Social Security Planning ("*Resolución de 28 de octubre de 2019, de la Dirección General de Ordenación de la Seguridad Social*").

4 Supporting people who experience disability in entrepreneurship

Self-employment and entrepreneurship activities

According to the National Statistics Institute, in 2018 there were 1 899 800 people of working age with disabilities in Spain (from 16 to 64 years old), representing 6.3% of the population (National Statistics Institute, 2019). This percentage has been slowly growing (up from 5.75% in 2014). 65.5% of people with disabilities were inactive in 2018 (vs. 22.3% of people without disabilities). The labour-active (34.5%) represented around 654 600 people. The activity rate varied across categories of disabilities. People with hearing impairments had the highest activity rates (58.0%), while those with mental impairments had the lowest rate (29.1%). The employment rate in 2018 was 25.8% (489 500 people), compared to over 65% for people without disabilities. In turn, the unemployment rate was 10 percentage points higher than that of the population without disabilities (25.2% vs. 15.1%).

People with disabilities are less likely to be engaged in self-employment than the rest of the population. Approximately 11% of working persons with disabilities were self-employed during the 2008-18 period while 15% of people without disabilities were. In 2018, there were 54 900 people with disabilities in self-employment, representing less than 2% of the self-employed. Most of self-employed workers with disabilities have no employees (72% in 2018, slightly over the national average of 68.6% that year), and the number of non-employer self-employed workers with disabilities has been on an upward trend since 2008. By contrast, the number of employer self-employed people with disabilities has been more irregular and represented 25% on average over the past decade.

The reduced access to the labour market experienced by people with disabilities is compounded by lower education levels. Some studies have found that people with disabilities had lower levels of human capital, such as work experience and training, due to unequal access to education (Mercado et al., 2013; Park and Bouck, 2018). In 2015, 43.1% of people with disabilities in Spain had achieved primary education or lower, and 47.3% had a high school secondary education. Only 10.5% had university degrees, compared to 28.8% of people without disabilities (INAP, 2015). Low levels of work experience and training puts people with disabilities at a disadvantage when it comes to employment but also entrepreneurship (Renko, Harris and Caldwell, 2016).

Policy framework

Table 4.1. Characterisation of the entrepreneurship policy context for people who experience disability

		People who experience disability
1. Entrepreneurship policies for each target group are under the responsibility of the following level(s) of government (multiple levels can be checked)	National	✓
	Regional	✓
	Local	
2. A dedicated entrepreneurship strategy has been developed (either stand-alone or embedded in another strategy)		
3. Clear targets and objectives for entrepreneurship policy have been developed and reported		

Note: A check-mark indicates the level of policy responsibility for tailored entrepreneurship policy (multiple selections are possible) and characteristics of the entrepreneurship policy framework.

There is no dedicated policy on entrepreneurship and self-employment for people with disabilities, but people with disabilities are mentioned as a group of special attention in most of the texts that regulate measures to promote self-employment and/or entrepreneurship from both the central government and the autonomous communities.

In 1982, the Law for the Social Integration of Disabled People (LISMI) was approved, setting integration of people with disabilities as an objective of employment policies. However, measures to support entrepreneurship for this group were introduced only in the early 2000s. In 2003, the law on equal opportunities, non-discrimination and universal accessibility for people with disabilities (LIONDAU)⁴⁶ set the framework for the approval of the Action Plan for People with Disabilities (2003-07) and the Action Plan for Women with Disabilities 2007. These Action Plans were the first to call for the creation of specific programmes for the promotion of self-employment. They combined training measures in business management with incentives to promote self-employment and local development, including tax discounts for people with disabilities who establish themselves as self-employed.

Subsequently, the Global Action Strategy for the Employment of People with Disabilities 2008-12 and the Action Plan for People with Disabilities 2009-12 were established. Among their objectives were the improvement of education and training to favour employability (Objective 2) and the promotion of higher hiring rates in the ordinary labour market (Objective 4), which includes measures to promote entrepreneurship and business creation through advice, financial support and training courses. Likewise, the Self-employment Statute⁴⁷ demands that special attention be paid to disadvantaged people in the elaboration of self-employment promotion policy, with preferential attention paid to people with disabilities.

The current regulatory text of reference for employment policy for people with disabilities is the Royal Legislative Decree 1/2013,⁴⁸ which does not define specific actions for self-employment. The Spanish Strategy on Disability 2012-20 was established after this law, and was then reflected in the corresponding

⁴⁶ Law 51/2003 (2 December).

⁴⁷ Law 20/2007 (11 July), art. 4.3.b

⁴⁸ Royal Legislative Decree 1/2013 (29 November) approving the Consolidated Text of the General Law on the Rights of People with Disabilities and their Social Inclusion.

Action Plan.⁴⁹ One of the five axes of this plan is employment, which includes the operational objective of promoting entrepreneurship. The specific interventions were to be applied in two phases: the first phase covered the years 2014 to 2016, while the second covered 2017 to 2020. All levels of the Administration were to participate in these preparations. Thus, the support of self-employment and entrepreneurship is assumed by the Autonomous Communities, generally within the framework of the development of active employment policies.

Overview and assessment of policies and programmes

Table 4.2. Characterisation of the entrepreneurship schemes for people who experience disability

		Tailored: Are public programmes tailored for the target group (i.e. dedicated)?	Consultation: Are the targeted entrepreneurs consulted during the design of programmes?	Outreach: Are appropriate outreach methods used for different target groups?	Delivery: Are specialist organisations used to deliver programmes?	Take-up: Does the support have high take-up among target group?	Scale: Is the scale of available support sufficient?	Impact: Does evaluation evidence show a positive impact?	Integrated: Is the programme delivered linked other related supports?	Links: Do tailored programmes link to mainstream support programmes?
Skills	1. Entrepreneurship training				✓				✓	
	2. Entrepreneurship coaching and mentoring				✓					
	3. Business consultancy, including incubators/accelerators									
Finance	1. Grants for business creation				✓				✓	
	2. Loan guarantees									
	3. Microfinance and loans				✓					
	4. Other instruments (e.g. crowdfunding, risk capital)									
Culture	1. Entrepreneurship campaigns, including role models									
	2. Networking initiatives									
Regulations	1. Support with understanding and complying with administrative procedures				✓				✓	
	2. Measures to address group-specific regulatory challenges	Mechanisms to move back into disability benefit system if business is not successful								
		Mechanisms to move regain access to other social security supports (e.g. housing benefits) if business is not successful								
		Medical leave schemes for the self-employed								

Note: This table presents the characteristics of entrepreneurship schemes that are directly offered by national, regional and local governments, as well as those that are financed by the public sector but delivered by other actors. It considers the “typical” entrepreneur in each of the different target groups, in the “typical” region in the country. A check-mark indicates when the characteristic is typically fulfilled.

⁴⁹ Action Plan of the Spanish Strategy on Disability 2014-20:

www.mscbs.gob.es/ssi/discapacidad/informacion/planAccionEstrategiaEspanolaDiscapacidad.htm.

While there is no dedicated entrepreneurship policy for people with disabilities but they are included together with some others (e.g. unemployed people from disadvantaged groups and/or at risk of social/employment exclusion, NEETs or women victims of gender violence) as a preferential group in the measures for entrepreneurship. There is room to expand the scope of entrepreneurship support for people with disabilities. Awareness of existing support is also limited among people with disabilities. To address this, CERMI has called for a specific section in the Statute of Self-Employment for professionals with disabilities, and recommended "accompanying and support measures": financial and entrepreneurship skill support are pending tasks.

A notable initiative is the aforementioned Autonomous Employment Promotion Programme (see section on financing entrepreneurship for The unemployed) which aims to facilitate the establishment of unemployed people as self-employed with grants up to EUR 10 000. Unemployed people with disabilities, and in particular, unemployed women with disabilities, are specific groups considered by this type of programme. Financial assistance is also available to cover the interest of the loans necessary for a person with a disability to establish him- or herself as a self-employed worker (up to four points over the interest set by the financial institution, and up to EUR 10 000).

In addition to initiatives open to all (e.g. social security contribution reductions), there are other reductions for self-employed people with disabilities: these entrepreneurs can apply for a reduction of EUR 60 per month for the common contingencies fee during the first year and have a 50% bonus for up to a maximum period of five years.

Some financial institutions include microcredit programmes with reduced interest rates for people with disabilities through their social foundations. Examples include the 'We bet on you - Third Sector' initiative launched by the *Banco Popular* and the *Cátedra Fundación Konecta URJC* for the promotion of entrepreneurship for people with disabilities.

Some non-governmental organisations offer both non-financial and financial support to people with disabilities who want to become self-employed. For instance, the ONCE Foundation offers grants for self-employment projects (entrepreneurship aids for people with disabilities 2018-22) and training courses (training programmes for the employment of young people with intellectual disabilities).

Recent policy developments

The most important recent measure related to entrepreneurship among people with disabilities has been the introduction of the bonus for self-employed people with an acquired disability (i.e. EUR 60 monthly social security contribution for new self-employed individuals under the "flat rate" regime during the first 12 months of operations). The new measure was approved at the end of 2018⁵⁰ together with a number of additional measures for the revaluation of public pensions and other urgent measures in social, labour and employment matters. Since 1 January 2019, all those who are already self-employed and have been diagnosed with a disability equal to or greater than 33% can apply for the bonus for self-employed people with an acquired disability.

A recent initiative to highlight is CERMI's request in 2019 that the Self-Employment Statute include a specific title for self-employed people with disabilities. This would help this group to become relevant and visible to public policies in order to promote entrepreneurial activity. CERMI has reiterated this request in 2020.

⁵⁰ Royal Decree-Law 28/2018 (28 December) which modifies the Law 20/2007 (11 July) approving the Self-employment Statute.

5 Policy recommendations

Inclusive entrepreneurship policies in Spain have developed over the past decade, in part following the high unemployment rates caused by the 2008 financial crisis. Nevertheless, the complex political situation has slowed down policy development and led to an impasse in measures and initiatives during 2018 and 2019. The COVID-19 pandemic has also heightened the need to facilitate liquidity and foster access to resources and funding among vulnerable entrepreneurs. The following actions are recommended to further strengthen the inclusive entrepreneurship policy framework in Spain:

1. **Strengthen co-ordination of entrepreneurship policy and include clear strategic goals for different demographic groups.** This could take the form of an integrated strategic entrepreneurship plan which would set objectives related to entrepreneurship, including among different target groups as relevant. This could be done within the framework of the upcoming entrepreneurship strategy prepared by the newly appointed High Commissioner for Spain Entrepreneurial Nation. This would also help further co-ordinate entrepreneurship efforts with active employment policies to strengthen the place of inclusive entrepreneurship as an option for the labour integration of different groups.
2. **Promote group-specific adaptations within mainstream programmes and foster linkages between generic and group-specific initiatives.** Specific adaptations or previous training and preparations can be effective strategies to help increase inclusiveness of mainstream programmes when tailored support is not an appropriate option. This could notably be done by offering inclusivity training more widely to frontline staff, and ensuring that advisors providing employment support to disadvantaged groups are well informed of tailored support options for entrepreneurship, including in the social economy.
3. **Reinforce financing options for new entrepreneurs.** There is scope to reinforce and enhance financial measures to support new entrepreneurs, especially those from disadvantaged groups. There is a need to improve the communication and information of these funding opportunities. It could be useful to set quotas for specific groups (e.g. young, women, people with disabilities, seniors or immigrants). Apart from the more traditional loans, alternative specialised options (e.g. reciprocal guarantee schemes, crowdfunding, or microcredit) should be further developed. Linkages with other support measures should also be strengthened to increase the chances of success of entrepreneurs who receive funding.
4. **Develop awareness campaigns to normalise and promote entrepreneurship from the different disadvantaged groups.** Higher visibility should be granted to entrepreneurship in general, and especially to that of women, immigrants, youth, seniors and people with disabilities. Improved recognition of these entrepreneurs should help them overcome potential barriers from their personal or social environment. Entrepreneurship education should be leveraged to raise awareness of entrepreneurship as a viable option for various profiles of entrepreneurs and showcase diverse types of entrepreneurship, including social entrepreneurship.

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Annex A. Methodology

Each country report 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 policy officers, entrepreneurship support organisations and other stakeholders. The information was then verified by government ministries, programme managers and other inclusive entrepreneurship stakeholders, including through the circulation of draft reports for comment and online seminars that were organised between June and September 2020.

The reports are based on a common assessment framework that was developed by the OECD Secretariat. The framework contains five pillars:

1. Policy framework
2. Entrepreneurship skills
3. Financing entrepreneurship
4. Entrepreneurial culture and social capital
5. Government regulations

The reports provide an overview of the current inclusive entrepreneurship policies and programmes. They also notes assess programmes against the following international good practice criteria, considering the “typical” entrepreneur in each of the different target groups (i.e. women, immigrants, seniors, youth, the unemployed, people who experience disability), in the “typical” region in the country. It covers schemes that are directly offered by national, regional and local governments, as well as those that are financed by the public sector but delivered by other actors. The international good practice criteria used in the assessment are:

- **Tailored:** Are public programmes tailored for the target group (i.e. dedicated)?
- **Consultation:** Are the targeted entrepreneurs consulted during the design of programmes?
- **Outreach:** Are appropriate outreach methods used for different target groups?
- **Delivery:** Are specialist organisations used to deliver programmes?
- **Take-up:** Does the support have high take-up among target group?
- **Scale:** Is the scale of available support sufficient?
- **Impact:** Does evaluation evidence show a positive impact?
- **Integrated:** Is the programme delivered linked other related supports?
- **Links:** Do tailored programmes link to mainstream support programmes?

A focus is placed on the most commonly targeted population groups, namely women, immigrants, youth, seniors and the unemployed. Other groups such as the Roma are covered by the report when relevant. A special thematic section was added on entrepreneurship support for people who experience disability (Section 4) to highlight their potential as entrepreneurs and to showcase the variety of tailored entrepreneurship schemes that are in place around the European Union.