



# Inclusive Entrepreneurship Policies: Country Assessment Notes

Italy, 2018



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## FOREWORD

Inclusive entrepreneurship policies aim to offer all people an equal opportunity to create a sustainable business, whatever their social group. This is an important requirement for achieving the goal of smart, sustainable and inclusive growth set out in the Europe 2020 strategy. It is also a means to respond to new economic challenges, to create jobs and to fight social and financial exclusion. Among the key targets of inclusive entrepreneurship policies and programmes are women, youth, older people, the unemployed, migrants and people with disabilities, who all continue to face challenges in the labour market and are under-represented or disadvantaged in entrepreneurship activities. ‘The Missing Entrepreneurs’ series of publications of the Organisation for Economic Co-operation and Development (OECD) and the European Union discuss how public policies and programmes can support inclusive entrepreneurship. This includes refining regulatory and welfare institutions, facilitating access to finance, building entrepreneurship skills through training, coaching and mentoring, strengthening entrepreneurial culture and networks for target groups, and putting strategies and actions together for inclusive entrepreneurship in a co-ordinated and targeted way. Governments are increasingly recognising the challenge of inclusive entrepreneurship, but there is still much to do to spread good practice.

Self-employment has traditionally been an important element of the Italian economy but there are signs that entrepreneurship activities are declining. While self-employment rates continue to be high relative to the European Union (EU) average (20.8% vs. 13.7% in 2017), household surveys suggest that people belonging to key target groups of inclusive entrepreneurship policies (e.g. women, youth, older people) are less active in pre start-up and early start-up activities than the EU averages. Moreover, according to the most recent data (2013-17), only 0.7% of women and 5.0% of youth entrepreneurs expect to create more than 19 jobs in their new businesses first five years of operation, relative to European Union averages of 5.9% and 10.8%.

This note is the third country assessment note prepared by the OECD in collaboration with the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission on the state of inclusive entrepreneurship policies and programmes in each European Union Member State. Each note provides an overview and assessment of policies and programmes that support people from under-represented and disadvantaged groups in business creation and self-employment and suggests policy actions to address gaps in the support system and to improve the quality of available support offers. The notes cover national-level policies and programmes and, where relevant, sub-national initiatives and actions by the non-governmental sector. The 2018 notes include an additional section on female entrepreneurship support, which provides an overview of the entrepreneurship activity levels, obstacles faced and policy responses.

The 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](http://www.betterentrepreneurship.eu)), a series of Policy Briefs on specific target groups, policies and issues, and country reviews of youth entrepreneurship and women entrepreneurship. For more information please refer to: [www.oecd.org/employment/leed/inclusive-entrepreneurship.htm](http://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 as part of the programme of work of the OECD Local Economic and Employment Development (LEED) Programme of the Centre for Entrepreneurship, SMEs, Regions and Cities (CFE) led by Lamia Kamal-Chaoui, Director. 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. Sergio Destefanis at the University of Salerno. David Halabisky and Cynthia Lavison of the CFE undertook additional drafting and editing of the note under the direction of Dr. Jonathan Potter, also of the CFE. A steering group was consulted during the preparation of this note. The steering group was co-led by the OECD and the Ministry of Labour and Social Policies. Much of the data contained in this note were prepared under the direction of Dr. Jonathan Levie of the Global Entrepreneurship Monitor. This note benefited from feedback and suggestions provided by Guy Lejeune of Directorate-General for Employment, Social Affairs and Inclusion of the European Commission.

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## KEY MESSAGES

- Recent public policy initiatives to support people from groups that are under-represented or disadvantaged in the labour market have focused on supporting youth. These policy actions are currently framed within the Youth Guarantee and the Youth Employment Initiative. There has also been support for women's entrepreneurship, recently driven by the Committees for Female Entrepreneurship, which were set-up by the Ministry for Economic Development and the Union of the Chambers of Commerce. There have also been strong efforts to support the unemployed in business creation by Invitalia. Some regions have also launched support for these target groups (e.g. "GiovaniSi" programme in Tuscany). However, the support for some target groups such as immigrants, people with disabilities and seniors is rather limited.
- Self-employment has traditionally been an important element of the Italian economy but there are signs that entrepreneurship activities are declining. While self-employment rates continue to be high relative to the European Union (EU) average (20.8% vs. 13.7% in 2017), household surveys suggest that people belonging to key target groups of inclusive entrepreneurship policies (e.g. women, youth, older people) are less active in pre start-up and early start-up activities than the EU averages. According to the most recent (2013-17) data, for example, only 0.7% of women and 5.0% of youth entrepreneurs expect to create more than 19 jobs in their new businesses first five years of operation, relative to EU averages of 5.9% and 10.8%.
- Recommendations for strengthening inclusive entrepreneurship support include: (i) develop the one-stop-shop approach to the facilitation of entrepreneurship and streamline the existing one-stop approach to youth entrepreneurship; (ii) boost entrepreneurship education in high schools and universities (and eventually work-based learning); (iii) reform entrepreneurship support with the offers of the public employment services; and (iv) develop more initiatives to support ethnic minority entrepreneurship.

## 1. INCLUSIVE ENTREPRENEURSHIP OBJECTIVES AND TARGETS

Inclusive entrepreneurship objectives are defined across a number of laws that provide the legal framework for policy interventions that support people from groups that are under-represented or disadvantaged in the labour market (e.g. women, youth, seniors) in entrepreneurship, as well as in Operational Programmes of European Structural and Investment Funds at national and regional level. Most of these interventions have a clear rationale and targets. For example, much of the current policy focus is on supporting youth in the labour market, including in entrepreneurship. The National Plan of the Youth Employment Initiative (*Programma Operativo Nazionale “Iniziativa Occupazione Giovani”*, or, for short, PON IOG) implementing the Youth Guarantee scheme seeks to help 3.5% of participants move into self-employment within six months of the end of their programme mainly relying on the revolving Fund “SELFIemployment” for microcredit, extended microcredit and micro-loans. In 2015, the managing authority of PON IOG created a revolving Fund of nearly EUR 65 million, which was co-financed by regional quotas of financial resources. In April 2017, the assets of the SELFIemployment reached to EUR 103 million. Another important programme managed under the PON IOG is the *Crescere imprenditori* training initiative.

Inclusive entrepreneurship policies also support broader labour market objectives. This includes addressing unemployment by helping people create their own jobs or by helping them acquire skills to help them move into work. In addition, these policies support innovation and growth. The national government has defined a number of labour market targets based on the European Union’s 2020 Strategy:

- An employment rate of 67%-69% for 20-64 year-olds by 2020 (European Union-level target is 75%);
- At least 2.2 million fewer people in or at risk of poverty and social exclusion (European Union-level target is at least 20 million fewer people in or at risk of poverty and social exclusion).

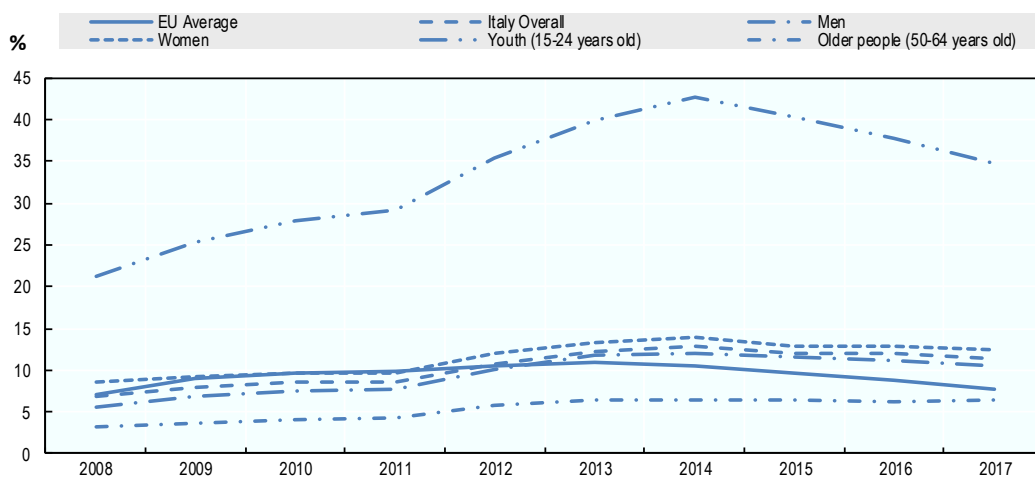
## 2. KEY INCLUSIVE ENTREPRENEURSHIP INDICATORS

### 2.1. Labour market context

Overall unemployment, which had increased since the onset of the economic crisis in 2008, began to decrease – rather slowly – since 2014. Youth unemployment had a similar, although more decisive, evolution (Figure 1), perhaps thanks to the implementation of the Youth Guarantee. Yet in 2017, the youth unemployment rate was more than three times the overall unemployment rate, whereas the youth unemployment rate is double the overall rate in most European Union countries. The unemployment rate for other target groups (i.e. women, seniors) also increased after 2008, but not to the same extent as it did for youth.

There has also been a shift in the structure of employment. Notable is the growth in the number of semi-subordinate workers, who although formally self-employed, are in a subordinate dependent employment relationship. It is estimated that there are between 300 000 to 500 000 of these workers (EurWORK, 2009). A very recent law concerning these workers is described in section 3.2.

Figure 1. Unemployment rate, 2008-17



Source: Eurostat (2018), Labour Force Survey.

### 2.2. Self-employment and entrepreneurship rates

The proportion of workers that are self-employed has declined slightly over the last decade. In 2008, 22.9% of the working population was self-employed but 20.8% were in 2017 (Figure 2a). This decline was seen among self-employment men and women, as well as among youth and seniors. The greatest decline was among those 50-64 years old – the self-employment rate declined from 27.8% in 2008 to 23.6% in 2017.

There is a gender gap in entrepreneurship. In 2017, men were much more likely to be self-employed than women (25.2% vs. 14.9%). However, women in Italy were about 1.5 times more likely than the European Union (EU) average to be self-employed (14.9% vs. 9.7%). Similarly, both youth and seniors were more likely than the EU average to be self-employed in 2017 (9.3% vs. 4.0% for youth; 23.6% vs. 17.9% for seniors).



Another way to measure entrepreneurship activities is to examine the proportion of people who self-report that they are entrepreneurs. One of the most well-known surveys conducted in more than 80 countries annually is the Global Entrepreneurship Monitor (GEM). It has several measures of entrepreneurial activity, including the Total early-stage Entrepreneurial Activity (TEA) Rate, which estimates the proportion of the population that is involved in starting up a business or managing a new business that is less than 42 months old.

About 9% of Italians were involved in starting a business, or managing a new one over the period 2013-17, i.e. TEA. This was slightly above the EU average for this period (7.3%) (Figure 2b). Men were twice as likely as women to be involved in early-stage entrepreneurship over this period (11.8% vs. 6.0%). Youth were about as likely as the national average to be early-stage entrepreneurs (9.0%), while older entrepreneurs were slightly less likely (7.4%). However, both were slightly above the EU average (7.3% for youth; 5.7% for older people).

It is important to also note a strong interaction between age and gender: in 2014 almost 14% of female-led businesses were operated by those under 35 years old, compared to about 10% among male-led firms (*Si.Camera*, 2016).

Ethnic minority (immigrant) entrepreneurship is rapidly becoming an important policy issue, made even more critical by the huge influx of refugees in the three last years.<sup>1</sup> In 2017, their number increased by 19 197 units (42% of the total annual balance of firms), corresponding to a rate of 3.4% growth (against 0.75% recorded by the entire Italian business base), 42% of all the increase in registered companies. Their total number reached 590 000 presences, equal to 9.6% of all firms registered on the Italian territory (*Unioncamere-InfoCamere*, 2018a). Between 2010 and 2016 (*Unioncamere-InfoCamere*, 2016) the growth of handicrafts owned by immigrants (+8.3%) has curbed the fall of the entire sector (-7.8%).

Ethnic-minority entrepreneurs also have a distinctive age profile, they are younger than Italian entrepreneurs, with about 38 years old versus 48 years old (*Migrantes Caritas*, 2011), and one quarter of them are women. Indeed, as of 2017, there were 141 000 foreign-nationality female entrepreneurs at the March 2018, almost 24% of the 590 000 ethnic minority firms. Morocco (68 000 firms in 2017) and China (52 000 firms) are the most represented countries of origin (*Unioncamere-InfoCamere*, 2018a).

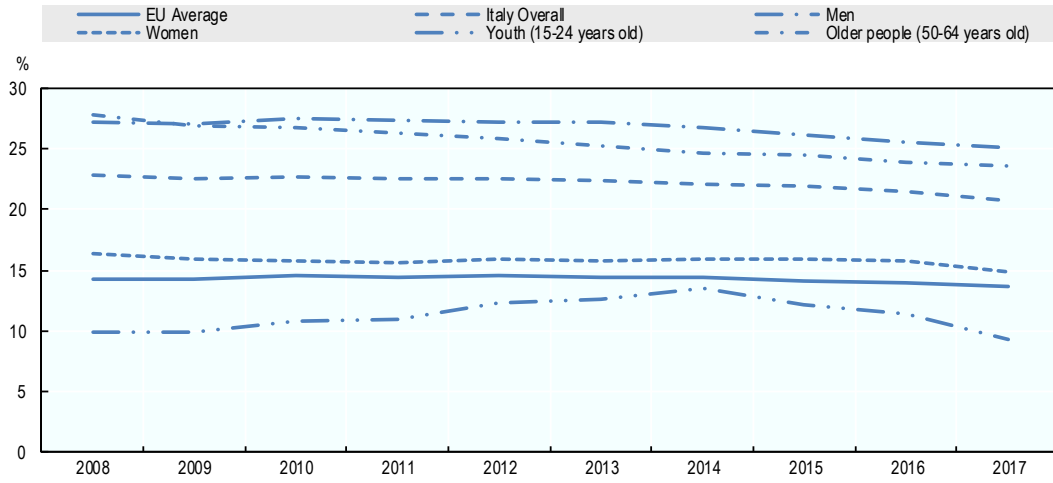
Immigrant entrepreneurs tend to be located in highly developed regions (20.0% of them are in Lombardia, 11.4% in Lazio, 9.8% in Toscana, 8.8% in Emilia Romagna and 8.0% in Veneto; a notable exception to this rule is Campania, with a 9.0% share and a 10.3% increase from 2015 to 2017). Immigrants are increasingly present throughout the economy. Their traditionally high presence in Trade and distribution (now at 36.2%) and in Construction (22.9%) is accompanied by a strong growth in services. Hotels and restaurants (now at 7.7%) and Business services (5.5%) show the highest relative increases (46.0% and 77.5% from 2011) (all these data are sourced from IDOS, 2017). There is a large immigrant presence in the fashion industry, where, in 2014, nearly 30% of women-led firms were operated by immigrants vis-à-vis 17% for men-led businesses (*Si.Camera*, 2016), and in handicrafts (183 000 firms, 13.6% of those active in this sector – IDOS, 2017).

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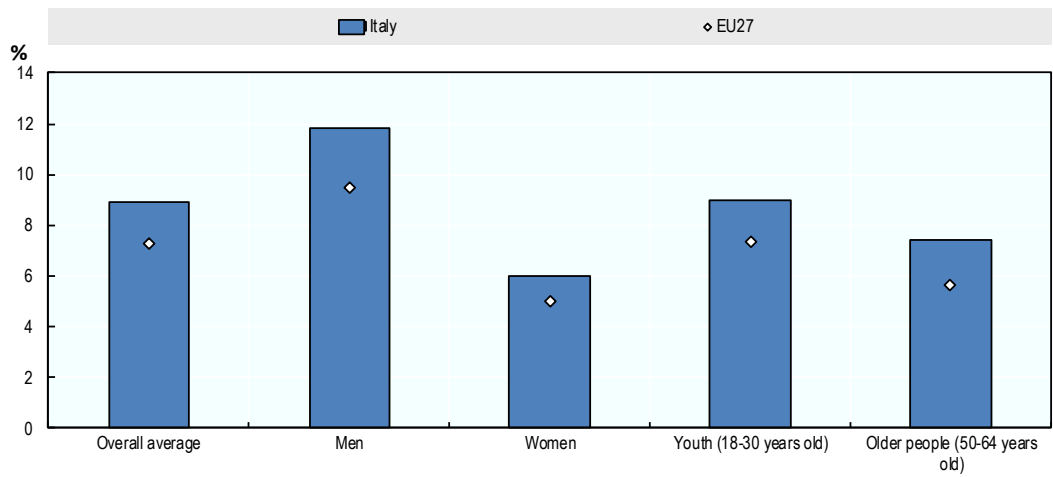
<sup>1</sup> The term “ethnic minority entrepreneur” is defined as somebody who starts a firm in Italy coming originally from a different country.

**Figure 2. Entrepreneurship rates by target group**

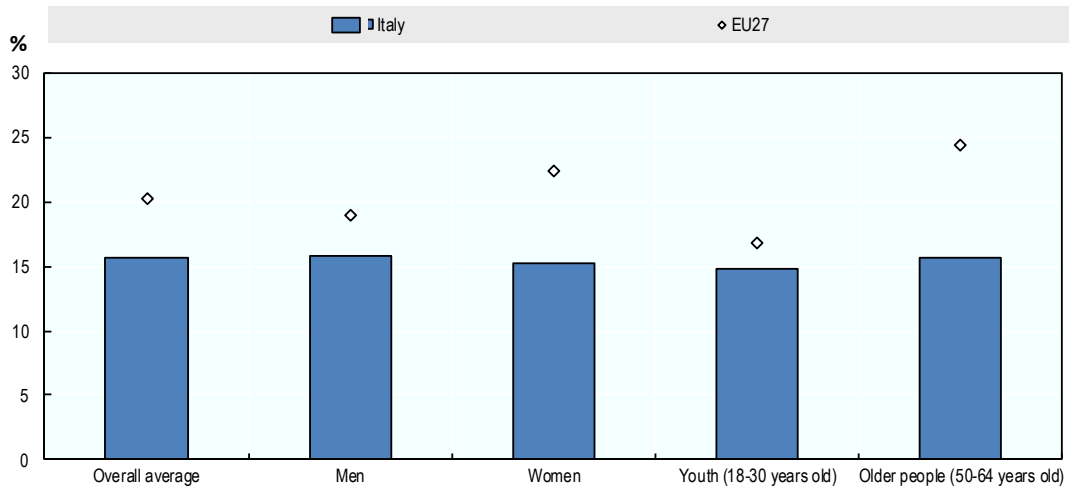
a. Self-employment rate, 2008-17



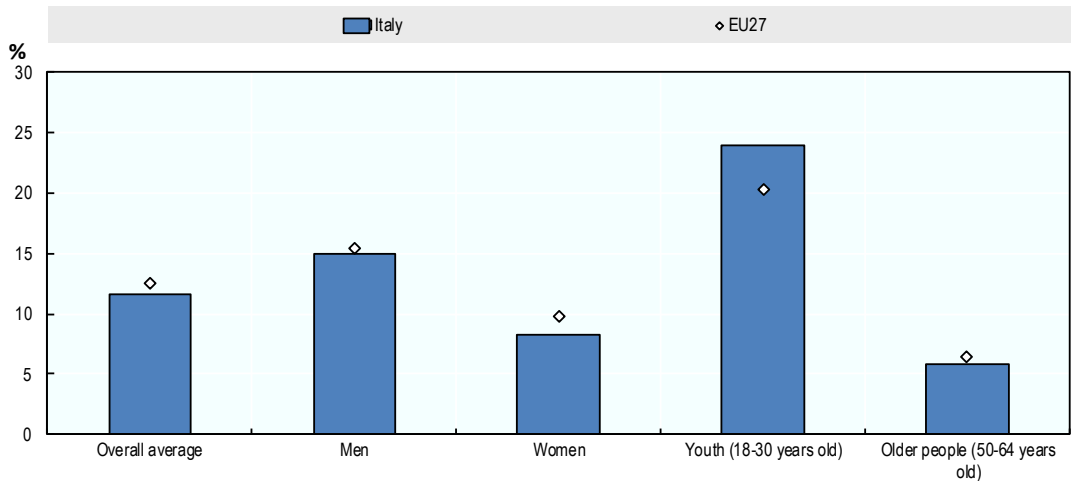
b. TEA-Rate, 2013-17



c. Proportion of TEA that is necessity entrepreneurship, 2013-17



d. Proportion who expect to start a business in the next 3 years, 2013-17



Note: The self-employment rate is defined as the proportion of those in employment who are self-employed. The TEA rate is the Total early-stage Entrepreneurial Activity rate, which is defined as the proportion of the population actively involved in pre-start-up activities and those who have started a new business within the last 42 months. The proportion of TEA that is necessity entrepreneurship is the proportion of entrepreneurs involved in setting-up a new business or operating a business that is less than 42 months old, who were motivated to start their business because they had no better options for work. Data for panels b, c, and d were pooled for the period 2013-17, producing an unweighted average. The EU27 average in panels b, c, and d covers all EU Member States except Malta because it is not covered by the GEM survey.

Source: Panel a contains data from Eurostat (2018), Labour Force Survey; Panels b, c, and d contain data from the 2013 to 2017 Global Entrepreneurship Monitor household surveys that were tabulated for the OECD (2018).

Some industries have a very low presence of ethnic entrepreneurs due to the high level of initial capital needed (Chiesi, 2011). Other key barriers for ethnic minority entrepreneurs include difficulty to navigate the start-up procedures, understand legal requirements and build networks and partnerships (De Luca, 2011).

Italian entrepreneurs were less likely to indicate that they had started their business due to a lack of employment opportunities (Figure 2c). About 15% of entrepreneurs self-reported starting out of “necessity”, which was consistent across all population groups.

Between 2013 and 2017, Italians were about as likely as the EU average to report that they expected to create in the next three years (11.6% vs. 12.6%) (Figure 2d). Youth were the most likely to expect to create a business (24.0%), which was above the EU average for this period (20.4%). Women and older people were about as likely as the EU averages to reported that they expected to create a business.

### **2.3. A profile of the self-employed**

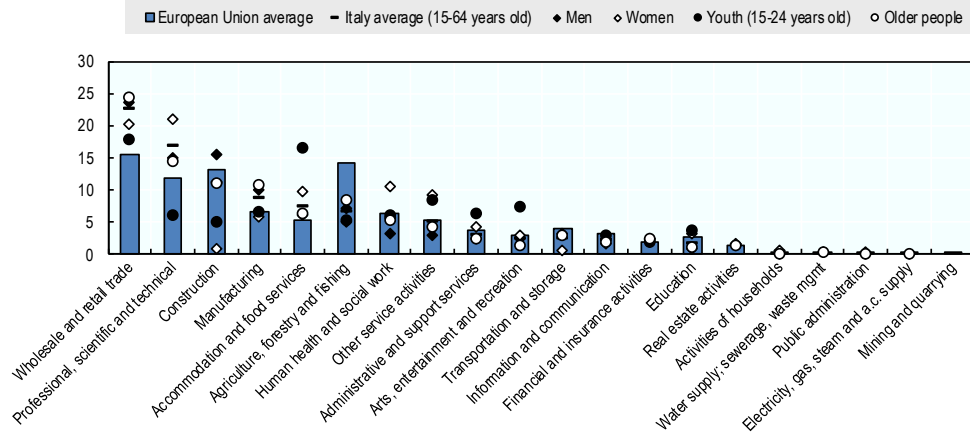
The distribution of self-employment by sector is similar to the EU average, except there is a greater proportion of self-employed workers in Wholesale and retail trade (22.6% vs. 15.4%) and fewer in Agriculture (6.5% vs. 14.1%) (Figure 3a). Self-employed women were the most active in Professional, scientific and technical sectors (20.9%) and Wholesale and retail trade (20.1%). Similar to the EU average, women were less likely than men to be working in Agriculture and Construction, and more likely to be in Human health and social work and Other services. Self-employed youth were the most active in Wholesale and retail trade (17.8%) and Accommodation and food services (16.6%), while self-employed older people were the most active in Wholesale and retail trade (24.5%) and Professional, scientific and technical sectors (14.5%).

On average, the self-employed had lower educational attainments than the EU average (Figure 3b). Slightly more than one quarter of the self-employed had attained a tertiary level education in 2017 (26.3%), relative to more than one-third across the EU (35.1%). The self-employed in Italy were also more likely to have completed less than lower secondary school (31.9% vs. 20.1%). Self-employed women were twice as likely to have completed a tertiary level education than men (39.5% vs. 20.6%). Two-thirds of self-employed youth had completed upper secondary or post-secondary non-tertiary education (66.2%). Self-employed over 50 years old were more likely than the national average to have less than a lower secondary education (40.4% vs. 31.9%).

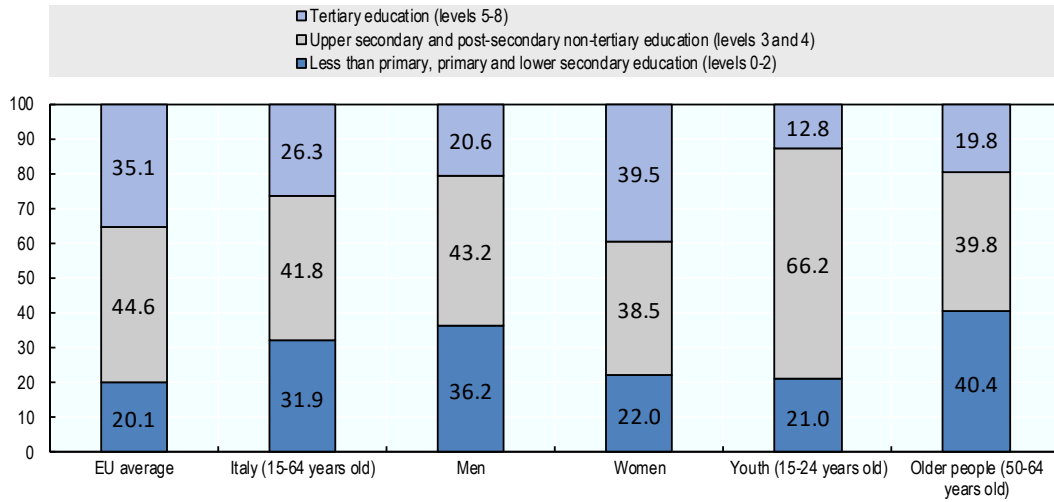
The distribution of self-employment by occupation is very close to the EU average. The only exception is that there are relatively fewer Skilled agricultural, forestry and fishery workers (6.5% vs. 13.8%), which is not surprising given that agriculture accounts for a much lower share of the self-employed. Self-employed women were nearly twice as likely as men to be working as Professionals (28.5% vs. 16.3%) and Service and sales workers (28.6% vs. 13.4%), but were far less likely to be working as Craft and related trades workers (4.0% vs. 22.8%) (Figure 3c). More than half of self-employed youth worked as Service and sales workers (31.2%) and Technicians and associate professionals (22.4%), while the majority of older self-employed people were working as Craft and related trades workers (19.0%), Professionals (18.1%), Technicians and associate professionals (16.5%), Service and sales workers (16.1%), and Managers (13.0%).

**Figure 3. Characteristics of self-employed workers by target group**

a. Proportion of self-employed by economic activity, 2017



b. Proportion of self-employed by educational attainment, 2017



c. Proportion of self-employed by occupation, 2017



Note: The self-employment rate is defined as the proportion of those in employment who are self-employed.

Source: Eurostat (2018), Labour Force Survey.

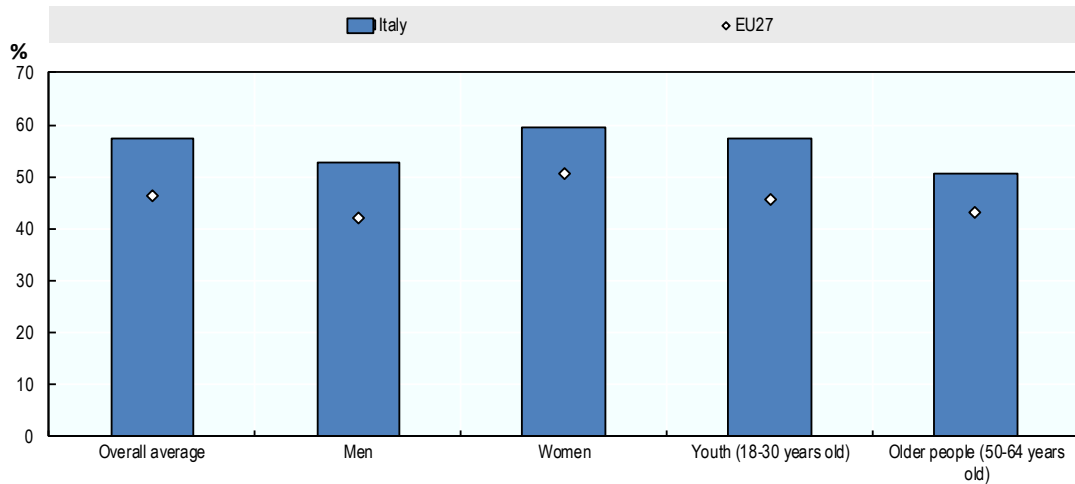
## 2.4. Barriers to business creation

Italian's were more likely than the EU average to report that a fear of failure prevented them from starting a business over the period 2013-17 (57.4% vs. 46.2%) (Figure 4a). Approximately 60% of women indicated that a fear of failure was a barrier to business creation, while more than half of youth (57.3%) and older people (50.6%) also cited this barrier, both of these proportions were above the EU average (45.5% for youth; 43.2% for older people).

Italians were also less likely than the EU average to indicate that they had the skills to start a business. Between 2013 and 2017, fewer than one-third of Italians reported that they had the skills to start a business (31.5%) relative to four out of ten adults in the EU (41.9%). Women were the least likely to report having the skills for business creation (25.2%), which was among the lowest proportions in the EU. Youth were more likely to have the skills to start a business (29.8%), but this proportion was nonetheless below the EU average for youth (36.3%). Only 26.9% of older people indicated that they had the skills to start a business, which was also well below the EU average (40.4%).

**Figure 4. Barriers to entrepreneurship by target group**

a. Proportion who report that a fear of failure prevents them from starting a business, 2013-17



b. Proportion who perceive that they have the skills to start a business, 2013-17



Note: Data were pooled for the period 2013-17. Responses were weighted to reflect the population in each year, but no weighting was used when pooling the time series data, i.e. all years have the same weight regardless of the sample size in each year. The EU27 average covers all EU Member States except Malta because it is not covered by the GEM survey.

Source: GEM (2018), special tabulations of the Global Entrepreneurship Monitor's household surveys from the 2013 to 2017.

## 2.5. Entrepreneurship performance

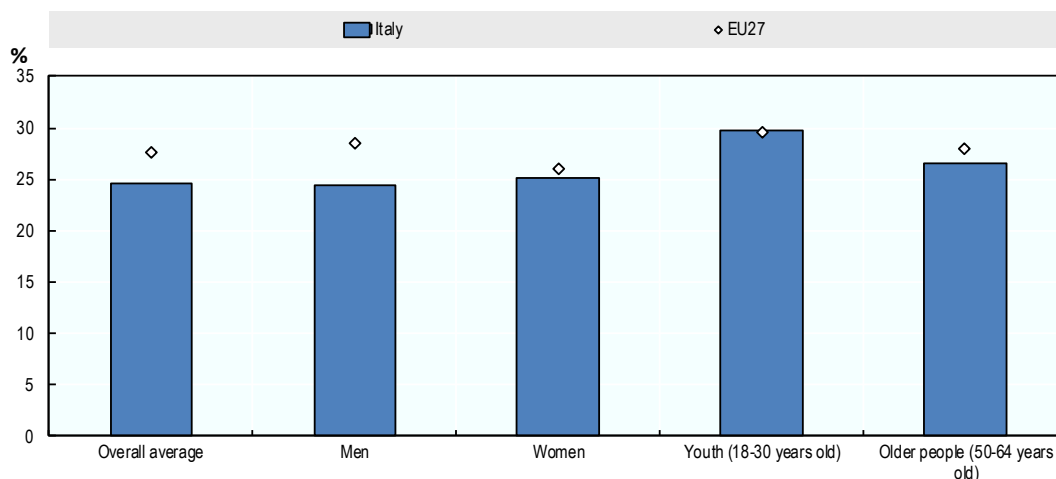
Between 2013 and 2017, Italian entrepreneurs were slightly less likely than the EU average to report that they introduced new products and services (24.6% vs. 27.6%). Italian youth entrepreneurs were as likely as the EU average to introduce new products and services (29.8% vs. 29.7%) (Figure 5a). Older people and women were less likely to report this (26.5% and 25.4%), and both proportions were slightly below the EU averages (28.0% and 26.1%). However, Italy is one of the few countries where women were more likely to self-report introducing new products and services.

Similarly, Italian entrepreneurs were less likely than the EU average to sell to customers in another country over this period (49.9% vs. 57.4%) (Figure 5b). Youth entrepreneurs were the most likely to indicate having sales to customers in other countries (55.0%), while women were the least likely (43.0%). The likelihood of reporting sales to customers in other countries was below the EU average for each of the target groups over this period – women, youth and seniors.

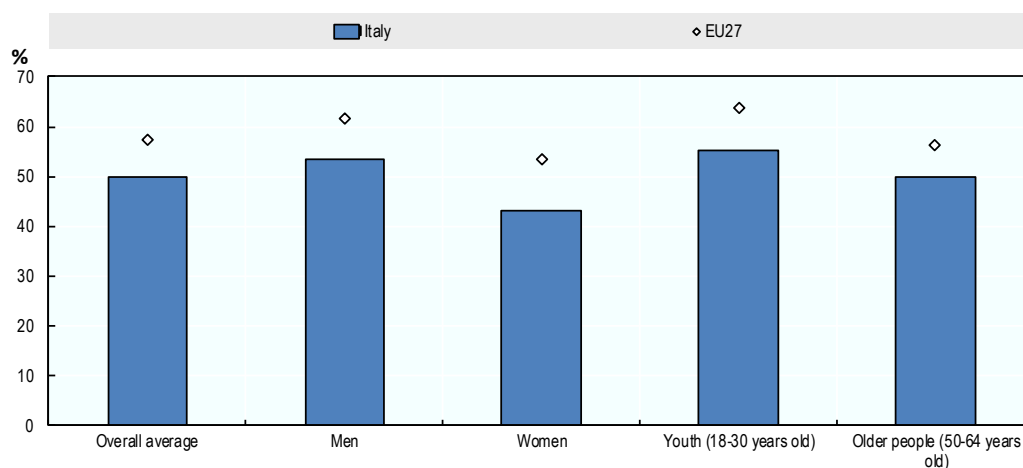
Given the lower propensity to introduce new products and services, or export, it is unsurprising that Italian entrepreneurs are much less likely to report an expectation to create a substantial number of jobs. Over the period 2013-17, only 4.5% of Italian entrepreneurs indicated that they expected to create at least 19 jobs in the next five years relative to the EU average of 9.7% (Figure 5c). While the proportion of youth who reported this growth expectation was above the national average (5.0%), it was only about half of the EU average (10.8%). Only one in a hundred women entrepreneurs expected to create at least 19 jobs in the next five years (0.7%).

**Figure 5. Self-employment and entrepreneurship activities by target group**

a. Proportion of new entrepreneurs whose products or services are new to all or some customers, 2013-17

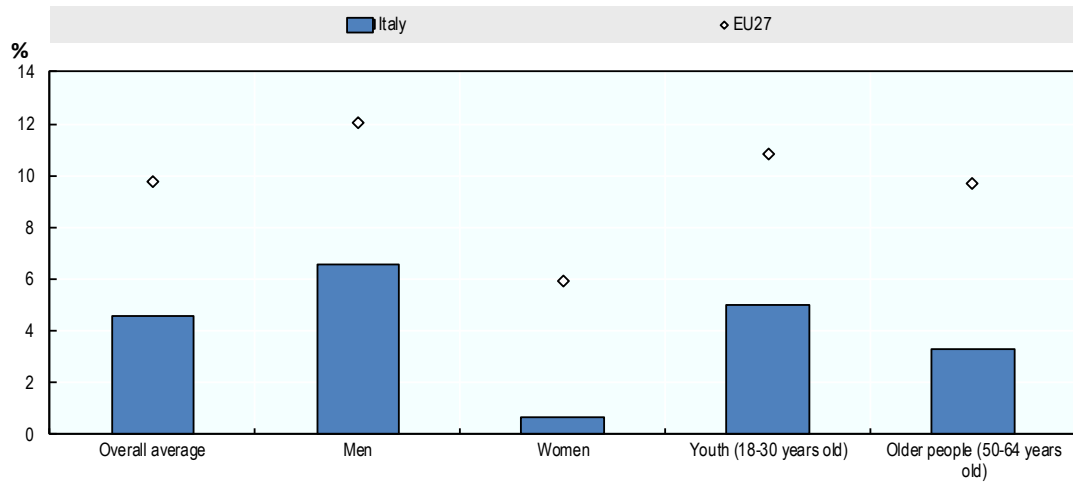


b. Proportion who sell to customers in another country, 2013-17





c. Proportion of early-stage entrepreneurs who expect to create more than 19 jobs in 5 years, 2013-17



Note: Data were pooled for the period 2013-17. Responses were weighted to reflect the population in each year, but no weighting was used when pooling the time series data, i.e. all years have the same weight regardless of the sample size in each year. The EU27 average covers all EU Member States except Malta because it is not covered by the GEM survey.

Source: GEM (2018), special tabulations of the Global Entrepreneurship Monitor's household surveys from the 2013 to 2017.

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

#### 3.1. Policy framework

Policy interventions for inclusive entrepreneurship began in the 1980s, with initial actions aiming to address the credit constraint faced by (potential) entrepreneurs. These interventions have often taken the form of laws, which were intended to be updated regularly in response to their impacts. In the 1990s, decision-making was shifted to the regions and resulted in a proliferation, and often duplication, of laws (Aronica and Vecchia, 2005).

While there have been many policy interventions to support business creation and self-employment for people from under-represented and disadvantaged groups (e.g. youth, women, unemployed, people with disabilities, former detainees), few national strategies and action plans have been developed to co-ordinate these initiatives. The exception has been youth entrepreneurship policy, and to a lesser extent, women's entrepreneurship policy.

Youth entrepreneurship policy is managed by the *Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa* (Invitalia). Invitalia manages all the national policy initiatives promoting entrepreneurship for youth and the unemployed, mostly geared to disadvantaged areas. In 2015, it was also extended to the whole national territory and included women among the target categories. It is generally considered to offer high quality supports but the proliferation of youth entrepreneurship initiatives by numerous actors in the private, public and non-governmental sectors at the national and regional levels has led to concerns about the co-ordination of policy actions.

Another important actor for youth entrepreneurship support is the Chambers of Commerce. In 2014, the Chambers set up a national network of one-stop shops (*Sportelli per l'imprenditoria giovanile*) for youth entrepreneurship under the FILO project/programme. This network provides youth with free start-up support services, including training, mentoring, and support in accessing credit, microcredit and national or regional grants. These services appear to be effective, but there is scope to strengthen the linkages with other public policy actions.

Also in 2014, the Youth Guarantee Initiative (2014-20) was also implemented. The Youth Guarantee plan has a budget of EUR 6 billion, including national and regional level resources and matching funding from the European Social Fund (ESF). It is implemented across all regions except for the Autonomous Province of Bozen. It is clearly one of the largest labour market initiatives and faces a number of challenges due to its size. The most significant has been the in-take mechanism. A web portal has been launched to promote the initiative, but youth enter Youth Guarantee programmes through the public employment service, which is undergoing a very profound reform. However, Invitalia and ANPAL have set up a network of consultants at central and local levels to support NEETs in developing their business ideas.

The policy framework for women's entrepreneurship has also been longstanding. This support was substantially reinforced in 2003 by the establishment and strengthening of the *Comitati per la promozione dell'imprenditorialità femminile* (Committees for the promotion of female entrepreneurship). These committees, set-up by the Ministry for Economic Development and the Union of the Chambers of Commerce, and including social partners representatives, are designed to

monitor and solve business problems at the local level, through training, networking and assistance on start-up procedures. There is a committee in each Chamber of Commerce, thus building up an extensive national network. This structure is complemented with national and regional projects that are co-funded by the European Structural and Investment Funds. As with youth entrepreneurship support, initiatives and projects have proliferated, but their effectiveness has been uneven across the country. As is the case for most local policies, the availability and quality of support for women entrepreneurs is heavily dependent on the capabilities of those designing and delivering support at the local level, which are unevenly spread across the Italian territory (Mauro and Pigliaru, 2011).

There is no independent governmental monitoring or evaluation agency, although there are a number of agencies at the regional level that have this role. There is also very little *ex-post* counterfactual policy evaluation. However, there are efforts to address this challenge. For example, within the context of the Youth Guarantee, IRVAPP from the Autonomous Province of Trento anticipates counterfactual analyses of the Youth Guarantee results. Nonetheless, more attention to evaluation is needed for inclusive entrepreneurship policies so that policy makers can understand what initiatives are efficient and effective. Some actions have already been taken to address this. The Legislative Decree n.150/2015 foresees the transformation of the public research Institute supervised by the Ministry of Labour and Social Policies, ISFOL (Institute for the studies on vocational training of workers) into INAPP (National Institute for the Analysis of Public Policies), which has been active since October 2016 and is in charge of (counterfactual) evaluations of public policies in particular in the field of work and social inclusion. The analysis on the self-employment target is ongoing but some in-depth data were presented to the Surveillance Committee of the YEI Operational programme at the end of May 2017.

### **3.2. Government regulations**

The regulatory environment can have a negative influence on entrepreneurship activities, especially for people from under-represented and disadvantaged groups who have lower levels of entrepreneurship skills and less experience dealing with public administration (Parker and Robson, 2004; Steinberger, 2005; Hessels et al., 2007).

One of the most significant regulatory changes in recent years was the 2014 Jobs Act, which introduced some substantial changes to the labour market regulations and social welfare system by creating a strong role for fixed-term labour contracts and agency work, with less labour rights (Arpaia et al., 2017; Sacchi, 2018). These two contract types co-exist and the first is concentrated on older people while the second is prevalent for youth.<sup>2</sup> While this does not directly impact entrepreneurship, it can have an influence on the decision to create a business.

More important for entrepreneurs is the Jobs Act for Self-employment and Smart working (10 May 2017). The Bill is divided in two chapters. The first one strengthens the social and economic protection for the *lavoratori parasubordinati*, i.e. that, although formally self-employed, are in a subordinate dependent employment relationship, characterised by a regulated working time linked to the closure of work premises, by being subject to an employer's managing and disciplinary power, by being paid at regular intervals, and by bearing no enterprise risk (see the Cassazione decree, February 14, 2002, No. 1420). The second chapter develops flexible working arrangements (“smart working”) within the dependent employment relationship, with a view to promoting competitiveness and facilitating reconciliation of work and family life. No evaluation of this new law exists to date.

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<sup>2</sup> The current government is undertaking, at the time of writing, a new labour market reform, which should weaken some of the provisions of the Jobs Act, but whose exact terms are yet to be clarified.

One of the main supports for many new entrepreneurs are Job Centres, which each have an office dedicated to self-employment. This should help self-employed in the creation of their business, access to public procurement tenders and set-up of professional activity. Furthermore these institutions must stipulate free conventions with professional orders and associations, as well as with comparatively more representative associations of self-employed workers. However, to date there have been challenges in delivering on this mandate due to a lack of trained staff with knowledge of the territory, local economic structure, and the needs of clients who could be supported in self-employment. A related issue concerns the actions aimed at reducing the extent of administrative barriers to firm creation. A strategy to overcome this problem was the development of one-stop-shops following the tradition started in the United States. The application of Law 447/98 (*Sportello Unico per le Attività Produttive*, SUAP, one-stop-shop for productive activities) has taken place differently in different regional contexts and there is varied evidence on its effectiveness. Tosi (2009) studied the application of SUAP in Tuscany. According to this evidence, SUAP has not yet reached its potential in terms of diffusion, mainly due to problems of qualification of their workforce. Yet, the econometric estimates in Ferrara and Marini (2004) show that there is an increase in firm creation thanks to the introduction of SUAP. Their study is of high interest because it is not limited geographically and considers both developed and less developed regions in the country.

### **3.3. Financing entrepreneurship**

There are many laws that address access to finance for business creation for different groups of under-represented and disadvantaged entrepreneurs (e.g. youth, women, unemployed, people with disabilities). Many of these laws also include provisions for training, coaching and mentoring with which will be discussed in the next section. This system of financial supports was largely established in the 1980s and 1990s, and there are several tailored policies and instruments that support the unemployed, women and youth.

A very important current initiative is the SELFIEmployment Fund, which supports young NEETs to become self-employed or entrepreneurs. The rotating Fund, cofinanced by YEI and ESF resources, amounts to EUR 103 million and finances entrepreneurial ideas of NEETS with spending programmes between EUR 5 000 and EUR 50 000. It started its activities in March 2016 and is managed by Invitalia on behalf of the Ministry of Labour/ANPAL. Until May 2016, 1 316 funding requests were submitted by NEETs and 285 enterprises were financed for a total amount of EUR 9.3 million. Among these 56.3% were started by boys/men and 43.7% by girls/women. Most of the newly started enterprises (micro and small) operate in the retail and food and beverage service (production and sales). An additional value and success factor of SELFIEmployment is the revolving mechanism developed for the ESF funds the repayable nature of the subsidy makes the same resources available for further beneficiaries. SELFIEmployment also constitutes an innovative experience of multilevel governance. Ministry of Labour and ANPAL are responsible for the effectiveness of the financial instruments, but as the regions providing YEI resources are involved too in the communication and strategic choices concerning implementation.

In June 2017, a new Law Decree was promulgated containing urgent provisions to stimulate economic growth in the South. These provisions included the measure *Resto al Sud* (“I remain in the South”), a series of actions aimed at supporting the creation and growth of youth-led firms in Southern Italy. It targets people between 18 and 35 years of age. Applicants must be resident in Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardegna and Sicilia, or willing to move there within 60 days from the acceptance of the request for funding. Furthermore they must have not been beneficiaries, in the previous three years, of other measures in favour of self-employment; they cannot have a permanent employment relationship, or hold other business activity in operation, for the entire duration of the loan. Most service activities are excluded from the measure, which targets agriculture,

industry, handicraft and the provision of business services. Successful applicants will be able to benefit from a loan of up to EUR 40 000. In the case of joint ventures, this maximum amount will be granted to each shareholder, up to a limit of EUR 200 000, with a non-repayable grant of 35% and the remaining 65% through a zero interest loan to be repaid over eight years. Public administrations, universities, or third-sector associations can offer consulting services and assistance in the preparation of the business project. The management of the measure has been entrusted to Invitalia.

More routinely, zero-rate loans for youth and women under 35 years old, based upon Decree 140/2015 of the Ministry of Economic Development, are granted to create and support micro and small businesses (not older than twelve months at the date of application), in the form of partnerships and cooperatives constituted for more than half of the members by young people aged 18 to 35 years old, or by women. The repayment of the loan instalments, at zero interest rates, must take place within eight years with six-monthly instalments expiring on May 31 and November 30 of each year. To access the facility, the applicant is required to guarantee the financial coverage of the investment with own resources or with an external, and not public, funding equal to 25% of the total eligible expenses. The subsidised investment must not exceed EUR 1.5 million and must in principle be related to the production of goods or services in manufacturing (including handicrafts), agriculture; business services, trade and distribution, hotels and restaurants. Cultural goods and social innovation are areas of particular interest. The Ministry of Economic Development has the right to establish different priorities for intervention in the activities and sectors. Investments programmes must relate to expenses for purchasing buildings, renovations, company land, machinery and plants, software and ICT services, patents, trademarks and licenses, training of members and employees and consultancy. Programmes must in principle last no more than 24 months, with a possible extension of no more than six months.

Microcredit has emerged as an important tool for supporting entrepreneurs from under-represented and disadvantaged groups. The evidence has been mixed, with some research noting a slow take-up in offering microcredit products by the banking sector, limit sector coverage and a lack of availability in some regions (Provasoli et al., 2009). However, more positive research tends to be more positive on the development of microcredit.<sup>3, 4, 5</sup>

There have been many efforts for developing microcredit in Italy, including the *Retemicrocredito*. This is a network of Information Points on Microcredit and Self-employment that was created by the European Microfinance Network with the support of the resources of the ESF National Operational Programme 2007-2013 (PON AS and PON GAS). However, initiatives have been extremely differentiated among regions. The law decree 141/2010 has attempted a kind of co-ordination. It can support both social and entrepreneurial initiatives. This law provides persons and partnerships with finance to a maximum of EUR 25 000, with supporting services offered. This law targets youth and immigrants, which are in fact its main beneficiaries in terms of both amount and number of loans (EMN, 2012). No evaluation (counterfactual or otherwise) of this law is available yet. In addition, many projects are currently supported by the European Union through the Programme for Employment and Social Innovation (EaSI). The EaSI Programme support PerMicro, which offers microcredit for micro enterprises and new start-ups by people from vulnerable groups.

In addition to microcredit, another instrument used to support entrepreneurs from under-represented and disadvantaged groups public procurement. However, Italian research suggests that this has limited potential due to the low trade mark-ups in procurement operations (i.e. starting prices of

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<sup>3</sup> [http://www.microcredito.gov.it/images/academia/news/ilMicrocredito\\_In\\_Italia.pdf](http://www.microcredito.gov.it/images/academia/news/ilMicrocredito_In_Italia.pdf)

<sup>4</sup> <http://www.microcredito.gov.it/case-history.html>

<sup>5</sup> <http://www.fondidigaranzia.it/microcredito.html>

tenders are too low to cover even personnel cost at wages compatible with national collective agreements) and large delays in payments (IRPET, 2012). Furthermore, Transparency International identified corruption crimes especially in Italy (as well as in other countries).<sup>6</sup> Therefore, the potential for this instrument appears to be limited at this current time.

Given perhaps the relatively favourable performance of this segment of Italian entrepreneurs, there are no financing schemes concerning the seniors worth noticing. On the other hand, there are some local, small-scale, initiatives covering the detainees (Isfol, 2015).

In addition, there are a large number of regional laws to support access to finance for youth and women entrepreneurs. These many laws tend to profile themselves after their national counterparts, but have not been studied as intensively. Carree et al. (2009) assess the effect of regional policies supporting entrepreneurship in Italy on firm entry, exit, and net entry at the provincial level for six selected sectors. Their results show that entrepreneurship policies do not exert a consistent impact on firm and sector dynamics and unemployment is not significantly reduced by the start-ups from the unemployed. However, there are examples of success. In Tuscany, Mariani and Storchi (2017) examined the first phase (pre-2015) of the regional youth and female entrepreneurship support programme *Fare Impresa*, which offered to new firms a public guarantee and interest rate rebates for investment-related loans. The assessment results are positive: assisted loans actually lengthened firm survival, also providing the chance to the new entrepreneurs to offer additional permanent jobs.

Overall, while there is no compelling evidence on the capability of entrepreneurship regional laws to fulfil their aims, there are positive examples. There are nonetheless risks for policy makers, including co-ordination challenges and the potential for crowding out national laws. Some principle of subsidiarity with respect to different local needs should be adopted. In this sense, the first step is to build a thorough and up-to-date census of regional laws, along the lines of what has already been done for regional start-up funding (<http://www.finanziamentistartup.eu/>) by Italia Startup, the Italian National Startup Association, and the Warrant Group.

### **3.4. Entrepreneurship skills**

A number of laws outline measures to support the acquisition of entrepreneurship skills. In addition to financial provisions, Law 44/1986 (Law De Vito), Law 95/1995, Law 27/1993, included courses for young entrepreneurs (five months) with tutoring systems (from 12 to 20 months). Some in-kind services were also offered in the start-up phase. The evaluation literature has not provided any separate treatment of the impact of mentoring, although earlier evidence (e.g. Izzo and Marchi, 1995) stresses its role. Mentoring has been deemed as particularly effective, with established firms providing informal advice to new firms. This was done on a daily basis, first on a voluntary basis, then on market-related terms as the new firm approached profitability.

The main project currently in this ambit is *Crescere Imprenditori*. It is carried out within the PON IOG in collaboration with Unioncamere, providing targeted training and coaching for the self-employment and self-entrepreneurship of young NEETs throughout the country, and on the basis of the territorial needs detected by the local Chambers of Commerce. More precisely *Crescere imprenditori* offers entrepreneurship training, coaching and consultancy services to help 18 to 29 year olds develop entrepreneurial ideas and take them to market. This project relies on a total amount of financial resources not exceeding EUR 10 million and more than 3 000 NEETs have passed the self-assessment

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<sup>6</sup><http://www.europarl.europa.eu/document/activities/cont/201212/20121204ATT57266/20121204ATT57266EN.pdf>

test preparatory to the training courses up to May 2017. Further, 1 771 young have already received the training (157 out of 169 courses started were completed).

There are also a large number of projects that seek to support women in acquiring entrepreneurship skills. For example, the Marche region, through its Equal Opportunities Committee and in collaboration with ISTAO and the regional Chambers of Commerce, offers a free training course for female entrepreneurs and professional freelancers (Barone, 2018). It is open to both those interested in starting a business and those already running one. The course will take place from 11 May to 28 July 2018 and will be divided into six meetings, each scheduled in a different province. During the course the attention will be focused on the development of business canvas personal model able to direct professional careers by taking into account individual resources, abilities and personalities, and creating synergies between working life and family responsibilities (through the development of capabilities linked to multitasking, programming, planning, care and empathic relationship). Registrations can be made through a dedicated portal.

Generally speaking, in Italy there is currently fairly little entrepreneurship mentoring. This is documented by some available data (ISFOL, 2011; 2012) and can also be inferred by the relatively few studies and material about this topic available in the Italian literature. Yet the evidence from some recent research would appear to vindicate the importance of this form of knowledge transmission.

From a different standpoint, there exists robust empirical evidence, also relating to Italy, suggesting that education is an important positive determinant of entrepreneurial performance (e.g. Ferrante, 2005), and according to some studies (Bugamelli et al., 2011; Schivardi and Torrini, 2011; Federici and Ferrante, 2014), the poor economic performance of the Italian economy in the past fifteen years can be partly ascribed to entrepreneurial styles and strategies determined by a poor endowment of human capital. A unique perspective on the development of entrepreneurship in a university environment is offered by the survey by Fini et al. (2016), taken by 61 115 bachelor and master students, who graduated between September and December 2014 from the 64 Italian universities members of the AlmaLaurea Consortium. Among these students, 1 664 (2.7%) were student entrepreneurs (i.e. students who have created a new venture during their university study or before starting university), 2 232 (3.8%) are nascent entrepreneurs (i.e. students who were currently engaged in the creation of an entrepreneurial activity), and 57 219 (93.7%) were non-entrepreneurs. Student entrepreneurs and nascent entrepreneurs approximately are for 60% men and for 40% women. Hence the rate of female entrepreneurship among students is twice as much as that of total female entrepreneurship (which in 2017 was slightly below 22%, Unioncamere-Infocamere, 2018c). Similarly, the proportion of foreign students is the double among entrepreneurs and nascent entrepreneurs than among the whole student population (5.6 vs. 2.9%). Third, both entrepreneurs and nascent entrepreneurs graduated mostly in Economics and Statistics, Medicine, Political-Social Sciences, and Engineering. Finally, regional patterns do not strictly adhere to Italy's economic dualism, as both opportunity-based and necessity-based entrepreneurship (Davidsson, 2006) seem to play a role.

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

Policies implemented in Italy to promote entrepreneurship often place an emphasis on inclusive entrepreneurship, especially in less developed areas. Such a policy stance has often been defended on the grounds of the potential strong commitment to entrepreneurship existing among young people. Yet, the latter belief, fairly widespread, appears to be refuted by some empirical research. The survey in CNEL (1998) shows that only 30% of the sample adheres to the idea of self-employment, which is seen by many as a "fallback". In order to have a paid employment one out of three youth would settle for any form of contract and two out of three would be prepared to accept any working time.

As far as youth entrepreneurship is concerned, the National network of one-stop shops for youth entrepreneurship is very recent (Unioncamere, FILO), and the Youth Guarantee is also expected to improve awareness about the potential of entrepreneurship among youth thanks to the co-operation of the Information Points on Microcredit and Self-employment of the *Ente nazionale per il microcredito*, located all over Italy. However, little is currently done to promote entrepreneurship to other target groups such as seniors and people with disabilities.

As was already noted in Section 2, female self-employment has been seen mainly as a response to the lack of opportunity to find paid employment. Goffi (2012) provides some interesting evidence. Increasing female employment rates decrease the intensity of female entrepreneurship; and when unemployment is higher, also the feminisation of entrepreneurship rises. In unfavourable labour market conditions, other factors likely to lead to the choice of self-employment or business start-up are those that prevent the reconciliation of work with the care and domestic activities (the two sets of factors are likely to be geographically correlated).

Finally, there many active networks that also helps to promote and support entrepreneurship. An experience that falls between the creation of social capital favourable to entrepreneurship and the facilitation of start-ups are the Startup Weekends now managed by Techstars.<sup>7</sup> Every two to three months a network of start-up facilitators organises in an Italian city a three-day meeting that follows a format similar to that of the SICamp (e.g. Maccaferri, 2012). These weekends, mostly interested in hi-tech ideas, gave rise to permanent networks of firm ecosystem accelerators<sup>8</sup> that meet regularly in given Italian cities (Milan, but also Naples, Catania, Messina, Foggia). These networks tend to be stronger where traditional incubators are somehow missing. Their relationship with more traditional structures for vocational training has not achieved a satisfactory status and is very much an open issue.

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<sup>7</sup> [www.app.co](http://www.app.co)

<sup>8</sup> <http://nastartup.it/>



#### 4. OVERVIEW OF WOMEN'S ENTREPRENEURSHIP

The low female employment rate in Italy has been a long-standing challenge for policy makers. A gender gap also exists among the self-employment sector, suggesting that support of female entrepreneurship and self-employment is likely to help in terms of labour-market performance.<sup>9</sup>

One of the key barriers to business creation has been identified as access to finance (see the Survey on Access to Finance of SME of the ECB). Recent evidence relates to the higher cost of credit for (small) female firms (Alesina et al., 2013). Moreover, in the recent period of economic crisis, there was a more pronounced contraction of the credit towards female-led firms compared to the male-led firms (Cesaroni et al., 2013).

The Law 215/1992 “Positive actions for female entrepreneurship” provides the main framework for the establishment of and aid to firms mainly made up of women. To take advantage of the benefits the start-ups must meet the following requirements: (i) to be an individual firm run by a woman; (ii) to be a partnership or cooperative with at least 60% of female members; (iii) to be a corporation with at least two thirds of the shares be in possession of women and the managing board composed of at least one third of women. Moreover, the firms must (i) have less than 50 employees; (ii) to have a turnover of less than EUR 7 million or a total budget of less than EUR 5 million; and (iii) not be a subsidiary of another firm.

The types of benefits accruing to these firms include:

- Grants, of which 50% is non-repayable. The repayable portion is repaid in monthly instalments at a subsidised rate;
- Access to a guarantee fund. Applications for granting the State Guarantee can be submitted by both female firms and professionals, directly to the bank and the Fund. A female-led firm can receive favourable conditions such as prioritised access, exemption from the payment of the one-time commission to the Fund, and a state guarantee of up to 80%. In addition, the guarantee can be requested for a series of subsidised loans resulting from the collaboration of the ABI, Department for Equal Opportunities of the Presidency of the Council of Ministers, Ministry of Economic Development and the major trade associations such as Confindustria, Confapi, Italian Business Network and alliance of Italian cooperatives;

A recent development, promoted by the Department of Equal Opportunities of the Presidency of the Council of Ministers, together with the Ministry of Economic Development, is the agreement protocol for the development and growth of female entrepreneurship and self-employment signed by the Italian Banking Association, Confindustria, Confapi, Italian Business Network and Alliance of Italian Cooperatives. The protocol, signed on 4 June 2014 and extended on 16 February 2016, supports access to credit of female firms, self-employed workers, and professionals. Indeed, beneficiaries include all female micro, small and medium firms, as defined by Law 215/1992, plus female

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<sup>9</sup> Just after the onset of the current recession, Italy's female employment rate was in 2008 a very low 47.2% rate. The corresponding rate for the EU (16 countries) was 59.7% (these rates were in 2017 (2016) respectively of 48.9 and 63.3% (48.1 and 62.4%). On the other hand, the ratio of self- over total employment for Italian females and males was respectively 19.3 vs. 29.6% in 2008, and 18.1 vs. 28.1% in 2016. These data are sourced from the OECD statistics portal.

professionals, without limits of age or sector. Banks and financial intermediaries that adhere to the Protocol undertake:

- to establish a specific ceiling dedicated to the initiatives envisaged by the Protocol itself and make it operational within 60 days from the submission of the application form to the ABI;
- to grant loans on competitive terms compared to the normal offer in relation to similar transactions (also through the guarantee of the special section “Presidency of the Council of Ministers - Department for Equal Opportunities”);
- to support women in the phase of setting up new businesses or starting up the profession (programme “*Donne in start up*” - Women in start-up), in the phase of realising new investments (programme “*Investiamo nelle donne*” - Investing in women), during a difficult situation in the course of business activity (“*Donne in ripresa*” - Women in recovery);
- to grant the so-called “*Sospensione donna*” programme, that is the possibility for self-employed women to request the suspension of repayment of the loan, up to twelve months, without additional guarantees, in the case of: maternity; serious illness of the applicant, her spouse or cohabitant, her children; incapacitating illness of parents, relatives or cohabiting in-laws.

Notwithstanding the importance of an easy access to credit, there has been evidence that this kind of support may have only short-term effects (Gennari and Lotti, 2013). Other kinds of policies include the Be-Win – Business Entrepreneurship Women in Network project, which aimed to promote female entrepreneurship in Italy by supporting female neo-entrepreneurs. This project lasted from September 2011 to August 2013, but its portal and network continue. The basic issue addressed by the Be-Win initiative was the difficult approach of women to the allocation of time among work (entrepreneurship) and family.

Also relating to the issue of family-work reconciliation, Law 92/2012 included for employees two measures directed to parenting support: (i) paternity leave; (ii) vouchers for the purchase of care services. The 2016 budget extended this legislation to female entrepreneurs, but appropriate implementation decrees are still missing at the time of writing. A more favourable outlook seems to derive from the consideration of Law 120/2011 that regulates the presence of women in the managing boards and boards of statutory auditors of publicly traded companies.<sup>10</sup> The representation of women on the boards decisively increased after the enactment of this law going, in listed companies, from 6% in 2010 to 33.6% in 2017, and in government-controlled companies from 17.5% in 2014 to 30.9% in 2017 (Department for Equal Opportunities). It would be interesting to see whether the apparent impact of Law 120/2011 is associated to the more general positive effects associated with similar regulations in other countries, as found in Adams et al. (2011) or Matsa and Miller (2013).

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<sup>10</sup> Expiring boards must be renewed reserving a quota equal to at least one fifth of their members to women. Starting from the second and third renewal of the boards, the quota goes up to at least one third.

## 5. POLICY RECOMMENDATIONS

Although Italy has always had a very high rate of self-employment, entrepreneurial activities have declined in recent years, especially for women and youth. The policy framework to address the challenges faced by entrepreneurs has a relatively long history in Italy and there are many supports for entrepreneurs from under-represented and disadvantaged groups. However, there is room to improve inclusive entrepreneurship policies and programmes in Italy, including some general measures that would assist all entrepreneurs, as well as tailored measures for different target groups. The following recommendations are offered:

1. *Develop the one-stop-shop approach to the facilitation of entrepreneurship.* This requires coordination among the PES and the SUAP, and all other networks and subjects that operate on the territories, with a massive investment in the physical and human capital of both public structures. A serious spending review should be encouraged in both areas to eliminate unnecessary costs and make new resources available for investment. As PES are to be coordinated by the National Agency for Active Labour Market Policies that started its activities in November 2016, this requires the set-up of a framework for ensuring nation-wide consistency in the labour-market services offered to citizens, as well as the coordination between the new agency and the regions in charge of the programming and management of the local labour market policies.

When dealing with the one-stop-shop approach and coordination between PES and SUAP, a specific issue should be highlighted for the young. The one-stop shops set up by the Chambers of Commerce for youth entrepreneurship risk duplicating services that are already provided by SUAP and as well as by job centres under the supervision of the new National Agency for Active Labour Market Policies. A solution to this problem could entail entrusting the *Sportelli per l'imprenditoria giovanile* with the development of mentoring networks.

2. *Boost entrepreneurship education in high schools and universities (and eventually work-based learning).* The evidence quoted in § 3.4 highlights that traditional forms of education are, to say the least, not particularly conducive to the development of youth entrepreneurship. A new law on schooling, Law 107/2015 that foresees the alternation of School and Work, facilitates however the establishment of short-term internships in high schools within private and public entities. This could open up the avenue for more systematic contacts between high schools and networks of start-up facilitators, taking place at the local level without the need for any additional legislation.
3. *Reform entrepreneurship support with the offers of the public employment services.* Various categories of disadvantaged entrepreneurs have lamented the absence of information on the sector and market opportunities, and the administrative and regulatory framework. Following a practice already experimented in Denmark, public employment centres could offer courses focused on management and legislation simultaneously available for the unemployed and various categories of disadvantaged entrepreneurs (women, young, ethnic minorities). These courses can be effective sources of capacity building and informal firm-worker networks at the local level. Another task for the new national agency (that will also manage unemployment benefits) could be the establishment of a proper welfare bridge. The Portuguese and Irish cases (*Apoios à Criação do Próprio Emprego por Beneficiários de Prestações de Desemprego*; *Back to Work Enterprise Allowance*) could provide here interesting examples.

4. *Develop more initiatives to support ethnic minority entrepreneurship.* A key aim of these policies should be the assessment and building up of the human capital of immigrants. In this sense, it is important to second the demand made by immigrants themselves to strengthen training focused on business and legislation. Immigrants also ask to be supported by a network of producers. In this sense, mentoring from successful immigrant entrepreneurs can be particularly useful. Contacts with other similar businesses that have “made it” should lead to a proper acquisition of entrepreneurial know-how and role in an otherwise unfamiliar environment. Another policy prescription, mainly emerging from various local experiences, is that government (at various territorial levels) should interact with banks in order to implement micro-finances geared at immigrants (and then taking into account the barriers from language and lack of institutional knowledge).

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## ANNEX: METHODOLOGY

Each note was prepared by a national expert in co-operation with the OECD Secretariat. Information was collected through desk research and interviews (i.e. telephone, face-to-face, email) with key stakeholders and government representatives. The information was then verified by government partners, programme managers and other inclusive entrepreneurship stakeholder groups through email exchanges and one-day seminars in selected countries.

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

The framework contains five pillars:

### **1. Policy framework**

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

### **2. Government regulations**

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

### **3. Financing entrepreneurship**

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

- Are there public policy schemes that encourage and support business angel networks to support entrepreneurs from under-represented and disadvantaged groups?
- Are there schemes that encourage and support crowdfunding and peer-to-peer lending to support entrepreneurs from under-represented and disadvantaged groups?
- Is financial literacy training offered to support entrepreneurs from under-represented and disadvantaged groups?

#### **4. Entrepreneurship skills**

- Are there entrepreneurship training initiatives for entrepreneurs from under-represented and disadvantaged groups?
- Do high potential entrepreneurs from under-represented and disadvantaged groups have access to one-to-one or group coaching and mentoring?
- Are there public initiatives that provide information on available support programmes or on business start-up procedures for entrepreneurs from under-represented and disadvantaged groups?
- Are there business consultancy and advisory services for entrepreneurs from under-represented and disadvantaged groups?
- Are there business incubators for entrepreneurs from under-represented and disadvantaged groups?

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

- Is entrepreneurship actively promoted as an employment opportunity amongst under-represented and disadvantaged groups through the education system, media, role models, etc.?
- Are there public policy actions that attempt to build specific business networks for entrepreneurs amongst under-represented and disadvantaged groups?

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