



Inclusive Entrepreneurship Policies, Country Assessment Notes

Malta, 2017



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). 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.

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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 rates have been constant over the past decade in Malta. However, the proportion of youth and women involved in self-employment has declined slightly, from 4.5% in 2007 to 3.0% in 2016 for youth, and from 7.0% in 2007 to 5.8% in 2016 for women. This decline has increased the gender gap in entrepreneurship. Men were nearly three times as likely to be self-employed as women in 2016, which was a larger gap than in most European Union (EU) countries. The availability of entrepreneurship support initiatives has been increasing in recent years, largely due to a number of new youth entrepreneurship support initiatives that were launched as part of the National Youth Policy: Towards 2020. There is room to strengthen inclusive entrepreneurship support as tailored entrepreneurship support is less available for other groups such as women, older people and the unemployed.

This note is the second in a series of annual country assessments prepared by the OECD in collaboration with the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission on the state of inclusive entrepreneurship policies and programmes in each European Union Member State. Each note provides an overview and assessment of policies and programmes that support people from under-represented and disadvantaged groups in business creation and self-employment, and suggests policy actions to address gaps in the support system and to improve the quality of available support offers. The notes cover national-level policies and programmes and, where relevant, sub-national initiatives and actions by the non-governmental sector. The 2017 notes place a special focus on describing the characteristics of self-employment in each country.

The notes are part of a wider programme of work by the OECD and the European Commission that includes ‘The Missing Entrepreneurs’ publications, a series of Policy Briefs on specific target groups, policies and issues, country reviews of youth entrepreneurship and women entrepreneurship, and the production of online policy guidance. For more information please refer to: <http://www.oecd.org/employment/leed/inclusive-entrepreneurship.htm>.

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KEY MESSAGES

- The number of entrepreneurship support initiatives in Malta has increased substantially over the last decade, including recent efforts to increase awareness about entrepreneurship and several new entrepreneurship training programmes. Youth are targeted by many of the recent actions under the National Youth Policy, which also seeks to increase the availability of entrepreneurship education. Beyond this, there are few tailored entrepreneurship policies and programmes for other groups that are under-represented or disadvantaged in entrepreneurship (e.g. women, older people, the unemployed, and people with disabilities).
- In 2016, the self-employment rate in Malta (13.2%) was close to the European Union (EU) average (14.0%). Youth self-employment has declined over the past decade from 4.5% in 2007 to 3.0% in 2016. Similarly, the proportion of working women who were self-employed has also fallen slightly since 2007 – from 7.0% in 2007 to 5.8% in 2016. The self-employment rate for older people was constant over the past decade and slightly above the EU average in 2016 (19.1% vs. 18.2%).
- Further development of inclusive entrepreneurship policies and programmes is hindered by a lack of strategic focus on the issue. No policy objective explicitly calls for business creation support for women, youth, older people, immigrants and the unemployed. Furthermore, there is currently no Ministry with a clear mandate for developing inclusive entrepreneurship policies and programmes.
- Inclusive entrepreneurship policies and programmes could be strengthened by: (i) developing a national entrepreneurship policy to clearly define objectives and targets that are consistent with the European Union’s Entrepreneurship 2020 Action Plan; (ii) extending the Malta Enterprise Micro Invest Scheme for women to other social target groups; (iii) tailoring entrepreneurship training programmes to the needs of the key social target groups (i.e. women, youth and the unemployed); and (iv) using role models from different social target groups to promote entrepreneurship as a viable labour market activity.

1. INCLUSIVE ENTREPRENEURSHIP OBJECTIVES AND TARGETS

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

Malta has also developed a target related to poverty and social exclusion: to reduce the number of people at risk of poverty and social exclusion by 6 560 by 2020. Inclusive entrepreneurship policies and programmes could contribute to attaining this objective.

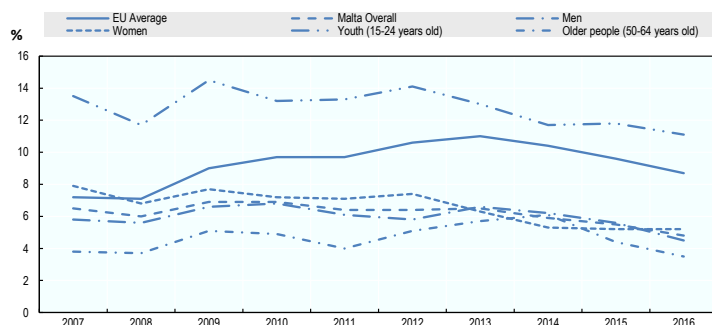
2. KEY INCLUSIVE ENTREPRENEURSHIP INDICATORS

Malta's economy is currently growing faster than the European Union's (EU) economy as a whole; most labour market indicators are therefore relatively positive. The unemployment rate in Malta was approximately half of the rate for the EU in 2016 (4.8% vs. 8.7%), although labour market participation rates are among the lowest in the EU. The unemployment rate has been quite stable over the last decade, with a gradual decline over the past four years. The lowest annual unemployment rate was in 2016 (4.8%), down from 5.5% in 2015, 5.9% in 2014, and 6.5% in 2013. The youth unemployment rate declined from 13.5% in 2007 to 11.1% in 2016 (Figure 1a).

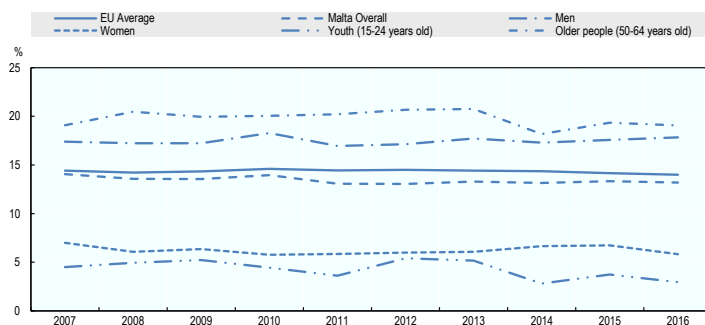
The proportion of workers who were self-employed has been stable in Malta over the last decade (Figure 1b). Overall the self-employment rate in 2016 (13.2%) was slightly below the average rate for all EU countries (14.0%). Men (17.8%) were three times as likely to be self-employed as women (5.8%), which is a larger gap than in most EU countries – the EU average self-employment rates for men and women are 17.5% and 9.9% respectively. The self-employment rate for youth (15-24 years old) was 3.0% in 2016, which is slightly lower than the EU average for youth (4.1%). Conversely, the self-employment rate for older people (19.1%) was slightly higher than the EU average in 2016 (18.2%).

Figure 1. Unemployment and self-employment in Malta

a. Unemployment rate, 2007-16



b. Self-employment rate, 2007-16



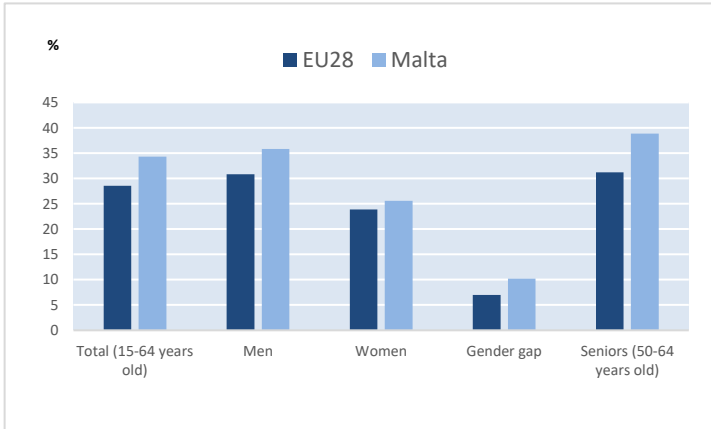
Note: The self-employment rate is defined as the proportion of those in employment who are self-employed.

Source: Eurostat (2017), Labour Force Survey 2016.

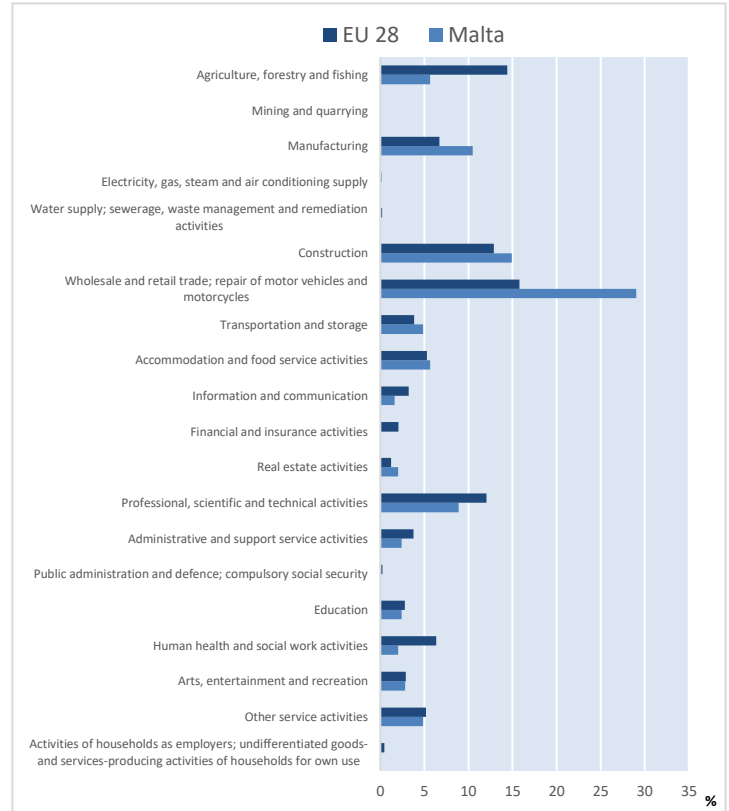
The proportion of self-employed with employees in Malta in 2016 was 34.3%, which was higher than the EU average of 28.5% (Figure 2a). The difference is even more pronounced among older self-employed people (38.8% vs. 31.2%). Moreover, the gender gap of self-employed with employees in Malta is larger than the EU average (10.2% vs. 7.0%). Data are not available on youth employers in Malta.

Figure 2. Characteristics of the self-employed, 2016

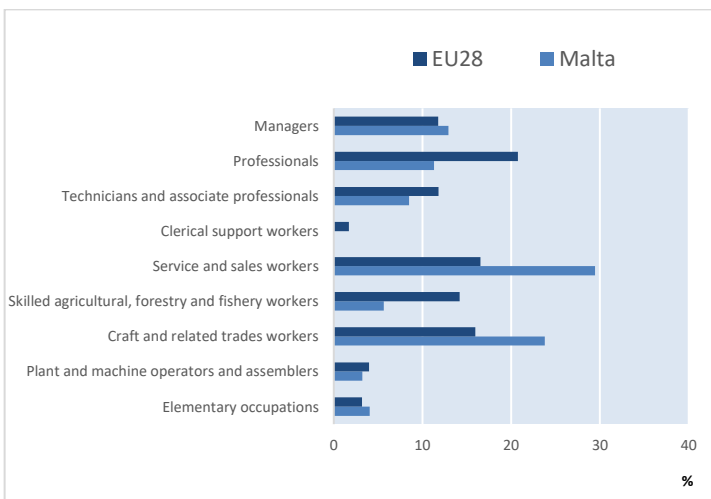
a. Proportion of self-employed with employees



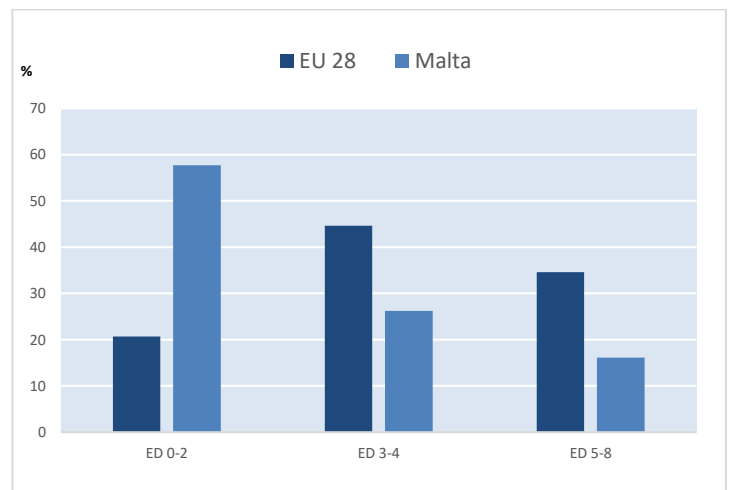
a. Proportion of self-employed by sector



c. Proportion of self-employed by occupation



d. Proportion of self-employed by education level



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

Source: Eurostat (2017), Labour Force Survey 2016.

There are notable differences in the distribution of self-employed by sector of economic activity between Malta and the EU average (Figure 2b). In Malta, nearly one-third of all self-employed (29.0%) were engaged in the Wholesale and retail trade, repair of motor vehicles and motorcycles sector in 2016. This sector had the highest proportion of self-employed in the EU, but the concentration in Malta was nearly twice the EU average (15.8%). In contrast, there were substantially fewer self-employed in Agriculture, forestry and fishing in Malta than in the EU (5.6% vs. 14.4%). The second highest proportion of self-employed in Malta work in Construction (14.9%), followed by Manufacturing (10.5%), Professional, scientific and technical activities (8.9%), and Accommodation and food service activities (5.6%).

The availability of data on female self-employment activities by sector is limited in Malta. In 2016, 32.6% of self-employed women worked in Wholesale and retail trade, repair of motor vehicles and motorcycles, twice the EU average for women (16.4%). Another 9.3% worked in Professional, scientific and technical activities and 18.6% in Other service activities (e.g. personal services). There is no information on the sectors of activity of the remaining 39.5% of self-employed women.

Information on the sectoral distribution of older self-employed workers is somewhat more comprehensive. The most common sector of activity among older self-employed workers was Wholesale and retail trade, repair of motor vehicles and motorcycles in 2016 (29.4%), almost twice the EU average for this group (16.4%). This was followed by Construction (12.9%), Agriculture, forestry and fishing (12.9%) and Manufacturing (11.8%). The sectoral distribution of older self-employed workers is thus very similar to those for the total population of self-employed described above. Data on self-employment activities by sector for youth are not available.

The distribution of self-employed by occupation differs from the EU in several aspects (Figure 2c). In Malta, the largest proportion of self-employed worked as Service and sales workers in 2016 (29.4%), nearly double the EU average (15.6%). The second most common occupation was Craft and related trades workers, which made up nearly one quarter of the self-employed (23.8%), substantially higher than the EU average (15.9%). In contrast, there were considerably fewer Professionals among the self-employed (11.3%) than the EU average (20.7%), where this category accounts for the largest proportion of self-employed workers.

In Malta, approximately one-third (32.7%) of self-employed were engaged in a highly skilled occupation in 2016 (e.g. managers, professionals, and technicians and associate professionals). This was substantially lower than the EU average (44.3%). Conversely, the proportion of self-employed in mid-skilled occupations (e.g. clerical support workers, service and sales workers, agricultural, forestry and fishery workers, craft and related trades workers, and plant and machine operators and assemblers), was higher in Malta (62.1%) than the EU average (52.3%). No major differences are observed for the low-skilled groups (4.0% vs. 3.2%).

A single occupational category – Craft and related trade workers – accounts for more than half of the self-employed women in Malta (51.2%). This is more than twice the proportion of male craft and related trade workers in Malta (25.0%) and almost twice the proportion of females in this category at the EU-level (27.6%). Self-employed women in Malta also commonly work as Professionals (18.6%) and as Managers (9.3%). The proportion of female professionals was substantially lower than the EU average for women (27.1%) but markedly higher than the proportion of Maltese men in this category (9.8%).

More than half of self-employed youth were Service and sales workers in 2016 (51.7%), which was substantially higher than the EU average for this occupation (22.4%). Further details on the occupations of self-employed youth are not available.

About half of older self-employed workers were concentrated in two occupational categories, namely Service and sales (28.2%) and Crafts and related trades (22.4%). These figures were higher than the respective EU averages (15.5%, 14.5%). There was also a slightly larger proportion of Managers among the older self-employed (14.1%) relative to the EU average (12.7%).

In terms of educational attainment, there are stark differences between the self-employed in Malta those in other EU countries (Figure 2d). In Malta, 57.7% of the self-employed have attained a lower secondary education or less (International Standard Classification of Education – ISCED – levels 0-2). This was nearly three times the EU average (20.6%). Consequently, there are far fewer self-employed with a post-secondary (ISCED 3-4) or tertiary (ISCED 5-8) education in Malta (26.2%, 16.1%) than there are in the EU (44.6%, 34.6%).

Women were more likely than men to have achieved higher levels of education, with 34.9% vs. 24.5% having a post-secondary qualification, and 25.6% vs. 14.2% having a tertiary level of education. Nevertheless, self-employed women had less formal qualifications than the EU average, of whom 41.1% have upper secondary or post-secondary qualifications, and 42.2% have tertiary level education.

Similarly, older self-employed workers had lower levels of formal education than the EU average. Two thirds (65.9%) had attained a secondary level education or less, relative to one-quarter at the EU-level (25.1%). No data is available on the educational attainment of self-employed youth.

These data reflect the formal education attainment of workers more broadly. The Global Innovation Index (GII, 2017) ranked Malta 46th out of the 127 surveyed countries on school life expectancy, 56th on tertiary education enrolment, and 63rd on the number of tertiary graduates in science, engineering, manufacturing, and construction as a percentage of the total tertiary graduates.

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

3.1. Policy framework

Overall, the framework for inclusive entrepreneurship policies is under-developed but improving. Several relevant policies targeting youth have recently been introduced,¹ including the National Youth Policy: Towards 2020, which features an action plan on supporting youth in employment and entrepreneurship through entrepreneurship training, coaching and mentoring (Parliamentary Secretariat for Research, 2015). More recently, the proposal “Boosting Youth Entrepreneurship in Malta and the European Union” was presented to the Minister for the Economy, Investment and Small Businesses, the Minister for Education and Employment and the European Commissioner for Internal Market, Industry, Entrepreneurship and SMEs. It includes actions to develop entrepreneurial mind-set among youths (Dalli, 2015), building on the National Curriculum Framework, which has “Education for Entrepreneurship, Creativity and Innovation” as one of six cross-curricular themes.

¹ Government policies and programmes consider youth to be 13 to 30 years old.

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

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

3.2. Government regulations

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

There is regulatory support for European immigrants to become self-employed in Malta. According to the public employment service (ETC), “European Economic Area and Swiss nationals, and their third country national family members or other family members, may take up self-employment in Malta without the need for an employment licence, as long as they send an Engagement Form to ETC (in line with Legal Notice 110 of 1993). For third country nationals, an employment licence is required and is only granted in exceptional cases” (ETC, 2014). Further information regarding the employment licences (including self-employment licences) required by immigrants is available in the ETC employment licence guidelines that are accessible on the internet.

However, there are also a number of regulatory measures that put the self-employed at a disadvantage relative to employees, and this could act as a disincentive for those considering moving into self-employment. For example, unemployed people who return to the labour market as self-employed are not able to access the Tapering of Benefits Scheme, which continues to pay a proportion of unemployment benefits to those who are hired as employees. Moreover, employers receive a wage subsidy for hiring unemployed people, as well as additional incentives for employers when they hire an older unemployed person (45-65 years old) (Jobplus, n.d.a) but the self-employed cannot access this support for creating their own jobs (Social Security, n.d.). There are also fiscal incentives and reduced social security contributions for employers hiring a person with a disability (Jobplus, n.d.b). A person with a disability cannot access these benefits if they create their own business and become self-employed.

3.3. Financing entrepreneurship

The government has recently taken several steps to improve access to finance for all entrepreneurs and small businesses, including measures to boost the provision of equity financing and venture capital. One of the main measures is Malta Enterprise's Micro Invest Scheme, which is a tax credit for self-employed who are registered with the Employment and Training Corporation or small enterprises that employ less than 30 employees that either undertake new investments in their own operations and/or increase their workforce (Malta Enterprise, n.d.a). In addition, Malta Enterprise manages the Micro Guarantee Scheme which provides a guarantee of up to 80% on loans of up to EUR 100 000 (Malta Enterprise, 2017). This is open to all entrepreneurs.

Innovative entrepreneurs can receive financial support through the TAKEOFF Business Incubator, which provides up to EUR 100 000 in seed funding. This scheme is operated by the Ministry for Economy, Investment and Small Business (MEIB), and the Centre for Entrepreneurship and Business Incubation (CEBI) of the University of Malta (University of Malta, 2016). In addition, Malta Enterprise operates the B.Start scheme, which offers seed funding of up to EUR 10 000 and an additional investment of up to EUR 15 000 calculated upon the full-time employment with the start-up (Malta Enterprise, 2016a). The scheme Go Beyond offers early stage business angel investment to start ups in five industry categories, including technology, internet and mobile (Go Beyond, n.d.).

The Bank of Valletta (BOV), a private bank, is also active in supporting entrepreneurs with two offers: the first product is the Start Plus, a loan of up to EUR 25 000. The second offer is the BOV Joint Assistance Initiative for Maltese Enterprises (JAIME) Financing Package , which provides SMEs with up to EUR 500 000 at low interest rates and reduced collateral obligations (BOV, n.d.).

Other start-up financing options include the recently established ZAAR Crowdfunding Platform, which is spearheaded by Promotion of Entrepreneurial Initiatives Limited, which was set up jointly by the Malta Business Bureau and the University of Malta. It is also supported by the Ministry for Economy, Investment and Small Business and the Arts Council Malta (Malta Business Bureau and the University of Malta, n.d.). In addition, the annual National Enterprise Support Awards offers cash prizes of up to EUR 10 000 in recognition of initiatives which support entrepreneurship and enterprise growth in six categories, including in "Responsible and Inclusive Entrepreneurship" (Department of Commerce, 2016a).

In addition to these general measures, there are a small number of initiatives that are targeted at specific groups. For women entrepreneurs, Malta Enterprise's Micro Invest Scheme was recently amended to increase the tax credit available to self-employed women and businesses that are majority owned by females to EUR 50 000 (instead of EUR 30 000) (Malta Enterprise, 2015). In addition, the non-profit financial institution Malta Microfinance Ltd. offers loans to people who cannot access bank financing, especially women and migrants (Malta Microfinance, n.d.).

There are no funding programmes that are offered specifically to youth entrepreneurs. However, young people currently benefit from the Entrepreneurship Through Education Scheme offered by the Ministry for the Economy, Investment and Small Business in collaboration with the Ministry for Education and Employment, which offers funds of up to EUR 5 000 to schools in order to finance projects related to entrepreneurship education and training (Ministry for the Economy, Investment and Small Business and Ministry for Education and Employment, 2016).

Both generic and tailored funding schemes are available to entrepreneurs, offering several options for those looking for start-up support. Some social target groups (e.g. older people) do not have any dedicated financing schemes available to them. However, as Malta is very small market, it may not

require dedicated support for all of the groups. Nonetheless, more publicity about the general funding schemes is needed as very few entrepreneurs from under-represented or disadvantaged groups appear to utilise the available support. Another improvement that could be made is to combine grants and guarantees with training, coaching or mentoring to increase the likelihood that the entrepreneur will use the financing effectively.

3.4. Entrepreneurship skills

A number of information services and entrepreneurship training courses are offered by Malta Enterprise. These offers are open to everyone and include “Business First” (Malta Enterprise, n.d.b), which provides information and individual assistance with meeting administrative requirements and the Business Advisory Scheme (Malta Enterprise, 2016b), which provides individual coaching and mentoring for entrepreneurs.

In addition, entrepreneurs can receive support through several business incubators. These are generally accessible to all entrepreneurs, provided that they satisfy the in-take criteria. Many of these incubators receive public support, including the Kordin Business Incubation Centre (KBIC), which is operated by Malta Enterprise, the Malta College of Arts, Science and Technology Entrepreneurship Centre (Malta Enterprise, 2014), which was set up in collaboration with KBIC and Malta Enterprise and the TAKEOFF Business Incubator at the University of Malta. The private sector also operates some incubators such as the Microsoft Innovation Centre in Valetta.

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

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

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

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

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

For people with disabilities, the “Hands-On” project at Dun Manwel Attard Resource Centre was launched in 2012 to help them develop entrepreneurial skills. It involves an initial tailor-made training programme in entrepreneurship skills for the Resource Centre’s educators, followed by the transfer of the newly acquired entrepreneurship skills from the educators to their students through a process of coaching, mentoring and hands-on workshops where the students produce (and later sell) hand-made items including wedding invitations, wedding souvenirs and, more recently, souvenirs of Malta to be sold primarily to tourists. This programme was recently awarded a prize at the National Enterprise Support Awards for Responsible and Inclusive Entrepreneurship (Department of Commerce, 2016b).

Relative to other areas of policy intervention to support inclusive entrepreneurship, policies and programmes related to the development of entrepreneurship skills are the most widely available and well-developed. Nevertheless, the entrepreneurship education and training offers do not always adequately address the specific needs of all of the various social target groups. For example, there are currently no tailored entrepreneurship skills initiatives for older people, the unemployed or immigrants. While youth are relatively well-served, there is scope to further strengthen recent efforts to embed entrepreneurship in schools. Although the National Curriculum Framework stipulates that “Education for Entrepreneurship, Creativity and Innovation” should be merged into all learning areas through which the cross-curricular themes are to be embedded, teachers still require support in designing and delivering this education. The dissemination of a handbook is a good start but teacher training is required and it would also help to set-up networks and mechanisms for good practice exchange.

3.5. Entrepreneurial culture and social capital

There are a large number of initiatives and organisations that promote an entrepreneurial culture. For example, EU SME Week is organised by the Ministry for the Economy, Investment and Small Business and it promotes entrepreneurship to potential entrepreneurs and offers workshops for those who are already in business (Ministry for the Economy, Investment and Small Business, 2015). In addition, Global Entrepreneurship Week is held annually in November (University of Malta, n.d.). This initiative, which takes place in 160 countries around the world, is designed to connect aspiring and inspiring entrepreneurs through local and global activities. The Malta Chamber of Commerce and Industry also actively promotes entrepreneurship and is typically involved in promotional events that are organised by the government.

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

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

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

The Global Entrepreneurship Week (University of Malta, n.d.) also contains events to promote women’s entrepreneurship such as Women’s Entrepreneurship Day in November 2014. To celebrate this event, successful female entrepreneurs shared their experiences with students. The event also included a pitching event where a number of budding female entrepreneurs presented their business ideas to the Minister for the Economy, Investment and Small Businesses and a panel discussion on the challenges and opportunities experienced by female entrepreneurs (University of Malta, 2014).

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

The Global Entrepreneurship Week also includes activities for youth such as the Budding Rockstars Conference in November 2015. This entrepreneurship and innovation conference was targeted at Malta’s brightest young minds. It used panel discussions, presentations and group activities to promote entrepreneurship and to get youth to work together. Experienced entrepreneurs also assisted them in developing their networks. This conference was organised by The Malta Communications Authority in collaboration with other entities (University of Malta, 2015).²

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

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

² <http://www.um.edu.mt/create/Events/GEW/gew2015/gewbuddingrockstars>

4. POLICY RECOMMENDATIONS

Inclusive entrepreneurship policies are at an early stage of development in Malta. Many recent tailored actions have been launched to support youth and women, including embedding entrepreneurship throughout formal education. In further developing policy actions in the area, careful consideration is needed about the scale of support developed. As women and youth are large target groups, developing tailored initiatives to address their needs is feasible. Developing policies and programmes for older people, migrants, the unemployed and people with disabilities may not be practical in the Maltese context, given the costs of developing and delivering tailored support. Instead, mainstream supports could be adjusted and more attention could be given to outreach methods to ensure that these groups are aware available entrepreneurship support offers. More specific recommendations are as follows:

1. *Develop a national action plan for entrepreneurship policy that covers inclusive entrepreneurship.* A national entrepreneurship strategy or action plan is required to define objectives and key targets for fostering entrepreneurship in Malta. This should include general measures and strategies, as well as specific considerations for under-represented or disadvantaged groups to enable them to engage in entrepreneurship. The action plan should be consistent with the European Union's Entrepreneurship 2020 Agenda (EC, 2013). The action plan should be developed in consultation with relevant ministries, agencies, NGOs, educators, students and representatives of entrepreneurs (e.g. business associations). A central entity is required to consolidate the work being carried out to promote and strengthen entrepreneurship by the various organisations in Malta. This entity should identify the gaps and overlaps in initiatives and resources, and aim to bring the different public and private players closer together.
2. *Extend the Malta Enterprise Micro Invest Scheme for women to other social target groups.* The Malta Enterprise Micro Invest Scheme amendment which grants a maximum tax credit of up to EUR 50 000 instead of EUR 30 000 to self-employed women and businesses owned in their majority by females could be extended to other under-represented or disadvantaged groups.
3. *Tailor entrepreneurship training programmes to the needs of the key social target groups (i.e. women, youth and the unemployed).* Entrepreneurship training programmes should be tailored specifically to the different needs of different target groups to the extent possible. Training should be delivered by entrepreneurs, mentors or educators from the different target groups to ensure that it is relevant. Training should cover the basics of business start-up and business registration as well as a range of skills to support business development and growth (e.g. opportunity recognition, risk management). Such training should also have linkages with relevant entrepreneurship supports (e.g. incubation, coaching, mentoring) and financing.
4. *Use role models from different social target groups to promote entrepreneurship.* In-line with the European Union's Entrepreneurship 2020 Action Plan, entrepreneurs should be portrayed as positive role models to promote an entrepreneurial culture and inspire more people to become entrepreneurs in Malta. Entrepreneurship success stories should be made more visible (especially those from entrepreneurs from different groups) and entrepreneurship should be celebrated as a sound career path. A concerted effort is required from a variety of stakeholders, including the media, educational institutions, ministries,

agencies and non-government organisations, to enhance the entrepreneurial culture and social capital in Malta.

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ANNEX: METHODOLOGY

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

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

The framework contains 5 pillars:

1. Policy framework

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

2. Government regulations

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

3. Financing entrepreneurship

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

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

4. Entrepreneurship skills

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

5. Entrepreneurial culture and social capital

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