



# Inclusive Entrepreneurship Policies, Country Assessment Notes

Portugal, 2017



## Acknowledgements

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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 or personal characteristics. 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.

Women and youth are quite active in starting or managing new businesses. Over the period 2012-16, 9.3% of youth and 6.6% of women were active in starting or managing a new business in Portugal. These proportions are above the European Union averages of 7.8% for youth and 4.8% of women. With the difficult labour market conditions, the government has implemented several entrepreneurship programmes, many of which are tailored for the unemployed and youth. Despite these recent policy actions, there is scope to strengthen inclusive entrepreneurship policies and programmes through increased dissemination of good practices and evaluation results. Other areas for improvement include increasing the quality of support offers with more training for support providers and strengthening entrepreneurship education for youth.

This note is 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 government launched a set of national reforms in 2016 to increase entrepreneurship support. These reforms are to be implemented throughout 2017 and include the promotion of youth entrepreneurship. The majority of current entrepreneurship support programmes focus on the development of skills through training and mentoring; however, there are a number of start-up financing programmes, especially for youth entrepreneurs.
- Overall, the proportion of the self-employed among the labour force has declined over the last decade. Nonetheless, women, youth and seniors are all more likely than the European Union (EU) average to be involved in starting a business or managing one that is less than 42 months old. Between 2012 and 2016, 6.6% of women, 9.3% of youth and 5.2% of seniors were involved in such early-stage entrepreneurship activities. However, these groups were also slightly more likely to be involved in entrepreneurship because they could not secure employment.
- The majority of current entrepreneurship support programmes focus on the development of skills through training and mentoring, although financial support also appears to be readily available. There is a very active non-government sector that supports the government in delivering many programmes. However, the implementation of entrepreneurship education in the mandatory school system is at an early stage and there is a need to improve communication between ministries, and also with civil society organisations, so that good practices can be exchanged and duplication of offers reduced.
- To further advance inclusive entrepreneurship support, the following recommendations are made: (i) create a good practice observatory of inclusive entrepreneurship initiatives to disseminate knowledge, good practices and evaluation results; (ii) improve business development support services for entrepreneurs from under-represented and disadvantaged groups by offering training for support providers; (iii) provide more training on business development and growth within existing entrepreneurship training programmes for youth and women; (iv) develop a clear strategy and teaching material for entrepreneurship education in schools and vocational education and training institutions; (v) promote the use of independent evaluations; and (vi) promote an entrepreneurial culture among under-represented and disadvantaged groups with more role models.

## 1. INCLUSIVE ENTREPRENEURSHIP OBJECTIVES AND TARGETS

The Portugal 2020 strategy<sup>1</sup> sets out the economic, social and territorial development policy to promote in Portugal over the period 2014-20. These policy principles are aligned with Intelligent, Sustainable and Inclusive Growth, pursued by the Europe 2020 growth strategy.<sup>2</sup> Among the four thematic areas of actions defined in Portugal 2020 strategy, the thematic area “employment and social inclusion” is the most closely related to inclusive entrepreneurship and it sets the frame to achieve the objectives of an employment rate of 75% and a reduction of people who are in risk of poverty and social exclusion by at least 200 000.

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<sup>1</sup> <https://www.portugal2020.pt/>

<sup>2</sup> [https://ec.europa.eu/info/strategy/european-semester/framework/europe-2020-strategy\\_en](https://ec.europa.eu/info/strategy/european-semester/framework/europe-2020-strategy_en)

To support Portugal 2020 strategy, the government proposed a National Programme of Reforms for the period 2016-21.<sup>3</sup> These reforms – “More Growth. Better Employment. More Equality” (*Mais Crescimento. Melhor Emprego. Maior Igualdade*)<sup>4</sup> – seek to address some of the country’s structural problems. One of the pillars of these reforms is the entrepreneurship strategy (“Startup Portugal”), which was launched in March 2016.<sup>5</sup> The objective of the entrepreneurship strategy is to support the creation of 1 500 new firms. It has been allocated a budget of EUR 200 million.

“Startup Portugal” includes 15 measures to support entrepreneurship, of which some are extensions of existing programmes that seek to integrate people with an entrepreneurial profile who have special difficulties in accessing the labour market and/or are at risk of social exclusion (e.g. women, people with disabilities). These programmes are implemented by the Institute of Employment and Professional Training (*Instituto do Emprego e Formação Profissional – IEFP*), including the Programme of Support for Entrepreneurship and Self-employment Creation (*Programa de Apoio ao Empreendedorismo e à Criação do Próprio Emprego – PAECPE*) which includes the Support for the Creation of Own Employment (*Apoios à Criação do Próprio Emprego – ACPE*) and Support for Start-up (*Apoios à Criação de Empresas – ACE*). The objectives of these measures are presented in Table 1.

**Table 1. Specific targets and objectives of initiative under the PAECPE implemented by IEFP**

<i>Measure</i>	<i>Target group supported</i>	<i>Objectives 2017</i> <sup>6</sup>
Support for the Creation of Own Employment (ACPE)	Beneficiaries of Unemployment Benefits	To support 1 500 projects
Support for Start-up (ACE)	- Unemployed, - Youth (between 18 and 35 years old) looking for the first job - independent workers with low income	To support 1 450 projects funded by EUR 2 529 717

Other measures in the Startup Portugal strategy include new programmes to support young entrepreneurs who have graduated from university. The objectives of these two programmes – Startup Voucher and Momentum – are outlined in Table 2. Programme documents for Momentum explicitly note the programme’s role in supporting social inclusion.<sup>7</sup>

**Table 2. Specific targets and objectives of initiatives targeted to youth in the frame of StartUp Portugal strategy**

<i>Measure</i>	<i>Target</i>	<i>Objective</i>
<b>Startup Voucher</b>	University graduates.	To create 250 companies in 4 years
<b>Momentum Programme</b>	Recent graduates who have benefited from social action grants at the university / polytechnic	To support 50 students/companies

<sup>3</sup> This programme was updated on April 2017.

<sup>4</sup> <http://bit.ly/1ZjHgZt>

<sup>5</sup> <http://www.portugal.gov.pt/media/19777199/20160606-mecon-startup-portugal.pdf>

<sup>6</sup> Relatório de Execução física e financeira Maio 2017 available in <https://www.iefp.pt/estatisticas>

<sup>7</sup> StartUp strategy, reference to Momentum programme in p.2 in Document Summary of presentation, [https://www.iapmei.pt/getattachment/PRODUTOS-E-SERVICOS/Empreendedorismo-Inovacao/Empreendedorismo/Programas-e-iniciativas/Startup-Portugal/Briefing-PM-sobre-Startup-Portugal-\(3\).pdf.aspx](https://www.iapmei.pt/getattachment/PRODUTOS-E-SERVICOS/Empreendedorismo-Inovacao/Empreendedorismo/Programas-e-iniciativas/Startup-Portugal/Briefing-PM-sobre-Startup-Portugal-(3).pdf.aspx)

The Youth Guarantee scheme is also an important entrepreneurship support programme for youth entrepreneurs.<sup>8</sup> It has been operating since 2014.<sup>9</sup> The National Plan for the Implementation Youth Guarantee follows a European Commission Recommendation for the implementation of initiatives in each Member State to “ensure that all young people receive a quality offer of employment, continued education, an apprenticeship or a traineeship within four months of becoming unemployed or leaving formal education”.<sup>10</sup> This scheme targets youth under 30 years old who are not currently in employment, education or training (i.e. NEETs). Youth Guarantee programmes in Portugal have been allocated EUR 160.77 million. Three programmes have been created to promote and support youth entrepreneurship (see Table 3).

**Table 3. Specific targets, aims and objectives of initiatives targeted to youth in the frame of Youth Guarantee scheme**

<i>Measure</i>	<i>Target</i>	<i>Aims/objectives 2017</i>
<b>Investe Jovem</b> <sup>11</sup> (Youth Investment Programme)	Youth (under 30 year old)	To promote youth entrepreneurship.  To support 240 projects, <sup>12</sup> with a budget of EUR 4 162 568.
<b>Empreende já</b> <sup>13</sup> (Network of Perception and Management of Businesses)	Youth (under 30 years old)	To support the creation and development of enterprises and entities of the social economy, as well as the creation of jobs for and by young people.  The programme intends to support 630 youth in 2 cohorts of 315 participants (Action 1).  It also intends to support 180 individual or collective projects in 2 cohorts of 90 projects, which will be selected at the end of Action 1 (Action 2).
<b>Coop Jovem</b>	Youth (under 30 years old)	To support co-operative entrepreneurship among youth. It aims to support youth in the development of a business idea and creation of their own employment.

Another important initiative for inclusive entrepreneurship is the National Programme of Microcredit (*Programa Nacional de Microcrédito* – PNM). SOU MAIS (meaning “I’m more”) is a measure developed by IEFP in partnership with the António Sérgio Cooperative for Social Economy (CASES). This programme consists of supporting business creation projects by people who have special difficulties of access to the labour market and that are at risk of social exclusion and also by micro-entities and co-operatives up to 10 workers, who have feasible projects with net job creation, through access to credit for Projects with small investment and financing. The financing line Program is the MICROINVEST which is part of the PAECPE. According to CASES action Plan for 2017<sup>14</sup>, the objectives and targets are:

- Number of validated projects: 300 / year;

<sup>8</sup> <https://www.garantiajovem.pt/>

<sup>9</sup> Created by the Resolution of the Council of Ministers N° 104/2013, 31 December, 2013.

<sup>10</sup> 2013/C 120/01.

<sup>11</sup> Portaria n.º 151/2014, de 30 de julho

<sup>12</sup> Relatório de Execução física e financeira Maio 2017 available in <https://www.iefp.pt/estatisticas>

<sup>13</sup> Created and regulated under the Resolution of the Council of Ministers no. 104/2013 of December 31, which approved the National Plan for the Implementation of a Guarantee for Youth (PNI -GJ), Ordinance No. 308/2015, Of September 25 and of Regulation 1022/2016 of November 10.

<sup>14</sup> <http://www.cases.pt/wp-content/uploads/2011/02/PAO-2017.pdf>

- Bank approval rate: 50%;
- Relationship between the notification rate of approval and the conclusion of the Microinvest contract: 100%;
- Average time between notification of approval and conclusion of contract: 30 days;
- Projects with intervention of the Local Support Technician (ECPAT): 45%;
- Number of projects to be covered by Technical Support: 135;
- Number of projects with Technical Support and credit agreement signed: 68.

There are also several long-standing inclusive entrepreneurship programmes such as *Escolhas* (“Choices”), which seeks to strengthen the social inclusion of youth, including through entrepreneurship. It has operated since 2001 and is now in its sixth generation. In addition the Project for the Promotion of Immigrant Entrepreneurship (PEI) has supported immigrants in implementing their business ideas since 2009.<sup>15</sup> This project aims to develop an entrepreneurial attitude towards life, promoting self-esteem and self-confidence; develop key personal, social and managerial skills fundamental for creation of a business; promote the creation of businesses in a sustainable way; facilitate the link between potential entrepreneurs and existing entrepreneurship programmes; promote the formalisation of informal businesses.

## 2. KEY INCLUSIVE ENTREPRENEURSHIP INDICATORS

### 2.1. Labour market context

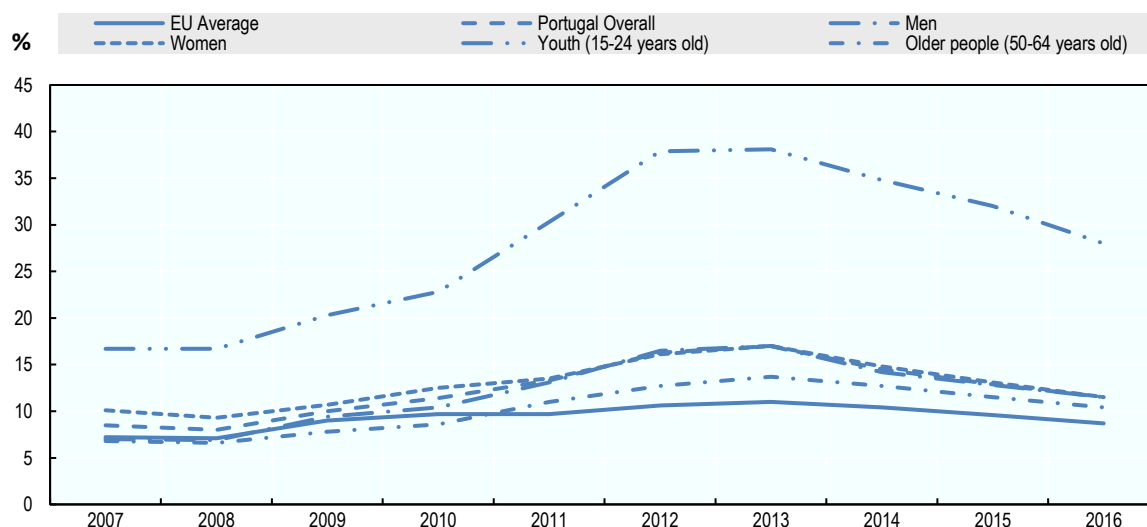
The Portuguese labour market was among the hardest hit in the European Union (EU) during the recent economic crisis. However, the overall unemployment rate has declined in recent years to 11.5% in 2016 from a peak of 17.0% in 2013 (Figure 1). However, the unemployment rate is still above the average for the EU average in 2016 (8.7%).

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<sup>15</sup> <http://www.acm.gov.pt/pt/-/programa-de-empreendedorismo-imigrante-pe-1>



**Figure 1. Unemployment rate, 2007-16**



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

Policy makers have been the most concerned about youth unemployment rate (28.0% in 2016), which was well above the EU average (18.7%). However, it also has declined substantially from a peak of 38.1% in 2013. This decline can be explained by economic recovery of Portugal but also by the several public policies programmes, delivered by IEFP, to encourage youth internship programmes and youth employment.

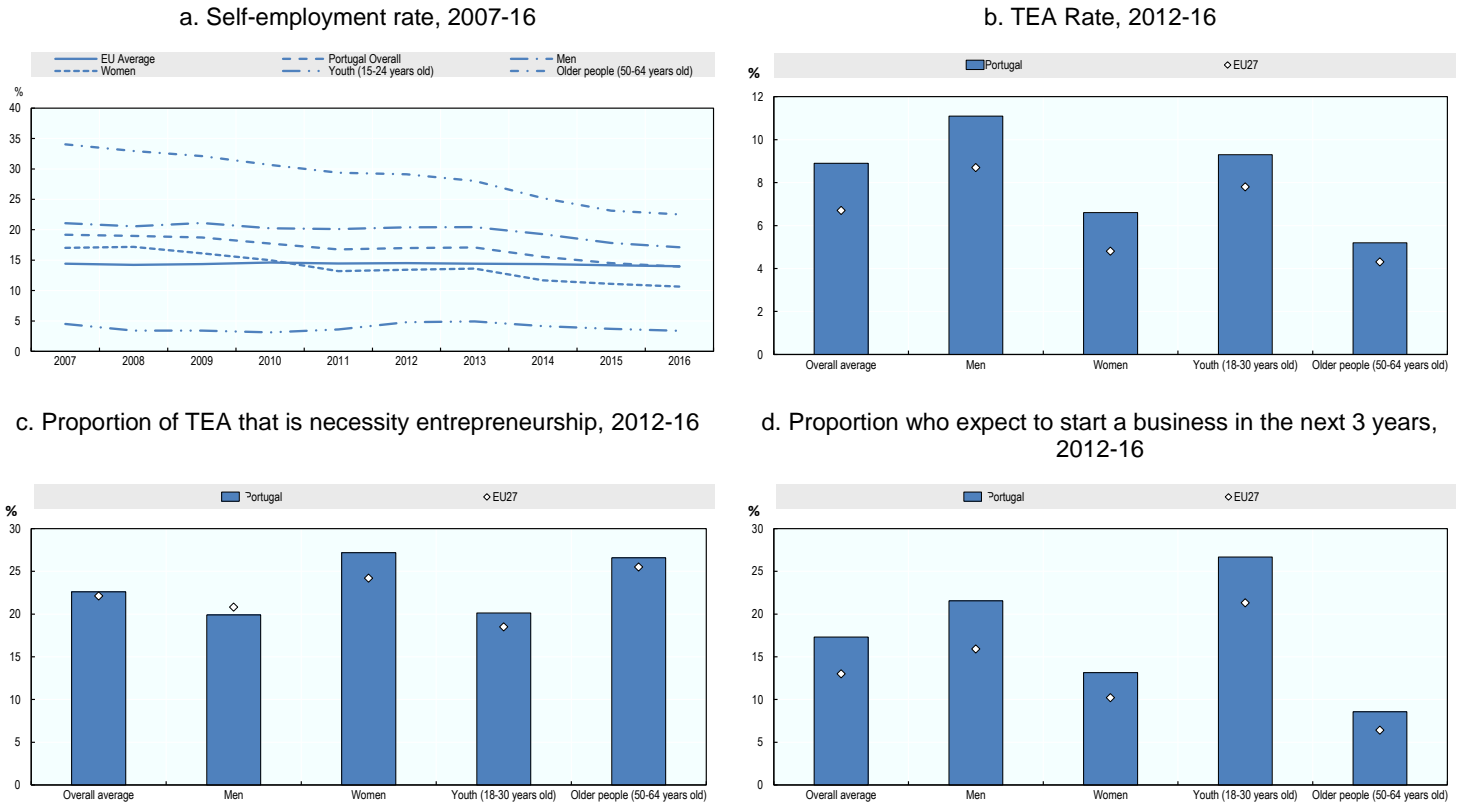
The rate of unemployment among older people was 10.4% in 2016, down from a peak of 13.7% in 2013. However, this rate was more than double the EU average (6.5%) and was one of the highest among EU Member States.

## 2.2. Self-employment and entrepreneurship rates

In 2016, approximately 608 600 people were self-employed, representing 13.9% of those in employment (Figure 2a). This proportion was equal to the EU average (14%). However, the proportion of Portuguese workers who are self-employed has declined over the past decade, from 19.2% in 2007. This downward trend was observed among all population groups (e.g. youth, seniors), but was strongest among women. The proportion of women who were self-employed declined from 17.0% in 2007 to 10.7% in 2016. Despite this decline, more than one in five seniors was self-employed in 2016 (22.5%).

The proportion of self-employed people who were born outside of Portugal is increasing both in absolute and relative values. In 2007, 49 200 self-employed were born in another country and in 2016 there were 59 800, representing 5.4% and 9.8% of self-employed. The majority were from non-EU countries – approximately 80% in 2007 and 70% in 2016. This is consistent with Oliveira (2014) and Barroso et al. (2014), who showed that the foreign-born are increasingly active as employers. The number of foreign-born employers grew from 1 811 in 1981 (accounting for 5.1% of employers) to 23 697 in 2011 (12.1%). These employers were mainly in Wholesale and retail trade; repair of motor vehicles and motorcycles sectors (25.4%) and Accommodation and food service activities (18.1%) in 2011.

**Figure 2. Self-employment and entrepreneurship rates by target group**



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 2012-16. 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 in panels b, c, and d covers all EU Member States except Malta.

Source: Panel a contains data from Eurostat (2017), Labour Force Survey; Panels b, c, and contain data from the 2012 to 2016 Global Entrepreneurship Monitor household surveys that were tabulated for the OECD (2017).

However, the propensity for entrepreneurship is not homogeneous across immigrant groups, and there is a greater propensity for entrepreneurship among those coming from Asian countries (mainly Chinese, but also people from Bangladesh and Pakistan), the Americas (mainly USA and Brazil), and the English and Germans from Europe. The Chinese have the highest rates of entrepreneurship in Portugal – 42% in 2011. One of the main explanatory factors is a lack of language skills, which is a barrier in the labour market (Barroso et al, 2014).

Another measure that is commonly used to examines entrepreneurship activity rates is the Total early-stage Entrepreneurial Activity (TEA) rate, which measures the proportion of the population who are actively working to start a new business or who are managing a new business that is less than 42 months old. Overall, the TEA rate in Portugal was higher than the average for European Union for the period 2012-16 (8.9% vs. 6.7%) (Figure 2b). This was also true for key population groups such as women (6.6% vs. 4.8%), youth (9.3% vs. 7.8%) and older people (5.2% vs. 4.3%) in this period.

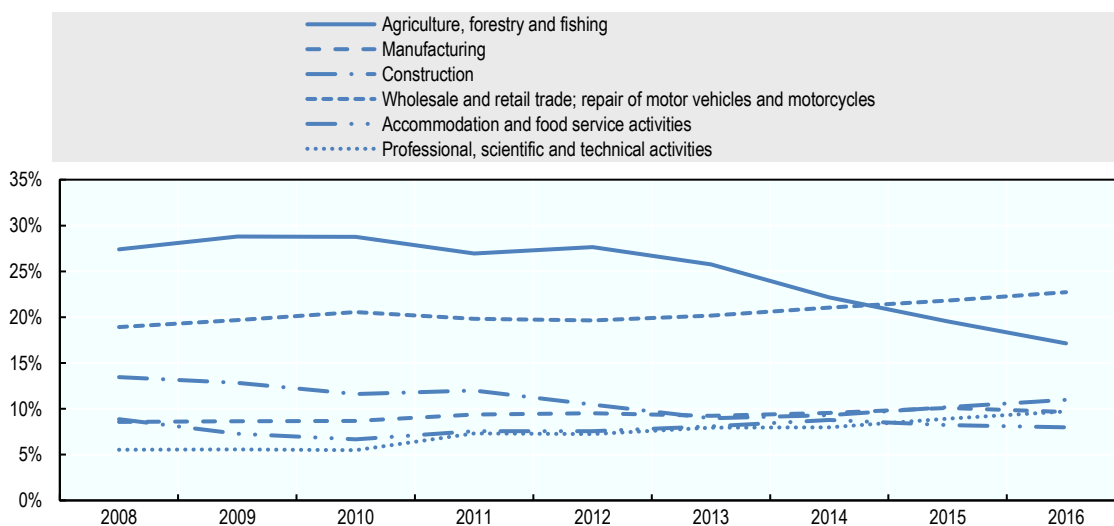
Nearly one quarter of new Portuguese entrepreneurs (22.6%) reported that they started their business because they did not have any other employment opportunities (Figure 2c). This was equal to the EU average for this period (22.1%). Women were the most likely to start a business out of “necessity” over this period (27.2%), which was above the EU average for women (24.2%) and also above the proportion of men (19.9%). Youth and older people were also slightly more likely than the EU average to start a business out of necessity (20.1% vs. 18.5% for youth and 26.6% vs. 25.5% for seniors). These above average rates of necessity entrepreneurship can be explained by the high unemployment rates and difficult labour market conditions relative to other EU Member States.

Portuguese people were more likely to expect to create a business within the next three years than the EU average between 2012 and 2016. Overall, nearly one in five expected to create a business within three years (17.3%), which was above the EU average of 13.0% (Figure 2d). Women were the most likely to expect to create a business (27.2%), nearly one-and-a-half times as likely as men in this period (19.9%). Youth were also very likely to expect to create a business (26.7%), which is likely suggesting that a large number of young people are engaged and interested in business creation, likely, at least in part, due to the difficult conditions in the labour market.

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

In 2016 self-employed were mainly in Wholesale and retail trade; repair of motor vehicles and motorcycles sectors (22.7%); Agriculture, forestry and fishing (17.1%), Construction (11.0%), Manufacturing (9.7%), Professional, scientific and technical activities (9.7%) and Accommodation and food service activities (8.0%) These are the sectors that, together, since 2008 represent between 83% (in 2008) and 78% (in 2016) of the self-employed (Figure 3).

**Figure 3. Evolution of self-employment in Portugal by main representative sectors of activity**



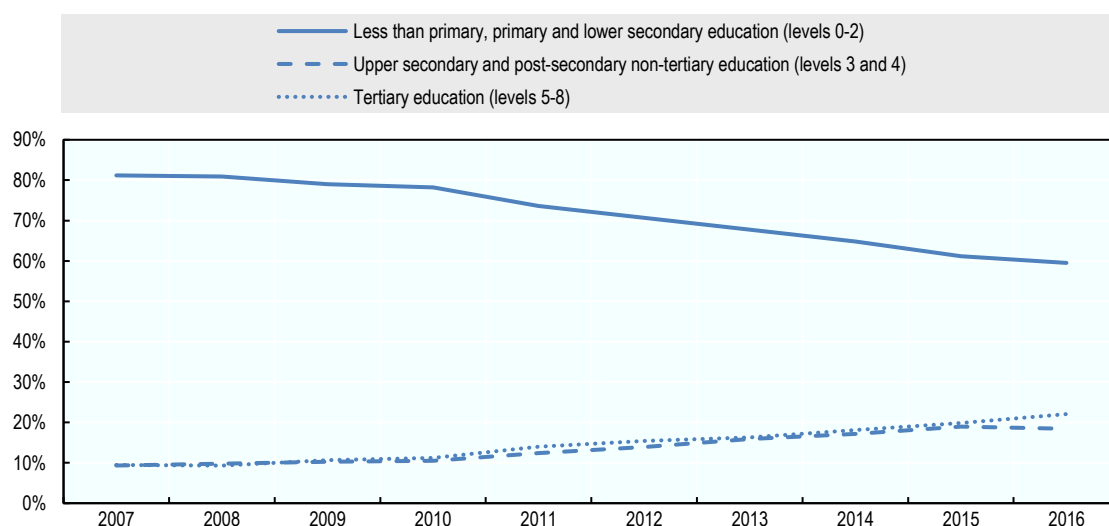
Source: Eurostat (2017), Labour Force Survey.

Two-thirds of self-employed women were working in Wholesale and retail trade; repair of motor vehicles and motorcycles (24.4%), Agriculture, forestry and fishing (16.7%), Other service activities (12.5%) or Professional, scientific and technical activities (12.4%) in 2016. Similarly older self-employed workers were concentrated in sectors in 2016: Agriculture, forestry and fishing (26.2%) or

Wholesale and retail trade; repair of motor vehicles and motorcycles (24.4%). (It is not possible to disaggregate sector data for self-employed youth).

Overall, the traditional sectors of self-employment are declining in absolute value<sup>16</sup> with the exception of the sector of Professional, scientific and technical activities, which increased 17% since 2008. The number of self-employed people in a number of sectors has grown substantially over the last decade, although these sectors remain relatively small. For example, there were 18 300 self-employed people in Human health and social work activities in 2016, a 39% increase since 2007. Other sectors that demonstrated strong growth since 2008 include Education (13 200 self-employed people in 2007; 76% increase since 2007); Arts, entertainment and recreation (11 500 self-employed, 39% growth); Financial and insurance activities (8 000 self-employed; 60% growth). The emergence of these sectors among the self-employed suggests that there is a trend towards a higher qualification levels among the self-employed and higher quality self-employment. This is consistent with the increase in the proportion of self-employed with a tertiary education. In 2008, only 9% of the self-employed had a tertiary education while more than 22% did in 2016 (Figure 4).

**Figure 4. Relative evolution (% of total numbers each year) of qualifications of self employed**



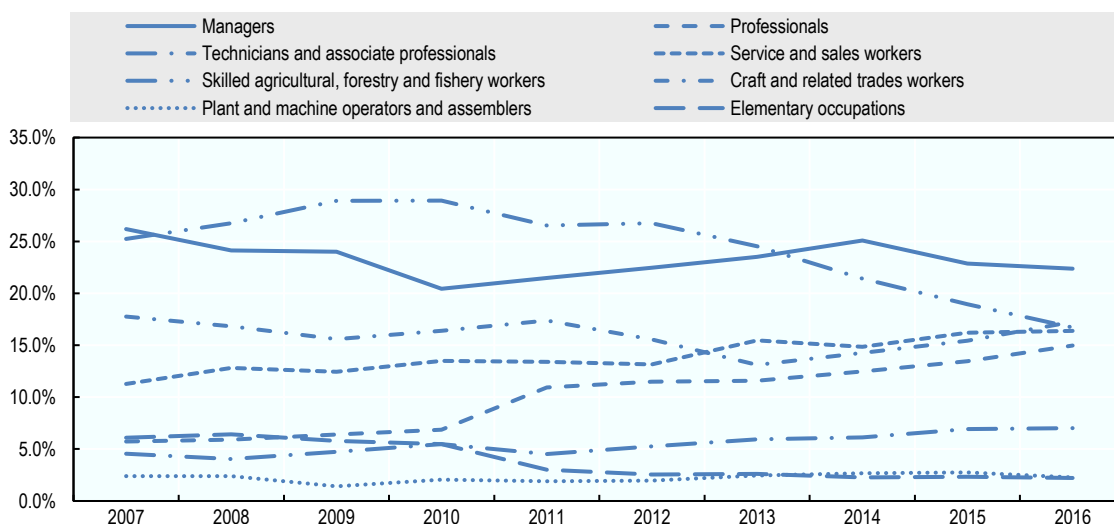
Source: Eurostat (2017), Labour Force Survey.

This qualifications trend is paralleled in the occupation of the self-employed (Figure 5). For example, there was a 76% decline in the proportion of self-employed in Elementary occupations between 2008 and 2016. At the same time, some occupations such as Professionals had rather exceptional growth (75.2%).

<sup>16</sup> During this period, agriculture presented a marked decline, and also the construction sector suffered a decrease of weigh in self-employment (however showing some recuperation in the last years), both in line with the general decreasing of activity in this sectors: the first as a structural situation; the second has one of the sectors more affected by the economic crises in Portugal. In the case of agriculture, being an aged sector the marked decrease of self-employment is associated also to the disappearance of the older people who were in this sector.

In 2016, the most common occupations for the self-employed were Managers (22.4%); Craft and related trades workers (17.3%); Skilled agricultural, forestry and fishery workers (16.7%); Service and sales workers (16.4%); and Professionals (15.0%). Half of self-employed women worked as Service and sales workers (28.4%) or Managers (20.8%) in 2016. Another one-fifth were Professionals (19.7%). Older self-employed people had a different profile. One-quarter worked as Skilled agricultural, forestry and fishery workers (25.6%) and another 21.0% were Managers. (It is not possible to disaggregate occupational data for self-employed youth).

**Figure 5. Relative evolution (% of total numbers each year) of occupations of self employed**



Source: Eurostat (2017), Labour Force Survey.

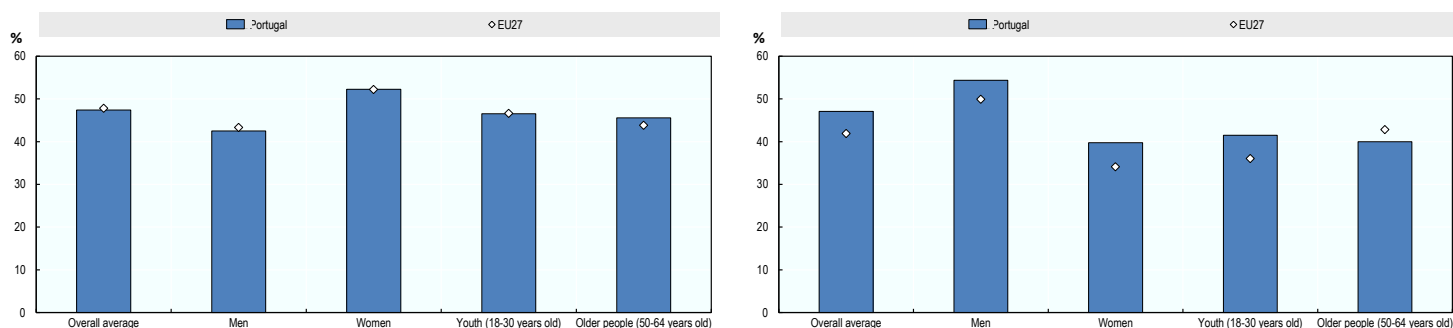
## 2.4. Barriers to business creation

Barriers to business creation tend to be greater for groups that are under-represented or disadvantaged in the labour market. One of the most frequently cited barriers to business creation is a “fear of failure”, which was cited by 47.4% of people in Portugal between 2012 and 2016. This was the same proportion as the EU average for this period (47.8%) (Figure 6a). Among the various social target groups, this barrier was most often cited by Portuguese women (52.3%). However, youth and older people were nearly as likely to cite this barrier (46.5% for youth and 45.6% for older people).

**Figure 6. Barriers to entrepreneurship by target group**

a. Proportion who report that a fear of failure prevents them from starting a business, 2012-16

b. Proportion who perceive that they have the skills to start a business, 2012-16



Note: Data were pooled for the period 2012-16. 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.

Source: GEM (2017), special tabulations of the Global Entrepreneurship Monitor's household surveys from the 2012 to 2016.

Another significant barrier for many potential entrepreneurs is a lack of entrepreneurship skills. In Portugal, on average, this appears to be less a barrier for potential entrepreneurs, as people were more likely to believe that they have the skills and knowledge required to start a business, when compared with the EU average over the 2012-16 period (47.1% vs. 41.9%) (Figure 6b). However, comparing the different social target groups, men were the most confident in their perceived entrepreneurship skills (54.4%) and women, youth and older people were slightly less confident (all about 46%). Older people were the only group that were below the EU average.

Academic research adds further details to these data. A report by the *Escolhas* programme suggests that barriers can be divided in two categories: structural characteristics related to education, training and professional history (i.e. a skills deficit) and personal circumstances (e.g. unemployment, poor labour market conditions, discrimination) (Escolhas, 2014). Other studies reinforce and/or are more specific concerning these barriers/groups:

- *The unemployed*: this group often faces obstacles related to a lack of sufficient financial resources, knowledge of regulations and few skills or training in business.
- *Youth*: the most common barriers include lack of available funds and access to loans, little previous professional experience, fear of failure and lack of (confidence on their) entrepreneurial skills and knowledge (IFDEP, 2014a).
- *Women*: the key barriers are related with fear of failure, a lack of entrepreneurial skills/or self-confidence (IFDEP, 2014). Also social and cultural barriers seem to be an important barrier reported in Portugal GEM report (2010). This is reflected in the higher level of necessity entrepreneurship in this group. Related with the above, despite the high number of women with a higher education degree, they tend to develop their business in sectors of service or trade activity, to the detriment of strategic areas of scientific and intellectual development, suggesting that they are little involved in activities that enabling them to mobilize their full potential and take positions of responsibility and decision. (Marques and Moreira, 2011, IFDEP; 2014b).

- *Older people*: Fear of failure is one of the key barriers, related with the inability to reverse the situation in case of failure due to age. Also, financial difficulties associated with lower funding possibilities, but also age discrimination and lack of family support, as well as outdated knowledge (e.g. lack of entrepreneurial skills and knowledge, difficulties in using new information technologies and understanding administrative processes) are reported as barriers (IFDEP, 2014c).
- *Immigrants*: The key barriers to entrepreneurship are not homogeneous among nationalities. Especially for immigrants from developing countries barriers are mainly related with low levels qualifications, lack of work experience, and lack of availability of financial capital (Malheiros and Padilla, 2010). In all cases an important barrier is the lack of knowledge/information about the processes and requirements (e.g. licenses) for starting and operating a business in Portugal (Coutinho et al., 2008; IFFDEP, 2015).

## 2.5. Entrepreneurship performance

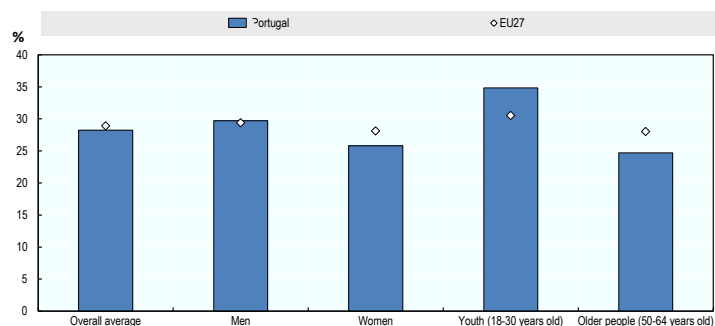
Overall, entrepreneurs in Portugal were as likely as the EU average to offer new products and services over the 2012-16 period (28.2% vs. 28.9%) (Figure 7a). However, older people and women entrepreneurs were less likely than the EU average to be innovative in their offerings (24.7% vs 28.0% for older people and 25.8% vs. 28.1% for women). On the contrary, Portuguese youth were more likely than the EU average to offer new products and services over this period (34.8% vs 30.5%). This provides a strong argument for supporting youth entrepreneurs, especially those with higher qualifications more able to develop technological and innovative entrepreneurship.

Portuguese entrepreneurs were very likely to self-report that they had customers from other countries in the period 2012-16. Approximately 76% of entrepreneurs reported that they had foreign customers, which was well above the EU average for this period (58.6%) (Figure 7b). All of the social target groups (i.e. women, youth, older people) were as likely to report having foreign customers.

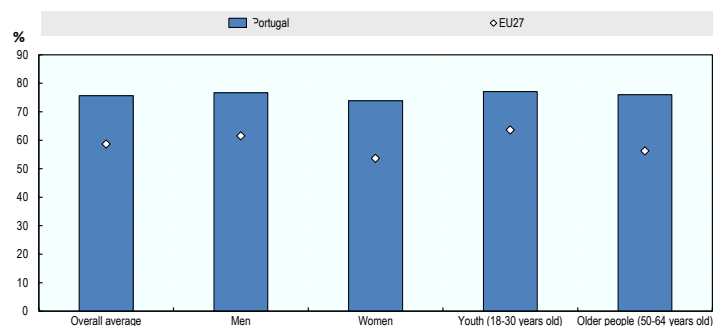
Despite similarities in the proportion of entrepreneurs who offered new products and services, new Portuguese entrepreneurs were much less likely than the EU average to expect to create a substantial number of jobs. Overall, 5.1% of Portuguese entrepreneurs expected to create at least 19 jobs in the next five years in the period 2012-16, which was about half of the EU average (10.0%) (Figure 7c). Women were the least likely to expect high employment growth (4.6%), while youth were the most likely among the key social target groups (9.3%). The low proportion of new entrepreneurs who expect high employment growth may be due to the high rates of necessity entrepreneurship and the related with the high levels of necessity entrepreneurship.

**Figure 7. Self-employment and entrepreneurship activities by target group**

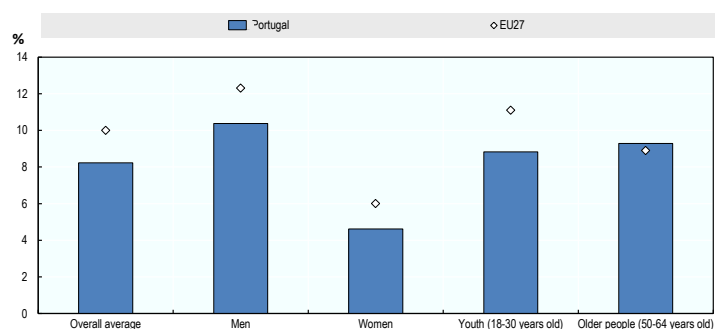
a. Proportion of new entrepreneurs whose products or services are new to all or some customers and who have few or no businesses offering the same products or services, 2012-16



b. Proportion who sell to customers in another country, 2012-16



c. Proportion of early-stage entrepreneurs who expect to create more than 19 jobs in 5 years, 2012-16



Note: Data were pooled for the period 2012-16. 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.

Source: GEM (2017), special tabulations of the Global Entrepreneurship Monitor's household surveys from the 2012 to 2016.

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

#### 3.1. Policy framework

StartUp Portugal, the national entrepreneurship strategy, outlines the Government's priorities for entrepreneurship: to improve competitiveness and strengthen social cohesion. The strategy is based on six pillars: promotion of qualifications and innovation in the economy, capitalise firms, valorisation and qualification of the territory, modernisation of public services and reinforcing cohesion and social equality. Devised as a four-year plan (2016-20), it is focused on three areas of operation: Ecosystem;



Funding and Internationalisation. StartUp Portugal is comprised of a set of 15 measures to support entrepreneurship to be implemented by a large set of entities of the entrepreneurial ecosystem, namely:

- IAPMEI – the public Institute for support to small and medium firms and to investment (*Instituto de Apoio às pequenas e Médias Empresas e ao Investimento*);
- Portugal Ventures (public venture capital company where IAPMEI is the reference shareholder);
- IFD (Institute of Financial Development);
- PME *Investimentos* (a financial company owned by IAPMEI);
- AICEP;
- Turismo de Portugal;
- Universities;
- Ministries of Economy, Foreign Affairs, Presidency and Administrative Modernisation and Finance; and
- As part of the participation Portuguese Summit at the Web Summit, the Lisbon City Council and the Lisbon Tourism.

Inclusive and job-oriented entrepreneurship is explicitly considered in the first area of this strategy (Ecosystem) and actions are implemented by the public Institute of Employment and Professional Training (IEFP). The set of tools that this institute has to promote entrepreneurship are within the framework of the Programme of Support for Entrepreneurship and Self-employment Creation (PAECPE) and more recently, within the scope of the *Investe Jovem* programme. The first programme (PAECPE) includes three lines. One line is the Support for the Creation of Own Employment by Beneficiaries of Unemployment Benefits (ACPE); the other line is Support for Start-up (ACE), targeted to unemployed, youth (between 18 and 35 years old) looking for the first job and independent workers with low income, the third is the National Programme of Microcredit (PNM) in partnership with António Sérgio Cooperative for Social Economy (CASES). Support provided by the IEFP includes both financial and technical assistance to start-ups. Other programmes promoted by this institute, in the area of professional training, can also promote the development of entrepreneurship skills in these target-groups.

In the second area of the StartUp Portugal strategy (Funding) two public programmes have been implemented in 2016 to support young entrepreneurs: Start-up Vouchers and Momentum programme, involving different types of support and partners (See Table 4).

**Table 4. Type of support and institutions involved in initiatives targeted to youth in the frame of Startup Portugal strategy**

<i>Measure</i>	<i>Type of support</i>	<i>Institutions involved</i>
<b>Startup Voucher</b>	<p><b>Grant</b> - monthly amount assigned by promoter for the development of the business project;</p> <p><b>Mentoring</b> - access to a network of mentors who provide guidance to promoters;</p> <p><b>Technical assistance</b> - provision of technical assistance for the development of the business project;</p> <p><b>Achievement award</b> - award of a prize to the achievement of the business project and the formation of the company.</p>	Portugal Ventures and National Network of Incubators
<b>Momentum Programme</b>	Scholarship Programme. Includes <b>incubation, accommodation</b> and <b>cash allowance</b> .	Portugal Ventures, National Network of Incubators, Universities

Several other initiatives specifically directed to youth are currently framed in the *Youth Guarantee scheme (Garantia Jovem)*<sup>17</sup>, implemented since 2014<sup>18</sup>, as a response to the worsening situation of youth unemployment in Portugal and following a recommendation of the European Commission. Under this scheme the programmes specifically directed to the creation of one's own job or business. (i.e. for youth entrepreneurship) are managed by the public Institute of Employment and Professional Training (*Instituto do Emprego e Formação Profissional* - IEFP), António Sérgio Cooperative for the Social Economy (CASES), and public Portuguese Institute of Sport and Youth (*Instituto Português do Desporto e Juventude* - IPDJ) and include different types of support, as presented in Table 5 .

**Table 5. Type of support and institutions involved in the promotion of youth entrepreneurship in the frame of Youth Guarantee scheme**

<i>Programme</i>	<i>Type of support</i>	<i>Institutions involved</i>
<i>Investe Jovem</i> <sup>19</sup> (Youth Investment Programme)	Financial support for investment; financial support for the creation of promoters' own employment; technical support to reinforce skills and to structure the project, as well as to consolidate it.	Public Institute of Employment and Professional Training (IEFP- <i>Instituto de Emprego e Formação profissional</i> )
<i>Empreende já (EJÁ)</i> <sup>20</sup>	Grants, training, mentoring and financial support to the start-up.	Public Portuguese Institute of Sport and Youth (IPDJ - Instituto Português do Desporto e Juventude)
<i>Coop Jovem</i>	Grants, training, mentoring access to a subsidised and guaranteed line of credit and financial support to the creation and installation of the cooperative.	António Sérgio Cooperative for the Social Economy (CASES – Cooperativa António Sérgio para a Economia Social)

There are also several national programmes that support immigrant entrepreneurship.<sup>21</sup> These initiatives are typically run by the High Commissioner for Migration (ACM) such as the Support

<sup>17</sup> <https://www.garantiajovem.pt/>

<sup>18</sup> Created by the Resolution of the Council of Ministers N° 104/2013, 31 December

<sup>19</sup> Portaria n.º 151/2014, de 30 de julho

<sup>20</sup> Created and regulated under the Resolution of the Council of Ministers no. 104/2013 of December 31, which approved the National Plan for the Implementation of a Guarantee for Youth (PNI -GJ), Ordinance No. 308/2015 , Of September 25 and of Regulation 1022/2016 of November 10.

<sup>21</sup> From a broader perspective, programmes which are not specifically intended for entrepreneurial immigrants, theoretically do not limit their access (although from a procedural point of view this can be

Centre for Entrepreneurship, within the framework of the Employment Support Office of the National Immigrant Support Center (CNAI) in Lisbon and Oporto. Other important policies initiatives include the Project for the Promotion of Immigrant Entrepreneurship (PEI)<sup>22</sup> and the *Escolhas* Programme, which promotes the social inclusion of children and youth (under 30 years old) from migrants and ethnic minority groups – including through entrepreneurship training.

In general there is systematic monitoring and evaluation processes for programmes financed through public funds. The results of such processes usually are made available for the general public through programmes' websites. This is not, yet, the case of the Startup Portugal strategy and also, *Coop Jovem* programme, since they are recent actions.

Monitoring tends to show that many programmes such as *Support for the Creation of Own Employment by Beneficiaries of Unemployment Benefits* (PACPE) have exceeded their targets in recent years in terms of take-up, likely due to the persistent high unemployment. Monitoring also suggests that several programmes such as National Programme of Microcredit (PNM) SOU MAIS have had year-over-year growth in the number of entrepreneurs who have benefited from the support.

Evaluation evidence also tends to be positive. A recent evaluation of PEI<sup>23</sup> concluded that, the PEI has contributed to the economic integration of the immigrants who participated in the project, although revealing less usefulness in response to unemployment in long duration. Similarly, the last evaluation the *Escolhas* programme considered it to be “a socially relevant programme, responding to the crucial needs of intervention among a vulnerable public and characterised by a strong socio-community action, the result of interinstitutional, interprofessional and interpersonal interactions (CEPCEP, 2014).

The Youth Guarantee scheme is annually assessed by the European Commission.<sup>24</sup> In 2016 it has been assessed favourably as its approach emphasises building partnerships at the local level to help reach youth who need the support most (EC, 2017b). Concerning the programme *Investe Jovem* (Youth Investment), also delivered by IEFP, in 2016, has supported 172 youth entrepreneurs - representing a rate of physical execution of 74.5% - and invested EUR 2.3 million – a rate of financial execution of 63.0%. In May 2017, the rate physical execution of this programme was 33.3% and 25.1% of financial execution. Also under the Youth Guarantee scheme, in the 2017 edition the programme *Empreende já* (meaning “Enterprise now”), managed by the public Portuguese Institute of Sport and Youth (IPDJ), had a registration of 3 100 young people, for a limit of 1 000 applications.

### 3.2. Government regulations

The regulatory environment for new business start-ups is not considered to be poor but there is room for improvement. In the World Bank Doing Business Survey 2017, Portugal is ranked 25th out of 189 countries in the “ease of doing business”, going down one place considering 2016 survey and

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conditioned by the structures and "vocations" of these programmes). However, it is not possible to attest level of immigrant adherence to these initiatives.

<sup>22</sup> <http://www.acm.gov.pt/pt/-/programa-de-empreendedorismo-imigrante-pe-1>

<sup>23</sup> [http://www.acm.gov.pt/documents/10181/0/Estudo+de+avalia%C3%A7%C3%A3o+de+impacto+e+resultados+do+PEI\\_junho+2014.pdf/4678f85b-1da9-42f7-8b41-282993bf4b98](http://www.acm.gov.pt/documents/10181/0/Estudo+de+avalia%C3%A7%C3%A3o+de+impacto+e+resultados+do+PEI_junho+2014.pdf/4678f85b-1da9-42f7-8b41-282993bf4b98)

<sup>24</sup> <http://ec.europa.eu/social/main.jsp?catId=1161&langId=en&intPageId=3349>

with an increment in the distance to frontier score<sup>25</sup> (mainly due to worsening position in getting credit rank, from 97 to 101).

In response to recent recommendations from the European Commission (EC, 2016b), there are ongoing efforts to improve and accelerate administrative and licensing procedures, accelerate tax litigations and reduce regulatory barriers, especially in business services. For example, the Entrepreneur Portal (*Balcão do Empreendedor*), created in January 2015,<sup>26</sup> is a website that directs entrepreneurs to relevant information resources about business laws, regulations and start-up procedures, as well as allowing entrepreneurs to submit electronic forms and applications to governments. The features of the Entrepreneur Portal are still being developed and implemented. While such actions do not contain any specific measures aimed at assisting entrepreneurs from under-represented or disadvantaged groups, although they will likely benefit disproportionately since entrepreneurs from these groups typically have the most difficulty understanding and complying with regulatory requirements. To achieve this objective, it will be important to ensure that documents and instructions are written in easy-to-understand language so that people with little experience in the labour market can understand them.

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

One important initiative that simplifies regulations and procedures for these target-groups is *Startup SIMPLEX*.<sup>27</sup> This initiative launched by the government in 2016, is a contest to reward innovative ideas that simplify the lives of citizens and businesses in their relationship with public services. Its main objective is to incorporate innovation in public administration and to design the public sector as an area of interest for the development of new product and service ideas by the national entrepreneurial ecosystem. In 2016, Startup SIMPLEX received 196 applications with ideas to simplify services and processes in various areas of the state but none of the selected were directly related with inclusive entrepreneurship.

### 3.3. Financing entrepreneurship

There are several start-up financing programmes that are tailored to meet the needs of different target groups, most of which are targeting youth.

Under the Youth Guarantee scheme, the Programme *Investe Jovem* provides grants and interest-free loans to entrepreneurs between the ages of 19 and 29 years old. It includes financial support for investment, financial support for the creation of promoters' own employment. The programme

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<sup>25</sup> This score shows how far on average an economy is at a point in time from the best performance achieved by any economy on each Doing Business indicator since 2005 or the third year in which data for the indicator were collected.

<sup>26</sup> Diário da República, 1.ª série — N.º 11 — 16 de janeiro de 2015

<sup>27</sup> SIMPLEX was a government programme aiming the legislative and administrative simplification and the modernisation of public services. It was launched in 2006, having successfully implemented until 2011 more than 1000 measures of administrative and legislative simplification. Startup SIMPLEX is framed in the SIMPLEX+, the new edition of this programme, relaunched in 2016.

*Empreende já*<sup>28</sup> includes two actions: in Action 1 is provided support for the development of projects for the creation of companies or social economy entities. In this phase support includes a monthly grant for the participant of EUR 691.71 (i.e. above the Portuguese minimum wage). In Action 2, is provided support for the sustainability of entities and jobs (resulting from the projects developed in Action 1 of the programme). In this phase participants receive a grant of EUR 10 000. The programme *Coop Jovem* includes three phases from the idea to the creation and installation of the co-operative. During these phase the young entrepreneurs can receive a grant, access to a line of micro credit and non-refundable financial support. The grant – between EUR 421.32 and EUR 695.18 is intended to support young people during the development of the project and is awarded for a period of up to six months and a maximum of nine grants per project; the access to MICROINVEST – a subsidised and guaranteed credit line is designed to support the execution of projects, with a maximum funding limit of EUR 20 000; non-refundable financial support up to EUR 15 000 is for the creation and installation of the co-operative.

There are also several financing programmes for young entrepreneurs under the Startup Portugal strategy. The *Startup Voucher* (“*Emprende já*”), provides different types of support, including a monthly grant for the participant (EUR 691.71) and an award prize for the achievement of the business project and the formation of the company of EUR 2 000. Also the winners of *Momentum* programme will have access for a period of 12 months to a monthly fee of EUR 691.70 to help the with living costs so that they can focus on the business idea.

Other grants are also available for youth in certain industries. For example, the Programme Supporting the Establishment of Young Farmers (*Apoio à instalação de Jovens Agricultores*), under the auspices of the Ministry of Agriculture, Forestry and Rural Development, which provides grants until of EUR 25 000 to young farmers between 18 and 40 years old.

Several banking institutions offer microcredit, including several (e.g. Millennium BCP, Novo Banco) that are supported by the European Union through the Progress Microfinance Facility.

The National Association of Credit Right (*Associação Nacional de Direito ao Crédito - ANDC*) also facilitates microcredit for entrepreneur from under-represented and disadvantaged groups. ANDC is a private non-profit association pioneer of Microcredit in Portugal, founded in 1998 by approximately one hundred people interested in promoting the development of the Grameen Bank experience in Portugal. Its aim is the promotion of social and economic development of those in a situation of poverty or social exclusion, namely through initiatives to ensure their access and attainment of credit, allowing them to develop business projects to generate self-employment or micro enterprises. This organisations provides support to those who do not have access to normal bank financing in partnership with several financial institutions that grant loans to projects proposed by ANDC. Between 2012 and march 2015 ANDC have supported 588 micro entrepreneurs.<sup>29</sup>

IEFP provides microcredit through the National Programme of Microcredit (SOU MAIS), managed by António Sérgio Cooperative for Social Economy (*Cooperativa António Sérgio para a Economia Social - CASES*). This programme facilitates access to credit through small-scale financing, up to a limit of EUR 20 000 Investment loan is granted by credit institutions or microcredit financial corporations through the MICROINVEST credit line, benefiting from interest rate and guarantee rebates as part of the mutual guarantee scheme.

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<sup>28</sup> <https://eja.juventude.gov.pt/#/>

<sup>29</sup> <http://www.microcredito.com.pt/microempresarios/quem-sao-os-microempresarios-andc/microempresarios-andc/57>

Moreover, as noted earlier before, IEFP provide financial support to people with special difficulties in accessing the labour market and/or are at risk of social exclusion through the Programme of Support for Entrepreneurship and Self-employment Creation (*Programa de Apoio ao Empreendedorismo e à Criação do Próprio Emprego*). This programme includes two lines:

- Support for the Creation of Own Employment by Beneficiaries of Unemployment Benefits (ACPE), which consist in the payment of a full or partial lump-sum payment of their unemployment benefits to start a business, and may also facilitate access to a credit line benefiting from interest rate subsidy and guarantee, within the framework of mutual guarantee system (MICROINVEST E INVEST+), granted by banking institutions.
- Support for start-up (ACE) provide financial support for projects to create small enterprises, including co-operatives, through access to guaranteed credit lines and interest rate subsidies (MICROINVEST E INVEST+) granted by banking institutions.

Business angel networks will be supported and encouraged with public financial support through the Startup Portugal initiative launched in March 2016. Previously, the government created several co-investment funding schemes with Business Angels under *Programa Operacional Competitividade e Internacionalização (Compete)/Quadro de Referência Estratégica Nacional (QREN)* that were considered good practices at a European level.

There are crowdfunding platforms such as PPL (<http://ppl.com.pt/en>) and Novo Banco Crowdfunding (<https://novobancocrowdfunding.ppl.pt/>). These platforms allow fundraising for a project through an online community that shares the same interests. It essentially offers credit in the form of advanced sales or results. These platforms are emergent ways of financing social entrepreneurship projects and/or entrepreneurial projects of people that do not satisfy the requirements of the public programmes or banking institutions.

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

In addition to working to improve access to start-up finance, there are also efforts to improve financial literacy, which is typically included in all entrepreneurship training programmes.

Beyond that, The National Council of Financial Supervisors (CNSF), comprising Banco de Portugal, Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários – CMVM*) and Insurance and Pension Funds Supervisory Authority (*Autoridade de Supervisão de Seguros e Fundos de Pensões – ASF*), established the remit of the National Plan for Financial Education (*Plano Nacional de Formação Financeira- PNFF*) in 2011, with an initial time horizon of five years. It aims to contribute to improving the knowledge and financial behaviour of the population in general, taking into account the specific needs of diverse segments of the population, namely the most vulnerable segments of the population, such as the unemployed, immigrants, the retired with low income levels, young people without compulsory education and those with special needs. Various initiatives were developed for these groups in the first years of implementing the Plan. The initiatives for these target groups were essentially organised by stakeholders with the support of the Plan, such as the financial education initiatives for the foreign community living in Portugal promoted by the High Commission for Migration (ACM). In the plan for the period 2016-20<sup>30</sup>, it is intended to reinforce the initiatives target to this groups. According to the Agency for Competiveness and Innovation (*Agência*

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<sup>30</sup> <http://www.todoscontam.pt/SiteCollectionDocuments/NationalPlanforFinancialEducation2016-2020.pdf>

para a Competitividade e Inovação, I.P.), guidelines for financial literacy were developed to be integrated in the school curricula and also for micro companies and entrepreneurs. These guidelines were developed in partnership between the Agency and Banco de Portugal.

### 3.4. Entrepreneurship skills

Programmes that offer start-up financing that are operated by the *IEFP*, including *Investe jovem*, and PNM (SOU MAIS), besides financial support, typically can also include entrepreneurship training and/or business counselling provided through the *measure Technical Support for Project Creation and Consolidation* (ATCP) provided by accredited organisations to promoters of projects. This measure includes two modes of support: Technical support prior to the approval of the project, contemplating the development of skills in entrepreneurship and specific support to the creation and structuring of the project, including the preparation of investment and business plans; and technical support for the consolidation of the project, during the first two years of the company's activity, including monitoring the execution of the approved project and consulting on aspects related to the management and operationalisation of the activity.

Additional programmes directed to youth also provide training on entrepreneurship skills and/or business mentoring. The participants in the programme *Empreende já* (under the Youth Guaranty scheme) benefit from training, mentoring, networking support and business competitions. In the first phase (action 1) participants receive 250 hours of training in entrepreneurship skills and a maximum of 30 hours of personalised technical support for the structuring and sustainability of the project to set up a company or a social economy entity. Under the *Coop Jovem* programme, besides financial support, young entrepreneurs also receive technical support consisting in sessions of mentoring, training in different thematic areas and follow-up in the development of the business idea and construction of the project.

Under the Startup Strategy, the *StartUP Voucher*, besides the mensal fee, provide access to a network of mentors who provide guidance to promoters; and provision of technical assistance for the development of the business project; also the participants in the Momentum programme have access for a period of 12 months to integrate into a programme incubator, accommodation at the incubator's own residence or a partner to help the start-up development, build a team and enjoy the knowledge and experience sharing of the entrepreneurial community.

The National Association of Credit Right (ANDC) also provide support in the construction of the business plan and financing process, as well as clarification of issues related to administrative requirements, or others related to the opening of the firm and follow-up the micro entrepreneur during the development of the business, clarifying it in particular on technical issues that need to be overcome so that the business can continue to grow. Furthermore, the support provided by this association is not limited to the technical aspects of business development. In many cases it can extend to other aspects of the life of the micro entrepreneur, which condition the sustainability of the business.

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

More intensive support is available through entrepreneurship mentoring programmes, notably for youth entrepreneurs. The National Network of Mentors is a measure within the +E+I programme, which matches youth entrepreneurs with an experienced entrepreneurs to help them develop their business ideas and projects. The programme is managed by the Agency for Competitiveness and Innovation (*Agência para a Competitividade e Inovação*) and approximately 600 mentors are involved. There are also several private initiatives and projects directed to women entrepreneurs. The Exchange Platform, was launched in September 2015. In this platform there are several testimonies of women entrepreneurs who share their stories and experiences. An important initiative for other women is the FAME Programme, which offers training and consulting for women who want to become entrepreneurs. Promoted by IFDEP (Institute of Development for Entrepreneurship Development in Portugal) is a complete programme that is based on three fundamental axes: training, consulting actions and financial support.

The MINA - Women & Ideas, Business in action - is a project developed by the Portuguese Red Cross that aims to promote female entrepreneurship with the support and accompaniment in the creation of companies by women. The support provided includes initial training, consulting and project start-up bonus, in addition to possible initial funding. According to data from the CVP, of the 47 companies supported to date, about 36 are still in operation and employ about 116 people who were unemployed

There are several associations of women entrepreneurs in Portugal (e.g AMEP, APME) that provide training and legal support to business projects and protocols signed with banks and business associations. *DoNaEmpresa* is a programme led by the APME (Portuguese Association of Women Entrepreneurs), which promotes the opportunity for Portuguese women to successfully create their own business or employment. This project begins with a free course that allows women to have the knowledge and skills to develop their own business plan. In addition, it provides a grant and a Start-up Support Prize of the business (valued at EUR 5 030), at the beginning of the business activity.

The Office of Support to the Migrant Entrepreneur (GAEM) manages and stimulates diverse actions aimed at the migrant entrepreneur, providing specialised support, training actions, workshops and thematic stores, information sessions, networking meetings, among other activities. The PEI developed by GAEM aims to stimulate entrepreneurship through the course “Support to Business Creation” (during and after the course)<sup>31</sup>.

Other support for immigrants is mainly available through projects under the *Escolhas* Programme. In the 4th generation of this programme (2010-12), a new strategic area of intervention, designated by Measure V focused on entrepreneurship and the training of young people (descendants of immigrants or not) was created. Since then this area has been reinforced and support. In this context, a pedagogical tool was created that could be handled and used by technicians as a formative instrument and that in stimulate the development of entrepreneurial skills of young people.

While there are currently no specific entrepreneurship training programmes for people with disabilities, they can access generic training programmes as well as those aimed at women or youth, provided those conditions are also met.

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<sup>31</sup> Relatório de actividades 2016

[http://www.acm.gov.pt/documents/10181/27754/ACM\\_RA\\_2016\\_int.pdf/23b5460f-ff80-4410-b3d1-657415b968b6](http://www.acm.gov.pt/documents/10181/27754/ACM_RA_2016_int.pdf/23b5460f-ff80-4410-b3d1-657415b968b6)



Overall, an area for improvement is to offer more support post start-up. The majority of these activities are oriented to supporting entrepreneurs during the initial phases of their projects. Additional support on business development and growth would also be beneficial.

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

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

Education and training are the most structuring pillar of the entrepreneurial ecosystem. It provides future entrepreneurs with bases and skills to perform this difficult function and is a vital challenge for the success of whole strategy. Portugal has witnessed a progressive involvement of several public and private institutions in the promotion of an entrepreneurial culture through education, based on the principle of the existence of an “entrepreneurial school”. However, despite of the very important role that universities already play with the introduction of entrepreneurship in its various aspects in undergraduate and postgraduate degrees, it is in the cycles of compulsory schooling that this ecosystem still has room for development.

Entrepreneurial networks are also used to promote and support entrepreneurs from various under-represented and disadvantaged groups. Table 6 shows the specific business networks available for women, youth, immigrants and seniors. These networks are generally viewed positively but there is a need to strengthen networks and relationships between support providers. This would facilitate the exchange of good practices and strengthen referrals between different types of support.

**Table 6. Example of business networks and communities**

Target Group	Business networks and communities
General population	<p>Associação Portuguesa para o Empreendedorismo - <a href="http://empreend.pt/web/">http://empreend.pt/web/</a></p> <p>Empreendedor - <a href="http://www.empreendedor.com/">http://www.empreendedor.com/</a></p> <p>Portugal Education Entrepreneurship Platform - <a href="http://www.peep.pt/">http://www.peep.pt/</a></p> <p>Portuguese Entrepreneurs - <a href="http://www.entrepreneurs.pt/">http://www.entrepreneurs.pt/</a></p> <p>Ship - <a href="http://startupship.org/">http://startupship.org/</a></p>
Youth	<p><a href="http://www.anje.pt/">Associação Nacional de Jovens Empresários</a> - <a href="http://www.anje.pt/">http://www.anje.pt/</a></p>
Women	<p>Associação de Mulheres Empresárias Portuguesas (AMEP)</p> <p>Associação Portuguesa de Mulheres Empresárias (APME) <a href="http://www.apme.pt/">http://www.apme.pt/</a></p> <p>Associação Nacional de Empresárias - <a href="http://www.ane.pt/">http://www.ane.pt/</a></p> <p><a href="https://www.facebook.com/connecttosuccessportugal">Connect to Success</a> - <a href="https://www.facebook.com/connecttosuccessportugal">https://www.facebook.com/connecttosuccessportugal</a></p> <p><a href="https://www.facebook.com/novawomeninbusiness/">Nova Women in Business</a> - <a href="https://www.facebook.com/novawomeninbusiness/">https://www.facebook.com/novawomeninbusiness/</a></p> <p><a href="http://www.womenwinwin.com/">Women Winwin</a> - <a href="http://www.womenwinwin.com/">http://www.womenwinwin.com/</a></p>
Seniors	<p>Associação Cristã de Empresários e Gestores- <a href="http://www.acege.pt/">http://www.acege.pt/</a></p>
Immigrants	<p>Alto Comissariado das Migrações - <a href="http://www.acm.gov.pt/inicio">http://www.acm.gov.pt/inicio</a></p>

#### 4. POLICY RECOMMENDATIONS

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

1. *Create a good practice observatory of inclusive entrepreneurship initiatives to disseminate knowledge, good practices and evaluation results.* Most inclusive entrepreneurship support programmes are small-scale operations. Strengthening linkages between them would increase the potential for sharing knowledge and information across support providers. This would also be expected to improve referrals across the support system.
2. *Improve business development support services for entrepreneurs from under-represented and disadvantaged groups by providing training for support providers.* The quality of support programmes could be improved by providing training to support providers so that they are aware of the different challenges faced by different groups and their unique needs. This also includes training for mainstream business development support providers.
3. *Provide more training on business development and growth within existing entrepreneurship training programmes for youth and women.* Many start-up training programmes are available for women and youth but they are heavily focussed on pre start-up activities. More attention is needed on businesses development and growth through the identification of new markets, customers and potential products and services.
4. *Develop a clear strategy and training material for entrepreneurship education in schools and vocational education and training institutions.* Entrepreneurship is largely absent in the curricula so learning material needs to be developed at all levels and teachers need to be trained in how to deliver it. It is important to design active learning methods and the most effective approaches tend to use the knowledge and experience of “real” entrepreneurs.
5. *Promote the use of independent evaluations.* Few programmes and initiatives have been independently assessed for the impact, effectiveness and efficiency. There is a need to have a better understanding about what works and why, so that successful initiatives can be scaled-up. The government could include this as a condition for funding.
6. *Promote an entrepreneurial culture among under-represented and disadvantaged groups, in order to promote opportunity entrepreneurship instead of necessity entrepreneurship.* Opportunity entrepreneurs tend to be more innovative, to grow more their business, to create more jobs and to be more internationalised. The use of role models and the diffusion of inspiring practices could be an effective strategy for that purpose.

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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?