

Inclusive Entrepreneurship Policies,
Country Assessment Notes

Italy

2020

This note is part of a series of notes on country-level inclusive entrepreneurship policies and programmes prepared by the Organisation for Economic Co-operation and Development (OECD) for the European Commission. These notes provide an overview of current and planned policy actions and identify some actions that could be implemented to address gaps in the current support offering, or improve current offerings.

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Foreword

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

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

This note is the fourth country assessment note prepared by the Organisation for Economic Co-operation and Development (OECD) in collaboration with the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission on the state of inclusive entrepreneurship policies and programmes in each EU Member State. Each note provides an overview of the entrepreneurship activities by women, youth, seniors, immigrants and the unemployed. It also provides an assessment of policies and programmes that support people from under-represented and disadvantaged groups in business creation and self-employment, and suggests policy actions to address gaps in the support system and to improve the quality of available support offers. The notes cover national-level policies and programmes and, where relevant, sub-national initiatives and actions by the non-governmental sector.

The 2020 notes include a special section on entrepreneurship support for people who experience disability. This section provides an overview of the entrepreneurship activity levels, obstacles faced and policy responses. It also contains a new section on entrepreneurship framework conditions to provide additional context for interpreting the tailored policies and programmes.

These country-specific notes are part of a wider programme of work by the OECD and the European Commission that includes “The Missing Entrepreneurs” publications, the Better Entrepreneurship Policy Tool (www.betterentrepreneurship.eu), a series of Policy Briefs on specific target groups, policies and issues, and national policy reviews of youth entrepreneurship and women entrepreneurship. This work stream examines how public policies and programmes can support inclusive entrepreneurship. This includes refining regulatory and welfare institutions, facilitating access to finance, building entrepreneurship skills through training, coaching and mentoring, strengthening entrepreneurial culture and networks for target groups, and putting strategies and actions together for inclusive entrepreneurship in a co-ordinated and targeted way. Governments are increasingly recognising the challenge of inclusive entrepreneurship, but there is still much to do to spread good practice. For more information please refer to: www.oecd.org/employment/leed/inclusive-entrepreneurship.htm.

Acknowledgements

This note is part of a series of notes on country-level inclusive entrepreneurship policies and programmes prepared by the Organisation for Economic Co-operation and Development (OECD) for the European Commission. These notes were prepared by the OECD Centre for Entrepreneurship, SMEs, Regions and Cities (CFE) led by Lamia Kamal-Chaoui, Director, as part of the programme of work of the OECD Local Economic and Employment Development (LEED) Programme, led by Karen Maguire, Head of Division. They provide an overview of current and planned policy actions and identify some actions that could be implemented to address gaps in the current support offering, or improve current offerings.

This note was prepared by Professor Sergio Destefanis of the University of Salerno. David Halabisky of the OECD CFE edited the note under the direction of Dr. Jonathan Potter, also of the OECD CFE.

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

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

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Key messages

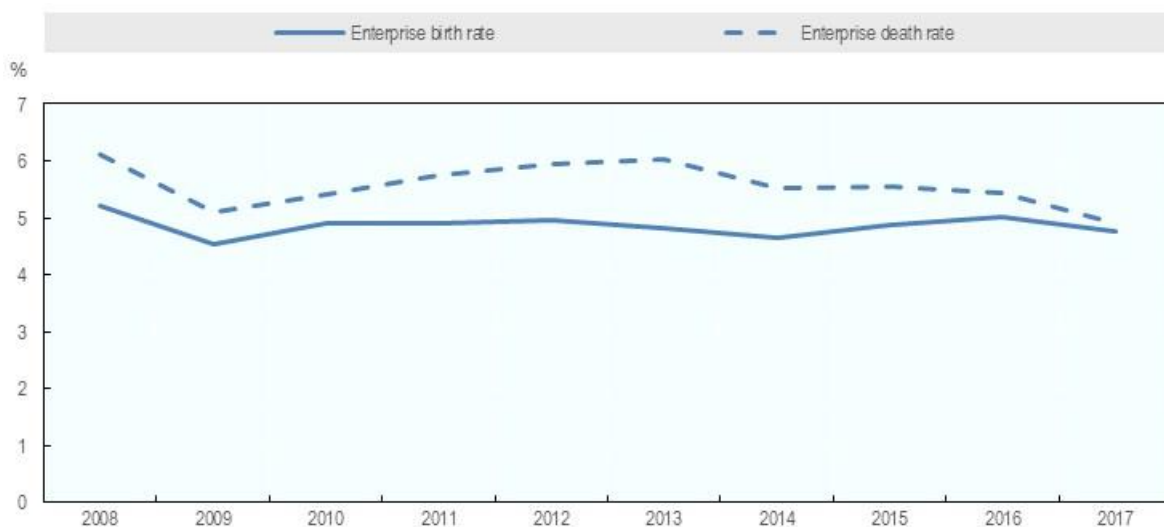
- Framework conditions that facilitate entrepreneurship are often rated as above average relative to other European Union (EU) Member States. However, access to finance can be a challenge for many entrepreneurs and some indicators suggest that this challenge is greater than in other EU countries.
- The self-employment rate is well-above the EU average, however it has declined slightly over the past decade.
- Moreover, relatively few people appear to be creating businesses. The share of the population involved in early-stage entrepreneurship (i.e. those involved in starting a new business or managing a business that is less than 42 months old) is about half of the EU average. Early-stage entrepreneurship rates are particularly low among women and seniors.
- There are about 1.6 million early-stage entrepreneurs in Italy. Eliminating the gaps in activity rates across population groups (i.e. applying the early-stage entrepreneurship rate of men who are 30-49 years old to the whole population) would result in nearly 1.2 million additional early-stage entrepreneurs. About 70% of these “missing” entrepreneurs are female and nearly 50% are between 50 and 64 years old.
- Recent inclusive entrepreneurship support has been mainly focused on supporting youth, often as part of the Youth Guarantee and the Youth Employment Initiative. There has also been support for women’s entrepreneurship, recently driven by the Committees for Female Entrepreneurship, which were set-up by the Ministry for Economic Development and the Union of the Chambers of Commerce. However, little support is in place for some target groups such as immigrants and people who experience disabilities.
- A weakness of the current inclusive entrepreneurship support system is that institutional co-ordination mechanisms are not very strong. The national network of one-stop shops for youth entrepreneurship, the committees for the promotion of female entrepreneurship, and the entrepreneurship desks in the Job Centres are all steps in the right direction, but no overall co-ordination exists among them so far.
- There is scope to further strengthen inclusive entrepreneurship support and the following actions are recommendations:
 - Strengthen co-ordination among entities and initiatives to improve take-up and effectiveness, including through the development of one-stop-shops;
 - Further develop mentoring programmes to support new entrepreneurs;
 - Develop more tailored entrepreneurship support for those who experience disability;
 - Shift subsidised finance from the early stages of firms’ life to post-entry support plans; and
 - Strengthen *ex-post* evaluation of inclusive entrepreneurship policies and programmes, including those at implemented by regional governments.

1 Inclusive entrepreneurship trends

Conditions for entrepreneurship

Business entry and exit rates were stable over past decade between 5% and 6% (Figure 1.1). Exit rates were slightly higher than entry rates, signally a slow decline in the absolute size of the business population. Business entry and exit rates were below the median among European Union (EU) Member States, which were approximately 7% over the past decade.

Figure 1.1. Business entry and exit rates



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

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

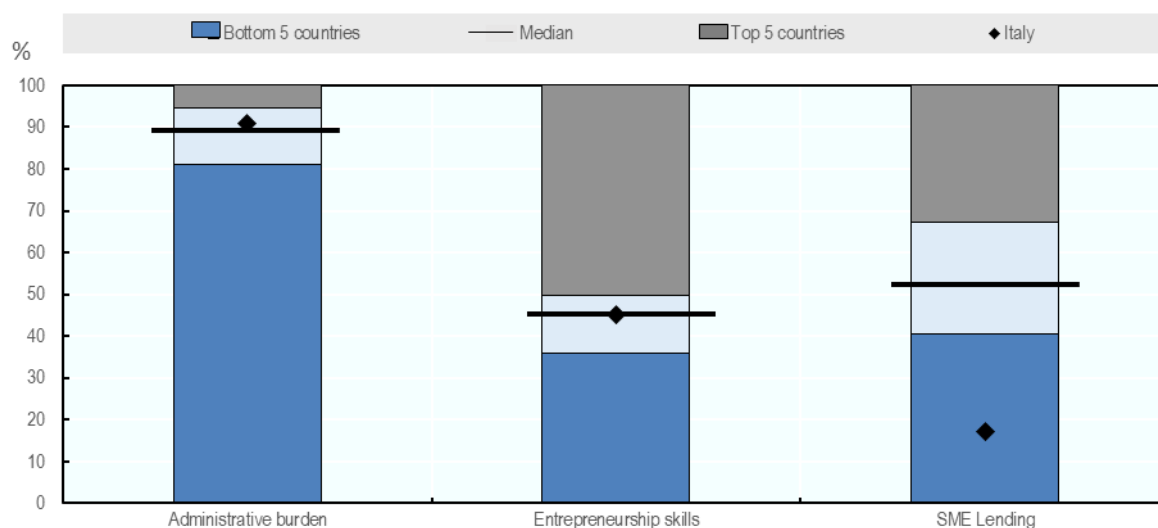
Overall, the regulatory environment is typically viewed as about average among EU Member States in terms of administrative and regulatory burden on new businesses and the self-employed. For example, the World Bank ranks Italy as about equal to the EU median in terms of administrative burden on new start-ups (Figure 1.2). Efforts are ongoing to improve the business environment, including through Italy's Start-up Act. Launched in 2012, the initiative aims to create a favourable environment for innovative start-ups, including through "fast-track" and zero cost incorporation and simplified insolvency procedures. In 2018, the OECD evaluation of the Italian Start-up Act showed that the policy has a sizable impact on start-up growth. Furthermore, a three-year plan for the digital transformation of the public administration was launched in 2017. It establishes a digital development model for enhancing efficiency in central and local administrations.

Overall, low skills levels and weak demand for high skills or existing skills have weighted on Italy's productivity for the past 15 years. However, about 45% of the population self-reported that they had the skills and knowledge needed to start a business over the period 2015-19. This was equal to the EU median (Figure 1.2). Recent efforts have aimed to strengthen the co-operation between universities and SMEs and ensure that academic curricula better meet the labour market requirements, including a greater emphasis on developing entrepreneurship skills.

Against the backdrop of a gradual economic recovery, business loans expanded in 2017-18, but unevenly with a downward trend for smaller firms (OECD, 2019). Collateral requirements grew slightly, but cost of credit (and payment delays) dropped to the lowest level since the crisis. Nonetheless, the share of loans to SMEs relative to total outstanding business loans was among the lowest in the EU in 2019 (Figure 1.2). In addition to developing a new evaluation system of firms' creditworthiness in 2018, many ongoing initiatives seek to boost access to alternative finance. For example, unlisted SMEs that issue bonds ("minibonds") benefit from tax reliefs and streamlined procedures and as of 2017, access to equity crowdfunding has been extended to all SMEs.

Figure 1.2. Conditions for business creation

Ranking relative to other European Union Member States, 2019



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

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

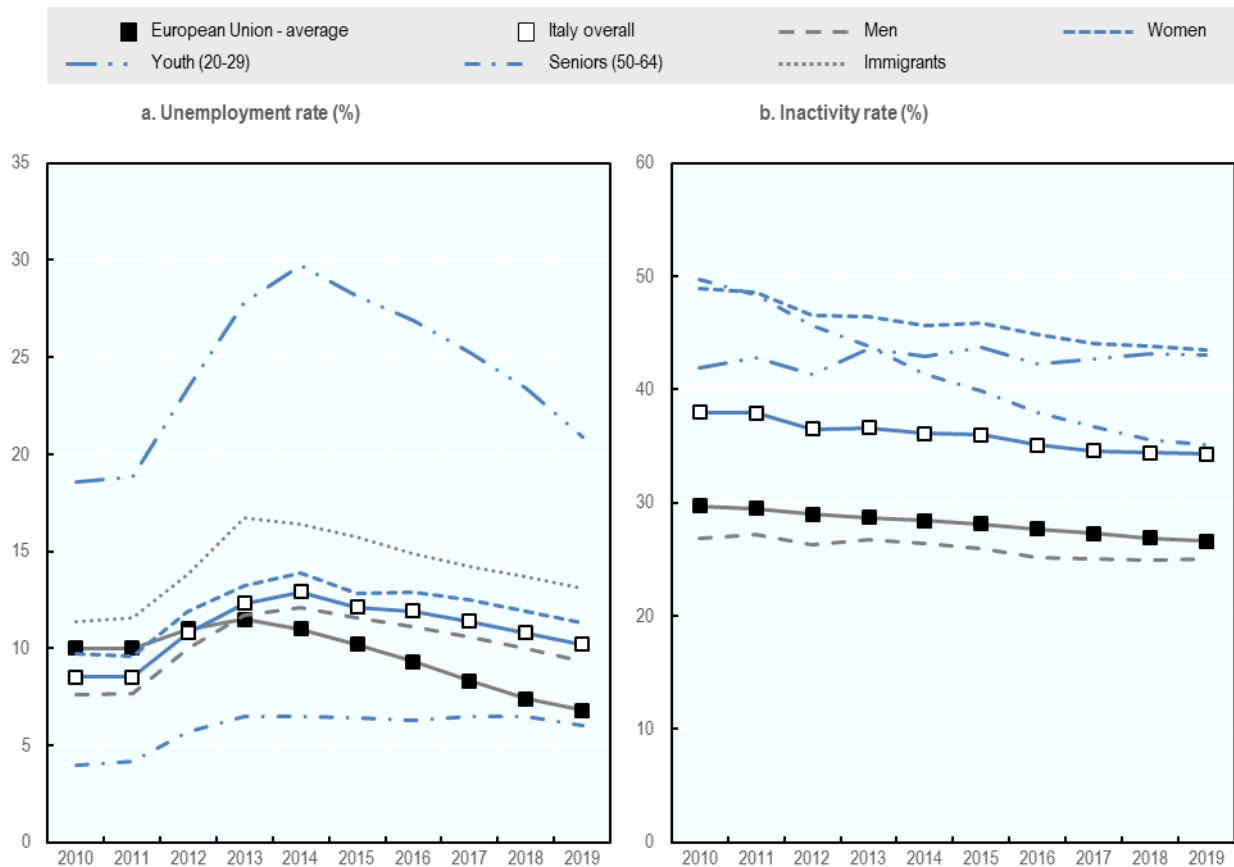
Recent labour market trends

Overall unemployment, which had increased since the onset of the economic crisis in 2008 and peaked after the sovereign debt crisis in 2013, began to decrease – more slowly than the EU average – since 2014. Youth unemployment had a similar, although more decisive, evolution (Figure 1.3), perhaps due to the implementation of the Youth Guarantee. Yet in 2019, the youth unemployment rate was more than double the overall unemployment rate, which was a higher ratio than in most EU countries. The unemployment rates for women and immigrants evolved along the lines of the overall rate, although being

higher than it. However, a different trend is observed among seniors – the unemployment rate has basically remained the same since 2014. However, the inactivity rate for seniors declined during this period, likely due at least in part to the gradual rise in retirement age required by Law 214/2011.

Figure 1.3. Unemployment and inactivity rates

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



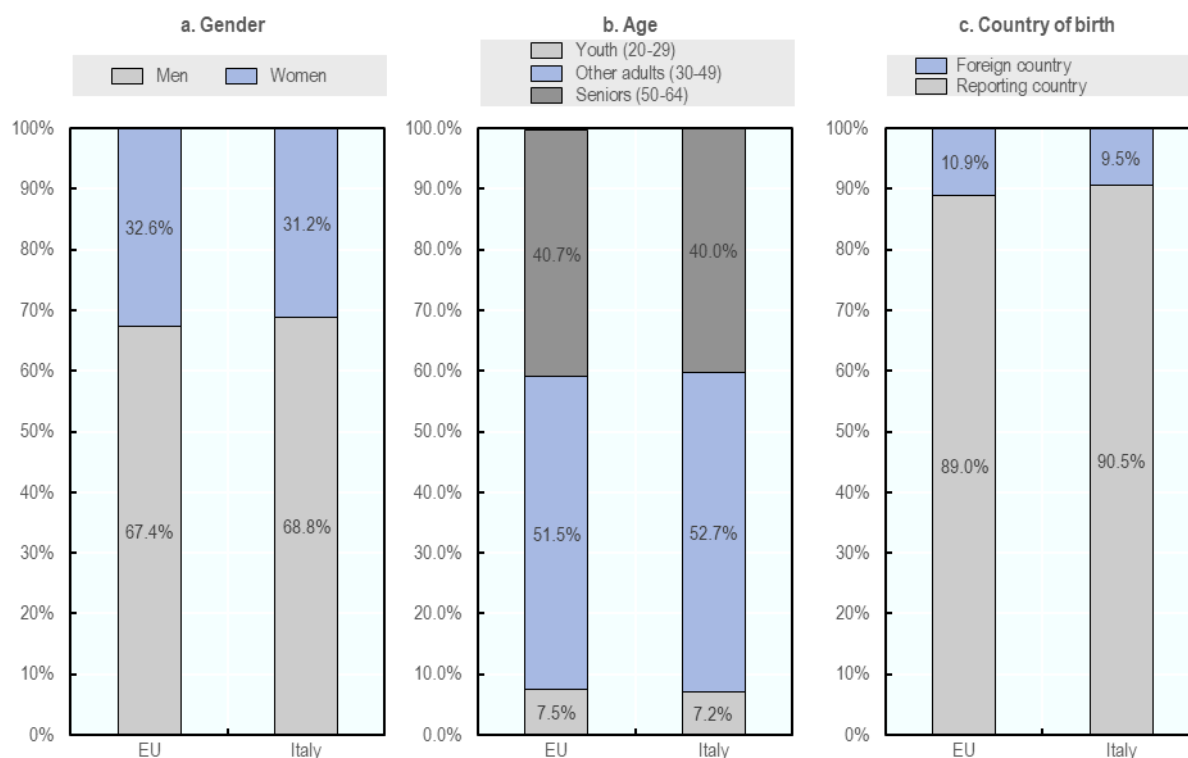
Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

Self-employment activities

The composition of the self-employed in Italy is strikingly similar with the EU average in terms of characteristics as gender, age and country of birth (Figure 1.4). Women accounted for the same share among the self-employed (31.2% in Italy and 32.6% for the EU). Similarly, the distribution by age was virtually identical and the share of people born in a foreign country was also the same.

Figure 1.4. Composition of self-employment

Proportion of self-employed workers, 2019

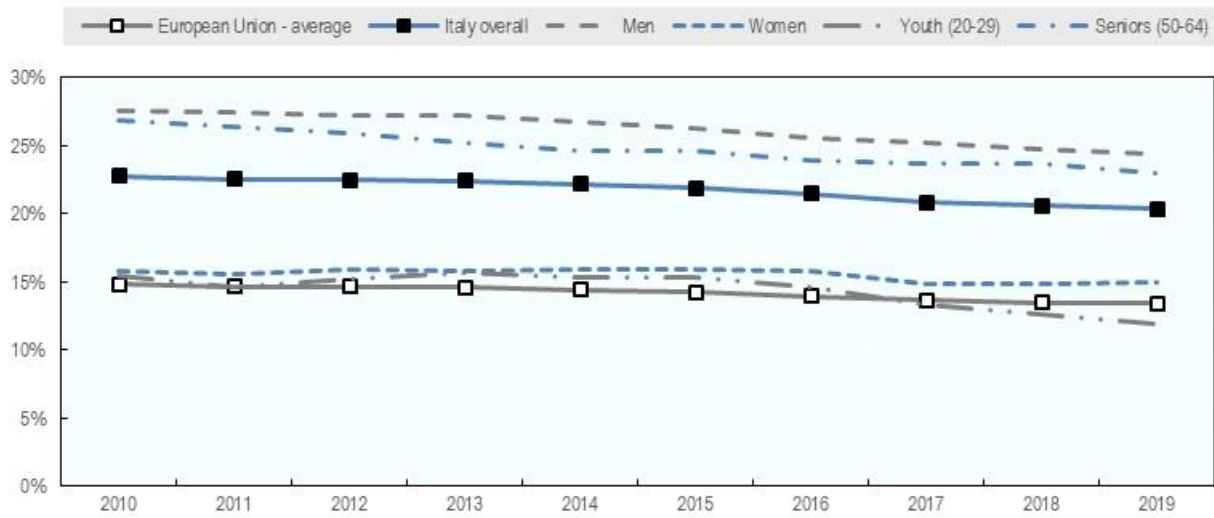


Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

The proportion of workers that are self-employed has declined slightly over the last decade. In 2010, 22.8% of the working population was self-employed relative to 20.4% in 2019 (Figure 1.5). This decline occurred among all categories, but was particularly strong for youth and seniors. The self-employment rate for these categories declined respectively from 15.5% and 26.8% in 2010 to 11.9% and 23.0% in 2019. In 2019, there was still a sizeable gender gap in the self-employment rate. Men were much more likely to be self-employed than women (22.1% vs. 13.2%).

Figure 1.5. Self-employment rate

Proportion of employment that is self-employed

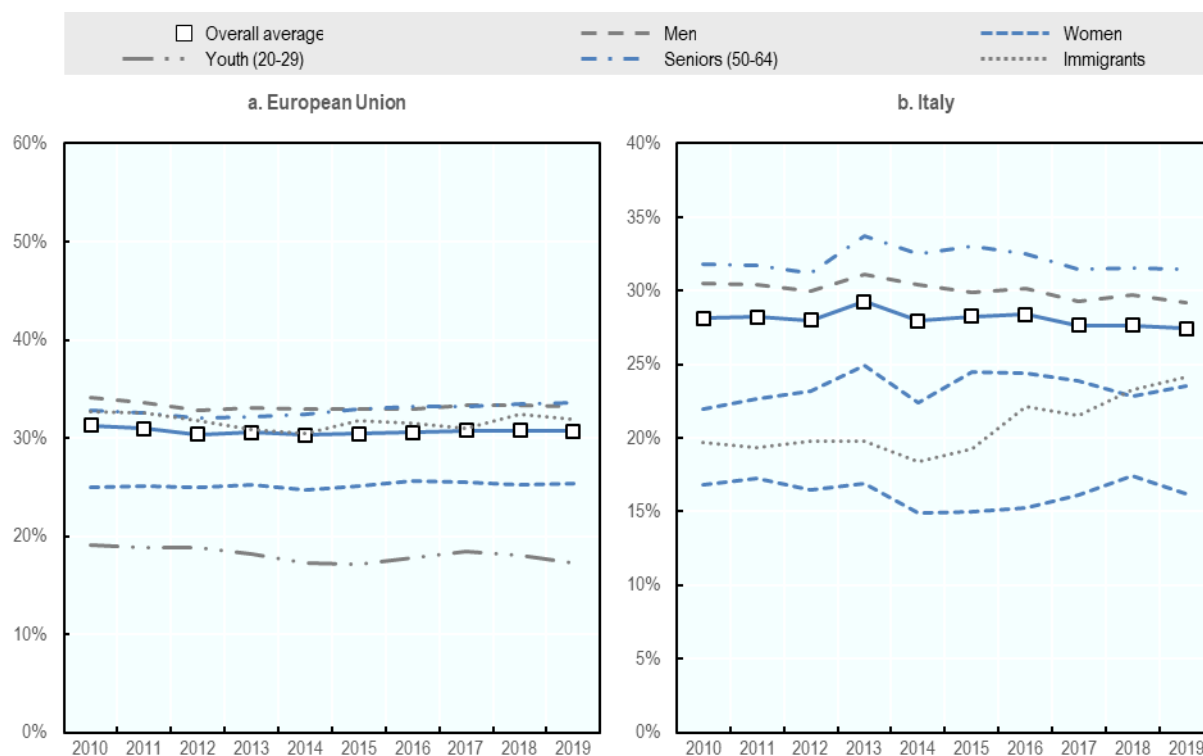


Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

The share of the self-employed who employ others is below the EU average, regardless of gender, age and country of birth (Figure 1.6). Overall the gap was 3.3 percentage points in 2019. Furthermore, as with the EU average, the proportions are rather constant over time, with one exception. Despite the persistent gap with the EU average, the share of self-employed immigrants who employ others increased strongly over the past decade (from 19.7% to 24.2%).

Figure 1.6. Share of self-employed with employees

Proportion of the self-employed who employ others

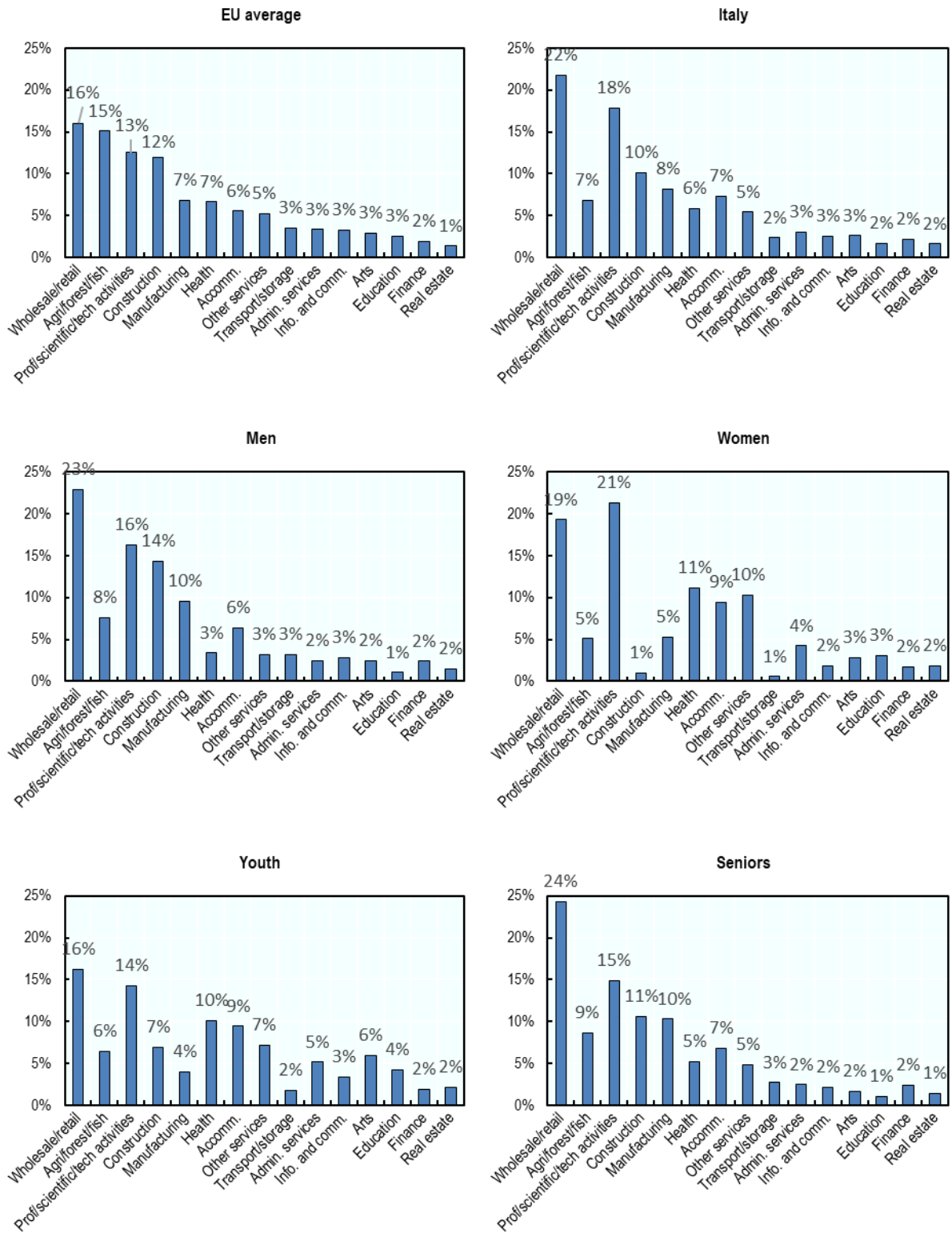


Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

The self-employed are disproportionately concentrated in Wholesale and retail activities (Figure 1.7). About 22% of the self-employed worked in this sector in 2019, which was a considerably higher share than the EU average (16%). Self-employed women were most heavily concentrated in Professional, scientific and technical activities (21.9%), which was a higher share than for men (16.3%). Self-employed women were also active in Health and social work activities (11.2%), Other services (10.3%) and Accommodation and food service activities (9.5%). Self-employed youth and seniors were also active in Accommodation and food service activities (respectively 9.4% and 10.3%), reflecting the significance of the tourism sector in the economy.

Figure 1.7. Self-employment by economic activity

Distribution of the self-employed by sector, 2019

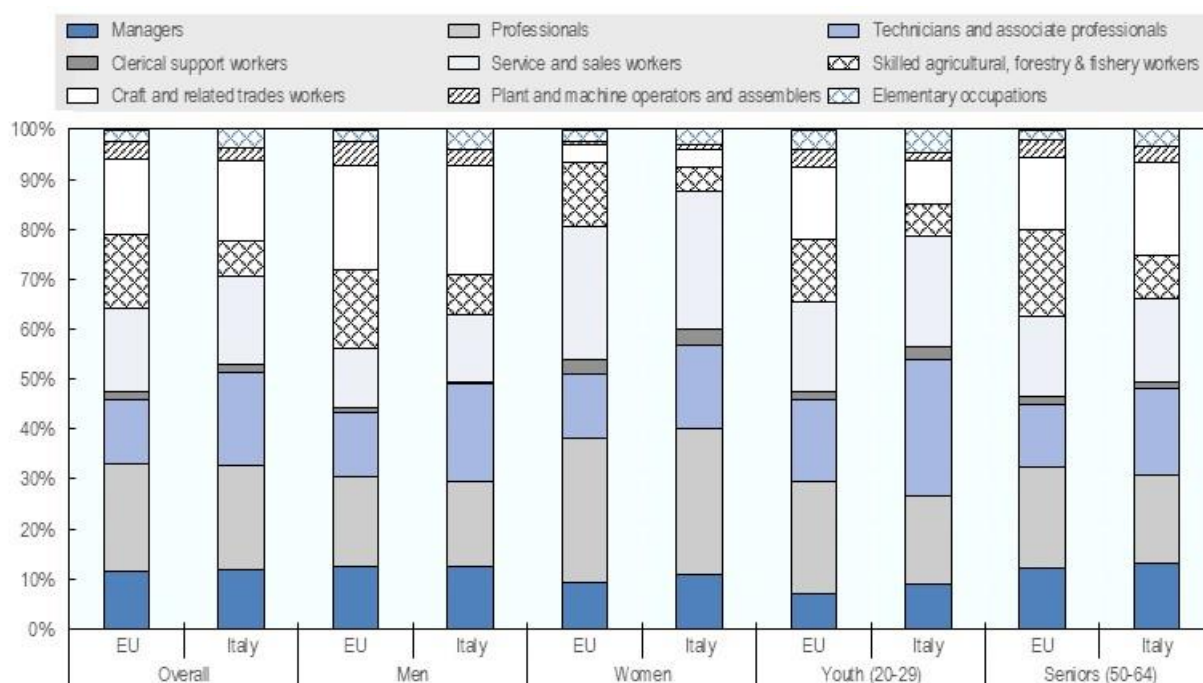


Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

A comparison of the distribution of the self-employed across occupations in Italy relative to the EU average reveals some differences, reflecting the economic structure of Italy relative to the EU average. The self-employed were more likely to be working as technicians and associate professional than the EU average (18.6% vs. 12.9%) and less likely to be working as skilled agricultural, forestry and fishery workers (6.9% vs. 14.8%) (Figure 1.8). These slight differences in the distribution of the self-employed across occupations were also observed across the different population groups. However, for youth there are some notable differences. For example, youth in Italy are less likely than the EU average to be working as professionals (17.6% vs. 22.6%) and craft and related trades workers (8.7% vs. 14.2%). Conversely, youth were much more likely than the EU average to be working as technicians and associate professionals (27.1% vs. 16.2%).

Figure 1.8. Self-employment by occupation

Distribution of the self-employed by occupation, 2019

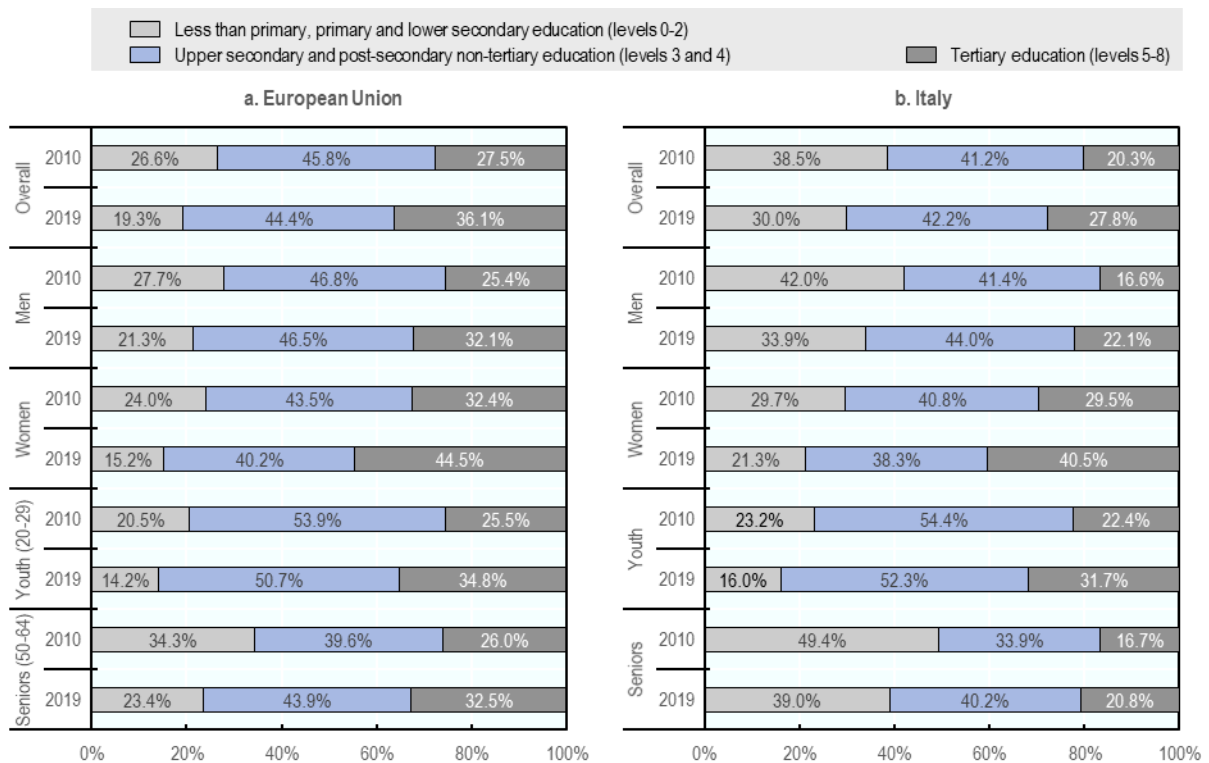


Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

There has been a growing gap in the educational attainment of the self-employed relative the EU average. The gap in the share of the self-employed with a tertiary education increased over the past decade from 7.2 percentage points to 8.4 percentage points (Figure 1.9). This gap is largely driven by the growing gap among core-age self-employed people; there is almost no gap among self-employed youth.

Figure 1.9. Self-employment by education level

Distribution of the self-employed by educational attainment

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

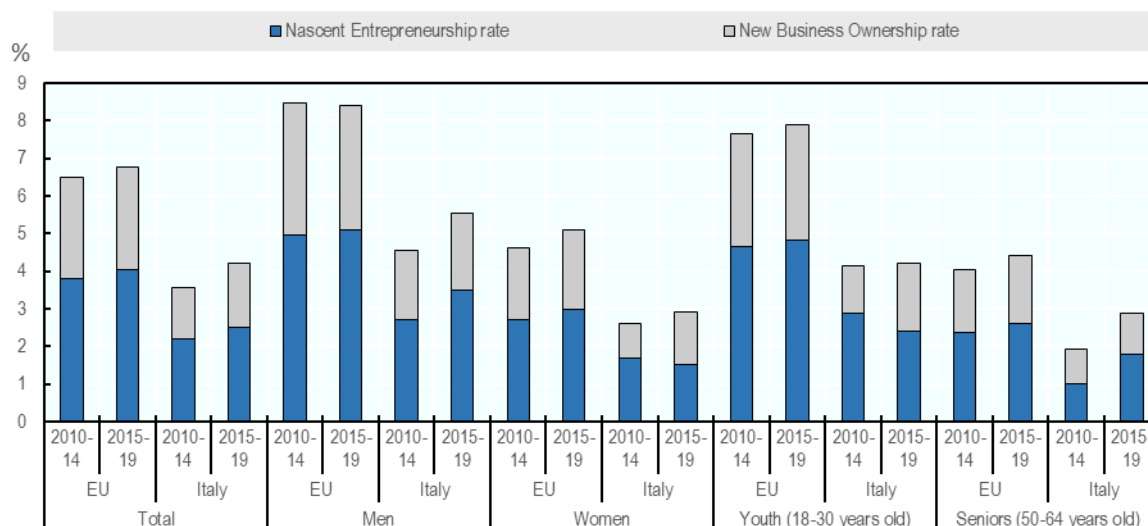
Entrepreneurship activities

Another way to measure entrepreneurship activities is to examine the proportion of people who self-report that they are entrepreneurs. One of the most well-known surveys conducted in more than 90 countries annually is the Global Entrepreneurship Monitor (GEM), which has several measures of entrepreneurial activity.

Early-stage entrepreneurship rates in Italy were below the EU average over the period 2015-19 (4.2% vs. 6.8%) (Figure 1.10). This measure covers both the share of the population involved in pre start-up activities (i.e. nascent entrepreneurship) as well as managing new start-ups that are up to 42 months old (i.e. new business ownership). Early-stage entrepreneurship activity rates were low in Italy for all target groups.

Figure 1.10. Nascent entrepreneurship and new business owners

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



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

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

How many “missing” entrepreneurs are there?

The gaps in early-stage entrepreneurship rates across population groups suggest that there are many “missing” entrepreneurs. There are currently about 1.6 million early-stage entrepreneurs in Italy (i.e. those starting or managing a business that is less than 42 months old) and this number would increase by about 1.2 million if the early-stage entrepreneurship rate for core-age males (30-49 years old) was applied to the whole population.

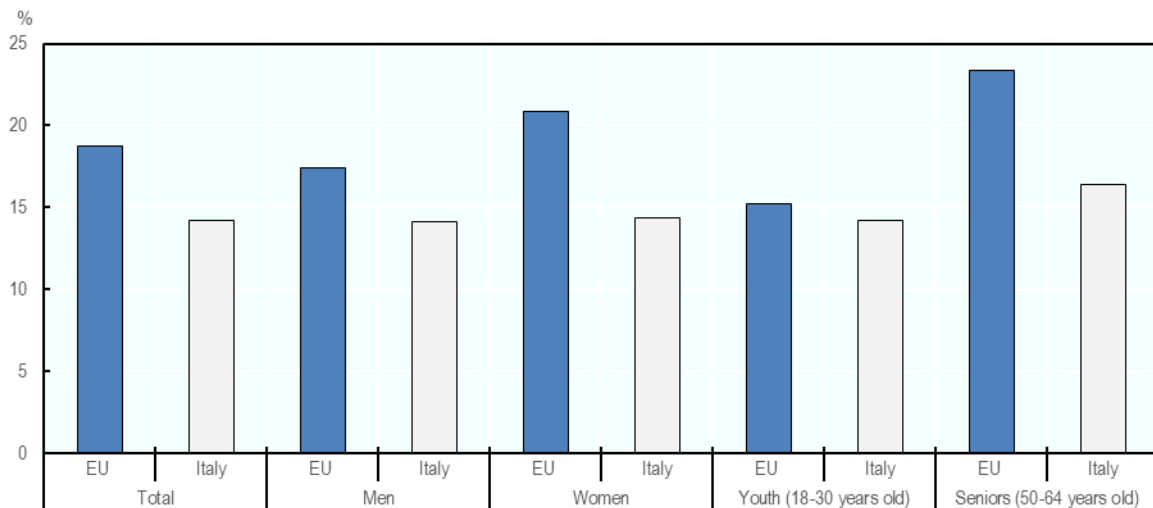
A similar exercise can be done for each population group by applying the rate for core-age males to each group (i.e. women, youth, seniors, immigrants). This shows that about 70% of these “missing” entrepreneurs are female and half are over 50 years old, which is a lower share than in most EU Member States.

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

Early-stage Italian entrepreneurs were slightly less likely to indicate that they had started their business due to a lack of employment opportunities (i.e. necessity entrepreneurship) (Figure 1.11). Overall, about 15% of new entrepreneurs self-reported starting out of “necessity” between 2015 and 2019, which was consistent across all population groups. These proportions were all below the EU average.

Figure 1.11. Necessity entrepreneurship

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



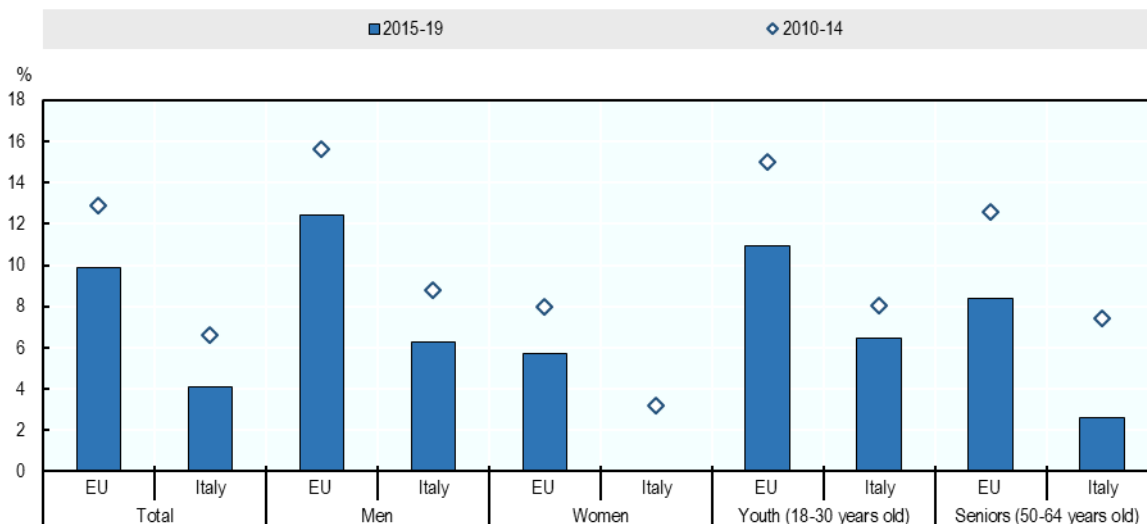
Note: Necessity entrepreneurship is defined as entrepreneurship activities that were launched because there were no other options in the labour market. All EU countries participated in the GEM survey between 2015 and 2019 except the Czech Republic, Denmark, Lithuania and Malta. Several countries did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

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

Early-stage entrepreneurs are less likely than the EU average to expect to create at least 19 new jobs over the next five years (Figure 1.12). Between 2015 and 2019, about 4% of new entrepreneurs expected this level of job creation relative to nearly 10% of for the EU overall. There is some variation across different population groups. Youth entrepreneurs were the most likely to expect high-growth, whereas virtually no female entrepreneurs reported that they expected this level of employment creation. One of the factors for a below average rate of growth-oriented early-stage entrepreneurship is that few Italian entrepreneurs report that their business has introduced new products or services, and that few have customers in other countries (OECD/EU, 2019).

Figure 1.12. Growth-oriented entrepreneurship

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



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

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

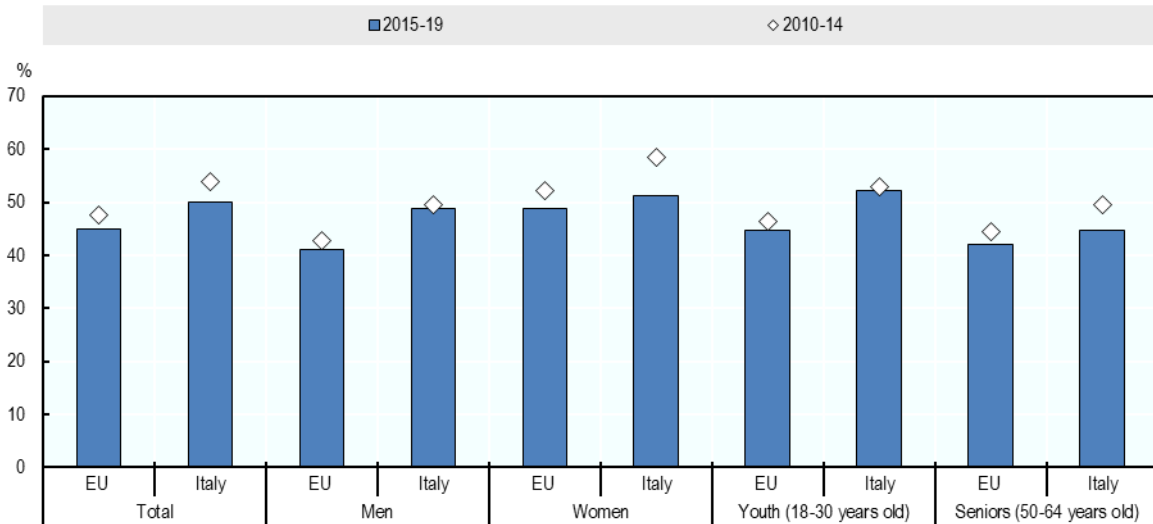
Barriers to business creation

More than half of Italians reported that a “fear of failure” is a barrier to business creation over the period 2015-19 (Figure 1.13). This was about five percentage points above the EU average for this period (49.9% vs. 45.0%). Approximately 51% of women reported this barrier, while more than half of youth (52.1%) and seniors (49.8%) also cited this barrier. All these proportions were above the EU average (49.3% for women; 52.1% for youth; 44.6% for seniors). Moreover, the share of people reporting this barrier appears to have remained constant in Italy over the past decade while a decline was observed across all target groups at the EU-level.

Italians were also less likely than the EU average to indicate that they had the skills to start a business (Figure 1.14). Between 2015 and 2019, about one-third of Italians reported that they had the skills to start a business (34.9%) relative to four out of ten adults in the EU (42.5%). Women were the least likely to report having the skills for business creation (31.3%), which was among the lowest proportions in the EU. Youth were more likely to have the skills to start a business (31.9%), but this proportion was nonetheless below the EU average for youth (37.2%). Only 34.5% of older people indicated that they had the skills to start a business, which was also well below the EU average (40.9%). These figures generally decreased over time for both Italy and the EU average. This unfavourable evolution was however slightly stronger for Italy.

Figure 1.13. Fear of failure

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

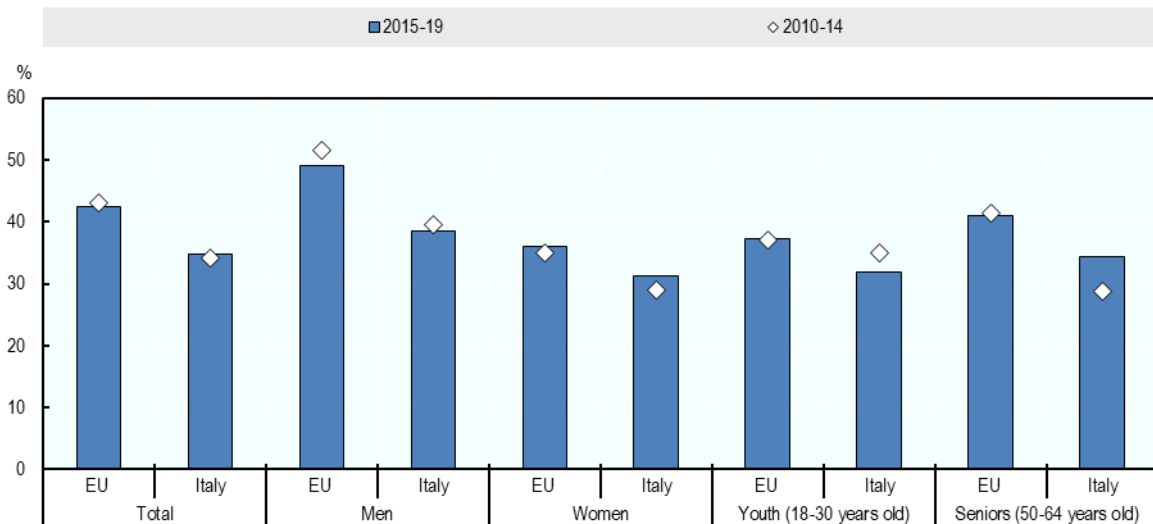


Note: All EU countries participated in the GEM survey between 2015 and 2019 except the Czech Republic, Denmark, Lithuania and Malta. Several countries did not participate in the survey in every year (missing years noted): Austria (2015, 2017), Belgium (2016-19), Bulgaria (2014), Cyprus (2015), Denmark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

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

Figure 1.14. Entrepreneurship skills

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



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

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

2 Inclusive entrepreneurship policy framework

Overview and assessment

Table 2.1. Characterisation of the inclusive entrepreneurship policy context

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

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

Policy responsibility

Policy interventions for inclusive entrepreneurship began in the 1980s, taking initially the form of laws promulgated by the central government. In the 1990s, decision-making was shifted to the regions and resulted in a proliferation, and often duplication, of laws (Aronica and Vecchia, 2005). Almost invariably, the first interventions attempted to address the credit constraint faced by (potential) entrepreneurs. While there have been many policy interventions to support business creation and self-employment for people from under-represented and disadvantaged groups (especially, youth, women, unemployed), few national strategies and action plans have been developed to co-ordinate these initiatives. The exception has been youth entrepreneurship policy, and to some extent, women's entrepreneurship policy.

Youth entrepreneurship policy is managed by **Invitalia (Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa)**. Invitalia manages all the national policy initiatives promoting entrepreneurship for youth and the unemployed, mostly implement in disadvantaged areas. In 2015, it was also extended to the whole national territory and included women among the target categories. It is generally considered to offer high quality support but the proliferation of youth entrepreneurship initiatives by numerous actors in the public and non-governmental sectors at the national and regional levels has led to concerns about the co-ordination of policy actions. As will be discussed further below, Invitalia, in cooperation with **ANPAL (Agenzia Nazionale Politiche Attive Lavoro**, the national agency for active labour market policies) also manages the Youth Guarantee initiative that was started in 2014.

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

In principle, potential entrepreneurs and entrepreneurs can also find support in **Job Centres**, which each should have an entrepreneurship help desk to support those looking to create a business. However, not all Job Centres are fully and effectively fulfilling their mandate. Some of the challenges have been due to a lack of trained staff with knowledge of the territory, local economic structure, and the needs of potential clients. The process of addressing the issues and strengthening of Job Centres began when they were brought under the auspices of ANPAL, but this was curtailed partly due to the outcome of a constitutional referendum on 4 December 2016.

The policy framework for **women's entrepreneurship**, under the supervision of the **Ministry for Equal Opportunities and the Family**, has also been longstanding. This support was substantially reinforced in 2003 by the establishment and strengthening of the **Committees for the promotion of female entrepreneurship** (*Comitati per la promozione dell'imprenditorialità femminile*). These committees, set-up by the **Ministry for Economic Development and the Union of the Chambers of Commerce**, and including representatives from social partners, are designed to monitor and solve business challenges at the local level, through training, networking and assistance on start-up procedures. There is a committee in each Chamber of Commerce, thus building up an extensive national network. This structure is complemented with national and regional projects that are co-funded by the European Structural and Investment Funds. As with youth entrepreneurship support, initiatives and projects have proliferated, but their effectiveness has been uneven across the country. As is the case for most local policies, the availability and quality of support for women entrepreneurs is heavily dependent on the capabilities of those designing and delivering support at the local level, which are unevenly spread across the country (Mauro and Pigliaru, 2011).

A recent development, promoted by the **Department of Equal Opportunities of the Presidency of the Council of Ministers**, together with the **Ministry of Economic Development**, is the agreement protocol for the development and growth of female entrepreneurship and self-employment signed by the Italian Banking Association, *Confindustria*, *Confapi*, Italian Business Network and Alliance of Italian Co-operatives. The protocol, signed on 4 June 2014 and extended on 16 February 2016, supports the access to credit of female firms, self-employed workers, and professionals. Indeed, beneficiaries include all female micro, small and medium firms, as defined by Law 215/1992, plus female professionals, without limits of age or sector, and in a wide range of circumstances.

The recent development of microcredit in Italy, also helped by its being one of the economic policy mainstays of the Five Star political movement, increased the importance of the *Ente nazionale per il microcredito* (the National Microcredit Authority). This public authority engages in the promotion, steering, monitoring and evaluation of the microfinance tools promoted by the EU or using EU funds; in the of Italian microcredit; and in the promotion, support, monitoring and evaluation of Italian microcredit programmes at home and abroad. Among other things, the *Ente nazionale per il microcredito* has set up *Retemicrocredito*, a country-wide network of one-stop shops that are responsible for providing information regarding microcredit and self-employment. In these one-stop shops, entrepreneurs and potential entrepreneurs can be oriented towards suitable microfinance products, given assistance and tutoring related to finance, and provided legal advice or other as auxiliary services.

There is fairly small role for the **non-government sector** in the management of inclusive entrepreneurship support. A notable (but partial) exception is in the support of **people experiencing disability**. In this field, social co-operatives are the main institution dealing with job placement and promotion of entrepreneurship for disabled and disadvantaged people (as defined by art.1, letter B, of Law 381/1991). According to Law

381/1991, which governs social co-operation in Italy, type B social co-operatives have the aim of pursuing the human promotion and social integration of citizens through their insertion in the labour market (on the other hand, type A social co-operatives deal with the provision of health, care, training and lifelong education services). As will be made clear in Section 4, however, type B social co-operatives have not been successful in the promotion of entrepreneurship.

In addition, Italia Start-up, is very active in supporting entrepreneurship. This non-profit association represents the ecosystem of start-ups, and is in principle open to all subjects, private and public, which promotes and supports the growth of Italian start-ups. In Italy there is also a network of university incubators, the PNIcCube.

Institutional co-ordination mechanisms between the bodies that have been described above could be improved. There are currently few examples of strong bilateral collaborations, and clearly articulated forms of co-ordination seem to be lacking. The national network of one-stop shops for youth entrepreneurship, the committees for the promotion of female entrepreneurship, and the entrepreneurship desks in the Job Centres are all steps in the right direction, but there is no overall coordination among them.

Inclusive entrepreneurship strategies and objectives

The most clear example of an inclusive entrepreneurship strategy is the **Youth Guarantee Initiative** (2014-20). The Youth Guarantee plan has a budget of EUR 6 billion, including national and regional level resources and matching funding from the European Social Fund (ESF). It is implemented across all regions except for the Autonomous Province of Bozen. It is clearly one of the largest labour market initiatives and faces a number of challenges due to its size. The most significant issue has been the in-take mechanism. A web portal has been launched to promote the initiative, but youth enter Youth Guarantee programmes through the public employment service, which is undergoing a substantial reform. However, Invitalia and ANPAL have set up a network of consultants at central and local levels to support NEETs in developing their business ideas. The Youth Guarantee Initiative is also going to be part of the European Social Fund Plus, the financial instrument of the 2021-27 EU's long-term budget aimed at strengthening Europe's social dimension. It is not clear yet to which extent this inclusion will also mean a strengthening of this initiative in Italy.

Monitoring and evaluation practices

There is currently no independent monitoring or evaluation agency in Italy, although there are a number of central government and regional agencies that have this role. There is, however, very little *ex-post* counterfactual policy evaluation. However, the effort to provide articulated policy monitoring has increased over time. The **Ministry of Economic Development** produces a dossier annually that monitors a wide range of interventions in support of economic activities.¹ This dossier contains mainly financial information, notably the territorial distribution of incentives. Only a few of these incentives are, however, related to inclusive entrepreneurship. Similarly, the **Chamber of Deputies** periodically releases financial information on the incentives to female entrepreneurship.²

Large policy initiatives such as the Youth Guarantee are carefully monitored and evaluated.³ In this example, annual and weekly reports are published with information about financial variables and policy targets. The second report (31 December 2018) also includes a counterfactual policy evaluation, according to which internships are the most successful policy in securing future stable employment. Within the context

¹ <https://www.mise.gov.it/index.php/it/incentivi/impresa/strumenti-e-programmi/valutazione-e-monitoraggio-incentivi>

² <https://temi.camera.it/leg18/temi/sostegno-all-imprenditoria-femminile.html>

³ <http://www.garanzigiovani.gov.it/Monitoraggio/Pagine/default.aspx>

of the Youth Guarantee, IRVAPP from the Autonomous Province of Trento anticipated counterfactual analyses of the Youth Guarantee results, but so far its monitoring reports contain mainly descriptive information on financial variables and policy targets.⁴

Clearly, more attention to evaluation is needed for inclusive entrepreneurship policies so that policy makers can understand what initiatives are efficient and effective. Some actions have already been taken to address this. The Law Decree 150/2015 foresaw the transformation of the public research Institute supervised by the Ministry of Labour and Social Policies, ISFOL (Institute for the studies on vocational training of workers) into INAPP (National Institute for the Analysis of Public Policies), which has been active since October 2016 and should be in charge of (counterfactual) evaluations of public policies in particular in the field of work and social inclusion. INAPP has indeed begun to open various channels of communication to the diffusion of documents about counterfactual policy evaluation.⁵ Yet, so far, no studies about self-employment and entrepreneurship policies have been made accessible through these channels.

Recent developments

In 2018, Law 145 (the Budget Law for 2019) introduced in the social security system an institution called citizenship income (*reddito di cittadinanza*). This institution is a type of conditional guaranteed minimum income, as is only paid to non-employed, or workers with household income below a given threshold, and carrying a series of obligations, such as registering with a job centre, accepting "fair" job offers, and eventually performing public utility works. The Ministry of Labour and Social Policies, in agreement with the Ministry of Economy and Finance and the Ministry of Economic Development, has clarified that also the recipients of unemployment benefits can receive this citizenship income. It should be kept in mind however that the citizenship income is a conditional integration of *household* income, while unemployment benefits are granted to *individual recipients*.

Policy measures in response to COVID-19 to support entrepreneurs and the self-employed⁶

The fundamental policy measure adopted to support the self-employed in Italy during the COVID-19 crisis is the so-called emergency income (*reddito di emergenza*). This is basically a form of subsidy from the Ministry of Labour and Social Policies for people who, due to the lockdown, could no longer work. The subsidy of EUR 400 to EUR 800 per month was offered for two months (as of July 2020). It covers individual businesses, seasonal workers in the tourism sector, carers and housekeepers, as well as all undeclared workers.

The emergency income has been supplemented for individual businesses in some regions. Some regional governments have also decided to allow female-led and youth-led firms (among others) that have received a grant to request a partial advance payment of the grant without the presentation of any guarantee. Beneficiaries of the *Resto al Sud* programme are eligible for grants to pay wages and thus avoid any layoffs due to the COVID-19 crisis. To obtain this contribution, they must have complied with the funded project's timeline and the payments of the subsidised loan. The contribution is paid in a single solution by Invitalia after the appropriate checks. Further, an extra allocation of EUR 5 million within the existing fund for small and medium-sized enterprises dedicated to female entrepreneurship has also been decided by the Ministry for Equal Opportunities and the Family.

⁴ <https://irvapp.fbk.eu/it/projects/detail/monitoraggio-e-valutazione-del-programma-garanzia-giovani-in-trentino-2/>

⁵ <https://inapp.org/it/Pubblicazioni/Collane>

⁶ The text was drafted in August 2020. Policy actions implemented after this date are not covered in this report.

3 Assessment of current and planned inclusive entrepreneurship policies and programmes

Developing entrepreneurship skills

Overview and assessment of policies and programmes

Table 3.1. Characterisation of schemes for developing entrepreneurship skills

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

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

The acquisition of entrepreneurship skills has taken an important role almost since the very beginning of policy interventions for inclusive entrepreneurship in Italy. Law 44/1986 (Law De Vito), Law 95/1995, and Law 27/1993, in addition to financial provisions (with which we deal below in greater detail), included courses for young entrepreneurs (five months) with tutoring systems (from 12 to 20 months). Some in-kind services are also offered in the start-up phase. The evaluation literature has not provided any separate treatment of the impact of mentoring, although earlier evidence (e.g. Izzo and Marchi, 1995) stresses its role. Mentoring has been deemed as particularly effective, with established firms providing informal advice to new firms. This was done on a daily basis, first on a voluntary basis, then on market-related terms as the new firm approached profitability.

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

Overall, and notwithstanding the recent developments to be reviewed below, further effort seems to be needed in the field of developing entrepreneurship skills. The evidence from Section 1 (i.e. Figure 1.14) suggests that the skill gap relative to the EU average has increased over time. It is also notable that the gaps with the EU average increased the most among women and youth. Mentoring should be strengthened and successful experiences such as the Be-Win – Business Entrepreneurship Women in Network project need to be spread further.

Women

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

Immigrants

There are currently few initiatives to support immigrant and ethnic minority entrepreneurs. Some small-scale initiatives have been identified to support refugee entrepreneurs, but these are typically driven by non-governmental organisations.

Youth

There is strong support for youth entrepreneurship, notably in the areas of entrepreneurship training and coaching and mentoring. Many of these supports are delivered with support from the Youth Employment Initiative and it is common for these schemes to also include some type of financial support.

This includes, for example, the *YES I Start-up* project that was started in late 2018 by ANPAL and the National Microcredit Authority (*Ente nazionale per il microcredito*). This project, co-financed under the PON Youth Employment Initiative managed by ANPAL, provides a targeted and personalised training course for potential young entrepreneurs who are not in employment, education and training (NEETs). This will allow young people to have faster access to the application for funding from the SELFIEmployment fund or similar measures. The project is based upon a network of public and private training experts and institutions that have been identified for each region through a public call. To date, more than 300 training

and coaching courses have been implemented, and about 1 250 NEETs have completed these courses. During the COVID-19 crisis, the face-to-face training courses have been substituted by a distance learning platform.

At about the same time, Invitalia launched the BEST (Business Exchange and Student Training) programme, aimed at promoting youth entrepreneurship through the financing of scholarships and internships in United States for young entrepreneurs under 35 years old. More precisely, scholarship holders had access to an intensive 24-week programme in entrepreneurship and management applied to the scientific and technological sector, taking place at the Mind the Bridge Startup School in San Francisco in California. An internship period with Silicon Valley companies followed to help young entrepreneurs acquire the skills necessary to manage a start-up. The 2019-20 edition of the programme included five scholarships for residents in Sardinia, financed by that region.

Another important project is *Crescere Imprenditori*. It is carried out within the PON IOG in collaboration with *Unioncamere*, providing targeted training and coaching for the self-employment and self-entrepreneurship of young NEETs throughout the country, and on the basis of the territorial needs detected by the local Chambers of Commerce. More precisely, *Crescere imprenditori* offers entrepreneurship training, coaching and consultancy services to help 18 to 29 year olds develop entrepreneurial ideas and take them to market. This project relies on a total amount of financial resources not exceeding EUR 10 million and more than 3 000 NEETs have passed the self-assessment test preparatory to the training courses up to May 2017. Further, 1 771 young have already received the training (157 out of 169 courses started were completed).

There are also some examples of initiatives for young women that are operated by the private sector. For example, the Italian chapter of Technovation Girls, a very large tech entrepreneurial programme for girls was undertaken in 2020 for the second consecutive year by Amazon Italy. The aim of Technovation is to offer female students from 10 to 18 years old the opportunity to learn the skills necessary to carry out an IT project. Meetings and presentations are to be held at the Amazon corporate headquarters in Milan. Participants will be able to count on specialised figures who will act as mentors to help the participants to conceive the project, develop an application, build an effective business plan and participate to a worldwide competition, whose winners will spend an internship period in the Silicon Valley.

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

Recent developments

Incubators are currently undergoing a phase of expansion in Italy. The Social Innovation Monitor (SIM) active at the Polytechnic of Turin, in collaboration with Italia Start-up and PNICube, published the Third Report (SIM et al., 2020) on the impact of Italian incubators and accelerators. According to this report, in the last year the number of incubators for innovative start-ups in Italy has grown by 15%, for a total of 197. About 26% of these are located in Lombardy and 60% are located in the northern regions. However, the Mezzogiorno (southern Italy and isles) recorded last year fastest growth (21%). The number of start-ups in the incubator ecosystem has increased from 2 400 companies to 2 800. The legal nature of these incubators is rather heterogeneous. 62.4% of them are private entities, 15% are public bodies and the remaining 22% are hybrid entities. The firms supported by the incubators are, in 51% of cases, firms with a significant social impact, with sectors ranging from information, to health and wellness, to culture. In 27% of cases they are involved in professional, scientific and technical activities and 19% of them are in manufacturing. According to PNICube (U2B, 2020), about 40 Italian universities have an incubator or collaborate with other institutions in order to provide their students and doctoral students with services of this type. Firms from these incubators have a turnover 25% higher than average start-ups (however, 5% of them started with funding of more than EUR 1 million, against the average 2%).

Another important development has been the FUTURAE project, a 2020 programme of information and assistance for residents with migrant backgrounds, including the second generations, without age limits, also employed, and motivated to take up an entrepreneurial or self-employment activity in Italy. Funded by the National Migration Policies Fund of the Ministry of Labour and Social Policies, the project is promoted by *Unioncamere* and implemented locally by sixteen Chambers of Commerce. Within this integrated initiative aimed at supporting the development of migrant entrepreneurship through actions that also encourage generational turnover, the Chambers of Commerce must take care of information activities at local level, the selection of future entrepreneurs, the provision of training services aimed at improving operational and managerial knowledge and skills for the implementation of business projects (including knowledge of available financial products), assistance in the preparation of business plans.

Financing entrepreneurship

Overview and assessment of policies and programmes

Table 3.2. Characterisation of schemes for facilitating access to finance

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

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

As noted earlier, access to finance for business creation for different groups of under-represented and disadvantaged entrepreneurs (especially youth, women, unemployed) has been for a long-term priority for policy makers. Financial incentives were largely established in the 1980s and 1990s, with several tailored policies and instruments supporting women, youth and the unemployed.

There have been many efforts for developing microcredit in Italy, including the *Retemicrocredito*. This is a network of Information Points on Microcredit and Self-employment that was created by the European Microfinance Network with the support of the resources of the ESF National Operational Programme 2007-

13 (PON AS and PON GAS). However, initiatives have been extremely differentiated among regions. The law decree 141/2010 has attempted a kind of co-ordination. It can support both social and entrepreneurial initiatives. This law provides persons and partnerships with finance to a maximum of EUR 25 000, with supporting services offered. This law targets youth and immigrants, which are in fact its main beneficiaries in terms of both amount and number of loans (EMN, 2012). No evaluation (counterfactual or otherwise) of this law is available yet. In addition, many projects are currently supported by the EU through the Programme for Employment and Social Innovation (EaSI). The EaSI Programme supports PerMicro, which offers microcredit for micro enterprises and new start-ups by people from vulnerable groups. The evidence on the effectiveness of microcredit has been mixed, with some research noting a slow take-up in offering microcredit products by the banking sector, limit sector coverage and a lack of availability in some regions (Provasoli et al., 2009). However, further research tends to be more positive on the role of this tool.^{7, 8, 9}

In addition to microcredit, another instrument used to support entrepreneurs from under-represented and disadvantaged groups public procurement. However, Italian research suggests that this has limited potential due to the low trade mark-ups in procurement operations (i.e. starting prices of tenders are often too low to cover personnel cost at wages compatible with national collective agreements) and large delays in payments (IRPET, 2012). Furthermore, Transparency International identified corruption crimes especially in Italy (as well as in other countries).¹⁰ Therefore, the potential for this instrument appears to be limited at this current time.

There are a large number of regional laws to support access to finance for youth and women entrepreneurs. These many laws tend to profile themselves after their national counterparts, but have not been studied as intensively. Carree et al. (2009) assess the effect of regional policies supporting entrepreneurship in Italy on firm entry, exit, and net entry at the provincial level for six selected sectors. Their results show that entrepreneurship policies do not exert a consistent impact on firm and sector dynamics and unemployment is not significantly reduced by the start-ups from the unemployed. However, there are examples of success. In Tuscany, Mariani and Storchi (2017) examined the first phase (pre-2015) of the regional youth and female entrepreneurship support programme *Fare Impresa*, which offered to new firms a public guarantee and interest rate rebates for investment-related loans. The assessment results are positive: assisted loans actually lengthened firm survival, also providing the chance to the new entrepreneurs to offer additional permanent jobs. A more nuanced view is offered in Buratti et al. (2015), who carry out a very thorough counterfactual evaluation of regional aid to firms in Veneto. With regard to support to youth and female entrepreneurship (respectively Regional Laws 57/1999 and 1/2000), they find first of all very high take-up rates, in particular for female entrepreneurs. They focus then on the impact of the incentives (which are both grants and subsidised loans) on firm survival. Supported firms have higher survival rates, but following them up after the end of the incentive programme, after two years they have survival rates identical to those of non-treated firms. Along lines of reasoning similar to those of Vivarelli (1994), Buratti et al. (2015) conclude their study by suggesting that incentives to youth and female entrepreneurship should be reformulated by giving more weight to the *ex-post* performance of supported firms.

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

⁷ http://www.microcredito.gov.it/images/academia/news/ilMicrocredito_In_Italia.pdf

⁸ <http://www.microcredito.gov.it/case-history.html>

⁹ <http://www.fondidigaranzia.it/microcredito.html>

¹⁰ <http://www.europarl.europa.eu/document/activities/cont/201212/20121204ATT57266/20121204ATT57266EN.pdf>

Overall, while there is no compelling evidence on the capability of entrepreneurship regional laws to fulfil their aims, there are positive examples. There are nonetheless risks for policy makers, including co-ordination challenges and the potential for crowding out national laws. Some principle of subsidiarity with respect to different local needs should be adopted. In this sense, the first step is to build a thorough and up-to-date census of regional laws, along the lines of what has already been done for regional start-up funding¹¹ by Italia Startup in collaboration with Warrant Hub.

More generally, financing entrepreneurship has always been the main, as well as the most researched, policy tool for inclusive entrepreneurship in Italy. Counterfactual evidence about its effectiveness is mixed. In providing a final assessment of it, a wider perspective can be gained through the analysis of barriers to business creation. Figure 1.13 highlights that fear of failure is a more serious problem in Italy than for the EU average, and worsened in time (while improving for the EU average). However, the situation of women and seniors did not worsen, which is at least prima-facie indication of a positive effect of subsidised finance. There is, on the other hand, a sharp deterioration in the situation of youth. Given that take-up rates and policy formats are similar across all groups, this may indicate an insufficient scale of intervention for this segment of the population.

Women

The main example in this field is Law 215/1992 that provides the main framework for the establishment of and aid to firms mainly comprised of women. To take advantage of the benefits the so-called “pink firms” (or start-ups) must meet the following requirements: to be an individual firm run by a woman; to be a partnership or co-operative with at least 60% of female members; to be a corporation with at least two-thirds of the shares be in possession of women and the managing board composed of at least one third of women; to be a female professional. There are also some size requirements. The types of benefits accruing to these firms are: grants, 50% of which is generally non-repayable, the rest being repaid in monthly instalments at a subsidised rate; support to start the business activity, to carry out new business projects, to buy new products and services; a state guarantee fund related to loan collateral, insurance and bank guarantees.

Law 215/1992 has been evaluated and results are often positive (e.g. *Osservatorio per l'imprenditoria femminile*, 2011). However, there are examples of evaluations that find that the benefits of the support is only realised in the short-term, i.e. there is a honeymoon effect (Gennari and Lotti, 2013). As observed by Vivarelli (1994, pp. 126-127), this is a problem inasmuch as “... public support intervenes *ex-ante* and finances initiatives to which the response of the market is not yet known; it replaces the market without making beneficiaries properly accountable.” It is useful to recall, in this regard, that the turbulence rate, given by the sum of firm entry and exit rates, has always been particularly high in Italy compared to the EU average, with numerous cases of premature failure of new businesses. The opportunity to articulate *ex-post* support plans that take into account the processes of market selection has been clear for a long time (Vivarelli 1994, p. 131), but little has been done along these lines.

Immigrants

The most recent notable start-up financing initiative focussed on young foreign-born entrepreneurship. Launch in 2016 by the Ministry of Labour and Social Policies – General Directorate of Immigration and Integration Policies – the initiative provide financial support to new business or self-employment initiatives presented by young unemployed foreigners (i.e. citizens of non-EU countries who hold a residence permit that allows self-employment, or young people born a non-EU country that acquired Italian citizenship after birth) residing in Lazio, Campania and Sicily. The project provided a non-refundable contribution of up to EUR 10 000 per person to 160 young people. For business activities that take a corporate legal profile,

¹¹ <http://www.finanziamentistartup.eu/>

individual grants could be combined up to a maximum of EUR 50 000. While this programme has supported many young immigrant entrepreneurs, it is a rather small-scale initiative. More could be done to work with banks in order to improve access to finance on a larger scale, including tackling language barriers.

Youth

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

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

Recent developments

Smart & Start, the Invitalia initiative that supports the birth and growth of innovative start-ups with high technological content, acquired a more inclusive character in 2020. Its zero-rate loan, for an amount equal to 80% of the eligible expenses (with a maximum duration of ten years) is increased to up to 90% of expenses if the start-up is entirely constituted of people below 36 years, of women, or includes a person that has held a Ph.D. for no more than six years, and that has been permanently engaged abroad in research or teaching activities for at least three years. The incentive also provides a non-refundable contribution equal to 30% of the funding required for innovative start-ups located in the regions of Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardegna and Sicilia.

Another recent development concerns the popular *Resto al Sud* initiative (already recalled in Section 2). With the 2019 Budget Law its age limit was increased to ten years and professional activities were also admitted to this incentive.

Microcredit took further prominence recently as it has been supported by the Five Star political movement, which gained considerable strength in the latest years. In particular, since 2015 a ministerial decree established a state guarantee on microcredit operations. Microcredits granted through various channels, including the EaSI Programme, could be backed by the Guarantee Fund for SMEs, a policy tool established by Law 662/1996 (operational since 2000). The request for the guarantee can be done online, on a click-days that has taken place various times until this year.

Some regional governments (e.g. Piemonte, Valle d'Aosta, Lazio, Abruzzo, Puglia, Basilicata, Sardegna) have taken similar initiatives, in order to support individual and very small firms by facilitating their access to microfinance. The initiatives in Basilicata and Sardegna also aimed explicitly at supporting female- and youth-led firms.

Finally, there has been a growing importance of financial contributions given to young entrepreneurs in agriculture. Italy is the EU Member State with the highest number of young people in the agricultural sector: nearly 60 000 people under 35 years old work in agriculture, an increase of 4.1% relative to 2017. This increase in support is typically justified by the strong performance of farms run by young people. Relative to the overall average, these farms a land surface that is 54% larger, a turnover that is 75% higher and 50% more employees. Further, 70% of young agricultural businesses operate in activities that create positive economic and social externalities their territories (PMI.it, 2019).

In addition, financial contributions to young farmers have been included in the regional Plans for Rural Development of Liguria and Lazio (but with a less specific focus on young people), and Lombardia (in 2018). Yet the most representative initiative in this field is the call promoted in 2019 by Institute of Services for the Agricultural and Food Market (*Istituto di Servizi per il Mercato Agricolo Alimentare*) for the concession of mortgages at a reduced rate to buy a farm. This call relies on a fund of EUR 70 million, split equally between the North-Centre and the Mezzogiorno, and provides an interest subsidy of up to EUR 70 000, payable for 60% at the end of the “grace period” and for 40% upon the successful implementation of the business plan. The call is open to young people who want to establish themselves for the first time as farm managers between 18 and 41 years old, and possessing certified professional knowledge and skills.

Entrepreneurship culture and social capital

Overview and assessment policies and programmes

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

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

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

There are many active networks that help to promote and support entrepreneurship. An experience that falls between the creation of social capital favourable to entrepreneurship and the facilitation of start-ups are the Start-up Weekends now managed by Techstars.¹² Every two to three months a network of start-up facilitators organises in an Italian city a three-day meeting that follows a format similar to that of the SICamp (e.g. Maccaferri, 2012). These weekends, mostly interested in hi-tech ideas, gave rise to permanent networks of firm ecosystem accelerators¹³ that meet regularly in given Italian cities (Milan, but also Naples, Catania, Messina, Foggia). These networks tend to be stronger where traditional incubators are missing.

¹² www.app.co

¹³ <http://nastartup.it/>

Their relationship with more traditional structures for vocational training has not achieved a satisfactory status and is very much an open issue.

However, little is currently done to promote entrepreneurship to some groups such as seniors and people with disabilities. Furthermore, as noted in Chapter 2, the Job Centres help to raise awareness about entrepreneurship among job seekers but they are not reaching their potential. Moreover, there is little coordination among the various actors promoting entrepreneurship and supporting the development of networks.

Women

Networks for female entrepreneurship were substantially reinforced in 2003 by the establishment and strengthening of the Committees for the promotion of female entrepreneurship (*Comitati per la promozione dell'imprenditorialità femminile*). These committees, set-up by the Ministry for Economic Development and the Union of the Chambers of Commerce, and including social partners representatives, are designed to monitor and solve business problems at the local level, through training, networking and assistance on start-up procedures.

Youth

The National network of one-stop shops for youth entrepreneurship is an important mechanism for promoting youth entrepreneurship (*Unioncamere*), and the Youth Guarantee is also helping to improve awareness about the potential of entrepreneurship among youth thanks to the co-operation of the Information Points on Microcredit and Self-employment of the National Microcredit Authority located all over Italy.

Recent developments

From 2017 onwards, the Italian Start-up Act (see next subsection for further discussion) promoted the CLab projects in order to develop entrepreneurial culture in universities. The term CLab identifies a teaching method that promotes collaboration, knowledge-sharing and cross-cutting competencies. Students from different departments meet with the goal of diversifying and strengthening their skills. Furthermore, the creation of new, human capital-intensive innovative businesses is encouraged through the involvement in courses of non-university actors from business, consulting, and the financial sector. There are currently seven CLab projects in northern and central Italy, and another nine in the Mezzogiorno. The ISA call for proposals also financed a CLab Network co-ordinated by the University of Cagliari, whose aim is to bring together the activities of CLab projects (even if not financed) throughout the country.

In 2019, the third (and so far, the biggest) edition of Campus Party took place. This is an event (charging an admission fee) that brings together universities, companies, institutions, other communities and young people devoted to innovation and creativity. Through its full immersion 24-hours a day format, this four-day meeting helped young digital-minded people to network, update their skills, find work with the Job Factory, launch their own innovative start-up or find the team to implement their idea. The programme included speeches, meetings with experts, hackathons, gaming, interviews and networking with over 250 experts from all over the world and large companies and institutions.

Regulatory measures

Overview and assessment of regulatory environment

Table 3.4. Characterisation of regulatory measures used to support entrepreneurship

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

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

Several initiatives have been launched over the past decade to improve the regulatory environment for entrepreneurship, as well as to increase the use of regulatory measures to support entrepreneurs. One of the most significant regulatory changes in recent years was the 2014 Jobs Act, which introduced some substantial changes to the labour market regulations and social welfare system by creating a strong role for fixed-term labour contracts and agency work, with less labour rights (Sacchi, 2018). These two contract types co-exist and the first is concentrated on older people while the second is prevalent for youth. While this does not directly impact entrepreneurship, it can have an influence on the decision to create a business.¹⁴

More important for entrepreneurs is the Jobs Act for Self-employment and Smart working (Law n.81/2017). The Bill is divided in two chapters. The first one strengthens the social and economic protection for the *lavoratori parasubordinati*, i.e. that, although formally self-employed, are in a subordinate dependent employment relationship, characterised by a regulated working time linked to the closure of work premises, by being subject to an employer's managing and disciplinary power, by being paid at regular intervals, and by bearing no enterprise risk (see the Cassazione decree, February 14, 2002, No. 1420). This chapter also regulates the provision of a monthly unemployment benefit (DIS-COLL) for the *lavoratori parasubordinati* who have involuntarily lost their job. The second chapter develops flexible working arrangements ("smart working") within the dependent employment relationship, with a view to promoting competitiveness and facilitating reconciliation of work and family life. No evaluation of this new law exists to date.

More broadly, Italy introduced a comprehensive legislative framework (Law Decree 179/2012) in late 2012 aimed at fostering the creation and growth of its start-up ecosystem. The Italian Start-up Act (ISA) was subject to several updates and improvements over the years. Provisions such as Law Decree 3/2015, Law 232/2016 (the 2017 Budget Law) and Law 145/2018 (the 2019 Budget Law) have modified the range of facilitations and incentives provided to innovative start-ups. The ISA aspires to be fully evidence-based. There is an Annual Report presenting the state of the art of regulations, and the growth and performance of supported firms. In addition to the Annual Report, the Directorate General for Industrial Policy, Competitiveness and SMEs of the Ministry of Economic Development publishes a series of four quarterly reports, each focusing on different features of the ISA, including the results of the Italia Start-up Visa and Italia Start-up Hub programmes, which are the main tools of ISA as far as inclusive entrepreneurship is concerned.

Immigrants

In 2014, the Minister of Economic Development, in collaboration with the Ministry of Foreign Affairs and International Cooperation, and the Ministry of the Interior, launched two initiatives for immigrant entrepreneurs: the Italia Start-up Hub programme and the Italia Start-up Visa programme. The latter introduced a simplified procedure for granting entry visas for self-employment to non-EU citizens who intend to move to Italy to set up an innovative start-up, and have a financial availability (personal or granted by third parties, e.g. certified incubators or investment funds) not lower than EUR 50 000. Note that in principle foreign entrepreneurs can always relocate to Italy applying for a self-employment permit, but in this case the procedure is considerably lengthier than with the Italia Start-up Visa programme. On the other hand, the Italia Start-up Hub programme extended the applicability of the Italia Start-up Visa procedure described above to non-EU citizens already in possession of a residence permit (obtained for example for study purposes¹⁵), who intend to extend their stay in Italy to set up an innovative start-up.

¹⁴ Even less relevant for present purposes is Law 96/2018 that changed some of the provisions of the Jobs Act for fixed-term contracts.

¹⁵ In Italy, students can work, either as employees or as self-employed, but only up to 20 hours per week. No student business legal form currently exists.

A counterfactual policy evaluation of various programmes of the ISA carried out by Menon et al. (2018) showed that Italia Start-up Visa significantly improved the growth perspectives and the propensity to innovate of the treated firms, while results are much less flattering for the Italia Startup Hub programme. Obviously, this calls for further research on the matter, which could take advantage of new data.

The unemployed

A welfare bridge mechanism is available to support the unemployed in business creation. Art. 8 of Law Decree 22/2015 stipulates that a single advance payment of NASpl (the main type of unemployment benefit) can be used as an incentive for self-employment or entrepreneurship. In the event that the NASpl recipient starts a new business, the income deriving from this business can be cumulated with NASpl provided that this income does not exceed EUR 4 800 per year. In any case, the recipient must declare the annual income expected from the business activity. The amount of NASpl is reduced by 80% of the presumed income.

Similarly to Art. 8 of Law Decree 22/2015 noted above, Art. 8 of the Law Decree 4/2019 that regulates citizenship income also provides advantages for the beneficiaries of citizenship income who start a firm, or a cooperative, within the first twelve months of use of the benefit. These beneficiaries can apply for an additional benefit equal to six months of citizenship income, within the limits of EUR 780 per month. Unlike in the case of the NASpl, however, this is not an advance payment in a single solution, but a wholly additional benefit. Furthermore, the fact that one or more members of a household to whom the right to citizenship income has been recognised becomes self-employed or starts a business does not automatically result in the loss of the citizenship income. Two months after that, the National Social Security Institute (*Istituto Nazionale Previdenza Sociale*) received communication of the start of this new activity. This requires a new assessment of the requirements for the right to the citizenship income will be carried out, checking whether the household still qualifies for it. In any case, the increase in household income will lead at least to a reduction in the monthly citizenship income.

4 Supporting people who experience disability in entrepreneurship

Self-employment and entrepreneurship activities

ISTAT published for the first time a report dedicated to disability in Italy at the end of 2019 (ISTAT, 2019). This report, in compliance with the directives issued by EUROSTAT, relies on the definition of disability following the Global Activity Limitation Indicator (GALI). According to ISTAT, there are 3.1 million people who experience disability in Italy in 2016-17 accounting for 5.2% of the Italian population.

In 2016-17, only 31.3% of people who experience disability aged 15 to 64 are employed, relative to 57.8% of people without limitations in the same age group. Further, the employment rate for females who experience disability is lower than the corresponding rate for males (26.7% vs. 36.3%). Another notable feature is that the employment rate for disabled people versus the rest of the population is *slightly higher* in the age group 15 to 24 years old: 17.0% vs. 15.2%. This situation reflects a much larger gap, in the opposite direction, with respect to education. Among people with disabilities, 17.1% of women and 9.8% of men have no schooling, whereas the shares are 2.0% and 1.2% in the rest of the population. The share of people with disabilities who achieved higher educational qualifications (high school diploma and academic qualifications) is 30.1% for men and 19.3% for women, compared to 55.1% and 56.5% for the rest of the population. Furthermore, there are important differences in the type of high school attended. In 2017, 50% of pupils with disabilities enrolled in a school with a professional address, against 20% of the total number of pupils. Half of the pupils with disabilities therefore privilege schooling oriented to immediate work in place of higher education. This appears to be a most serious barrier faced by disabled people in Italian society, with obvious consequences for participation to the labour market and entrepreneurship.

The ISTAT report also includes some data about self-employment and entrepreneurship. Managers and professionals with disabilities are 9.1% of the employed people with disabilities, relative to 11.4% for the corresponding categories without limitations. For self-employed workers and collaborators, these shares are 19.0% and 15.0%. The fact that the employment gap against people with disabilities is lower, actually reversed, for this segment of the labour market, should however be considered along with the data on job satisfaction. People without limitations are more likely to be satisfied of their job (75.9% vs. 65.4%), but this difference in their favour is actually highest for managers and professionals (81.5% vs. 60.0%) and for self-employed workers and collaborators (73.5% vs. 48.3%).

It is hinted in the ISTAT report that the barriers (physical, linked to transportation, and of other kinds) that constrain the educational attainment of people with disabilities are instrumental into limiting their participation to other spheres of activity. This could certainly be said also of the participation of disabled people to entrepreneurial activities. In any case, no explicit evidence exists on this matter, save for a survey carried out by Fondazione Prevent (2017). This survey is based on a questionnaire distributed to 149 entrepreneurs, including 101 with different disabilities (55% physical, 17% sensory, 17% multiple, 6% psychological, 5% cognitive), to examine the relationship between disability and entrepreneurship in France, Italy, Spain and Poland. While virtually everybody agrees that support to start a business is

necessary, entrepreneurs with disabilities give priority to financial aid (71.3%) and entrepreneurs without disabilities give priority to the presence of a tutor throughout the process (42.6%). This is not wholly in contradiction with the considerations that are developed above, if allowance is made for the fact that, among the interviewees, 76.2% of entrepreneurs with disabilities received training in entrepreneurship, while 85.4% of entrepreneurs without disabilities did not.

Policy framework

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

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

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

Access to work for people who experience disability, through the targeted placement system, is now regulated by Law Decree 185/2016 and by Law 68/1999. At present, firms from 15 to 35 employees are obliged to hire at least one employee with a disability and those with 36 to 50 employees are required to two. Those with more than 50 employees must have at least 7% of the workplaces for those who experience disability, plus 1% for the families of the disabled and repatriated refugees. These regulations are however often circumvented in various (legal and illegal) ways. *Osservatorio Statistico dei Consulenti del Lavoro* (2019) reports that in 2015, the last year for which monitoring data were available, against almost 92 000 people who registered for the first time in the targeted placement lists, only 27 468 (the 29.9%) were actually given a job.

The above situation, along with the data from the previous subsection, signals a marginalised situation for the disabled people at work in Italy, a judgment that is also endorsed by various international warnings and sanctions. On 4 July 2013 the Court of Justice of the European Union condemned Italy for not adequately applying the EU principles on the right to work for disabled people, and the UE has also criticised the inaccessibility of public transport by sending two letters of formal notice on 8 February 2014.

It is even more difficult for self-employment and entrepreneurship, for which there is an actual lack of specific legislation. Law 104/1992, the legislative reference “for assistance, social integration and the rights of disabled people”, only states (art. 18 paragraph 6 - point a) that “Regions can, with their own laws, regulate the facilitations for disabled people to go to the workplace and to start and carry out autonomous working activities”. In glaring opposition with the multitude of regional laws on female and youth entrepreneurship, no regional initiatives could be found that implemented this article of Law 104/1992.

It has already been noted that type B social co-operatives have the aim of pursuing the human promotion and social integration of citizens through their insertion in the labour market. These co-operatives have been deemed to be successful in the field of job placement, and more broadly in terms of their impact in

society (Depedri, 2015; Confcooperative, 2019). Yet, their engagement in the promotion of entrepreneurship is far from being notable. At any rate their statute only implies that disabled people must be at least 30% of their workforce and, *compatibly with their disability*, they must be co-operative members.

Overview and assessment of policies and programmes

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

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

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

The only initiative supporting the entrepreneurship of disabled people that appears to be of some span is the “Re Start-up” project, developed by ANMIL (*Associazione Nazionale fra Lavoratori Mutilati e Invalidi del Lavoro*; the private non-profit National Association of War- and Work-injured People), in association with IRFA (*Istituto di Riabilitazione e Formazione dell’ANMIL*; the Institute for Rehabilitation and Training of ANMIL). This project, specifically focusing on entrepreneurial projects presented by disabled people, is

centred around the “Irfa Re-Start up call”, taking place for the first time in 2015 and periodically repeated up to this year.

Interested parties can respond to this call by submitting a business proposal aimed at promoting the creation of new jobs, especially for young people, and exploring innovative forms of design, production, distribution and use of goods, inspired and characterised by the application of the principles of Design for all, digital technologies and, in particular, by the use of 3D printers. Following this public call, a maximum of 20 projects, at the discretion of a committee of experts, can be approved and supported. The contributions provided can reach a total amount of EUR 16 000 per project, and can cover services needed for the start-up (including consultancy, organisational and tax assistance for the duration of one year), and a training course of 40 class hours plus 80 hours of mentoring with tutors.

5 Policy recommendations

Although Italy has always had a very high rate of self-employment, entrepreneurial activities have declined in recent years. There is room to improve inclusive entrepreneurship policies and programmes in Italy. The following recommendations are offered:

1. **Co-ordination among entities and initiatives need be fostered to improve take-up and effectiveness**, including through the development of one-stop-shops. This requires, in particular, coordination among the PES and the SUAP, the Committees for the promotion of female entrepreneurship and all other networks and subjects that operate on the territories, steering away from the risks of duplicating services and incurring in unnecessary costs. In this way, new resources would also be made available for investment in this field.
2. **Mentoring programmes could be further developed to support new entrepreneurs in developing their new businesses**. There is a gap in the support system in this respect, particularly among those groups of entrepreneurs who may need extra support and stronger networks (e.g. youth, the unemployed, immigrants).
3. **Develop more tailored entrepreneurship support for those who experience disability**. This is a growing group in the population with entrepreneurship capabilities and there is essentially no tailored support for them. There is anecdotal evidence of demand for this type of support, which at any rate potentially addresses more than 5% of the Italian population. Besides, the marginalised situation for the disabled people at work in Italy has been highlighted and sanctioned by various European institutions.
4. **Subsidised finance should be shifted from the early stages of firms' life to post-entry support plans**. Financing initiatives to which the response of the market is not yet known should be at least partially substituted by forms of state aid that allow for the processes of market selection. The appropriateness to implement this kind of financing plans has been clear for a long time (Vivarelli 1994; Buratti et al., 2015), but little has been done to develop these policy initiatives. There is also some evidence suggesting that the scale of intervention in favour of youth should be increased.
5. **The ex-post evaluation of all policies, including policies conceived and enacted by regional governments, should be strengthened**. This involves gathering and continuously updating institutional information about regional laws. The setting of numerical targets for policy actions should be widely adopted, and monitoring of outcome variables should be linked to ex-ante targets. Policies should be designed in such a way to favour ex-post counterfactual policy evaluation, and the latter should be encouraged in and out of governmental institutions. As a result, policy changes should be backed up by evidence-based justification.

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Annex A. Methodology

Each country report was prepared by a national expert in co-operation with the OECD Secretariat. Information was collected through desk research and interviews (i.e. telephone, face-to-face, email) with policy officers, entrepreneurship support organisations and other stakeholders. The information was then verified by government ministries, programme managers and other inclusive entrepreneurship stakeholders, including through the circulation of draft reports for comment and online seminars that were organised between June and September 2020.

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

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

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

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

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