



# Inclusive Entrepreneurship Policies: Country Assessment Notes

Malta, 2018



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## FOREWORD

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

Self-employment rates have been relatively constant over the past decade in Malta. However, the proportion of youth involved in self-employment has been on a decline. The lowest rate in the past decade was recorded in 2017 with only 2.1% of working youth being self-employed, down from 5.4% in 2012. Conversely, the proportion of self-employed women was at its highest in the past decade with 7.6% of working women in 2017, up from 6.0% in 2012. This increase in women’s self-employment has decreased the gender gap in entrepreneurship, and although men were still more than twice as likely to be self-employed as women in 2017. The availability of entrepreneurship support initiatives has been increasing in recent years, largely due to the number of new youth entrepreneurship support initiatives that were launched as part of the National Youth Policy: Towards 2020 – including an increased availability of entrepreneurship education – and several family-friendly measures aimed at encouraging more women to join the labour market. There is room to strengthen inclusive entrepreneurship support in policy particularly targeting groups such as older people, the unemployed, and people with disabilities.

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

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

## **ACKNOWLEDGEMENTS**

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

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## KEY MESSAGES

- The number of entrepreneurship support initiatives in Malta has increased substantially over the last decade, including recent efforts to increase awareness about entrepreneurship and several new entrepreneurship training programmes. Youth, including disadvantaged youth are targeted by many of the recent actions under the National Youth Policy, which also seeks to increase the availability of entrepreneurship education. Various family-friendly measures have been introduced to support women in seeking employment (including self-employment). There are few tailored entrepreneurship policies and programmes for other groups that are under-represented or disadvantaged in entrepreneurship (e.g. older people, the unemployed, and people with disabilities).
- The self-employment rate in Malta (13.2%) was approximately equivalent to the average European Union (EU) rate in 2017 (13.7%). Youth self-employment has declined over the past decade. In 2008, 4.9% of working youth were self-employed and this proportion declined to 2.1% in 2017. Conversely, the proportion of working women who were self-employed has also risen slightly, from 6.1% in 2008 to 7.6% in 2017. The self-employment rate for older people had been slightly above the EU average for a decade, but has been declining, meeting the EU average at 17.9% in 2017, down from 20.5% in 2008.
- Inclusive entrepreneurship policies and programmes could be strengthened by: (i) developing a national action plan for entrepreneurship policy that covers inclusive entrepreneurship (iii) using role models from different social target groups in a variety of sectors to promote entrepreneurship as a viable labour market activity, (iv) extending the Malta Enterprise Micro Invest Scheme for women to other social target groups; and (v) tailoring entrepreneurship training programmes to the needs of the key social target groups.

## 1. INCLUSIVE ENTREPRENEURSHIP OBJECTIVES AND TARGETS

Malta's 2018 National Reform Programme<sup>1</sup> states that "The Government is committed to continue increasing labour market participation rates for all groups including females, young people, older workers and long-term unemployed". As part of the 2020 Strategy, Malta aimed at reaching an employment rate of 70% of people aged 20 to 64 by 2020. This target has been surpassed as the overall employment rate was of 73% in 2017. During the same year, the male employment rate rose to 84.7%, while the female employment rate increased to 60.6% (up 1.4% and 4.5% respectively compared to 2016). This may be a result of a number of Active Labour Market Policies (ALMPs) and family-friendly measures offered by the Government to encourage more people (particularly women) to join the labour market (see Section 4) and flexible working arrangements.

Malta also aims to lift 6 500 persons out of risk of poverty or social exclusion by 2020. To do so, the Government has introduced specific initiatives to address the four main determinants of poverty, namely unemployment, low income, retirement and disability or sickness. Moreover, in 2014, the Government launched the National Strategic Policy for Poverty Reduction and for Social Inclusion (2014-24). The policy seeks to enhance the prospects and well-being of society in general and four target groups in particular, namely children and young people, elderly persons, the unemployed and the working poor. It puts forward 94 strategic policy actions that seek to address poverty from 6 dimensions (income and social benefits, employment, education, health and environment, social services, and culture). The at-risk-of poverty or social exclusion (AROPE) indicator was 19.2% in 2017, a 3.2 points decrease since 2015, which suggests a degree of success for the implemented interventions.<sup>2</sup>

Although relevant, inclusive entrepreneurship measures are not explicitly part of the National Reform Programme and thus, objectives and targets have not been developed for supporting self-employed people from different social target groups.

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<sup>1</sup> <https://mfin.gov.mt/en/Library/Documents/NRP/NRP%202018.pdf>

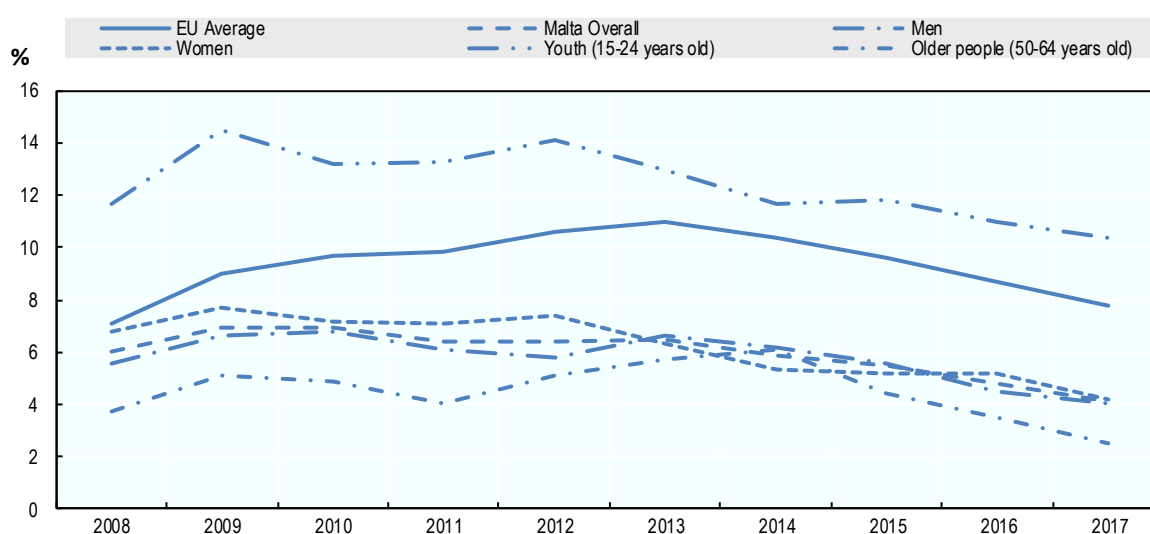
<sup>2</sup> <https://mfin.gov.mt/en/Library/Documents/NRP/NRP%202018.pdf>

## 2. KEY INCLUSIVE ENTREPRENEURSHIP INDICATORS

### 2.1. Labour market context

In 2017, Malta's economy grew by 6.6%, which is more than double the EU's average growth of 2.4%.<sup>3</sup> As a result, most labour market indicators are positive. Employment grew by 6.0% in Malta in 2017, while the unemployment rate was approximately half of the rate for the EU (4.1% vs. 7.8%). The unemployment rate was quite stable in Malta between 2009 and 2013 (ranging from 6.4% to 6.9%), after which it steadily declined until 2017, reaching its lowest level of the decade at 4.1%. The youth unemployment rate was also at its lowest level in in 2017, dropping to 10.4% (Figure 1).

Figure 1. Unemployment rate, 2008-17



Source: Eurostat (2018), Labour Force Survey.

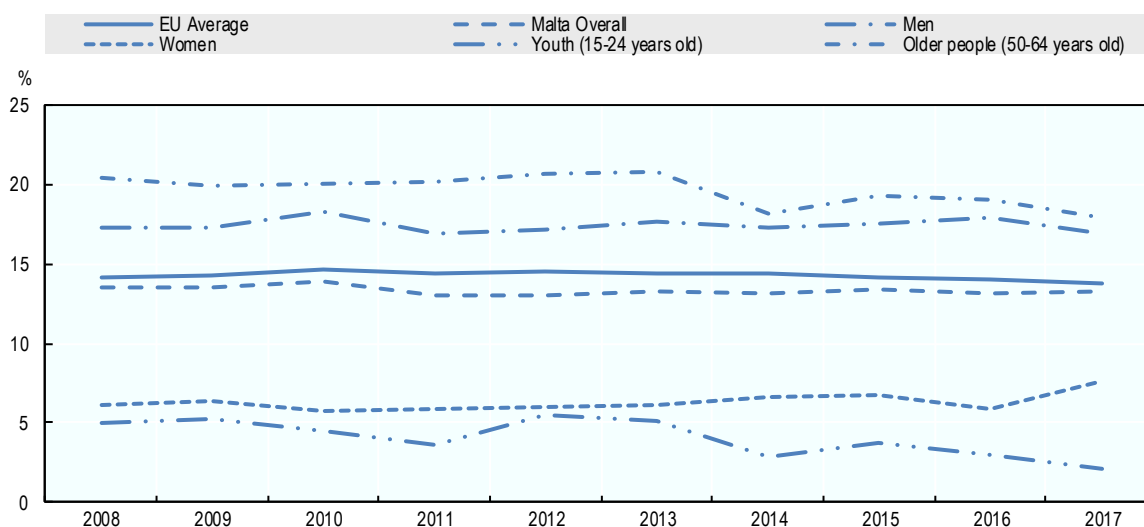
### 2.2. Self-employment and entrepreneurship rates

Self-employment rates have been stable in Malta over the last decade (Figure 2). The overall self-employment rate in 2017 was 13.2%, only slightly below the 13.7% average rate for all EU countries. Men (16.9%) were more than twice as likely to be self-employed as women were (7.6%) in 2017, but this gender gap is much lower than in 2016 when the rates for males and females were 17.9% and 5.8% respectively. The self-employment rate for youths (15-24 years old) was 2.1% in 2017, the lowest it has been in the past decade, and approximately half the EU average for youth (4.0%). The self-employment rate for older people was 17.9% in 2017, which was equal to the EU average for this age group, but the lowest it had been in Malta during the past decade.

<sup>3</sup> <https://mfin.gov.mt/en/Library/Documents/NRP/NRP%202018.pdf>



**Figure 2. Self-employment rate, 2008-17**



Source: Eurostat (2018), Labour Force Survey.

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

Self-employed workers include employers (i.e. those with employees) and those without employees. Eurostat data for 2017 indicate that 32.0% of the self-employed in Malta<sup>4</sup> have employees. This is higher than the EU average (28.7%). A larger proportion of self-employed men, women and seniors have employees in Malta than their European counterparts.

The distribution of self-employed workers by sector of economic activity in Malta differ from the EU average in a number of areas (Figure 3a). In Malta, a quarter of all self-employed workers (25.6%) work in the Wholesale and retail trade sector. This is the most common sector of activity for the self-employed across the EU, but it concentrates a much smaller share of workers on average (15.4%). In contrast, there are considerably fewer self-employed in Agriculture, forestry and fishing (5.0%) and in Human health and social work (1.9%) in Malta than the EU average (respectively 14.1% and 6.5%). The second most common sector of activity for the self-employed in Malta is Construction (14.0% vs. 13.2% EU average), followed by Manufacturing (11.6% vs. 6.7%), Professional, scientific and technical activities (9.7% vs. 12.0%), and Other service activities (6.2% vs. 5.3%).

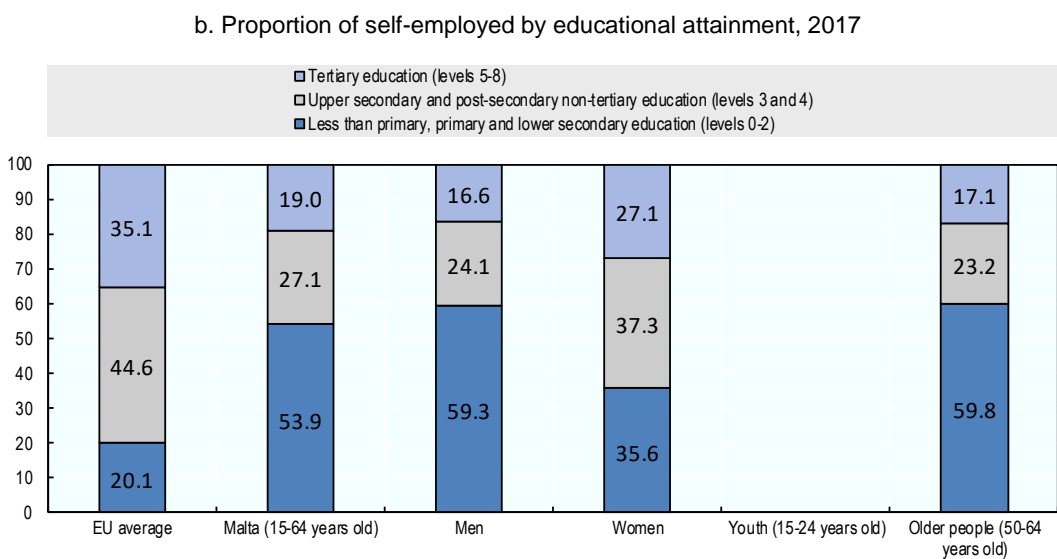
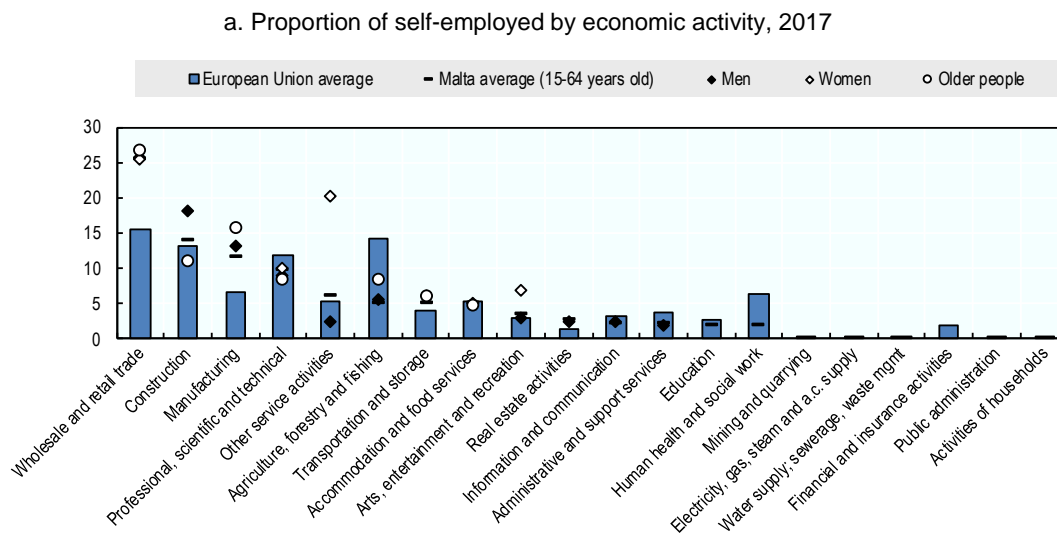
As Eurostat data on female self-employment by sector in Malta is somewhat limited,<sup>5</sup> few comparisons can be made with EU trends. Self-employed women worked mostly in the Wholesale and retail trade sector (25.4% vs. 15.6% at the EU level), followed by Other service activities (20.3% vs. 11.4%), Professional, scientific and technical activities (10.2% vs. 14.0%), and Art, entertainment and recreation (6.8% vs. 3.6%). These figures do not differ strongly with the distribution of male self-employed workers with the exception of Other service activities, a sector that concentrates a fifth of self-employed women but only 2.5% of men. The data for older self-employed workers sectoral distribution is more comprehensive, accounting for 81.7% of this demographic. The sectoral

<sup>4</sup> Aged 15 to 64 years old.

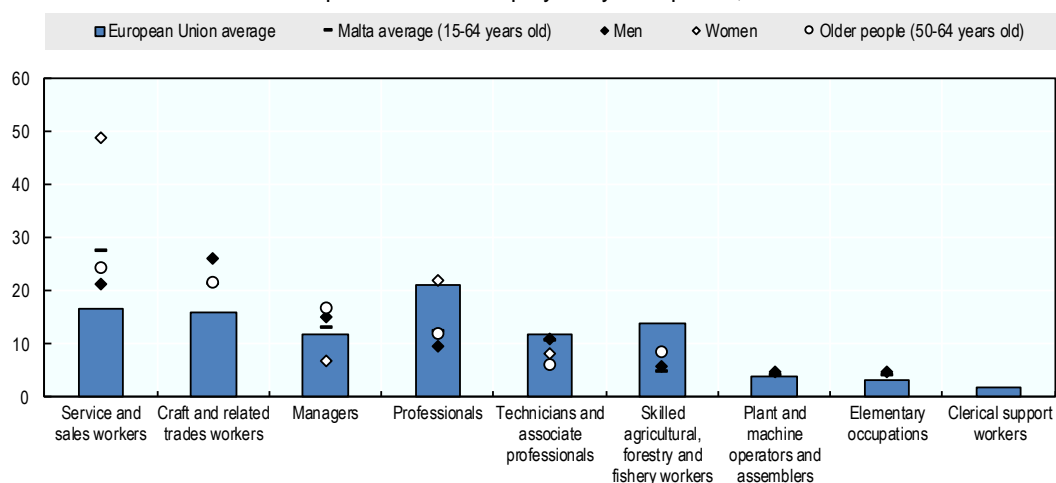
<sup>5</sup> The available figures leave 37.3% of the female self-employed unaccounted for in terms of sector.

distribution of older self-employed workers is similar to this of the total population of the self-employed but they were slightly more active in Manufacturing (15.9%), and Agriculture, forestry and fishing (8.5%) than the overall average.

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



c. Proportion of self-employed by occupation, 2017



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

Source: Eurostat (2018), Labour Force Survey.

The Maltese self-employed generally have a lower level of education than their European counterparts. In Malta, slightly less than half the self-employed have gone beyond secondary schooling, with 53.9% having a lower secondary education or less. This is more than twice the EU average, where 20.1% of the self-employed have completed only basic education (Figure 3b). Conversely, there are far fewer self-employed with an upper secondary (27.1%), or tertiary (19.0%) education in Malta than there are in the EU (44.6% and 35.1% respectively). These figures reflect broader trends: In the 2018 Global Innovation Index (GII)<sup>6</sup>, Malta ranked 54<sup>th</sup> out of the 126 countries surveyed on tertiary education enrolment. However, the index also recorded improvements in expected education: Malta moved from the 46<sup>th</sup> place with an expected 15.0 years of schooling in 2017 to the 35<sup>th</sup> place with 15.9 years in 2018<sup>7</sup>. Furthermore, the Maltese government has made substantial investments<sup>8</sup> in education in recent years with the aim to foster a better educated workforce. Self-employed women in Malta are more highly educated than their male counterparts, with 37.3% (vs. 24.1% of men) having a post-secondary qualification, and 27.1% (vs. 16.6%) having a tertiary level of education. Nevertheless, self-employed women in Malta are less educated than the EU average (40.9% have upper secondary or post-secondary qualifications, and 43.2% have tertiary level education). This is consistent with more general trends: Malta ranked in 50<sup>th</sup> place for the number of women with advanced degrees in employment in the 2018 GII.<sup>9</sup> The older self-employed in Malta have a lower level of education than the EU average, with 59.8% vs. 24.2% having studied to secondary level or less. Only 17.1% of them have a tertiary education, under the 32.1% EU average for this group.

The distribution of self-employed across occupational categories in Malta differ from the EU average (Figure 3c). In Malta, Service and sales workers was the most common occupation among the self-employed (27.5%) in 2017; it concentrated a much higher share of workers than the EU average (15.5%). The second most common occupation was Craft and related trades workers, which made up

<sup>6</sup> <https://www.globalinnovationindex.org/gii-2018-report>

<sup>7</sup> [www.globalinnovationindex.org/userfiles/file/reportpdf/gii-full-report-2017.pdf](http://www.globalinnovationindex.org/userfiles/file/reportpdf/gii-full-report-2017.pdf)

<sup>8</sup> Malta placed 9<sup>th</sup> in government expenditure as a percentage of the GDP in the 2018 GII ranking

<sup>9</sup> [www.globalinnovationindex.org/gii-2018-report](http://www.globalinnovationindex.org/gii-2018-report)

more than a fifth of self-employed workers (21.3%, also above the EU average of 16.0%) followed by Managers (13.2%, close to the 11.8% EU average). In contrast, the share of self-employed workers working as Professionals was much smaller in Malta (12.4%) than in the EU, where this is the most common occupation for self-employed workers (21.0%). Another occupational category where the Maltese self-employed are under-represented is Skilled agricultural, forestry and fishery (5.0% vs. 13.8%).

Almost half the female self-employed workers in Malta are concentrated in a single occupational category, namely Service and sales workers (49.2%). This is more than twice the proportion of men with this occupation (21.6%) and almost twice the EU average for women (27.4%). Self-employed women in Malta also commonly work as Professionals (22.0%) and Managers (6.8%). The proportion of female professionals in Malta is lower than the EU average (27.9%) but substantially higher than the proportion of Maltese men with such positions (9.5%). The proportion of female managers is also lower than the EU average (6.8% vs. 9.8%) and less than half that of males in Malta (15.1%). There is no data about female self-employment in the other occupational categories due to small sample counts. Nearly half the older self-employed are concentrated in two occupational categories, namely Service and sales (24.4%) and Crafts and related trades (22.0%). These figures are higher than the EU averages for this demographic (respectively 15.4% and 14.9%). There is also a slightly larger proportion of Managers among older self-employed workers in Malta than the EU average (17.1% vs. 12.8%). The opposite is true for the three other occupational categories where data is available, namely Professionals (12.2% vs. 20.0%), Skilled agriculture, forestry and fisheries (8.5% vs. 16.6%), and Technicians and associate professionals (6.1% vs. 11.5%).

## 2.4. Entrepreneurship indicators

With regards to general entrepreneurship indicators, the Global Innovation Index (GII) reports of 2017<sup>10</sup> and 2018<sup>11</sup> suggest positive performance for Malta in some areas but highlight room for improvement in others. Malta ranked in 4<sup>th</sup> place on new business density in 2018, which is defined as the number of new registrations per thousand population (15–64 years old). However, it ranked 79<sup>th</sup> on ease of starting a business, a 20 places improvement compared with 2017, but still a weakness according to the GII. It also performs poorly in the ease of resolving insolvency, where it ranked 102<sup>nd</sup> (down 26 places from its 2017 rank). Together, these two indicators make up the business environment score, on which Malta placed 94<sup>th</sup> in 2018 (down 28 places since 2017). Malta performed poorly regarding ease of getting credit (111<sup>th</sup> place) but considerably better on the domestic credit to private sector indicator (33<sup>rd</sup> place). An improvement was observed in the level of sophistication of businesses, with Malta ranking in 16<sup>th</sup> place in this domain in 2018 (up 5 places since 2017), suggesting that businesses have become more conducive to innovation. The GII reported a positive performance for Malta on indicators of creativity and innovation. Between 2015 and 2017, Malta was termed an “innovation achiever” in the GII as its high innovation performance exceeded what was expected based on its level of development. In 2018, Malta ranked in 26<sup>th</sup> place out of 126 countries in the index overall for the second consecutive year, and 16<sup>th</sup> among EU countries. It placed 7<sup>th</sup> overall in innovation efficiency ratio, which represents a combination of innovation inputs and outputs, and 10<sup>th</sup> in creative outputs. The GII makes no distinction based on gender, age or ethnicity, so no conclusions regarding inclusive entrepreneurship can be drawn from its metrics.

To conclude, Malta has for the past few years enjoyed a healthy economic climate with low unemployment rates and positive entrepreneurship and innovation indicators. Nevertheless, there are a number of challenges that are yet to be overcome to create an inclusive entrepreneurial ecosystem that

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<sup>10</sup>[www.globalinnovationindex.org/userfiles/file/reportpdf/gii-full-report-2017.pdf](http://www.globalinnovationindex.org/userfiles/file/reportpdf/gii-full-report-2017.pdf)

<sup>11</sup>[www.globalinnovationindex.org/gii-2018-report](http://www.globalinnovationindex.org/gii-2018-report)

embraces all players including under-represented groups such as women, youth, older people, the unemployed, migrants and people with disabilities. The relevant current policies are assessed in the next section.

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

#### 3.1. Policy framework

Overall, the framework for inclusive entrepreneurship policies is under-developed, although several recently introduced policies are relevant for youth entrepreneurs.<sup>12</sup> These include the National Youth Policy: Towards 2020,<sup>13</sup> which features an action plan on supporting youth in employment and entrepreneurship through entrepreneurship training, coaching and mentoring, and the proposal “Boosting Youth Entrepreneurship in Malta and the European Union”,<sup>14</sup> which includes actions to develop entrepreneurial mind-set among youths. Both of these build on the National Curriculum Framework,<sup>15</sup> which includes “Education for Entrepreneurship, Creativity and Innovation” as one of six cross-curricular themes.

There are currently no dedicated entrepreneurship policies or programmes for other target groups such as women, older people, the unemployed, migrants or people with disabilities. However, for many of these social target groups, other policies address entrepreneurship implicitly or explicitly. For example, the National Strategic Policy for Active Ageing: Malta 2014-2016<sup>16</sup> has three major pillars, one of which is active participation in the labour market. While this provides scope to encourage and support business creation and self-employment, the strategy focuses on employment. Similarly, the National Employment Policy<sup>17</sup> aims to move the unemployed back into work and it specifically notes the challenges faced by women, youth, older persons and people with disabilities. The policy document “Migrant Integration Strategy and Action Plan: Vision 2020”<sup>18</sup> outlines support for immigrants, focussing on labour market integration, but self-employment is not mentioned. Current inclusive employment initiatives for persons with disabilities focus on employment rather than entrepreneurship. The National Disability Strategy<sup>19</sup> includes a section on employment, with an initiative to “incentivise social enterprise programmes involving persons, especially youth, with a disability”. In December 2018, the Malta Business Disability Forum (MBDF), was launched as a joint initiative between the Commission for the Rights of Persons with Disability (CRPD), the Malta Chamber of SMEs (GRTU), the Malta Employers’ Association (MEA) and the Malta Chamber of Commerce; with the aim of building a lasting relationship between the disability and business sectors and fostering co-operation. The Forum is expected to eventually be involved in contributing to policy development. This is foreseen to not only cover on-boarding and creating appropriate working environments for employees with disabilities, but also focus on creating an appropriate climate for entrepreneurship, by ensuring adequate training and supports, including by creating accessible business incubation structures.

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<sup>12</sup> Government policies and programmes consider youth to be 13 to 30 years old.

<sup>13</sup> [https://education.gov.mt/en/resources/Documents/Policy%20Documents/National\\_Youth\\_Policy\\_Towards\\_2020.pdf](https://education.gov.mt/en/resources/Documents/Policy%20Documents/National_Youth_Policy_Towards_2020.pdf)

<sup>14</sup> <http://miriamdalli.com/wp-content/uploads/2015/07/2015-Youth-Entrepreneurship-Doc-final-1.pdf>

<sup>15</sup> <https://curriculum.gov.mt/en/Resources/The-NCF/Pages/default.aspx>

<sup>16</sup> <https://activeageing.gov.mt/en/Pages/NSPAA.aspx>

<sup>17</sup> <https://education.gov.mt/employment/Documents/EMPLOYMENT%20POLICY%20DOC%20sml.pdf>

<sup>18</sup> <https://meae.gov.mt/en/Documents/migrant%20integration-EN.pdf>

<sup>19</sup> <https://activeageing.gov.mt/en/Pages/Malta-National-Disability-Strategy.aspx>

In addition, the Ministry for the Economy, Investment and Small Businesses introduced a White Paper in 2015 with the title of “Social Enterprise Act”,<sup>20</sup> aimed at providing the legal framework to enable the development of sustainable social enterprise organisations. The White Paper is awaiting submission to the Cabinet, no information regarding planned follow up action are yet available.

### 3.2. Government regulations

A number of regulatory measures are in place to support various groups in participating in the labour market, including through self-employment. These measures include free childcare services for children whose parents are either both employed (including self-employed) or in education, before-and after-school activities, and a summer school (see Section 4 for further details). In addition, there was recently an increase in the maternity benefit rate for women in self-employment. The weekly rate payable for the self-employed is EUR 172.51 (compared to EUR 92.02 for employed women) for a maximum of 14 weeks.<sup>21</sup>

Some regulatory provisions facilitate access to self-employment in Malta for immigrants from the European Economic Area (EEA) and Switzerland. According to Jobsplus (formerly the ETC public employment service), “EEA/Swiss nationals, and their third-country nationals (TCN) “family members” or “other family members”, may take up self-employment in Malta without the need for an employment licence, although they must still send an Engagement Form to Jobsplus (in line with Legal Notice 110 of 1993). For third country nationals, an employment licence is required and is only granted in exceptional cases”. Further information regarding the employment licences (including self-employment licences) required for immigrants is available in the Jobsplus employment licence guidelines that are accessible on the internet.<sup>22</sup>

The Tapering of Benefits Scheme<sup>23</sup> encourages unemployed persons to seek employment by continuing to pay them a portion of their unemployment benefits for three years when they are hired as employees, provided that they earn the national minimum wage or more. Moreover, employers receive a wage subsidy for hiring unemployed people. This scheme is also available to individuals who become self-employed, although they are not eligible for the wage subsidy offered to employers. Moreover, the scheme has been extended to single parents of children up to 23 years of age, provided that they become engaged in employment or self-employment for at least 10 hours per week, earning an hourly rate equivalent to the minimum wage.

In addition to the above, there are incentives in Malta for employers who hire older unemployed persons (45-65 years old) through the Mature Workers Scheme<sup>24</sup> and persons with a disability<sup>25</sup>. However, older persons and persons with a disability cannot access these benefits if they create their own business. This could act as a disincentive to self-employment for members of these social groups.

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<sup>20</sup> [https://economy.gov.mt/en/public\\_consultation/Social%20Enterprise%20Act/Pages/Social-Enterprise-Act.aspx](https://economy.gov.mt/en/public_consultation/Social%20Enterprise%20Act/Pages/Social-Enterprise-Act.aspx)

<sup>21</sup> <http://ec.europa.eu/social/main.jsp?catId=1121&langId=en&intPageId=4691>

<sup>22</sup> <https://jobsplus.gov.mt/employers-mt-MT-en-GB/employing-persons/fileprovider.aspx?fileId=2991>

<sup>23</sup> [https://servizz.gov.mt/en/Pages/Inclusion\\_-\\_Equality-and-Social-Welfare/Social-Solidarity/Benefits-and-Services/WEB1803/default.aspx](https://servizz.gov.mt/en/Pages/Inclusion_-_Equality-and-Social-Welfare/Social-Solidarity/Benefits-and-Services/WEB1803/default.aspx)

<sup>24</sup> <https://jobsplus.gov.mt/schemes-jobseekers/mature-workers-scheme>

<sup>25</sup> <https://jobsplus.gov.mt/employers-mt-MT-en-GB>

### 3.3. Financing entrepreneurship

The government has taken several steps to improve access to finance for all entrepreneurs and small businesses, including measures to boost the provision of equity financing and venture capital. Malta Enterprise offers numerous support measures<sup>26</sup> including the B.Start Scheme, the Micro Invest Scheme, the Micro Guarantee Scheme and LEAP2Enterprise scheme, which are open to all entrepreneurs. Innovative entrepreneurs can compete to receive financial support through the “You StartIT”<sup>27</sup> pre-seed investment programme offered by the Malta Information Technology (MITA) Innovation Hub, from the TAKEOFF Business Incubator Seed Fund Award (TOSFA) and from the Maritime Seed Fund Award (MarSA), both offered by the Centre for Entrepreneurship and Business Incubation (CEBI) at the University of Malta in collaboration with government entities.<sup>28</sup> Many of these pre-seed and seed funds are awarded to develop technology-based offerings, which is consistent with the goals set forth by the “Digital Malta” National Digital Strategy 2014-20.<sup>29</sup> This strategy addresses digital business as one of three strategic themes and promotes Malta as a good place to start up businesses, particularly in the Information and Communications Technology (ICT) industry. The strategic document states that businesses have a greater chance of success if powered by ICTs and calls for support for local entrepreneurs to transform their businesses into digital enterprises. Through the Business Enhance ERDF Grant Schemes, part-financed by the European Regional Development Fund 2014-20, the government is supporting enterprises when undertaking investment projects through a EUR 51 million allocation.

Bank of Valletta (a private bank) is also active in supporting entrepreneurs. It offers the BOV Start-Up Financing Package,<sup>30</sup> which includes a loan of up to EUR 100 000 together with an overdraft facility, and the BOV JAIME (Joint Assistance Initiative for Maltese Enterprises) Financing Package,<sup>31</sup> which provides SMEs with up to EUR 500 000 at low interest rates and reduced collateral obligations. Furthermore, BNF Bank through BNF Business Accelerate<sup>32</sup> offers the possibility of financing a business with minimal security. It is intended for a large array of MSMEs at various stages - from start-up status to those in a phase of growth and expansion, onto more established and mature SMEs. These schemes do not target specific groups.

Other start-up financing options include early stage business angel investment offered by Go Beyond<sup>33</sup> to start ups in five industry categories, including technology, internet and mobile, and the ZAAR Crowdfunding Platform,<sup>34</sup> led by Promotion of Entrepreneurial Initiatives Limited, which was set up jointly by the Malta Business Bureau and the University of Malta and is supported by the Ministry for Economy, Investment and Small Businesses and Arts Council Malta.

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<sup>26</sup> [www.maltaenterprise.com/support](http://www.maltaenterprise.com/support)

<sup>27</sup> <http://mih.mt/>

<sup>28</sup> <http://takeoff.org.mt/>

<sup>29</sup> <https://digitalmalta.org.mt/en/Documents/Digital%20Malta%202014%20-%202020.pdf>

<sup>30</sup> [www.bov.com/products/bov-start-up-financing-package](http://www.bov.com/products/bov-start-up-financing-package)

<sup>31</sup> [www.bov.com/content/bov-jaime-financing-package](http://www.bov.com/content/bov-jaime-financing-package)

<sup>32</sup> <https://www.bnf.bank/businessaccelerate>

<sup>33</sup> <https://go-beyond.biz/>

<sup>34</sup> [www.zaar.com.mt/](http://www.zaar.com.mt/)



In addition to these general measures, there are a small number of initiatives that are targeted at inclusive entrepreneurship and/or specific groups. The annual National Enterprise Support Awards<sup>35</sup> offers cash prizes of up to EUR 10 000 in recognition of initiatives which support entrepreneurship and enterprise growth in six categories, including in “Responsible and Inclusive Entrepreneurship”. More recently, the Social Impact Awards<sup>36</sup> were introduced to provide financial and non-financial support to implement projects that will have a positive social impact in Malta. Although these awards are not necessarily directed at inclusive entrepreneurs, they foster the social inclusion of various target groups through innovative projects and start-ups. For example, one of the projects that received funding through the 2017 Social Impact Awards was the Migrant Women Association’s Saha!<sup>37</sup> international cuisine food truck, which employs migrant women. For women entrepreneurs, Malta Enterprise’s Micro Invest Scheme<sup>38</sup> was recently amended to increase the tax credit available to self-employed women and businesses that are majority owned by females to EUR 70 000 (instead of EUR 50 000 for men). In addition, the non-profit financial institution Malta Microfinance Ltd. offers loans to people who cannot access bank financing, especially women and migrants.<sup>39</sup>

Both generic and tailored funding schemes are available to entrepreneurs, which provides several options for those looking for start-up support. No dedicated financing schemes are available to some social target groups (e.g. older people) but Malta is very small market which may not require dedicated support for all of the groups. However, more publicity about the general funding schemes is needed as very few entrepreneurs from under-represented or disadvantaged groups appear to utilise the available support. Grants and guarantees could also be combined with training, coaching or mentoring to foster effective use of the financing by supported entrepreneurs.

### 3.4. Entrepreneurship skills

A number of information services and entrepreneurship training courses are offered by Malta Enterprise. These offers are open to everyone and include the Business First business centre,<sup>40</sup> which provides information and individual assistance with meeting administrative requirements, and the Business Advisory Scheme,<sup>41</sup> which provides individual coaching and mentoring for entrepreneurs.

In addition, entrepreneurs can receive support through several business incubators. These are generally accessible to all entrepreneurs that satisfy the admission criteria. Many of these incubators receive public support, including the Kordin Business Incubation Centre (KBIC), which is operated by Malta Enterprise, the Malta College of Arts, Science and Technology Entrepreneurship Centre,<sup>42</sup> which was set up in collaboration with KBIC and Malta Enterprise, and the TAKEOFF Business Incubator at the University of Malta.<sup>43</sup> The private sector also operates some incubators such as the Microsoft Innovation Centre.

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<sup>35</sup> <https://commerce.gov.mt/en/NESA/Pages/National-Enterprise-Support-Awards.aspx>

<sup>36</sup> <http://siamalta.org/about>

<sup>37</sup> <http://www.zaar.com.mt/projects/sahafoodtruck/>

<sup>38</sup> <https://www.maltaenterprise.com/sites/default/files/Micro%20Invest%20Incentive%20Guidelines%20version%207.pdf>

<sup>39</sup> <https://www.standrewsmalta.com/malta-microfinance>

<sup>40</sup> [www.businessfirst.com.mt](http://www.businessfirst.com.mt)

<sup>41</sup> <http://www.maltaenterprise.com/en/support/business-advisory-services>

<sup>42</sup> <http://www.maltaenterprise.com/en/media/news/2014/mcast-entrepreneurship-centre-set-kbic>

<sup>43</sup> <http://takeoff.org.mt/>

These mainstream approaches are complemented by a number of education, training and mentorship programmes that are tailored to young people of different age groups. In 2012, the National Curriculum Framework<sup>44</sup> introduced Education for Entrepreneurship, Creativity and Innovation as a cross-curricular theme, in-line with the EU's Entrepreneurship 2020 invitation to Member States to "Ensure that the key competence 'entrepreneurship' is embedded into curricula across primary, secondary, vocational, higher and adult education before the end of 2015".<sup>45</sup> To support this, a book called "Fostering Entrepreneurship Through Education: A Handbook for Teachers"<sup>46</sup> was distributed to all schools in Malta. The book consists of nearly 200 suggested activities and strategies for embedding entrepreneurship across the curriculum at all levels of compulsory education.

In 2017, the Ministry for the Economy, Investment and Small Businesses launched the Entrepreneurship Through Education Scheme competitive call to all primary and secondary education institutions in Malta and Gozo. The scheme funded projects related to entrepreneurship and encouraged activities that support the development of motivation, competence and experience helping students acquire entrepreneurship skills. This scheme assisted eight entrepreneurial projects from different schools.

Entrepreneurship education and training is offered in higher education by The University of Malta,<sup>47</sup> the Malta College of Arts, Science and Technology (MCAST),<sup>48</sup> and St Martin's Institute for Higher Education.<sup>49</sup> Entrepreneurship programmes are available at all degree levels and as professional development programmes. More specifically, the University of Malta is involved in an Erasmus+ project 'Be the Change',<sup>50</sup> which aims at promoting entrepreneurship competences and skills among young people through intergenerational learning. It connects older people (over 50 years old) who have experience in entrepreneurial and managerial roles, with inactive youths who are not in education, employment or training (NEETs) for a programme of mentoring and sharing of entrepreneurship skills and attitudes. The MCAST Entrepreneurship Centre (MEC) aims to have an inclusive approach. It provides all MCAST learners and alumni with the opportunity to transform their creative and innovative ideas into profitable and sustainable business ventures.

In the non-governmental sector, Junior Achievement-Young Enterprise (JA-YE)<sup>51</sup> complements classroom learning by offering learning-by-doing entrepreneurship programmes at primary, secondary, post-secondary and tertiary levels. The most popular are the Company Programme (post-secondary level) and Start-Up Programme (tertiary level). JA-YE also offers group coaching and mentoring for youths through these programmes. Junior Chamber International (JCI)<sup>52</sup> organises regular events including "Hack-it-on bootcamps", where keynote speakers and trainers help young people to generate business ideas and validate them, and competitions for the best business ideas with business counselling and cash grants as incentives.

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<sup>44</sup> <https://curriculum.gov.mt/en/Resources/The-NCF/Pages/default.aspx>

<sup>45</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52012DC0795&from=EN>

<sup>46</sup> <https://www.um.edu.mt/create/instpublications>

<sup>47</sup> <https://www.um.edu.mt/>

<sup>48</sup> <http://www.mcast.edu.mt/>

<sup>49</sup> <https://www.stmartins.edu/>

<sup>50</sup> <https://bethechange-project.eu/>

<sup>51</sup> <http://jayemalta.org/>

<sup>52</sup> <https://jci.org.mt/home/>

A notable project in support of people with disabilities is the Hands-On project. The Hands-On project at Dun Manwel Attard Resource Centre was launched in 2012 to help people with intellectual disabilities attending this dedicated school develop entrepreneurial skills. It involves an initial tailor-made training programme in entrepreneurship skills for the Resource Centre’s educators, followed by the transfer of the newly acquired entrepreneurship skills from the educators to their students through a process of coaching, mentoring and hands-on workshops where the students produce (and later sell) hand-made items including wedding invitations, wedding souvenirs and, more recently, souvenirs of Malta to be sold primarily to tourists. This programme was awarded a prize at the National Enterprise Support Awards for Responsible and Inclusive Entrepreneurship in 2016.<sup>53</sup> The project is also active in the Wardija Resource Centre. Discussions are under way with a number of local stakeholders in the public sector regarding the creation of a *sui generis* social enterprise to ensure sustainability for the project as a supported entrepreneurship initiative. Training placements with private sector entities are also organised for students. The project receives funding from both the Government and the private sector, and currently engages directly with private clients (e.g. who commission wedding invitations), as well as public sector entities (e.g. who commission bottling of honey).

There are currently no tailored entrepreneurship skills initiatives for women, older people, the unemployed or immigrants. However, a recently launched Erasmus+ project led by the Malta-based People for Change Foundation aims to promote entrepreneurship as a tool towards integration of TCN young people. This project, named “Migrant and Youth Social Inclusion Through Entrepreneurship” (MySite)<sup>54</sup> will involve research, training and mentorship for TCNs and local youths in the participating countries.

Relative to other areas of policy intervention to support inclusive entrepreneurship, policies and programmes related to the development of entrepreneurship skills are the most widely available and well-developed. Nevertheless, the entrepreneurship education and training offers do not always adequately address the specific needs of all of the various social target groups. While youth are relatively well-served, there are gaps in the current entrepreneurship training system with respect to the other groups. Furthermore, there is scope to further strengthen recent efforts to embed entrepreneurship in schools. Although the National Curriculum Framework stipulates that “Education for Entrepreneurship, Creativity and Innovation” should be merged into all learning areas through which the cross-curricular themes are to be embedded, teachers still require support in designing and delivering this education. The dissemination of a handbook is a good start but teacher training is required and it would also help to set-up networks and mechanisms for good practice exchange.

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

There are a large number of initiatives and organisations that promote an entrepreneurial culture. For example, the Malta SME Week<sup>55</sup> organised by the Ministry for the Economy, Investment and Small Businesses promotes entrepreneurship to potential entrepreneurs and offers workshops for those who are already in business. An event entitled Women Mean Business is held every year as part of the SME Week. The event involves a panel discussion showcasing established and successful female entrepreneurs followed by breakout sessions on topics such as access to finance, soft-skills, internationalisation and marketing. At the end of the workshops, the participants can visit the different entities that set-up shop in the plenary to address their queries. The entities present vary from government entities that service the enterprises to commercial banks and crowd-funding platforms. The event is held in collaboration with various female business organisations such as the Foundation for

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<sup>53</sup> <https://www.facebook.com/nesamalta/videos/vb.606475886045777/1351202394906452/?type=2&theater>

<sup>54</sup> <http://www.pfcmalta.org/my-site-migrant-and-youth-social-inclusion-through-entrepreneurship.html>

<sup>55</sup> <https://economy.gov.mt/en/SME/SME%202017/Pages/Introduction.aspx>

Women Entrepreneurs, Malta Association of Women in Business, the Business & Professional Women Malta and the National Council of Women.

In addition, the Global Entrepreneurship Week (GEW)<sup>56</sup> is held annually in November by The Edward de Bono Institute, University of Malta, in collaboration with a variety of partner organisations. This initiative, which takes place in 160 countries around the world, is designed to “connect aspiring and inspiring entrepreneurs” through local and global activities. The Malta Chamber of Commerce and Industry also actively promotes entrepreneurship and is typically involved in promotional events that are organised by the government.

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

In addition to these activities that target the entire population, there are some organisations that promote entrepreneurship within the social target groups of inclusive entrepreneurship and help them build networks. For example, the Foundation for Women Entrepreneurs (FWE)<sup>57</sup> and the Association of Women in Business (MAWB)<sup>58</sup> aim to promote and support women in business and professions (see Section 4). These two institutions collaborated on the establishment of a network of “Women Ambassadors” as part of the European Network of Women Entrepreneurs. However, the network ceased operations in 2012.

Global Entrepreneurship Week (GEW)<sup>59</sup> also promotes women’s entrepreneurship. In 2014, it included a celebration of Women’s Entrepreneurship Day, whereby successful female entrepreneurs shared their experiences with students,<sup>60</sup> a number of budding female entrepreneurs presented their business ideas to the Minister for the Economy, Investment and Small Businesses,<sup>61</sup> and a panel of female entrepreneurs engaged in a discussion on the challenges and opportunities that they experienced during their entrepreneurial journey.<sup>62</sup> In 2015 the Commonwealth Head of Government Meeting (CHOGM) was held in Malta and hosted the first Commonwealth Women’s Forum titled “Women Ahead: Be All that You Can Be”,<sup>63</sup> which addressed topics such as gender equality and empowerment of women in various sectors. “GEW Women”<sup>64</sup> has been announced as one of the themes for the November 2018 edition of the international programme of events.

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<sup>56</sup> <http://www.um.edu.mt/create/Events/GEW>

<sup>57</sup> [www.women.org.mt](http://www.women.org.mt)

<sup>58</sup> [www.mawb.eu/](http://www.mawb.eu/)

<sup>59</sup> [www.um.edu.mt/create/Events/GEW](http://www.um.edu.mt/create/Events/GEW)

<sup>60</sup> [www.um.edu.mt/create/Events/GEW/2014/WED\\_Presentations\\_Experienced](http://www.um.edu.mt/create/Events/GEW/2014/WED_Presentations_Experienced)

<sup>61</sup> [www.um.edu.mt/create/Events/GEW/2014/WED\\_Presentations\\_Budding](http://www.um.edu.mt/create/Events/GEW/2014/WED_Presentations_Budding)

<sup>62</sup> [www.um.edu.mt/create/Events/GEW/2014/WED\\_Panel\\_Discussion](http://www.um.edu.mt/create/Events/GEW/2014/WED_Panel_Discussion)

<sup>63</sup> [www.mcwo.net/2015/11/women-ahead-be-all-that-you-be-womens-forum-a-call-for-action-on-gender-equality-beyond-2015/](http://www.mcwo.net/2015/11/women-ahead-be-all-that-you-be-womens-forum-a-call-for-action-on-gender-equality-beyond-2015/)

<sup>64</sup> <https://genglobal.org/global-entrepreneurship-week/gew-women>

A number of organisations are active in promoting youth entrepreneurship, including Junior Achievement-Young Enterprise (JA-YE) Malta<sup>65</sup> and Junior Chamber International Malta (JCI).<sup>66</sup> GEW also caters to youths, particularly through various events that are organised for students of different age groups. A key feature of the GEW programme is the Budding Rockstars conference for 15-16 year-olds, which has been held annually since 2015. This conference aims at inspiring Malta's brightest young minds to take an interest in innovation and entrepreneurship through "fireside chats", presentations, and interactive group activities, with the involvement of leading start-up founders and educators.<sup>67</sup> Moreover, "GEW Youth"<sup>68</sup> is another of the themes that have been announced for the 2018 edition of GEW.

There are currently no organisations or programmes that promote an entrepreneurial culture or build social capital among older people, the unemployed or immigrants, although the "MySite" Erasmus+ project mentioned in the previous section is envisaged to foster entrepreneurship among TCN youths when it is well under way. Interestingly, a third theme that has been announced for GEW 2018 is "GEW Inclusion".<sup>69</sup> This is the first time that the GEW will include a focus on disadvantaged groups. The aims of this theme include raising awareness that factors such as race, age, gender could be an obstacle to entrepreneurship, highlighting relevant success stories, and offering training, mentorship, opportunities and solutions for disadvantaged entrepreneurs.

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

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<sup>65</sup> <http://jayemalta.org/>

<sup>66</sup> [www.jci.org.mt](http://www.jci.org.mt)

<sup>67</sup> [www.facebook.com/buddingrockstars/](http://www.facebook.com/buddingrockstars/)

<sup>68</sup> <https://genglobal.org/gew-youth>

<sup>69</sup> <https://genglobal.org/global-entrepreneurship-week/gew-inclusion>

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

There has been a slight increase in female entrepreneurship in Malta during the past year, with the self-employment rate for women being at its highest point in the past decade at 7.6% in 2017, up from 5.8% in 2010 and 6.1% in 2008. Although women are still only half as likely as men to be self-employed, the gender gap in 2017 was of 9.3 percentage points (p.p.) (16.9% for men vs. 7.6% for women) down from 12.1 p.p. the previous year (17.9% for men vs. 5.8% for women), bringing the gender gap closer to the EU average (which remained around 7.5 p.p. in 2016 and 2017). These positive indicators may be due in part to a variety of incentives and support measures that are in place to encourage more women to join the workforce through employment or self-employment.

One of the main efforts to support women in the labour market, and in entrepreneurship, is the Free Childcare Scheme.<sup>70</sup> This initiative offers parents and guardians in employment or education free childcare for their children, either directly through government services or through Registered Childcare Centres. This scheme is open to families where both parents/guardians are in employment or pursuing a recognised qualification, and to families headed by single parents/guardians in employment or education upon provision of evidence that they have full care and custody of their children. The childcare service is available for children between the age of 3 months and 3 years, at which point they have the option of being enrolled into State-provided (i.e. free of charge) kindergarten education, followed by primary, middle and secondary education. In addition, Free Childcare is also available for children coming from families with severe social difficulties, where the household's annual income does not exceed EUR 10 000.

In addition, the Government has introduced before-and after-school services to allow greater flexibility in terms of care options for children while their parents are at work. Before school, children attending State Primary Schools whose parents/guardians are in employment may attend the Breakfast Club Service,<sup>71</sup> where they may enjoy a healthy breakfast and engage in activities with other students. This service is offered free of charge to eligible parents/guardians on a daily basis on school days from 7am, thus enabling them to drop their children off at school early before going to work. After school, students may attend the "Klabb 3-16" programme,<sup>72</sup> which is offered on school days between dismissal time and 6pm at a fee of EUR 0.80 per hour, subject to demand. The Klabb 3-16 service is also offered during school holidays throughout the year, to parents/guardians who are in employment, from 7am to 5:30pm. Another scheme, the Skolasajf programme, is also available between 8:30am and 12:30pm. Both programmes are open to all students between 3 and 16 years of age, regardless of whether they attend a state school or a non-state (church or independent) school.

A number of independent non-profit organisations in Malta provide entrepreneurship support specifically for women. These include the Foundation for Women Entrepreneurs (FEW),<sup>73</sup> which aims at building awareness, creating networks, promoting opportunities, providing training, and establishing entrepreneurship culture for all women. The Malta Association of Women in Business (MAWB)<sup>74</sup> also aims at promoting female entrepreneurship and fostering business growth and professional development among women by providing them with training, networking opportunities and support. In recent years,

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<sup>70</sup> <https://education.gov.mt/en/Pages/Free-Childcare.aspx>

<sup>71</sup> <https://education.gov.mt/en/Pages/Breakfast-Club.aspx>

<sup>72</sup> <https://fes.gov.mt/en/Pages/Klabb%203-16/overview.aspx>

<sup>73</sup> [www.women.org.mt/](http://www.women.org.mt/)

<sup>74</sup> [www.mawb.eu/](http://www.mawb.eu/)



various groups have been set up on social media, such as Women Web Entrepreneurs (WeHubs) Malta<sup>75</sup> and Female Entrepreneurs and Managers Malta.<sup>76</sup> The National Council of Women<sup>77</sup> and the Malta Confederation of Women Organisations<sup>78</sup> promote female entrepreneurship in a less direct manner, through social development, education, training and advocacy.

Although there is support from various associations, organisations, programmes and schemes for female entrepreneurs, women in Malta are still less likely to be self-employed than women in the EU (7.6% vs. 9.7%), indicating that various challenges and barriers still exist. A key challenge for working women (both those in employment and in self-employment) is balancing their work and family duties, particularly when they are mothers. In spite of efforts to promote gender equality, many women still feel under pressure to take responsibility for caring for their family and home. In a study published by the National Commission for the Promotion of Equality (NCPE)<sup>79</sup> found that a much larger proportion of women than men were influenced in their decision to start a business by their caring responsibilities. Moreover, some women in this study started their business to address needs associated with their caring responsibilities, while others postponed opening up their business until their children were older. In another study on female entrepreneurs in Malta, Camilleri (2011) found that some mothers shaped their entrepreneurial duties around their family demands by, for example, setting up a home-based business or an office close to home, or by working until the time that their children finish school. These studies and others (e.g. Pace Frendo, 2017) all confirm that parenthood and family responsibilities pose a greater challenge to women than they do to men in self-employment in Malta.

Another key obstacle for women entrepreneurs is access to finance. A recent study on female entrepreneurs in Malta (Gatt, 2016) found that many respondents reported having faced challenges getting fair access to traditional bank financing such as loans and venture capital financing. Challenges regarding women's access to finance have been reported widely across many countries (OECD/EC, 2013).

In addition to the above, the over-representation of men in sectors such as construction, transport and communication, may in itself be perceived as a barrier to entry for aspiring female entrepreneurs. This finding was reported in the study by the NCPE,<sup>80</sup> where other barriers identified were socially constructed stereotypes that depict men as more authoritative and women as more caring and nurturing.

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<sup>75</sup> [www.facebook.com/groups/35948487778226/](https://www.facebook.com/groups/35948487778226/)

<sup>76</sup> [www.facebook.com/groups/289337281181728/](https://www.facebook.com/groups/289337281181728/)

<sup>77</sup> [www.ncwmalta.com/](http://www.ncwmalta.com/)

<sup>78</sup> [www.mcwo.net/](http://www.mcwo.net/)

<sup>79</sup> [https://ncpe.gov.mt/en/Documents/Our\\_Publications\\_and\\_Resources/Research/AG\\_1902/research\\_report.pdf](https://ncpe.gov.mt/en/Documents/Our_Publications_and_Resources/Research/AG_1902/research_report.pdf)

<sup>80</sup> [https://ncpe.gov.mt/en/Documents/Our\\_Publications\\_and\\_Resources/Research/AG\\_1902/research\\_report.pdf](https://ncpe.gov.mt/en/Documents/Our_Publications_and_Resources/Research/AG_1902/research_report.pdf)

## 5. POLICY RECOMMENDATIONS

Inclusive entrepreneurship policies are at an early stage of development. Many recent tailored actions have been launched to support youth and women, including embedding entrepreneurship throughout formal education and offering family-friendly measures. Further development of policy actions in the area requires careful consideration about the nature and the scale of support developed. Women and youth are large target groups so it is feasible to develop tailored initiatives to address their needs. Developing policies and programmes for smaller target groups such as older people, migrants, the unemployed and people with disabilities may be less feasible as the costs of developing and delivering tailored support would be higher. An alternative could be to adjust mainstream supports so that they are more inclusive and accessible to disadvantaged groups, and to step up outreach efforts to ensure that these groups are aware of the entrepreneurship support that is available to them. Several recommendations are offered to help strengthen inclusive entrepreneurship support:

1. *Develop a national action plan for entrepreneurship policy that covers inclusive entrepreneurship.* Support could be strengthened with a national entrepreneurship strategy or action plan to define objectives and key targets for fostering entrepreneurship policy. This should include general measures and strategies, as well as specific considerations for under-represented or disadvantaged groups to enable them to engage in entrepreneurship. The action plan should be in line with the European Union's Entrepreneurship 2020 Agenda,<sup>81</sup> and should be developed in consultation with relevant ministries, agencies, NGOs, educators, students and representatives of entrepreneurs (e.g. business associations). A central entity would support the consolidation the work being carried out to promote and strengthen entrepreneurship by the various organisations in Malta. It should be responsible for identifying the gaps and overlaps in initiatives and resources, and bringing the different public and private players closer together.
2. *Use role models from different social target groups to promote entrepreneurship in different sectors.* In-line with the EU's Entrepreneurship 2020 Action Plan, entrepreneurs should be portrayed as positive role models to promote an entrepreneurial culture and inspire more people to become entrepreneurs in Malta. Entrepreneurship success stories of women and other underrepresented groups in non-traditional sectors should be made more visible, and entrepreneurship should be celebrated as a viable career path, including in sectors beyond digital entrepreneurship. A concerted effort is required from a variety of stakeholders, including the media, educational institutions, ministries, agencies and non-government organisations, to enhance the entrepreneurial culture and social capital in Malta.
3. *Extend the Malta Enterprise Micro Invest Scheme for women to other social target groups.* The Malta Enterprise Micro Invest Scheme amendment which grants a maximum tax credit of up to EUR 70 000 instead of EUR 50 000 to self-employed women and businesses owned in their majority by females could be extended to the other under-represented or disadvantaged groups.
4. *Tailor entrepreneurship education and training programmes to the needs of the key social target groups (i.e. women, youth and the unemployed).* The self-employed in Malta are less educated than their European counterparts, which indicates that greater efforts are required to level the playing field. Moreover, entrepreneurship training programmes should be tailored specifically to the different needs of different target groups to the extent possible. Training

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<sup>81</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52012DC0795&from=EN>



should be delivered by entrepreneurs from the different target groups to ensure that the training is relevant. Training should cover the basics of business start-up and business registration as well as a range of skills to support business development and growth (e.g. opportunity recognition, risk management). Such training should also have linkages with relevant entrepreneurship supports (e.g. incubation, coaching, mentoring) and financing.

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## ANNEX: METHODOLOGY

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

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

The framework contains five pillars:

### **1. Policy framework**

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

### **2. Government regulations**

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

### **3. Financing entrepreneurship**

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

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

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

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

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

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

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