

Inclusive Entrepreneurship Policies,
Country Assessment Notes

Malta

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 European Union 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 Dr. Leonie Baldacchino and Ms. Kristina Buhagiar of the University of Malta. Feedback on the special section on entrepreneurship support for people who experience disability was provided by Mr. Oliver Scicluna, Ms. Rhoda Garland and Ms. Lorraine Pleven of the Commission for the Rights of Persons with Disability, and from Mr. Joseph Farrugia of the Malta Employers Association. David Halabisky of the OECD CFE edited the note under the direction of Dr. Jonathan Potter, also of the OECD CFE.

A draft of this report was reviewed by policy officers at the Ministry for the Economy, Investment and Small Business and the Ministry of Finance.

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

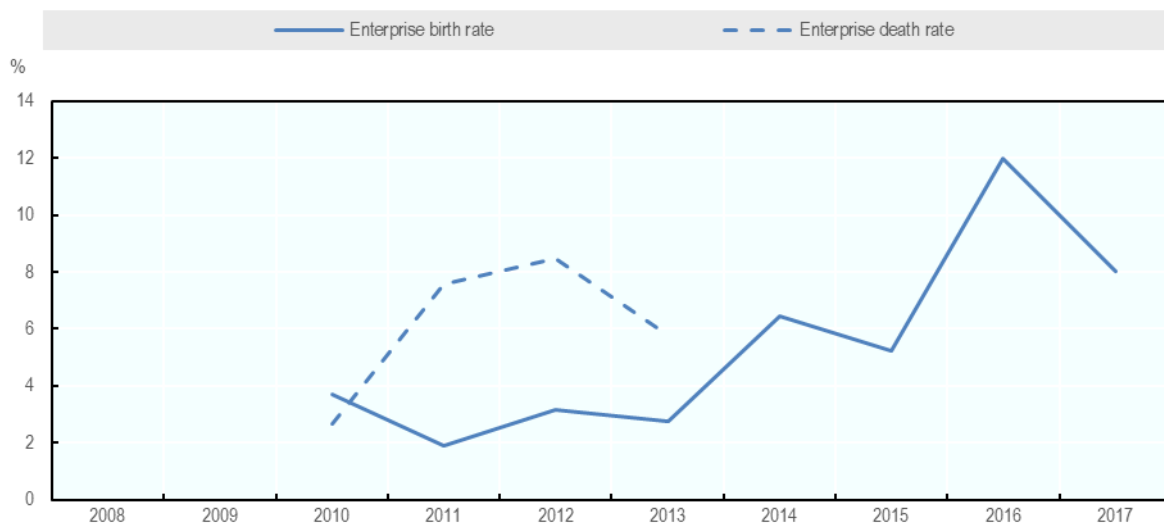
- The framework conditions for entrepreneurship are improving. The World Bank indicators on the business environment are somewhat mixed, but some indicators such as the level of administrative burden on new start-ups score well. Further, the Global Innovation Index 2019 report indicates that Malta ranks poorly in terms of ease of getting credit (110th place), but markedly better on the domestic credit to private sector indicator (37th place) and the level of sophistication of businesses (15th place).
- In 2019, there were about 37 300 self-employed people. This accounted for 14.3% of the working population, which was slightly higher than the 12.5% average rate for all European Union (EU) Member States. It was also the highest rate observed over the past decade. Similarly, the self-employment rate in 2019 for many population groups reached a peak in 2019 relative to the past decade: females (8.9%); youth (7.2%) and seniors (20.0%).
- Nearly one-third of the self-employed had at least one employee in 2019. There was very little difference in this proportion across population groups, which is markedly different from the EU average.
- Eliminating the differences in entrepreneurship activity rates across population groups, as measured by self-employment (i.e. applying the self-employment rate of men who are 30-49 years old to the whole population), would result in about 5 700 additional entrepreneurs. These “missing” entrepreneurs are essentially all young females (aged 20-29 years old).
- The number of entrepreneurship support initiatives in Malta has increased substantially over the past 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 (e.g. older people, the unemployed, and people with disabilities).
- The following actions are recommended to strengthen inclusive entrepreneurship policy:
 - Extend and adapt existing policies, strategies and measures concerning inclusive education, training and employment to foster inclusive entrepreneurship;
 - Use more targeted outreach to raise awareness among under-represented and disadvantaged groups about all that is available to them; and
 - Include representatives from the target groups in all matters related to the design, development, implementation, monitoring and evaluation of policies, strategies, programmes and measures.

1 Inclusive entrepreneurship trends

Conditions for entrepreneurship

While data on business entry and exit are limited, it is clear that business entry rates trended upwards over the past decade (Figure 1.1). The increase between 2011 and 2016 was remarkable – from about 2% to 12% – but it is important to note that some change in the Value Added Tax Regulations were adjusted in 2011 and 2015, causing many businesses to re-register and re-register after 2015. This could be an important factor that explains the increase in new business entrants. Due to data limitations, exit rates could only be reported for 2010 to 2013.

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>.

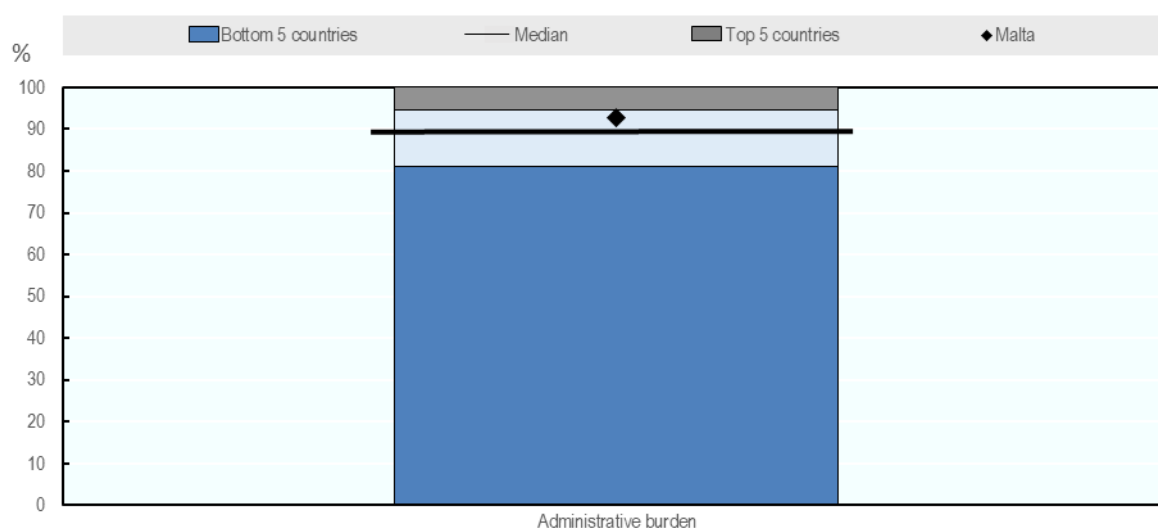
The Global Innovation Index (GII) reports that Malta is among the top 50 innovative economies in the world, with a ranking in 27th place in 2019. It ranked in 4th place on new business density (defined as the number of new business registrations per capita) both in 2018 and 2019. This is considered by the GII to be an area of strength. However, while overall economic performance is positive, the GII highlights several areas related to entrepreneurship where further improvements could be made. For example, from 2018 to 2019, the ease of starting a business ranked in 79th place. Moreover, resolving insolvency also ranks poorly and has fallen – from 102nd place in 2018 to 105th place in 2019. Together, the difficulties in registration of property, getting credit and resolving insolvency undermine the overall business environment score, on which Malta placed 97th in 2019 (down three places from 94th in 2018). However, the World Bank considers

that the level of administrative burden on new start-ups compares favourably relative to other EU countries (Figure 1.2) and the World Economic Forum's competitiveness index ranks Malta as the 38th most competitive country in the world.¹

The GII 2019 also further indicates that Malta performed poorly in ease of getting credit (110th place), but markedly better on the domestic credit to private sector indicator (37th place), and the level of sophistication of businesses (15th place), which suggests that the business environment has become more conducive to innovation. This is further supported by the positive performance reported for Malta on indicators of creativity and innovation. Notably, it ranked in 4th place in creative outputs in 2019, up from 10th place in 2018. The GII makes no distinction based on gender, age or ethnicity, so no conclusions regarding inclusive entrepreneurship can be drawn from its metrics.^{2,3}

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.

Source: World Bank (2019), Ease of Doing Business Survey; GEM (2020).

¹ http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf

² <https://www.wipo.int/publications/en/details.jsp?id=4330>

³ <https://www.globalinnovationindex.org/gii-2019-report>

Recent labour market trends

In 2018 and 2019, Malta's economic growth stood at 6.6% and 6.8% respectively. These figures were more than twice the average growth rate across the EU, which was at 1.9% in 2018.^{4,5} Consequently, labour market indicators are generally positive in recent years.

Employment rates rose from 60.1% in 2010 to 77.2% in 2019,⁶ while the unemployment rate in 2019 was approximately half of the EU average (3.5% vs. 6.8%). The unemployment rate was the lowest of the decade, after a relatively stable period from 2010 to 2013 (between 6.2% and 6.9%) and a subsequent annual decline from 2014 (5.8%) onwards (Figure 1.3). The female unemployment rate rose slightly from 3.5% in 2018 to 3.7% in 2019. However, this was still lower than what it was between 2010 and 2017, when it ranged from 4.3% to 7.2%. Similarly, the youth unemployment rate was slightly higher in 2019 at 4.9% than 2018 at 4.0%, but lower than the 2010-17 period when it was between 6.0% and 7.3%. In the case of seniors and immigrants, there was no such increase in unemployment rates in the last two years, as these stood at their lowest in 2019 at 1.8% and 3.6% respectively.

Inactivity levels are also low, with the rates overall as well as for each of the sub-groups being at their lowest in 2019 since 2010. The overall inactivity rate declined steadily from 39.6% to 24.0%. Moreover, among females inactivity levels dropped from 57.5% to 34.0%, and for seniors from 57.2% to 38.7%. The inactivity rate among youth has declined over the past decade, falling from 20.4% in 2010 to 13.9% in 2019. No data are available for inactivity among immigrants.

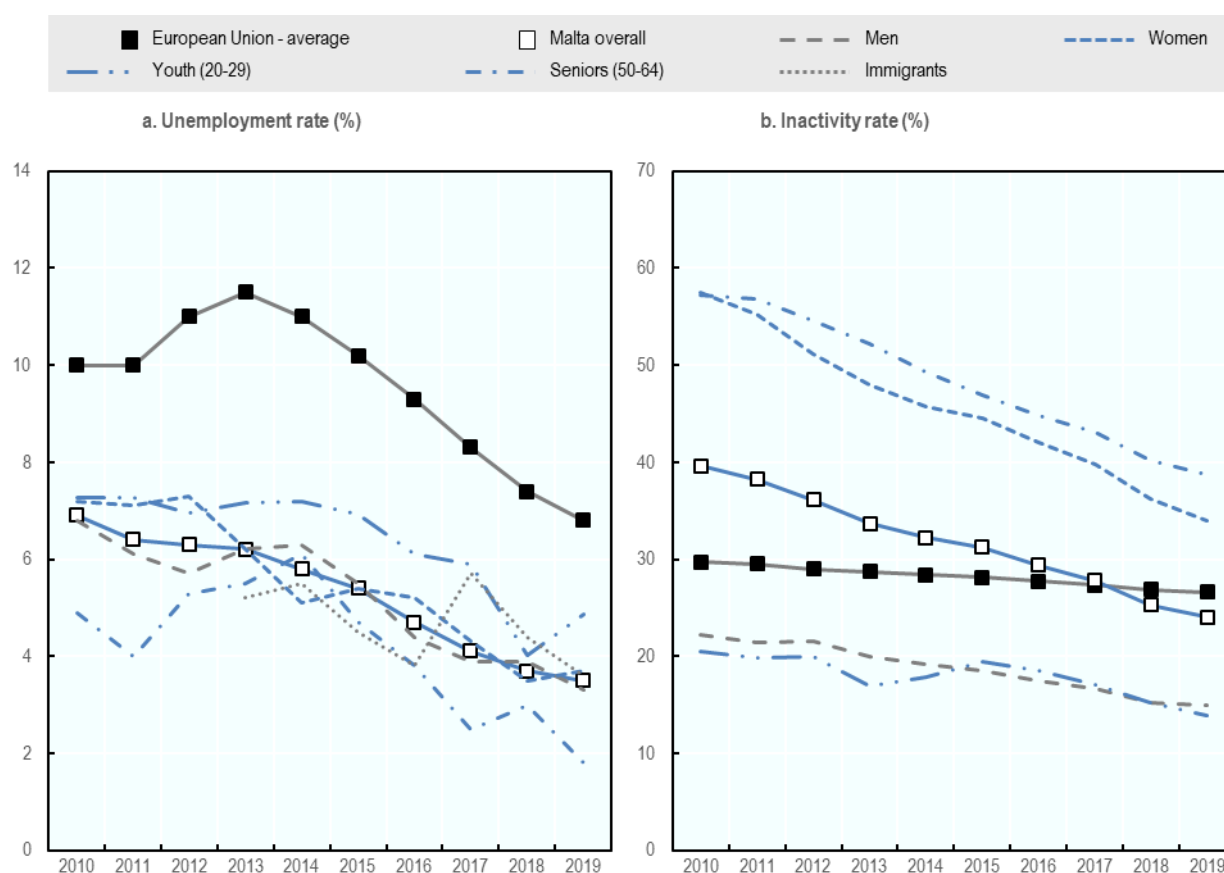
⁴ https://mfin.gov.mt/en/Library/Documents/NRP/NRP_2019.pdf

⁵ https://mfin.gov.mt/en/Library/Documents/NRP/NRP_2020_final_version_04052020.pdf

⁶ https://mfin.gov.mt/en/Library/Documents/NRP/NRP_2020_final_version_04052020.pdf

Figure 1.3. Unemployment and inactivity

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



Note: Reliable data on unemployment is not available for immigrants for 2010-2012.

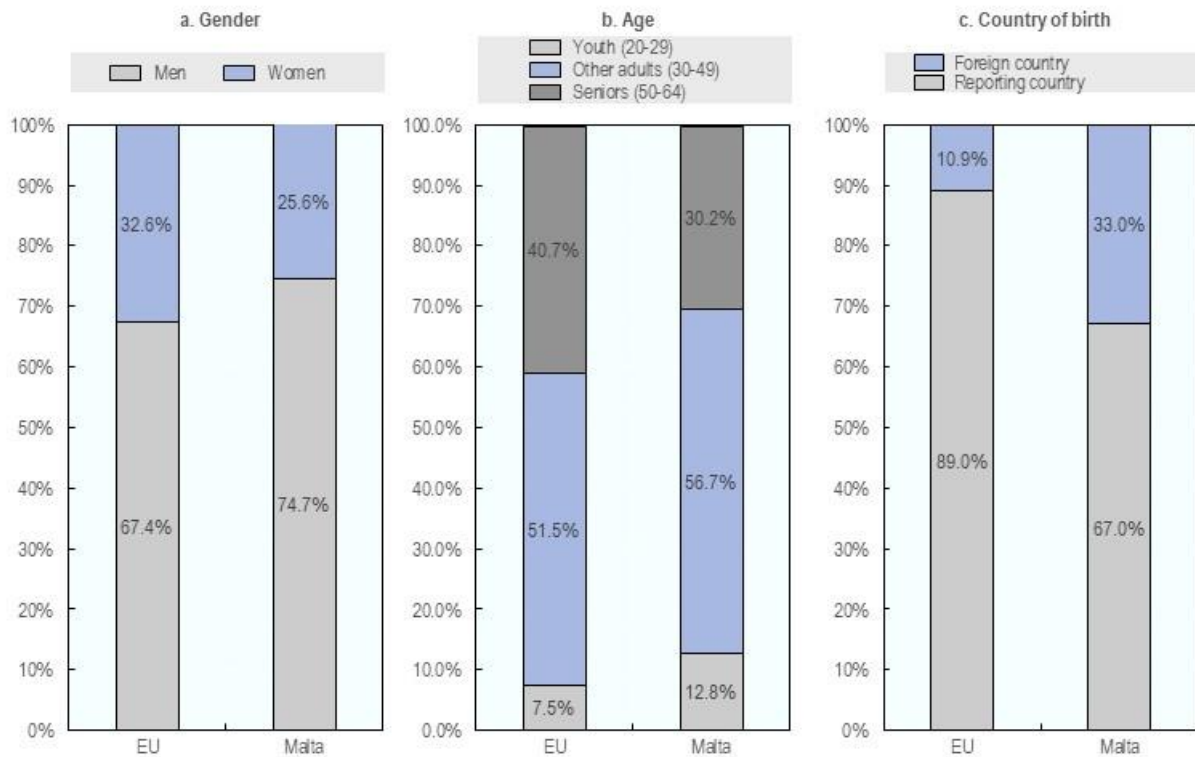
Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

Self-employment activities

The composition of the self-employed shows that the self-employed had a slightly different profile than the EU average in 2019 (Figure 1.4). Overall, the gender gap is wider – 74.7% of the self-employed were men and 25.6% were women relative to 67.4% and 32.6% for the EU average. In terms of the age distribution, young people accounted for a larger proportion of self-employed workers in Malta than the EU average (12.8% vs. 7.5%), but the opposite was true for seniors (30.2% vs. 40.7%). Immigrants make up one-third (33.0%) of the self-employed workforce, which is considerably higher than the EU average (10.9%).

Figure 1.4. Composition of the self-employed

Proportion of self-employed workers, 2019



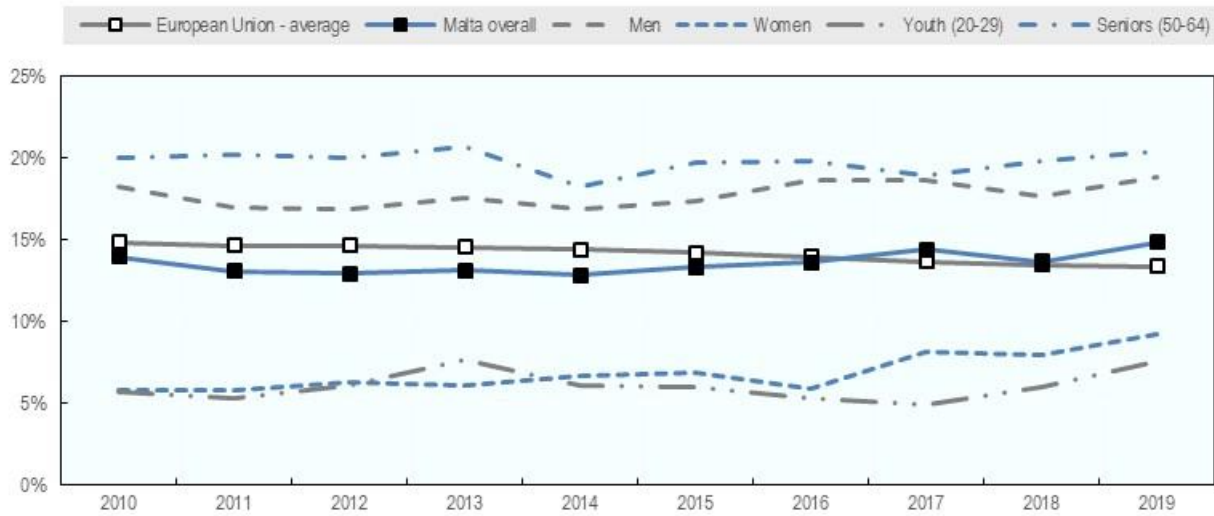
Note: Data for youth includes data for the age group 20-24 which is of low reliability.
 Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

Self-employment rates have been stable over the last decade (Figure 1.5). The overall self-employment rate in 2019 was 14.8%, which was slightly higher than the 13.4% average rate for all EU countries, and also the highest it has been since 2010. This positive trend reflects an increase in each of the sub-groups, which stood at 9.2% for females, 7.5 for youth, and 20.4% for seniors in 2019. These are the highest self-employment rates since 2010.

Self-employed workers include those with employees (i.e. employers) and those without employees. Eurostat data for 2019 indicate that 31.1% of the self-employed had employees (Figure 1.6). This was slightly higher than the EU average of 30.7% in 2019, but not the highest it has been in the past decade when it peaked in 2012 at 33.0%. A larger proportion of self-employed women had employees in Malta than their European counterparts in 2019 (28.7% vs. 25.3%), but the opposite was true for seniors (31.5% vs. 33.5%) and immigrants (29.8% vs. 31.9%). No data are available for youth who are self-employed as employers in Malta.

Figure 1.5. Self-employment rate

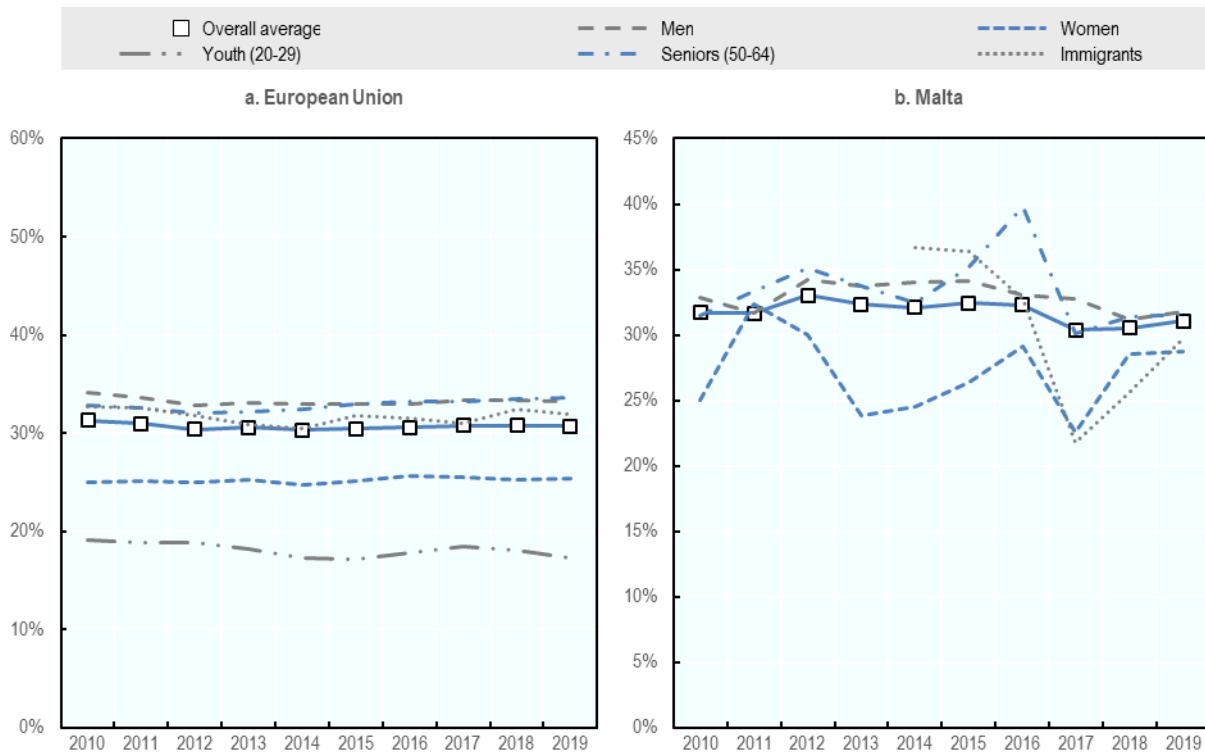
Proportion of employment that is self-employed



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

Figure 1.6. Self-employed as employers

Proportion of the self-employed who employ others



Note: Reliable data for youth are not available. Reliable data for immigrants are not available for 2010-13.

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

How many “missing” entrepreneurs are there?

The gaps in entrepreneurship rates across population groups, as measured by the self-employment rate, suggest that there are many “missing” entrepreneurs. There are currently about 37 300 self-employed people in Malta and this number would increase by about 5 700 if the self-employment 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 virtually all of these “missing” entrepreneurs are female and they were distributed across all age categories. About one-third were between 20 and 30 years old and another third were between 50 and 64 years old.

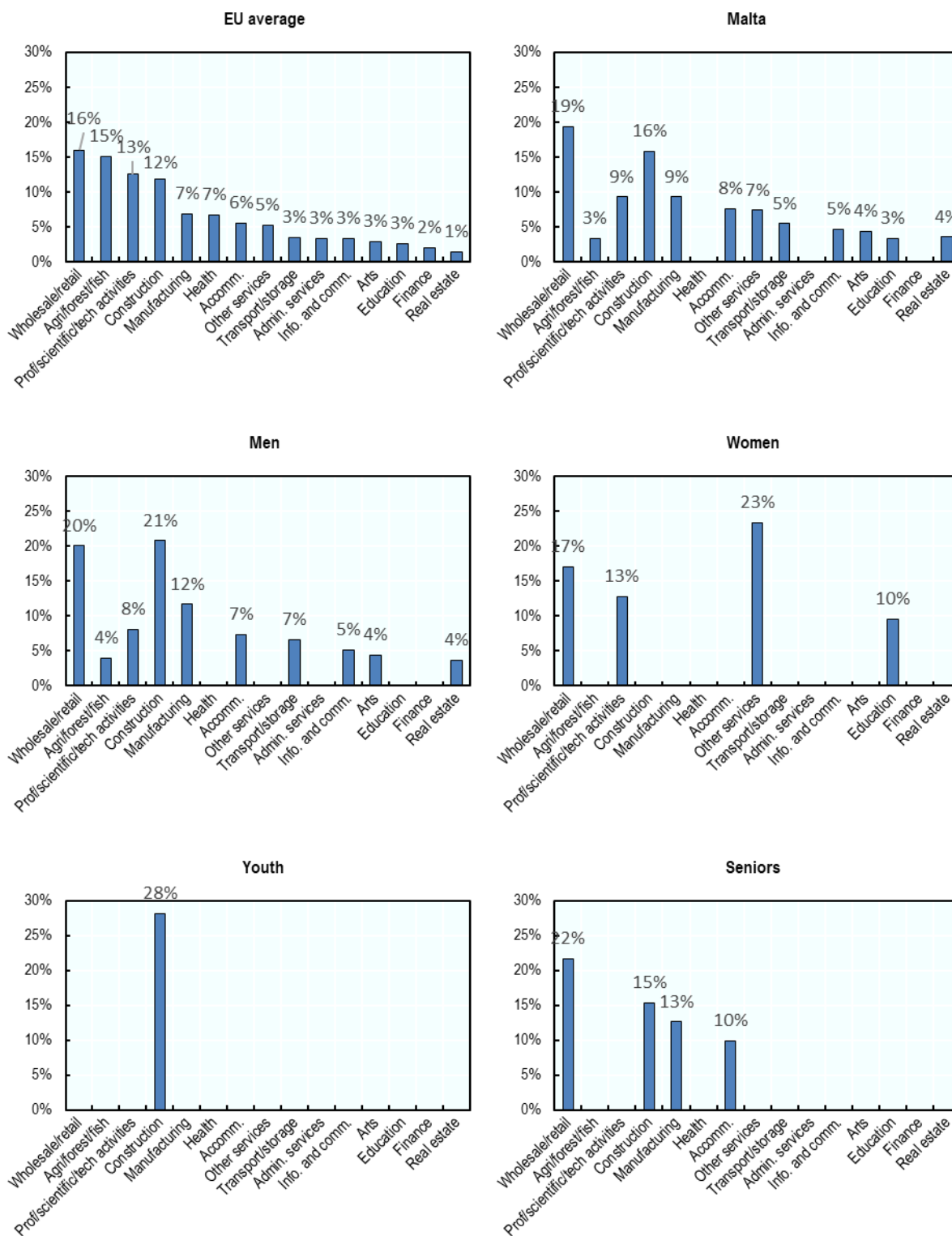
Public policy should not seek to convert all of these “missing” entrepreneurs into actual entrepreneurs. Entrepreneurship is a labour market activity that involves risk and it is not suitable for everyone. Nonetheless, the exercise of estimating the number of “missing” entrepreneurs can illustrate the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

The distribution of self-employed workers by sector of economic activity in 2019 was similar to the EU. The largest proportion was engaged in wholesale, retail trade and repair of motor vehicles, but this sector represented a higher share of the self-employed in Malta than the EU average (19.3% vs. 16.0%) (Figure 1.7). Other differences are that there was a higher proportion of self-employed in the construction sector than the EU average for this sector (15.8% vs. 11.9%), and that the second most common sector of activity for the self-employed in the EU, namely agriculture, forestry and fishing was not featured among the top five sectors for the self-employed in Malta.

As in most countries, some gender differences were observed. Self-employed women in Malta, for example, were more likely to work in education whereas self-employed men were more likely to work in construction, manufacturing and accommodation and food service activities. Self-employed seniors were most active in the wholesale, retail trade and repair of motor vehicles sector (21.6%) but, in contrast to the females, the second and third most common sectors among older self-employed were construction (15.3%) and manufacturing (12.6%). No data are available for the distribution of self-employed youth and immigrants across sectors.

Figure 1.7. Self-employment by economic activity

Distribution of the self-employed by sector, 2019



Note: Reliable data for youth are not available and some data for men, women and seniors are suppressed due to the quality of the estimates.
 Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

The distribution of self-employed across occupational categories also differs from the EU average. The craft and related trades were the most common occupation among the self-employed in 2019 (21.5%), closely followed by service and sales (21.3%) (Figure 1.8). Both of these categories constitute a much higher share of self-employed workers than the respective EU averages (15.1% and 16.6%). In contrast, the share of self-employed workers working as professionals was much smaller in Malta (14.7%) than in the EU, where this is the most common occupation for self-employed workers (21.6%). Another occupational category where the Maltese self-employed are under-represented is skilled agricultural, forestry and fishery (3.0% vs. 14.8%).

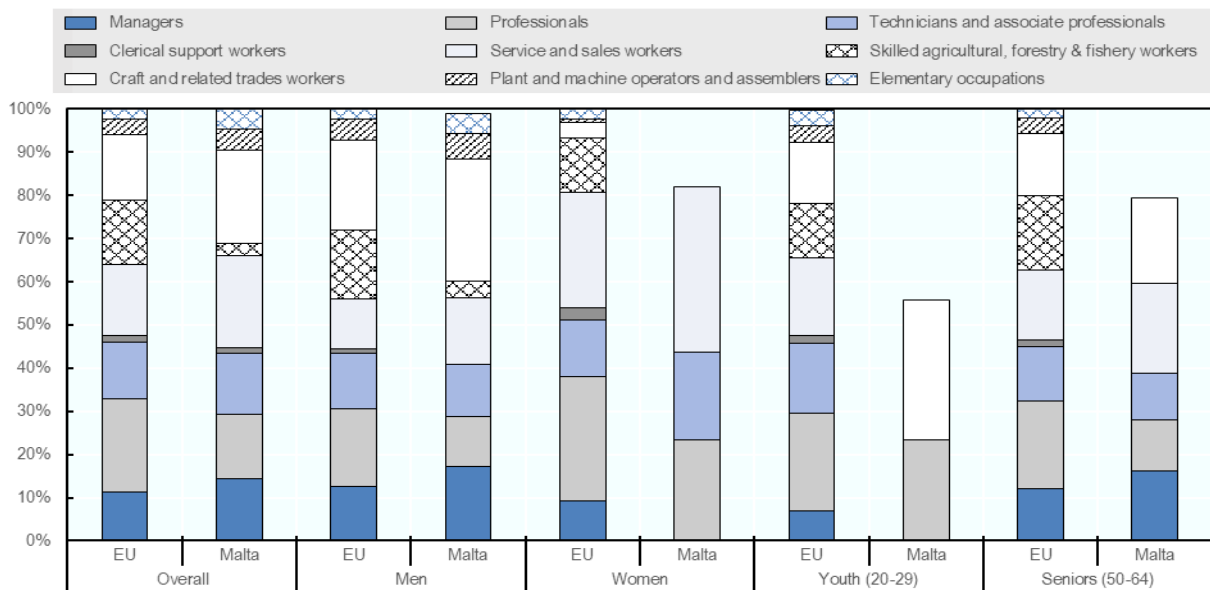
The most common occupational category for self-employed women in Malta in 2019 was services and sales (38.3%). This figure is considerably higher than the EU average for this occupation (26.6%). Self-employed women also commonly work as professionals (23.4%) and as technicians and associate professionals (20.2%). The former is lower than the EU average (29.0%) while the latter is higher (13.0%). There is no data about female self-employment in the other occupational categories due to small sample counts.

The most popular occupational category among the youth self-employed in 2019 was craft and related trades. This attracted nearly one-third (32.4%) of this age group, which is more than twice as much as the EU average (14.2%). This was followed by the professionals category, which attracted 23.4%. This share was similar to the EU average (22.6%).

The older self-employed were engaged mainly in services and sales (20.7%), in crafts and related trades (19.8%), and as managers (16.2%). These figures are higher than the EU averages for this demographic (respectively 16.1%, 14.4% and 12.2%). The opposite is true for the two other occupational categories where data is available, namely professionals (11.7% vs. 20.2%), and technicians and associate professionals (10.8% vs. 12.6%). No data are available for the distribution of self-employed immigrants across occupational categories.

Figure 1.8. Self-employment by occupation

Distribution of the self-employed by occupation



Note: Reliable data for youth is only available for 2 ISCO08 occupation out of 10 and the calculation include data for age group 20-24 which is unreliable. Reliable data for women and seniors are also limited.

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

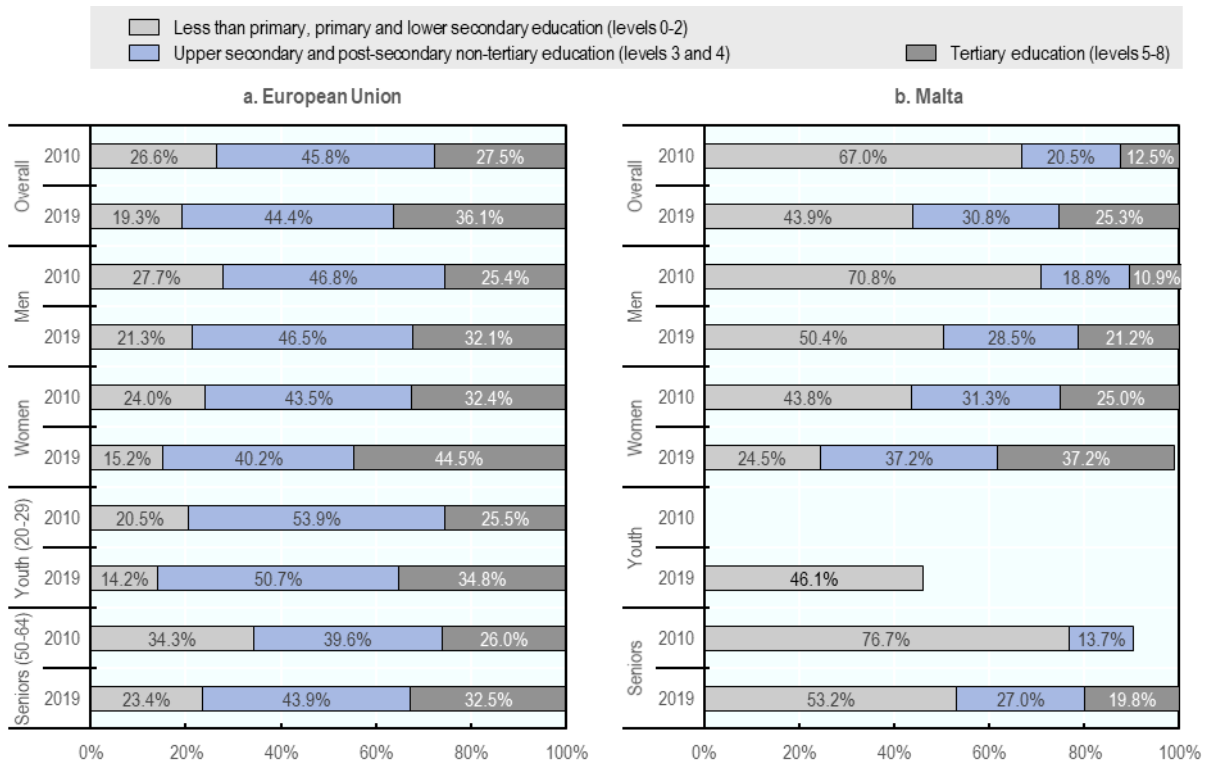
The Maltese self-employed have, on average, a lower level of education than the EU average, although the gap has narrowed over the past decade. In 2019, nearly half (43.9%) of the self-employed had only a secondary level of education or less. This is more than double the EU average for the same year (19.3%), but much lower than it was in 2010 (67.0%) (Figure 1.9). Conversely, there were fewer self-employed with an upper secondary or tertiary education (30.8% and 25.3%) than there were in the EU (44.4% and 36.1%) in 2019, but the Maltese figures are larger than they were in 2010 (20.5% and 12.5% respectively), which indicate that the Maltese self-employed are gradually increasing their level of education. These data reflect broader trends – in the 2019 Global Innovation Index (GII), Malta ranked 58th out of the 129 countries surveyed on tertiary education enrolment. However, the index also recorded improvements in expected education: Malta had an expected 15.0 years of schooling in 2017, which ranked in 46th place, and this rose to 15.9 years in 2018 and 2019, which ranked in 35th and 36th place respectively. Moreover, the Maltese government investments in education have increased in recent years with the aim of fostering a better educated workforce, such that Malta ranked in 13th place in terms of government funding per pupil in secondary education.⁷

Self-employed women are less educated than the EU average, but the trends are positive for this subgroup. In 2019, 37.2% of female self-employed workers had upper secondary or post-secondary qualifications, and another 37.2% had a tertiary education. Although these figures are somewhat lower than the EU averages for the same year (40.2% and 43.5%), they are higher than they were in 2010 (31.3% and 25.0%). While the education gap between the Maltese and EU self-employed women is not too large, the same cannot be said for the older self-employed. In 2019, less than half this cohort had gone beyond a secondary level of education. This is much lower than the EU average, where more than three-quarters have an upper secondary or tertiary level of education. Data on the educational attainment of youth self-employed are limited, and none are available for immigrants.

⁷ <https://www.globalinnovationindex.org/gii-2019-report>

Figure 1.9. Self-employment by education level

Distribution of the self-employed by educational attainment



Note: Reliable data is not available for seniors for level 5-8 for 2010. Data for youth is only available for levels 0-2 for 2019 and contain data that is unreliable for some employer status.

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

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

While there is no overall framework for inclusive entrepreneurship policies, three government Ministries are generally responsible for (directly or indirectly) promoting inclusive entrepreneurship, namely The Ministry for Education and Employment, Ministry for the Economy, Investment and Small Business, and the Ministry for the Family, Children's Rights and Social Solidarity.

The **Ministry for Education and Employment** has actively integrated and promoted entrepreneurship in its agenda. In 2012, it published the National Curriculum Framework, which introduced Education for Entrepreneurship, Creativity and Innovation as one of six cross-curricular themes. In 2016, the Ministry, in collaboration with the Ministry for the Economy, Investment and Small Business, launched and promoted the "Entrepreneurship through Education Scheme."⁸ This scheme represents one of the most explicit efforts a Maltese Ministry has undertaken to promote entrepreneurship through educational programmes, the intention of which was to transfer entrepreneurial qualities to young students. In addition to the above, this Ministry is also responsible for three important entities, 1) the National Skills Council,⁹ 2) the National

⁸https://economy.gov.mt/en/schemes/Pages/Entrepreneurship_Through_Education_Scheme_2017/Entrepreneurship-Through-Education.aspx

⁹ <https://education.gov.mt/en/Pages/National-Skills-Council.aspx#>

Employment Authority and 3) Jobsplus,¹⁰ which indirectly promote inclusive entrepreneurship through up-skilling, workforce training, and employment opportunities. While the central focus of the Ministry for Education and Employment is on equal opportunities to education and employment,¹¹ this Ministry has actively worked towards fostering inclusive entrepreneurship in Malta by promoting the integration of entrepreneurship into the Maltese curriculum, while providing up-skilling and training opportunities to Maltese adults.

The **Ministry for the Economy, Investment and Small Business**¹² is another of the main Ministries responsible for promoting entrepreneurship. While this Ministry does not explicitly focus on inclusive entrepreneurship, its portfolio includes small business and the self-employed as a focus area, and Malta Enterprise, which is the national economic development agency responsible for attracting new foreign direct investment and facilitating the growth of existing operations, as one of its entities. Malta Enterprise offers various measures to support entrepreneurs, including a few that are tailored for under-represented and disadvantaged entrepreneurs. Moreover, the Ministry hosted a discussion session on “Equipping Employers for a more Equal & Inclusive Labour Market”¹³ in collaboration with the Malta Employers Association in 2016. The intention of this discussion session was to shed light on the capacity building measures necessary to establish a more inclusive work environment.

The **Ministry for the Family, Children’s Rights and Social Solidarity**,¹⁴ through its Parliamentary Secretariat for Active Ageing and Persons with Disability, works to promote inclusion through the following departments and entities. The Active Ageing and Community Care (AACC)¹⁵ works towards the inclusion of elderly persons in society and the labour market through the National Strategic Policy for Active Ageing.¹⁶ *Agenzija Sapport*¹⁷ and the Commission for the Rights of Persons with Disability (CRPD)¹⁸ aim to enhance the quality of life for persons with disabilities through inclusion in all aspects of society, promoting equality, opportunities and providing a supportive infrastructure.

In addition to the above-mentioned government bodies, there are an array of **local NGOs and associations** that explicitly or implicitly encourage and support inclusive entrepreneurship in Malta. In this respect, the Foundation for Women Entrepreneurs,¹⁹ the Malta Association of Women in Business²⁰ and, to a lesser extent, the Women’s Lobby²¹ encourage entrepreneurship among women in Malta. The NGOs KOPIN,²² SOS Malta²³ and Aditus foundation²⁴ aim at safeguarding the rights of immigrants and promoting

¹⁰ <https://jobsplus.gov.mt>

¹¹ <https://education.gov.mt/en/Ministry/Pages/Mission-Statement.aspx>

¹² https://meae.gov.mt/en/Public_Consultations/MEIB/Pages/Home.aspx

¹³ <https://economy.gov.mt/en/SME/Documents/sme%202016/MEA%20EQUIP%20-%2014%20October.pdf>

¹⁴ <https://family.gov.mt/en/Pages/Family%20EN%20homepage.aspx>

¹⁵ <https://activeageing.gov.mt/en/Pages/Welcome-Active-Ageing.aspx>

¹⁶ <https://family.gov.mt/en/Documents/Active%20Ageing%20Policy%20-%20EN.pdf>

¹⁷ <https://sapport.gov.mt/en/About-Us/Pages/The-Agency.aspx>

¹⁸ <https://crpd.org.mt>

¹⁹ <https://women.org.mt>

²⁰ <http://mawb.eu/>

²¹ <https://www.womenlobby.org/Malta-Confederation-of-Women-s-Organisations-MCWO>

²² <http://kopin.org>

²³ <http://www.sosmalta.org/home?l=1>

²⁴ <https://aditus.org.mt/>

their integration, with a limited effort towards promoting entrepreneurship. Junior Achievement Young Enterprise (JAYE) Malta,²⁵ Junior Chamber International (JCI) Malta,²⁶ and the Young Entrepreneurs Organization of the European Union (JEUNE)²⁷ promote entrepreneurship amongst youths. Although there are no NGOs in Malta that exclusively target seniors and the unemployed, the Foundation for the Promotion of Entrepreneurial Initiatives (FPEI), which is a private not-for-profit foundation set up by the Malta Business Bureau and the University of Malta, encourages all forms of entrepreneurship and is currently involved in an EU-funded project aimed at re-skilling long-term unemployed adults towards self-employment.²⁸

Inclusive entrepreneurship strategies and objectives

Overall, Malta's framework for inclusive entrepreneurship policies is relatively under-developed as it lacks stand-alone or embedded entrepreneurship policies dedicated to all under-represented and disadvantaged groups. However, some considerations of entrepreneurship among these groups are embedded within broader policies and legislation that have been introduced at a national level.

Female entrepreneurship is partly addressed by the **Equality for Men and Women Act**,²⁹ which was developed and implemented by **The National Commission for the Promotion of Equality**. This Act stipulates that banks, financial institutions and insurance companies may not discriminate between male and female self-employed individuals in granting them facilities or services related to starting and running their businesses. Moreover, this Act safeguards the rights of individuals who are regularly engaged in activities to support their self-employed spouse's business, by stipulating that they are entitled to receive fair compensation for their contribution. The National Commission also implements a range of actions directly to promote and support gender equality in the labour market and helps to co-ordinate actions across ministries and stakeholders. While promoting inclusive entrepreneurship is not one of its priority areas of action, the Commission, through its legislative powers, acts as a pressure group to ensure that Government bodies are implementing and embedding the principles of equality and empowerment in any laws established and any opportunities provided to society.

The policy document **Migrant Integration Strategy and Action Plan: Vision 2020**³⁰ by the **Ministry for European Affairs and Equality** outlines support for immigrants. It focusses on labour market integration, but self-employment and entrepreneurship are not explicitly mentioned.

Young entrepreneurs³¹ are addressed by the National Youth Policy: Towards 2020,³² which aims to increase democratic participation, fair economic and social progression, and inclusive transformation among young people. This policy was published by the Parliamentary Secretariat for Research, Innovation, Youth and Sport, which forms part of the **Ministry for Education and Employment**. The policy builds on the National Curriculum Framework and is in-line with the EU's Entrepreneurship 2020 invitation to Member States. It features an action plan on supporting youth in employment and entrepreneurship through entrepreneurship training, coaching and mentoring.

²⁵ <https://www.jayemalta.org/>

²⁶ <https://www.jci.org.mt>

²⁷ <https://jeune-europe.org/malta-2/>

²⁸ <http://fpei.mt/coral-project/>

²⁹ https://ncpe.gov.mt/en/Documents/Home/Welcome/Chp.456_updated%202015.pdf

³⁰ <https://meae.gov.mt/en/Documents/migrant%20integration-EN.pdf>

³¹ Government policies and programmes consider youth to be 13 to 30 years old.

³²

https://education.gov.mt/en/resources/Documents/Policy%20Documents/National_Youth_Policy_Towards_2020.pdf

The Ministry for Education and Employment also published the **Malta National Lifelong Learning Strategy 2020**³³ to promote post-compulsory education among individuals between aged 25 to 64 years. While the core aim of this lifelong learning strategy is not to foster entrepreneurship but to increase the number of Maltese adults engaged in education and training opportunities, it recognises that “Adult learning is increasingly associated with entrepreneurship” and with “the empowerment of vulnerable and marginalised groups and fundamental in contributing to social inclusion and integration” (p. 9). Among the strategic measures it proposes are to “raise public awareness of the close relationships between adult education and entrepreneurship” (p. 27), and to “stimulate women’s entrepreneurship by improving legal and economic protection” (p. 35). In addition, this Strategy proposes a number of programmes that refer to entrepreneurship and self-employment, including setting up a national skills council that focuses on training programmes in skills that improve young people’s career prospects, including entrepreneurship, planning and organising, and creative and critical thinking; setting up a working group to implement lifelong learning measures to incentivise women towards work and entrepreneurship, including specialist training in entrepreneurship skills.

Older entrepreneurs are considered to some extent in the **Ministry for the Family, Children’s Rights and Social Solidarity’s** National Strategic Policy for Active Ageing: Malta 2014-20.³⁴ This policy comprises three main pillars, one of which is active participation in the labour market. While this provides scope to encourage and support business creation and entrepreneurship, the strategy focuses on employment not self-employment. Despite this, policies established by this Ministry include acknowledging the value of continuous vocational education and training for the older people and providing relevant employment services to ageing employees, which include entrepreneurship support.

To promote entrepreneurship amongst the unemployed, The **Ministry for the Economy, Investment and Small Business** has established a number of schemes aimed at promoting entrepreneurship on the island. The objective of these schemes is to provide entrepreneurs with opportunities to access and benefit from seed-funds, financial incentive package and tax credits.³⁵ In addition, entrepreneurial activities amongst the unemployed have been endorsed by JobsPlus, where, between 2016 and 2018, this agency established a strategic plan aimed at reducing the rate of unemployment. In this respect, the strategic plan developed by JobsPlus aimed to adopt a customer-centric focus, implement measures to detect and reduce unemployment by way of intervention, upgrading services through self-service facilities, establish partnerships and networks, and increase the effectiveness and quality of the service provisions offered.³⁶

Finally, the Ministry for the Family, Children’s Rights and Social Solidarity’s **National Strategic Policy for Poverty Reduction and for Social Inclusion** (2014-24) 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. This document proposes 94 strategic policy actions that seek to address poverty from six dimensions (income and social benefits, employment, education, health and environment, social services, and culture).

While the above-mentioned strategies and policies are the most well-developed and monitored agendas which directly or indirectly target inclusive entrepreneurship, entrepreneurial strategies for immigrants remain relatively under-developed.

³³ <https://education.gov.mt/en/Documents/Malta%20National%20Lifelong%20Learning%20Strategy%202020.pdf>

³⁴ <https://activeageing.gov.mt/en/Pages/NSPAA.aspx>

³⁵ www.servizz.gov.mt/en/Pages/Economy_-_Business-and-Trade/Business-and-Trade/Starting-a-Business/default.aspx

³⁶ <https://jobsplus.gov.mt/fileprovider.aspx?fileId=1656>

Monitoring and evaluation practices

The National Commission for the Promotion of Equality (NCPE)³⁷ has established a variety of projects aimed at reducing the gender gap, but no specific metrics have been established to measure or monitor the rate at which equality is increasing or decreasing. Progress towards achieving the goals of the National Youth Policy: Towards 2020 is being monitored by the Ministry for Education and Employment and the Parliamentary Secretariat for Research, Innovation, Youth and Sport. At the end of 2020, an independent evaluation shall be conducted in order to determine the impact of this policy. In order to measure and monitor progress in the National Strategic Policy for Active Ageing, the Government established an Inter-Ministerial committee tasked with ensuring that policy measures are implemented, and progress is recorded. Moreover, the status of various strategies, measures and programmes are monitored by the National Reform Strategy.³⁸

Thus, while some monitoring and evaluation of the progress and impact of each strategic agenda or policy takes place, including through committees established by the government for this purpose, the methodology employed to do so is not publicly available, which leads to an obscure understanding of policy progress. This could be addressed through the development of key performance indicators for these policies and strategies against which the rate of progress can be measured.

Recent developments

Between 2017 and 2020, efforts to promote entrepreneurship to women were boosted by the NCPE, which provides the supportive infrastructure necessary to benefit from equality at work and in society.

Policy measures in response to COVID-19 to support entrepreneurs and the self-employed³⁹

The 2020 National Reform Programme⁴⁰ states that the country is “well-placed to adopt measures to attenuate the impact of the COVID-19 pandemic on enterprises and employment and ensure that the economy returns to the path of economic growth without serious fiscal hangovers”. In view of the unprecedented impact of COVID-19, unemployment amongst individuals aged 24 years and younger grew in February 2020.⁴¹ Despite the fact that employment is anticipated to decrease by 3.3% in 2020, employment growth is forecasted to increase by 3.2% in 2021.

To assist enterprises, self-employed and employees cope with the economic implications of COVID-19, Malta Enterprise has introduced several economic measures to alleviate the financial implications of COVID-19.⁴² These measures include a EUR 5.3 million COVID-19 R&D fund, issued in collaboration with the Malta Council for Science and Technology. The aim of this fund is to support the public, academics and private entities in developing novel approaches towards the current pandemic or antiviral research. Malta Enterprise also introduced the Investment Aid for the Production of COVID-19 Relevant Products Scheme, providing entrepreneurs with cash grants to support the production of COVID-19 related products. Moreover, the COVID Wage Supplement was established to assist employers in affected industries to

³⁷ https://ncpe.gov.mt/en/Pages/NCPE_Home.aspx

³⁸ https://mfin.gov.mt/en/Library/Documents/NRP/Table_3_NRP2019.pdf

³⁹ The text was drafted in August 2020. Policy actions implemented after this date are not covered in this report.

⁴⁰ https://mfin.gov.mt/en/Library/Documents/NRP/NRP_2020_final_version_04052020.pdf

⁴¹ https://nso.gov.mt/en/News_Releases/Documents/2020/03/News2020_049.pdf

⁴² <https://covid19.maltaenterprise.com/?regenerating-the-maltese-economy>

provide their full-time and part-time employees with a basic wage, thereby supporting the survival of the business and reducing redundancies and unemployment during the COVID-19 pandemic. This supplement was also available for self-employed individuals. In addition, Malta Enterprise issued the Quarantine Leave scheme, providing employers and employees who were subject to mandatory quarantine leave with a one-off lump-sum of EUR 350.

Additional schemes which were established during COVID-19 to financially assist organisations include the COVID-19 Guarantee Scheme, which provides commercial banks with guarantees in order to increase affected businesses' access to bank finance, the Tax Deferral Scheme, which permits individuals to defer the payment of taxes including social security contributions of self-employed persons, and a refund of commercial licences due to Commerce Department and the Malta Tourism Authority. Malta Enterprise also issued the Electricity Bill Refund Scheme, the Rent Refund Scheme, Business Re-Engineering Consultancy Scheme, Export Credit Guarantee, Modernisation of Equipment – Construction, Investment Aid COVID Products Scheme, Industrial Infrastructural Projects Scheme and the Teleworking Activities Scheme. A EUR 5 million Skill Development Scheme was also established in order to assist businesses with fewer than 50 employees up-skill their workforce.

To assist businesses that made investments shortly before the COVID-19 pandemic and benefited from Malta Enterprise's Microinvest Tax Credit Scheme in 2019, the Microinvest Cash Conversion Scheme was introduced in 2020 to enable a conversion of up to EUR 2 000 of the obtained tax credits into grants. This amount is slightly larger – up to EUR 2 500 – for female entrepreneurs, family-run enterprises and entrepreneurs based in Gozo (Malta's smaller sister island). In total this measure will provide around EUR 5 million to small and medium enterprises. To assist self-employed fishermen, the European Commission introduced a EUR 720 000 Maltese Scheme⁴³ under the State Aid Temporary Framework in July 2020, that offers direct grants of up to EUR 120 000 per beneficiary to bluefin tuna fishermen who have been affected by COVID-19. The scheme will compensate for the market price drop of Bluefin tuna with the aim of helping fishermen to continue their activities after the outbreak.

⁴³ https://ec.europa.eu/malta/news/state-aid-commission-approves-€720000-maltese-scheme-support-bluefin-tuna-fishermen_en

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 to 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.

Compared to other areas of inclusive entrepreneurship policy intervention, the programmes and schemes related to the development of entrepreneurship skills are relatively widely available and well-developed. Nevertheless, entrepreneurship education and training initiatives do not yet adequately address the specific needs of all under-represented groups. Youth are relatively well-served, but there are gaps with respect to the other groups as there are only a few tailored entrepreneurship skills initiatives for women, immigrants, older people, and the unemployed.

In addition to tailored schemes noted below, people from under-represented and disadvantaged groups may use several mainstream initiatives. Malta Enterprise operates “Business First”,⁴⁴ which provides online and in-person information and individual assistance related to the administrative requirements of planning, starting, running, growing and winding down a business. It also runs the “Business Advisory Scheme”,⁴⁵ which provides entrepreneurs with individual coaching and mentoring. Entrepreneurs may also receive support through several business incubators and co-working spaces that are generally accessible to anyone who satisfies the admission criteria. These include the Kordin Business Incubation Centre (KBIC)⁴⁶ that is operated by Malta Enterprise; the MCAST Entrepreneurship Centre⁴⁷ that was set up in collaboration with KBIC and Malta Enterprise; and the TAKEOFF Business Incubator at the University of Malta.⁴⁸ TAKEOFF is involved in an Interreg Italy-Malta project called I-KNOW, as part of which it developed a set of enterprise building resources in the form of online videos.⁴⁹

Furthermore, the private sector offers aspiring entrepreneurs, start-ups and young companies access to some funding and support. For example, PwC Malta offers the EUR 1 Million Start up Fund,⁵⁰ through which they offer *pro-bono* consultancy services to assist entrepreneurs develop sustainable businesses.

Women

From 2017 to 2018, the Malta Communications Authority was involved in the KA2 Erasmus+ project “Smart Women”,⁵¹ which encouraged online female entrepreneurship. It developed an online training programme for women who have an e-commerce business or business idea and offering coaching opportunities to enable them to implement their business ideas. The training programme is still available, but it is no longer widely promoted. In addition, the Foundation for Women Entrepreneurs has offered a training course aimed at promoting entrepreneurship to women, youth and other minorities,⁵² but this is not currently available as of July 2020.

Immigrants

Entrepreneurship amongst migrants and ethnic minority groups is supported by SOS Malta through the Erasmus+ EVA project,⁵³ which offers participants access to an online interactive learning platform to

⁴⁴ www.businessfirst.com.mt

⁴⁵ <http://www.maltaenterprise.com/support/business-advisory-services>

⁴⁶ <https://businessfirst.com.mt/en/starting/Pages/START-UP-SUPPORT--FACILITIES.aspx>

⁴⁷ <http://www.maltaenterprise.com/mcast-entrepreneurship-centre-set-kbic>

⁴⁸ <http://takeoff.org.mt/>

⁴⁹ <https://takeoff.org.mt/resources/>

⁵⁰ <https://www.pwc.com/mt/en/initiatives/1-million-euro-fund.html>

⁵¹ <http://smartwomenproject.eu/>

⁵² <https://women.org.mt/about-us/#training>

⁵³ <http://www.sosmalta.org/eva?l=1>

enhance their entrepreneurship skills. This is expected to help them overcome some of the challenges which prevent them from starting and growing businesses in Europe. Another initiative aimed at migrants is the Erasmus+ Migrant and Youth Social Inclusion Through Entrepreneurship (MySite)⁵⁴ project, which involves research, entrepreneurship training and mentorship for third country nationals and local youth aged 18 to 30 years in the participating countries.

Youth

In addition to the initiatives noted above, several education, training and mentorship programmes are dedicated to young people of different age groups. Since 2011, the Ministry of Finance, the Economy and Investment, and the Ministry of Education and Employment offered the Entrepreneurship Through Education funding scheme, which enabled primary and secondary schools to implement entrepreneurship training for students and staff. This scheme was suspended with the purpose of being restructured, but it has not yet been reintroduced (as of July 2020).

Entrepreneurship education and training is offered in post-secondary and higher education by the government-funded University of Malta⁵⁵ and Malta College of Arts, Science and Technology (MCAST).⁵⁶ The University of Malta offers a Master in Knowledge-Based Entrepreneurship through its Centre for Entrepreneurship and Business Incubation,⁵⁷ a Master in Creativity and Innovation (which includes compulsory modules in entrepreneurship) and a Diploma in Creativity, Innovation and Entrepreneurship, both through The Edward de Bono Institute.⁵⁸ This Institute also offers several study units related to entrepreneurship as compulsory or elective components of various undergraduate degrees. MCAST offers compulsory entrepreneurship modules at different levels of studies. Moreover, the privately-owned St Martin's Institute for Higher Education offers a Diploma in Entrepreneurship.⁵⁹

In addition to providing formal entrepreneurship education, the University of Malta is involved in a number of EU-funded projects that provide non-formal entrepreneurship training to various target groups including youth and seniors. One of these is the Erasmus+ project Be the Change,⁶⁰ which aims at promoting entrepreneurship competences and skills among young people through intergenerational learning. This project has developed online courses and training materials to enable older entrepreneurs (over 50 years old) to connect with and mentor inactive youth who are not in education, employment or training (NEETs). The University of Malta is represented in this project by the Department for Inclusion and Access to Learning and the Centre for Entrepreneurship and Business Incubation.

Many NGOs are active in helping young people in developing entrepreneurship skills. This includes JA-YE (Junior Achievement-Young Enterprise)⁶¹ offers learning-by-doing entrepreneurship programmes at all levels of education. These include the Enterprise in Action and the Social and Innovation programmes (secondary level), the Company Programme (post-secondary level) and the Start-Up Programme (tertiary level). JA-YE also offers group coaching and mentoring for youth through these programmes. JA-YE Malta participants have achieved excellent results in the European Finals in the past few years, including a win

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

⁵⁵ <https://www.um.edu.mt/>

⁵⁶ <http://www.mcast.edu.mt/>

⁵⁷ <https://www.um.edu.mt/cebi>

⁵⁸ <https://www.um.edu.mt/create>

⁵⁹ <https://www.stmartins.edu/>

⁶⁰ <https://bethechange-project.eu/>

⁶¹ <http://jayemalta.org/>

in 2017, and third place in 2020, indicating a positive impact of this initiative. Innovative Youth,⁶² which forms part of the Young Entrepreneurs Organisation of the EU, is another NGO that aims to “support young people as they foster the necessary business skills to pursue their goals”.

Recent policy developments

A recent ongoing initiative is the Erasmus+ project CORAL – Creating Opportunities for Adult Learners through Entrepreneurial Competencies, which is an initiative of FPEI.⁶³ This project aims to up-skill and re-skill long-term unemployed adults (including seniors) towards self-employment. Although they are not yet available, the expected outcomes include an assessment toolkit, training content, access to an online start-up academy, and international appreciation validation. Additionally, the Edward de Bono Institute at the University of Malta is involved in two Erasmus+ projects that entail the development of online entrepreneurship training resources, namely DIFME – Digital Internationalisation and Financial Literacy for Micro Entrepreneurs, and ProBM2 – Understanding and Developing Business Models in the Globalisation Era.⁶⁴

⁶² <https://jeune-europe.org/malta-2/>

⁶³ <http://fpei.mt/coral-project/>

⁶⁴ <https://www.um.edu.mt/create/ourprojects>

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 to 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 unem- ployed	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.

The government has taken several steps to improve access to finance for all entrepreneurs and small businesses and several generic measures are available for entrepreneurs looking for funding. Malta Enterprise offers numerous support incentives⁶⁵ including:

- “B.Start” scheme: provides small start-ups with seed funding of up to EUR 25 000;

⁶⁵ www.maltaenterprise.com/support

- Micro Invest Scheme: offers tax credits for investment and infrastructure development;
- Micro Guarantee Scheme 2017-20: provides a guarantee of up to 70% on the loans for growth and development;
- Start-up Finance 2020 Scheme: provides unlisted small enterprises with financial support of up to EUR 400 000, or up to EUR 800 000 if the start-up is innovative;
- Investment Aid Tax Credits 2014-20 Scheme: facilitates initial investments by encouraging the establishment of new enterprises and the growth of ones;
- Business Development and Continuity Scheme: facilitates new businesses and ensures the continuity of existing operations;
- Start-up Advance Scheme: offers grants of up to EUR 100 000;
- Rent Subsidy 2020 Scheme: provides financial support of up to EUR 25 000 for acquiring industrial space;
- Interest Rate Subsidy Scheme: provides subsidised costs of debt finance of a term loan; and
- Brexit Support Scheme: provides organisations with cash grants not exceeding EUR 5 000 to aid the development of business strategies aimed at reducing the impact of BREXIT.

The Malta Council for Science and Technology (MCST) also offers entrepreneurs access to various funding opportunities.⁶⁶ These include the Fusion Commercialisation Vouchers and Technology Development Programmes, which assist researchers, micro enterprises and SMEs to develop the commercial potential of their research and enhance their competitiveness through collaboration with R&D institutions. Another MCST finding programme is the ERA-NET Co-fund on Blue Bioeconomy, which provides financial support for public-public partnerships aimed at research-based innovations. Moreover, through the Business Enhance ERDF Grant Schemes,⁶⁷ 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.

Other start-up financing options include early stage business angel investment offered by Go Beyond⁶⁸ and ZAAR Crowdfunding Platform⁶⁹ led by FPEI with the support of the Ministry for Economy, Investment and Small Businesses and Arts Council Malta. Bank of Valletta is also active in supporting entrepreneurs. It offers the BOV Start-Up Financing Package,⁷⁰ 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,⁷¹ which provides SMEs with up to EUR 500 000 at low interest rates and reduced collateral obligations. Furthermore, BNF Bank through BNF Business Accelerate⁷² 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.

Entrepreneurs may also compete to receive financial support through several award programmes. Perhaps the most relevant awards for disadvantaged or underrepresented groups are the Malta Social Impact

⁶⁶ <http://mcst.gov.mt/funding-opportunities/>

⁶⁷ <https://businessenhance.gov.mt/>

⁶⁸ <https://www.gobeyondinvesting.com>

⁶⁹ www.zaar.com.mt/

⁷⁰ www.bov.com/products/bov-start-up-financing-package

⁷¹ www.bov.com/content/bov-jaime-financing-package

⁷² <https://www.bnf.bank/businessaccelerate>

Awards (MSIA)⁷³ that are organised by the Gasan Foundation and Inspirasia Foundation for projects that have a positive social impact. Through these awards, social innovators may benefit from financial and non-financial support, including mentoring offered by the University of Malta's TAKEOFF Incubator designed to help them develop sustainable projects or enterprises. Although these awards are not directed specifically at inclusive entrepreneurs, they foster the social inclusion of various target groups through innovative projects and start-ups. Other awards that are open to the general population of entrepreneurs include the "You StartIT",⁷⁴ a pre-seed accelerator programme offered by the Malta Information Technology (MITA) Innovation Hub, the TAKEOFF Business Incubator Seed Fund Award (TOSFA) and the Maritime Seed Fund Award (MarSA), both offered by TAKEOFF Incubator and the Centre for Entrepreneurship and Business Incubation (CEBI) at the University of Malta in collaboration with government entities.⁷⁵

Financing for inclusive entrepreneurship

In addition to the general programmes noted above, there are a small number of schemes that are tailored for entrepreneurs from under-represented and disadvantaged groups. For example, the Micro Invest Scheme⁷⁶ offered by Malta Enterprise provides tax credits of up to EUR 70 000 to self-employed women and businesses that are majority owned by women relative to EUR 50 000 to male entrepreneurs. In January 2018, Malta Enterprise in collaboration with the Foundation for Social Welfare Services (LEAP) and Jobsplus, launched the LEAP2ENTERPRISE scheme⁷⁷ to support vulnerable individuals and families to develop a small sustainable business. Vulnerable individuals were defined in this scheme as those registered as Special Cases with the Jobsplus Inclusive Employment Services Division, individuals who were formerly at a correctional facility or rehabilitation centre, and individuals in receipt of non-contributory benefits such as unemployment assistance, social assistance, carer's allowance and disability allowance. This scheme supported up to 10 beneficiaries until 31 December 2018 by providing them with up to EUR 25 000 over a period of 24 months. In addition, the non-profit financial institution Malta Microfinance Ltd. offers loans to people who cannot access bank financing, especially women and migrants.⁷⁸

Recent policy developments

Most of the schemes described above have been introduced or enhanced within the past three years. They are general sensitive to the changing needs of their clients and respond promptly to ensure business continuity and success. Moreover, efforts have been boosted to increase awareness of the schemes, including through the Malta Employers Association's online MEA Index⁷⁹ and the Ministry of Economy's new mobile application "Enterprise Incentives."⁸⁰

⁷³ <http://siamalta.org/>

⁷⁴ <http://mih.mt/>

⁷⁵ <https://takeoff.org.mt/seed-funds/>

⁷⁶ <http://maltaenterprise.com/sites/default/files/Micro%20Invest%20Incentive%20Guidelines%20%28Version%207.1%29.pdf>

⁷⁷ <http://maltaenterprise.com/support/leap2enterprise-scheme>

⁷⁸ <https://www.standrewsmalta.com/malta-microfinance>

⁷⁹ <https://index.maltaemployers.com/>

⁸⁰ <https://businessfirst.com.mt/en/News/Pages/Business%20First%20Office%20closed%20on%2022nd%20Dec%202016.aspx>

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 to 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 several organisations and initiatives that promote entrepreneurship and an entrepreneurial culture. One of the most significant events is The Malta SME Week⁸¹ organised by the Ministry for the Economy, Investment and Small Businesses promotes entrepreneurship and offers workshops for aspiring and established entrepreneurs. The Malta Chamber of Commerce and Industry⁸² also actively promotes entrepreneurship and is typically involved in promotional events that are organised by the government.

⁸¹ <https://economy.gov.mt/en/SME/SME%202017/Pages/Introduction.aspx>

⁸² <https://www.maltachamber.org.mt/>

The Edward de Bono Institute at the University of Malta is also very active. It hosts World Creativity and Innovation Week (WCIW),⁸³ which is a yearly international event held from the 15th April till the 21st April. Celebrated in over 100 countries, the aim of WCIW is to encourage multidisciplinary thinking in order to address the 17 sustainable development goals established by the United Nations. As part of WCIW celebrations, on 21 April 2020, The Edward de Bono Institute hosted a webinar titled Celebrating Creativity⁸⁴ with professionals from different fields to discuss the methods through which creativity may enhance well-being, particularly during difficult times, such as COVID-19. While WCIW does not directly promote entrepreneurship, the aim of WCIW events is to promote creativity and innovation, which are two fundamental principles necessary to stimulate entrepreneurial activities. Combined with the fact that WCIW focuses on the sustainability goals established by the United Nations, the events hosted to commemorate WCIW generally focus on inclusion, sustainability and diversity. The Centre for Entrepreneurship and Business Incubation at the University of Malta, also promotes entrepreneurial activities in various ways, including through the MedFest⁸⁵ one-day event in which entrepreneurs from Malta and Sicily delivered live pitches for equity finance.

An array of conferences and events are also held for established and potential entrepreneurs, including the Malta Innovation Summit, The Malta Artificial Intelligence and Blockchain (AIBC) Summit and SIGMA Europe. The Malta Innovation Summit,⁸⁶ which was established in 2016, acts as a platform to promote innovation best practices through uniting various international and local leaders in innovation. This summit comprises various presentations, expert panels, masterclasses and workshops aimed at assisting business leaders, entrepreneurs and policy makers to foster innovation. The Artificial Intelligence and Blockchain Summit,⁸⁷ which generally hosts around 12 000 attendees from over 80 countries is one of the leading conferences for blockchain and emerging technologies. The aim of this event is to bring together key brands and leaders in AI, blockchain, Quantum Technology, IoT and emerging technologies to discuss and debate the future and how it may be shaped. SIGMA Europe,⁸⁸ which is one of the leading conferences for iGaming, highlights emerging trends, hubs and technology in the industry.

In conjunction with the above, awards aimed at showcasing innovative enterprises include the eBusiness awards⁸⁹ organised by Tech.MT, which recognise innovative projects and ideas that have applied web-based technologies, and the Malta International Business Awards⁹⁰ by TradeMalta, which acknowledge local businesses that have performed exceptionally well in exports and internationalisation.

The annual National Enterprise Support Awards⁹¹ offer cash prizes of EUR 15 000 to two winners and EUR 8 000 to two runners up in recognition of initiatives which support entrepreneurship and enterprise growth in six categories including “Responsible and Inclusive Entrepreneurship.” This category recognises initiatives to promote entrepreneurship among under-represented or disadvantaged groups including the unemployed, migrants, and people from ethnic minorities. There are no other organisations or programmes that promote an entrepreneurial culture or build social capital among older people, the unemployed or

⁸³ <https://wciw.org/wcid/>

⁸⁴ <https://www.facebook.com/events/2998910533500423/>

⁸⁵ <https://takeoff.org.mt/seedfundawards/i-know/>

⁸⁶ <https://www.changemakers.mt/about-conference/>

⁸⁷ <https://www.maltablockchainsummit.com/events/aibc-summit-winter-edition-2020/>

⁸⁸ <https://www.sigma.com.mt/en/events/europe>

⁸⁹ <https://www.ebusinessawards.com.mt/about/>

⁹⁰ <https://www.trademalta.org/miba-2019/#tabs|Name:Entrant-Guide>

⁹¹ <https://commerce.gov.mt/en/NESA/Pages/National-Enterprise-Support-Awards-2020.aspx>

immigrants, although the “MySite” Erasmus+ project mentioned in the previous section is envisaged to foster entrepreneurship among TCN youth when it is at a more advanced stage.

In the private sector, PwC Malta, through its initiative ‘Young Entrepreneurs Business Forum’, provides young entrepreneurs with access to a network of leaders and entrepreneurs in order to promote learning.⁹² Also privately owned are co-working spaces BUSINESSLABS⁹³ and CocoHub Malta.⁹⁴

Women

There are several organisations that promote and support women in entrepreneurship, including the Foundation for Women Entrepreneurs (FWE),⁹⁵ the Association of Women in Business (MAWB),⁹⁶ and the Social Hub Entrepreneurs (SHE).⁹⁷

Since 2016, an annual conference titled Women Mean Business is held as part of the SME Week. This conference generally involves a panel discussion followed by breakout sessions on relevant topic, and a networking lunch. The event is held in collaboration with various female business organisations such as the FWE, MAWB, the Business and Professional Women (BPW) Malta and the National Council of Women (NCW). In 2019, the Office of the Commissioner for Simplification, together with the Ministry for Economy, Investment and Small Business, and Business First organised the first Female Business Café,⁹⁸ which provided a platform for female entrepreneurs to meet and discuss the challenges they face as business owners. Also in 2019, HSBC Bank Malta under the patronage of H.E. the President of Malta Dr George Vella introduced the Malta Businesswoman of the Year Awards.⁹⁹ These awards promote gender equality in the private sector by recognising women who have achieved significant success in business, and portraying them as role models to inspire and encourage other women.

Youth

Youth entrepreneurship is actively promoted by a number of organisations including JA-YE Malta¹⁰⁰ and JCI.¹⁰¹ In 2017, Malta Enterprise with the support of the Ministry for the Economy, Investment and Small Businesses and JAYE Malta established an annual Start-up Café¹⁰² as part of Malta SME Week. This event provides a space for start-ups and youth to network with and learn from seasoned entrepreneurs from different sectors and backgrounds. In 2019, Malta Enterprise added the Start-up Express¹⁰³ event to

⁹² <https://www.pwc.com/mt/en/initiatives/yebf.html>

⁹³ <https://businesslabsmalta.com/>

⁹⁴ <https://cocohub.io/community/europe/malta/malta>

⁹⁵ www.women.org.mt

⁹⁶ www.mawb.eu/

⁹⁷ <https://www.shemalta.com/>

⁹⁸ <https://www.maltachamber.org.mt/en/women-in-business-meet-with-state-officials-to-share-ideas-on-steps-for-progress>

⁹⁹ <https://mbwya.com.mt/>

¹⁰⁰ <http://jayemalta.org/>

¹⁰¹ www.jci.org.mt

¹⁰² <http://www.startupcafe.com.mt/>

¹⁰³ <http://www.startupexpress.com.mt/>

the SME Week programme. This aimed at improving participants' pitching skills and offering additional networking opportunities.

The Edward de Bono Institute at the University of Malta also hosts a series of events in November each year as part of Global Entrepreneurship Week (GEW),¹⁰⁴ which is designed to “connect aspiring and inspiring entrepreneurs” through local and global activities in 170 countries around the world. GEW promotes inclusive entrepreneurship, with “GEW Inclusion” being one of the key themes¹⁰⁵ in the campaign of the international programme of events. This theme celebrates diversity in entrepreneurship in all its forms, through a variety of events that highlight the efforts, challenges and success stories of disadvantaged subgroups. Many of the GEW events target youth as they are organised for students of different age groups. In 2019, GEW Malta¹⁰⁶ included a business concept pitching event for University of Malta MBA students, an information session for Master in Creativity and Innovation students called “Malta’s Entrepreneurship Ecosystem: Resources, Incentives and Support”, and an entrepreneurship workshop for MCAST students. In addition, the 2019 GEW programme hosted various events for the public and entrepreneurial students, including a panel discussion called “Driving Innovation: From Idea Generation to Implementation”, and a workshop hosted by social entrepreneur Carolin Zeitler on “Design Thinking Tools for Your Start-up”. In previous years, a key feature of the GEW programme was the Budding Rockstars conference for 15-16 year-olds. This conference aimed to inspire the 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.¹⁰⁷ In 2019, the Budding Rockstars conference was selected as the winner of the National Enterprise Support Awards for promoting the Entrepreneurial Spirit.¹⁰⁸ Unfortunately, the conference was not held as part of GEW 2019 and plans for 2020 are on hold due to the COVID-19 pandemic.

Recent policy developments

As indicated above, various initiatives that promote entrepreneurship culture and social capital have been introduced during the past three years. Additionally, the former Minister for the Economy, Investment and Small Businesses launched the Start-Up Malta Foundation¹⁰⁹ to establish better and more efficient support systems for nascent and older start-ups. The main aims of this foundation include informing start-up policy making, creating an entrepreneurial culture, and improving its standing as an attractive location to start up and grow a business. No activities or further developments related to this foundation have been reported since the launch.

¹⁰⁴ <https://www.genglobal.org/gew>

¹⁰⁵ <https://www.genglobal.org/gew/2019-global-themes>

¹⁰⁶ <https://www.genglobal.org/malta/global-entrepreneurship-week-2019>

¹⁰⁷ www.facebook.com/buddingrockstars/

¹⁰⁸ <https://www.genglobal.org/malta/budding-rockstars-conference-wins-award>

¹⁰⁹ <https://www.gov.mt/en/Government/DOI/Press%20Releases/Pages/2019/June/20/pr191370en.aspx>

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 to 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.

Women

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 services¹¹⁰ for children whose parents are either both employed, self-employed or in education, together with before-and after-school activities and a summer school. In addition, there was recently an increase in the maternity benefit rate for women in self-employment.¹¹¹ The weekly rate payable for the self-employed is EUR 175.84 (compared to EUR 94.35 for employed women) for a maximum of 14 weeks.

Immigrants

Some regulatory provisions facilitate access to self-employment for immigrants from the European Economic Area (EEA) and Switzerland.¹¹² The Employment Licences Unit's Guidelines for Clients published by Jobsplus in 2019, state that EEA/Swiss nationals and their third-country nationals (TCN), family members or other family members may take up self-employment without the need for an employment licence. However, they are still required to send an Engagement Form to Jobsplus (in line with Legal Notice 110 of 1993). For other third country nationals, an employment licence is required and is only granted in exceptional cases. Further information regarding immigrants' self-employment licence requirements is available in the above-mentioned guidelines that are available on the Jobsplus website.

The unemployed

The Tapering of Benefits Scheme¹¹³ 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.

¹¹⁰ <https://education.gov.mt/en/Pages/Free-Childcare.aspx>

¹¹¹ <http://ec.europa.eu/social/main.jsp?catId=1121&langId=en&intPagId=4691>

¹¹² <https://jobsplus.gov.mt/resources/fileprovider.aspx?fileId=3593>

¹¹³ https://servizz.gov.mt/en/Pages/Inclusion_-_Equality-and-Social-Welfare/Social-Solidarity/Benefits-and-Services/WEB1803/default.aspx

4 Supporting people who experience disability in entrepreneurship

Self-employment and entrepreneurship activities

In June 2018, there were a total of 282 persons with disabilities registering for work in Malta. In June 2019, this number dropped by 68 to 214 persons, but rose again by 48 to 262 persons in June 2020. The majority of registrants with a disability are consistently male, with only females constituting less than one third (30.2%) of this year's figure.^{114,115}

Data on self-employment for those persons who experience disability are not available. This is likely due to the focus on inclusive employment initiatives for persons who experience disability rather than entrepreneurship supports.

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.

As noted in Section 2 of this report, the **Ministry for the Family, Children's Rights and Social Solidarity**¹¹⁶ promotes the inclusion of people who experience disability through its Parliamentary Secretariat for Active Ageing and Persons with Disability, together with other government entities. One of

¹¹⁴ https://nso.gov.mt/en/News_Releases/View_by_Unit/Unit_C2/Labour_Market_Statistics/Documents/2019/News2019_118.pdf

¹¹⁵ https://nso.gov.mt/en/News_Releases/Documents/2020/07/News2020_123.pdf

¹¹⁶ <https://family.gov.mt/en/Pages/Family%20EN%20homepage.aspx>

these is *Aġenzija Sapport*,¹¹⁷ which provides services to disabled people and their families. Moreover, this Ministry provides social benefits to persons with disabilities through the Social Security Department.

The **Commission for the Rights of Persons with Disability (CRPD)**¹¹⁸ is a regulatory institution with its main objectives being to safeguard the rights of disabled people. This is achieved through the monitoring of the implementation of the UN Convention and of the Equal Opportunities Act (Chapter 413), carried out by the CRPD's Investigations Unit. The Commission has a dedicated official who is in charge of investigating cases of alleged discrimination on the grounds of disability in employment related issues. In 2010, the CRPD published the National Policy on Disabled Persons and Employment,¹¹⁹ which included several direct references and recommendations on self-employment. For example, the first principle it proposes to be applied on a national level is the "Elimination of Discrimination", including that "disabled persons should have access to work opportunities in the public sector, in the private sector and to become self-employed" and that "the State ... should provide a leading example by ... ensuring that there are no obstacles for a disabled person to be self-employed and, as far as possible, offering reasonable incentives to encourage this" (p. 37-39). The fifth principle refers to National Support Services and maintains that:

"Authorities responsible for the development of human resources in our country (the Ministry responsible for human resources and the ETC) should provide the whole range of services so that they can help persons with disability find suitable employment according to their aspirations, abilities and support needs. Therefore, the ETC should provide support for disabled persons who wish to work in open employment (on a full-time or part-time basis), be self-employed, work from home, or set up cooperatives or work, where necessary, in sheltered environments. These services should include: ... more incentives for disabled people to pursue self-employment should be created, such as interest free loans or tax exemptions for a period of 5 years" (pp. 46-47).

The seventh principle in this policy is dedicated specifically to Self-Employment, and states the following:

"Disabled people should have the same opportunity as non-disabled people to become self-employed. However, they very often find it more difficult to do so and need support in order to be able to start and maintain their own business.

The Ministry responsible for human resources development should introduce schemes that support disabled people to become self-employed. These schemes could include the availability of interest-free or subsidised loans or a period of tax exemptions." (p. 48).

On the basis of the above principles, the National Policy on Disabled Persons and Employment recommends that "The Government is to ... ensure that there are no obstacles for a disabled person to be self-employed or a part-time worker and, as far as possible, offer reasonable incentives to encourage this" (p. 58). It also recommends that "Disabled persons should be given incentives to start up and maintain self-employment. These incentives can include professional advice, interest free or subsidised loans, tax exemptions, among others" (p. 64).

In 2014, the **Parliamentary Secretariat for Rights of Persons with Disability and Active Ageing**, which forms part of the Ministry for the Family, Children's Rights and Social Solidarity, published the National Policy on the Rights of Persons with Disability,¹²⁰ in collaboration with the Commission for the Rights of Persons with Disability and *Kumitat Azzjoni Lejn Soċjetà Ġusta*. This policy includes a section on employment, wherein one of the principles is that "Government should promote and assist initiatives ranging from self-employment to social enterprises, from co-operatives to entrepreneurship of persons with a disability" (p. 31), and one of the measures is that "There should be self-employment schemes, where

¹¹⁷ <https://sapport.gov.mt/en/Pages/default.aspx>

¹¹⁸ <https://crpd.org.mt/>

¹¹⁹ <https://crpd.org.mt/wp-content/uploads/2016/03/002-Employment-Policy-EN.pdf>

¹²⁰ <https://activeageing.gov.mt/en/Documents/Book%20design%20english.pdf>

people with a disability can avail themselves of subsidies and other kinds of assistance to help them get started, build up their own enterprises and support them to sustain them” (p. 33). Self-employment is also mentioned in the section on culture, sports, art and leisure, where one of the measures is that “Incentives for the employment of persons with a disability in the culture, sports and leisure sectors are to be encouraged. This should also extend to self-employment and entrepreneurship in that sector” (p. 60).

In spite of the above, the legislation, strategies and measures that followed these policies failed to adequately address the promotion and support of self-employment and entrepreneurship among persons with disabilities. In 2016, the Parliamentary Secretariat for Rights of Persons with Disability and Active Ageing collaborated with The Commission for the Rights of Persons with Disability and The Focal Point Office and presented the National Disability Strategy¹²¹ as a public consultation document. This Strategy includes a number of objectives, including one on employment. One of the principles of this objective is that “Government should promote and assist initiatives ranging from self-employment to social enterprises, from cooperatives to entrepreneurship of persons with disability” (p. 3), and among the proposed initiatives to implement the strategy are publishing a disability employment strategy, initiating social enterprise programmes involving persons with a disability, and having an annual National Budget that addresses new ideas and initiatives related to social enterprise programmes. A promising development took place in this respect in 2015, when the Social Enterprise Act¹²² was introduced as a White Paper by the Ministry for the Economy, Investment and Small Business, with the aim of providing the legal framework to enable the development of sustainable social enterprise organisations. However, its proceedings never materialised and this white paper appears to have been abandoned. Moreover, no stand-alone or embedded disability employment strategy has yet been developed, and the National Employment Policy,¹²³ which was published by the Ministry for Education and Employment, considers inclusive employment and nurturing entrepreneurial skills as separate matters.

¹²¹ <https://activeageing.gov.mt/en/Documents/SOCIAL%20POLICY%20WEB.pdf>

¹²² https://economy.gov.mt/en/public_consultation/Social%20Enterprise%20Act/Pages/Social-Enterprise-Act.aspx

¹²³ <https://education.gov.mt/employment/Documents/EMPLOYMENT%20POLICY%20DOC%20sml.pdf>

Overview and assessment of policies and programmes

Table 4.2. Characterisation of 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 to 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.

In 2018, Maltese SME AcrossLimits Ltd. and its international partners concluded an Erasmus+ project named **100 Mirrors Inclusive: Tools for the Motivation of Enterprising Disabled Women**.¹²⁴ The objectives of this project were to increase the entrepreneurial skills of women with disabilities by developing a tailored online training programme founded on coaching, mentoring and job shadowing. It also aimed to raise awareness about the issues which impact female entrepreneurs with disabilities, as well as to inspire and encourage these women to become entrepreneurs by showcasing the profiles of 100 successful women with disabilities. The outputs of the project include a guide on how to coach disabled women for developing inclusive entrepreneurship, and an Inclusive Entrepreneurship Manual to help readers assess

¹²⁴ <http://100mirrors-inc.eu/>

and improve their entrepreneurship skills. Both documents are available on the project's online learning platform.¹²⁵

The 100 Mirrors Inclusive project also involved research and generated country reports on the situation of disabled women in relation to the culture of inclusive entrepreneurship. According to the Malta report, there are no disabled women who are running an enterprise. However, it is pertinent to note that there may be disabled persons who do not disclose their disability for various reasons, including issues of stigma or simply for the sake of privacy. Moreover, most people who register themselves with Jobsplus as disabled persons do so because they would need assistance to find a job. On the other hand, people who are self-employed or who run a business would not need to register themselves in this manner. Hence there may be people in Malta with undisclosed disabilities who are self-employed.

The Malta Report further noted that even finding employment is very challenging for disabled women due to their impairment being perceived by employers as an insurmountable challenge in terms of costs and assumptions of incapability. This is in spite of the legislation and incentives offered by the government to encourage inclusive employment.¹²⁶ The Persons with Disability (Employment) Act (Chapter 210) of the Laws of Malta, which was amended by Act XXII in 2015,¹²⁷ established a 2% quota, whereby employers with more than 20 employees must ensure that at least 2% of the workforce are persons with a disability, and imposed fines in the form of "annual contributions" for employers who do not meet the 2% quota. Employers are obliged to pay EUR 2 400 for each person with disability that should be in employment (full-time). The contribution is capped at a maximum of EUR 10 000 for any employer who fails to abide by the quota, and if any employer provides evidence that no person with disability is suitable to be part of their company's workforce, the Minister of Employment may waive the 2% quota rule.

Jobsplus administers the 2% quota rule and all money collected from employers is passed on to the Lino Spiteri Foundation (LSF),¹²⁸ which is a social partnership between Jobsplus and Empower Coop Ltd.¹²⁹ This Foundation was set up after the quota was enforced to help employers include persons with disabilities in their workforce. The LSF collaborates with the Inclusive Employment Services Division at Jobsplus to implement VASTE,¹³⁰ which is a EUR 13 million project part financed by the European Social Fund under Operational Programme II (2014-20). VASTE assists disabled persons (generally those with intellectual and severe psychosocial impairments) and vulnerable inactive individuals to find and retain suitable employment through pre-employment training and sheltered employment training, and offers additional benefits including occupational therapy, professional support, job carving, job coaching and mentoring. Specific services offered by the LSF include the Headstart Programme, which is designed to serve as a launch pad into employment by replicating work settings to enable skill development and job matching; the Sheltered Employment Training, which offers hands-on training to individuals with intellectual or other severe disabilities in different tasks such as back office, assembly of products and packaging; and the Job Training Centre, which offers pre-employment training to persons with intellectual difficulties, persons with physical/sensorial difficulties, persons with mental health challenges and other vulnerable individuals. This training may range from 50 to 100 hours depending on the needs of each client.¹³¹

The Maltese Budget speech, of 2015, also presented several positive support measures for employers who engage Persons with Disabilities. Employers who hire persons with disability will be exempt from

¹²⁵ <http://100mirrors-inc.eu/training-platform/>

¹²⁶ <https://jobsplus.gov.mt/employers-mt-MT-en-GB/employing-persons/employing-persons-disability>

¹²⁷ <http://justiceservices.gov.mt/DownloadDocument.aspx?app=lp&itemid=26998&l=1>

¹²⁸ <https://linospiterifoundation.org/>

¹²⁹ <http://www.empower-coop.org/>

¹³⁰ <https://jobsplus.gov.mt/schemes-jobseekers/vaste>

¹³¹ <https://linospiterifoundation.org/programmes/>

paying the employer's share of the Social Security contributions for these employees. Employers will also be given an opportunity to claim a fiscal incentive, equivalent to 25% of the disabled person's basic wage, up to a maximum of EUR 4 500 for each person with disability. The Access to Employment (A2E) Scheme¹³² mentioned in an earlier section also targets persons who are registered as disabled under national law and are not in full-time employment, but the wage subsidy offered to organisations is higher (EUR 155 per week) and is given for longer (up to 156 weeks) for engaging registered disabled persons than for the other target groups. Moreover, the registered unemployed persons in disadvantaged situations that are targeted by the Bridging the Gap Scheme¹³³ also include registered persons with disability. Unfortunately, persons with a disability cannot access the above-mentioned benefits if they create their own business, which could disincentivise self-employment among members of these social groups.

The Malta Enterprise social measures scheme mentioned earlier to assist employees during COVID-19 is also offered to persons with disabilities who work in the private sector and are registered with JobsPlus. Specifically, the COVID-19 Person with Disability Benefit¹³⁴ provides disabled people who are employed in the private sector but are unable to go to work on medical advice and are unable to work from home, with EUR 166.15 per week if they were working full-time or EUR 103.85 per week if they were working part-time before they became unemployed. Moreover, Social Security Contributions are paid on their behalf and Disability Assurances continue to be paid without deductions.

As of 2016, the Malta Employers Association launched a pro-inclusion initiative called PRO-INCLUDE. PRO-INCLUDE is a networking project which, through numerous collaborations, activities and tasks, provides SMEs with a forward-thinking approach towards education, training and social awareness for a more inclusive workplace. Through this project, SMEs are encouraged to foster a positive attitude towards individuals of different cultures, genders, and abilities in the workplace.¹³⁵ In addition, through collaborations with sociologists and other experts, PRO-INCLUDE produced 325 minutes of entrepreneurial audio-visual material with the intention of promoting supportive employment and mental health in the workplace, as well as discussions concerning Equality Act Bills. The aspirations of this project are to bring stakeholders and communities together, while concurrently establishing best-practices for inclusivity at work.

Recent policy developments

The above demonstrates that Malta has not developed any recent policies aimed at supporting and encouraging individuals suffering from a disability to establish an enterprise. However, various measures have been implemented to promote the employment of individuals suffering from disabilities. Moreover, in December 2018, the Malta Business Disability Forum (MBDF) was launched¹³⁶ 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 be involved in contributing to policy development. This was 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 support, including

¹³² <https://jobsplus.gov.mt/schemes-jobseekers/a2e-scheme>

¹³³ <https://jobsplus.gov.mt/schemes-jobseekers/bridge-gap-scheme>

¹³⁴ <https://gemma.gov.mt/covid-19-person-with-disability-benefit/>

¹³⁵ <https://www.maltaemployers.com/en/pro-include>

¹³⁶ <https://www.tvm.com.mt/en/news/malta-disability-business-forum-announced-on-on-world-day-for-people-with-a-disability/>

by creating accessible business incubation structures. This forum is playing an important role in providing feedback on the final draft of the Employment Guidelines which are expected to be issued by the CRPD in a Webinar planned for October 2020.

5 Policy recommendations

In addition to the policy recommendations that were proposed in the previous Inclusive Entrepreneurship Policies Malta Country Assessment Notes (2018),¹³⁷ the following recommendations are intended to help strengthen inclusive entrepreneurship support by addressing some of the shortcomings identified in the current report:

1. ***Extend and adapt existing policies, strategies and measures concerning inclusive education, training and employment to foster inclusive entrepreneurship.*** Malta has dedicated substantial resources towards developing inclusive education, training and employment programmes, thus providing under-represented and disadvantaged individuals with augmented skillsets. While these are currently promoted as the basis for employment, they could be extended and adapted to promote and support inclusive entrepreneurship. For example, there are various measures in place to promote inclusive employment of seniors and persons who experience disability, but very little to foster their self-employment. Moreover, there are numerous incentives for mainstream entrepreneurs, but few of these are adapted for under-represented or disadvantaged groups.
2. ***Use more targeted outreach to raise awareness among under-represented and disadvantaged groups about available entrepreneurship support.*** This report indicates that in most inclusive entrepreneurship policy areas, limited resources have been invested in outreach activities. Effective campaigns should be carried out through appropriate channels to highlight the measures on offer to assist under-represented or disadvantaged entrepreneurs, with the aim of encouraging them to venture into self-employment and support them in doing so.
3. ***Include representatives from the target groups in all matters related to the design, development, implementation, monitoring and evaluation of policies, strategies, programmes and measures.*** To enhance the relevance of inclusive entrepreneurship policies, strategies and measures, Ministries and responsible entities should collaborate with one another and should include representatives from under-represented and disadvantaged groups, in all matters related to their design, development, implementation, monitoring and evaluation. The measures and incentives should be tailored to suit the specific needs of the groups they are targeting, they should be integrated with other related support in a holistic approach, and they should be adjusted to suit the country's current context (e.g. funding for inclusive entrepreneurs during COVID-19).

¹³⁷ <https://www.oecd.org/cfe/smes/MALTA-Country-Note-2018.pdf>

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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.