



Inclusive Entrepreneurship Policies, Country Assessment Notes

Greece, 2017



Acknowledgements

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This note was prepared by Dr. Dimitris Karantinos of EKKE - National Centre of Social Research. David Halabisky and Cynthia Lavison of the CFE undertook additional drafting and editing of the note under the direction of Dr. Jonathan Potter, also of the CFE.

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FOREWORD

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

Over the period 2012-16, Greek women were as active in business creation as the European Union (EU) average (4.9% vs. 4.8%) but youth were slightly less active than their EU counterparts (6.4% vs. 7.8%). Both women and youth entrepreneurs were much more likely than the EU average to be motivated to start their business due to a lack of employment opportunities. Given the difficult economic and labour market conditions following the economic crisis in 2008, the government launched a wide range of training and labour market measures to create employment and upgrade the skills of the labour market. Several inclusive entrepreneurship initiatives were launched, notably for young unemployed people and women. However, there is scope to strengthen tailored entrepreneurship support for disadvantaged groups, including by providing more support for high potential women entrepreneurs and by offering greater support to migrant entrepreneurs.

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

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

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Key messages

- Several inclusive entrepreneurship policies and programmes are in place in Greece, particularly with regards to unemployed youth and women. Other vulnerable population groups, including migrants and seniors, have been targeted to a lesser extent. Most, of the initiatives implemented in the recent past and those that are in place today, are being realised within the European Social Fund.
- Greeks are much more likely to be self-employed than the European Union (EU) average. Seniors and youth, which were both disproportionately affected by the crisis, were very likely to be self-employed. During the 2012-16 period, Greek entrepreneurs were more likely than the EU average to report starting their business due to a lack of employment opportunities, notably women (35.5%) and youth (23.5%).
- The challenge for policy makers is to help create innovative enterprises that will be able to generate additional demand and hence employment, especially among youth and women who often have high skill levels. However, a lack of management, marketing, and ICT skills is frequent among the potential beneficiaries of start-up support schemes. There is also a need to improve the understanding of the barriers faced in business creation by different target groups among policy makers so that policies and programmes can be better aligned with the challenges.
- The following measures are recommended to strengthen inclusive entrepreneurship in Greece: (i) provide tailored support to women entrepreneurs and encourage them to pursue innovative ventures; (ii) strengthen entrepreneurship support for migrants; (iii) increase tailored entrepreneurship support for older people; (iv) further develop entrepreneurship education and training in secondary and tertiary level education curriculums, including in vocational education and training.

1. INCLUSIVE ENTREPRENEURSHIP OBJECTIVES AND TARGETS

Greece was hit severely by the financial and economic crises, so employment and social affairs reforms have been top priorities on the political agenda of the succeeding governments over the last decade. The reforms have mostly been targeted at introducing greater flexibility in the labour market and making the pension system more effective. A preliminary assessment of the labour market reforms undertaken indicates however that most reforms had had little, if any, effect on labour market performance (Karantinos, 2014).

In the context of the Europe 2020 Strategy, Greece defined a number of employment and social targets in late 2010. In the area of employment, Greece aims to achieve an employment rate of 70% for those aged 20-64 by 2020. This target appears to be increasingly unrealistic as it would require annual growth rates of 5% until 2020, which is faster than the pre-crisis growth rates.

In an attempt to address high unemployment and low participation rates, the latest National Reform Programmes (NRP 2015, NRP 2016) put a strong emphasis on employment programmes. Two points are particularly highlighted: The first is to improve the effectiveness of employment and training programmes. Especially, workplace training programmes should be aligned with labour market needs. Accurately diagnosing labour market needs will be decisive in achieving this goal. The

second is to strengthen labour demand. Given the economic situation, it is difficult for the private sector to create a sufficient number of jobs for the high number of unemployed. While active labour market policies can be used in order to improve the skills of the workforce, the problem of unemployment in Greece is mainly due to a lack of labour demand. Efforts to address this problem through the implementation of public works schemes are ongoing.

Greece is currently facing a dual challenge: It must ensure that the burden of the austerity measures is shared fairly so as to protect the most vulnerable and strengthen social cohesion. At the same time, Greece must increase job creation and achieve a sustainable jobs expansion. Overcoming these challenges call for a wide involvement of stakeholders and the co-ordinated use of multiple policy instruments. Greece has introduced a plethora of reforms since 2010; some however have not led as yet to beneficial effects in terms of job creation and reduction in unemployment.

Traditionally, active measures in Greece have relied upon a combination of hiring subsidies, start-up incentives and training or work experience programmes. Schemes providing financial support and counselling to unemployed people wishing to start their own business have been available since the 1980s, through the Manpower Employment Organisation (OAED), the main employment agency. During the last decade, such schemes have been used in order to limit unemployment, especially among the long-term unemployed, the young and women. Start-up schemes have also been available to people with disabilities: the grants provided were generally more generous and successful applicants could also claim grants for adapting their workplace covering up to 90% of the cost incurred. These schemes have typically been funded by the European Social Fund (75%) with matching funds from the national government (25%).

Start-up schemes have proved to be very well received, which is consistent with the popularity of self-employment in Greece. Prior to the crisis, Greece exhibited higher unemployment rates than most other EU Member States. The crisis has worsened this situation, increasing lay-offs and making employers reluctant to recruit new workers in the face of uncertainty. With salaried employment under pressure, self-employment has become an increasingly relevant alternative for most categories of the labour force.

Following the economic crisis, current efforts to improve start-up schemes focus on innovation and on the development of social enterprises. Grants have also been adjusted downwards since the start of the crisis and eligibility rules have been tightened in an effort to limit deadweight and substitution effects. Prior to the crisis, start-up schemes were focused on various target groups rather than on promising sectors and potential areas for job growth. The crisis has shifted the public perception of entrepreneurship with innovative entrepreneurship gained prominence as a tool for recovery.

Although public policies in support of the social economy and social entrepreneurship have been limited so far, the situation is expected to change in the coming years: Greece has adopted a new legal framework for social entrepreneurship (Law 4019/2011) with a view to facilitate the formation of social co-operative enterprises.

2. KEY INCLUSIVE ENTREPRENEURSHIP INDICATORS

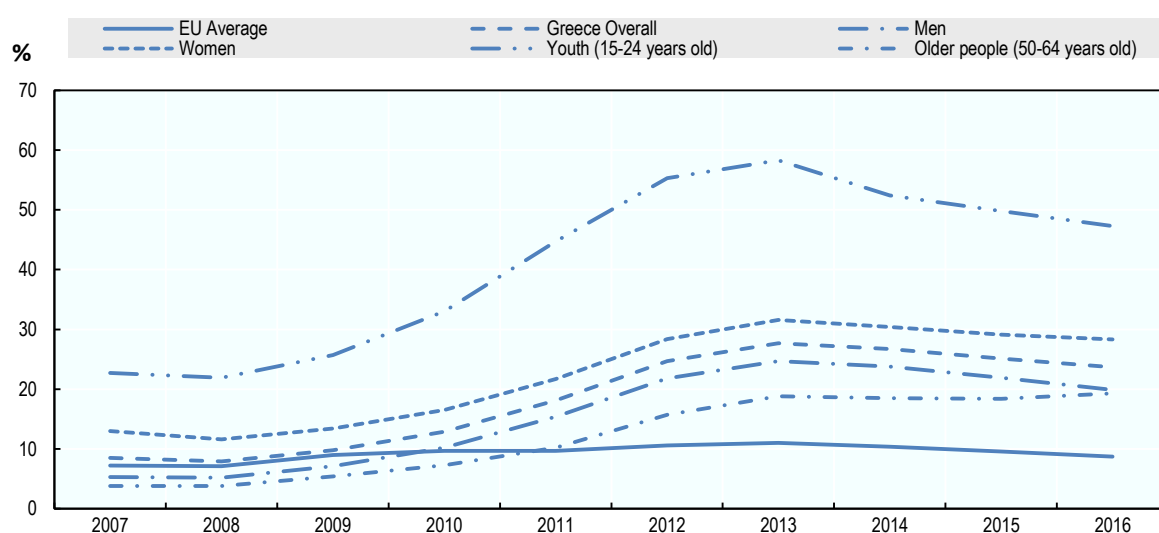
2.1. Labour market context

Greece is faced with a severe and protracted economic recession. Following strong economic growth between 2000 and 2007, GDP started to drop in 2008 and has yet to recover. Since 2010, Greece has adopted three internationally co-ordinated Economic Adjustment Programmes (Memoranda), with the aim to bring its public finances on a sustainable track. With the support of international lenders (i.e. International Monetary Fund, European Commission, European Central Bank, and more recently the European Stability Mechanism), the Economic Adjustment Programmes implemented an internal devaluation policy in the hope that austerity measures and increased flexibility in the labour market will lead to a sustainable growth path. Nevertheless, the economy has yet to recover and the social context remains highly challenging.

As expected, the economic recession has had a major impact upon the Greek labour market and unemployment rose to record levels, increasing from 7.9% in 2008 to 27.7% in 2013 (Figure 1). The unemployment rate has since declined to 23.7% in 2016, suggesting that Greece is gradually coming out of the crisis. However, the unemployment rate was nearly three times the European Union (EU) average in 2016 (8.7%). The burden of unemployment is unequally shared among demographic groups. The highest unemployment rates were observed among youth (47.3% in 2016), and women (28.3%). The extreme unemployment rates faced by the young has been a significant concern for policy makers as initial difficulties in entering the labour market are usually followed by persistent difficulties in terms of employment and earnings over the whole of the career.

Moreover, poverty has increased in the aftermath of the crisis and there are signs of growing polarisation among the various socio-economic groups.

Figure 1. Unemployment rate, 2007-16



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

2.2. Self-employment and entrepreneurship rates

Greek workers are much more likely than the EU average to be self-employed. In 2016, the proportion of workers who were self-employed was 29.5%, more than double the EU average (14.0%). The prevalence of self-employment varies across demographic groups (Figure 2a). Older people, and men had the highest self-employment rates in 2016 (42.6% and 34.2%). In contrast, the self-employment rate was relatively low for young people (8.2%). The self-employment rate for women (22.9%) was below the national average but more than double the EU average for women (9.9%).

Several longer term factors must be considered when looking at self-employment in Greece. First, Greece still has a large agricultural sector where self-employment is the norm. Second, strict employment protection legislation, especially prior to the economic crisis, makes the entry into wage employment difficult for many groups of workers such as youth and women. For these groups, self-employment constitutes an alternative to unemployment and/or inactivity. Third, during the last fifteen years, successive governments have invested heavily on incentives to move young persons and women out of unemployment and into self-employment. Finally, changes in the organisation of work have inflated the numbers of the self-employed. Outsourcing of secondary activities, for example, is certain to have increased the amount of work sub-contracted to the self-employed. On top of these, cultural factors (tradition and family values) may also be at work. According to the results of the most recent Eurobarometer survey, the majority of Greeks (50%) prefer to be self-employed over being an employee (43%) (EC, 2013).

The economic crisis appears to have taken a disproportionately high toll on employment in micro-enterprises (NBG, 2014). These firms have, in general, limited capacity to absorb adverse shocks on their turnover, simultaneously facing severe liquidity problems due to high uncertainty and rapidly falling collateral values. In this environment, the share of wage costs in the aggregate business cost structure of a typical micro firm is relatively small compared with other aspects of operating costs (e.g. energy, social security contributions, rental, real estate tax or financial costs). In this context, a significant number of micro-enterprise owners have closed their firms and become self-employed (a different legal status). This business strategy could partially explain the relative stability in the number of self-employed.

Self-employment is relatively well documented and often used as a proxy for entrepreneurship. More direct evidence on the various dimensions of entrepreneurship activities is also provided by household surveys such as the Global Entrepreneurship Monitor (GEM). The GEM's Total early-stage Entrepreneurial Activities (TEA) rate estimates the share of the population that is actively involved in starting business or managing one that is less than 42 months old. In 2012-16, the TEA rate for Greece was 6.4%, indicating that Greek adults were about as likely to be active in starting or operating a new business as adults across the European Union (6.7%) (Figure 2b).

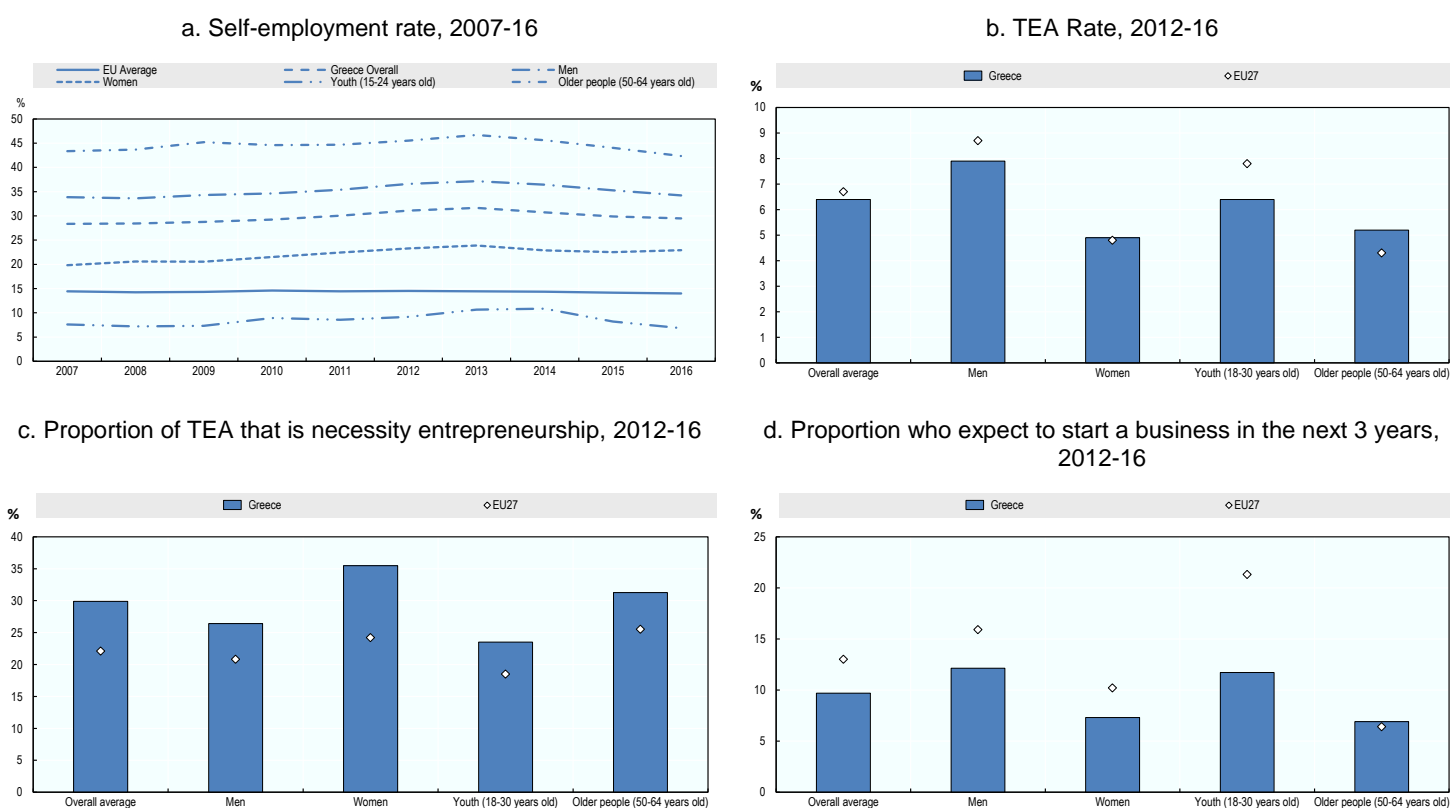
The TEA rate for men was slightly below the EU average over the 2012-16 period (7.9% vs. 8.7%), while the rate for women was on par with the EU average (4.9% vs. 4.8%). However, the number of women starting and managing new businesses appears to be increasing whereas the activity rates for men appear to be stable (IOBE, 2016). Youth were slightly less likely than the EU average to be starting and managing new businesses (6.4% vs. 7.8%) while older people were more active (5.2% vs. 4.3%).

Overall, the share of necessity-driven entrepreneurship was notably higher than the EU average for all population groups (Figure 2c). Necessity driven entrepreneurship was higher for women than for men over the 2012-16 period – 35.5% of women started a business because they could not find

employment relative to 26.4% of men. About one-quarter of youth entrepreneurs reported that they started their business because they could not find employment (23.5%).

Approximately 9.7% of adults in Greece expected to create a business within the next three years during the 2012-16 period. This was slightly lower than the rate for the European Union (13.0%), which is somewhat surprising given the high levels of unemployment and necessity entrepreneurship. Men and youth were the most likely to report during this period that they expected to create a business in the next three years (12.1% for men and 11.7% for youth). Women were about half as likely as men to indicate that they expected to create a business (7.3%). All groups were significantly less likely than the EU average to expect to create a business in the near future, with the exception of older people whose expectations were on par with the EU average.

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



Note: The self-employment rate is defined as the proportion of those in employment who are self-employed. The TEA rate is the Total early-stage Entrepreneurial Activity rate, which is defined as the proportion of the population actively involved in pre start-up activities and those who have started a new business within the last 42 months. The proportion of TEA that is necessity entrepreneurship is the proportion of entrepreneurs involved in setting-up a new business or operating a business that is less than 42 months old, who were motivated to start their business because they had no better options for work. Data for panels b, c, and d were pooled for the period 2012-16. Responses were weighted to reflect the population in each year, but no weighting was used when pooling the time series data, i.e. all years have the same weight regardless of the sample size in each year. The EU27 average in panels b, c, and d covers all EU Member States except Malta.

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

2.3. A profile of the self-employed

About one-quarter of the self-employed had employees in 2016, which was slightly below the EU average (24.6% vs. 28.5%). Similarly, about one-quarter of self-employed women and older self-employed people employed others. Self-employed youth were much less likely to have employees (16.5%) but were more likely than the EU to have created jobs for others in 2016 (10.6%).

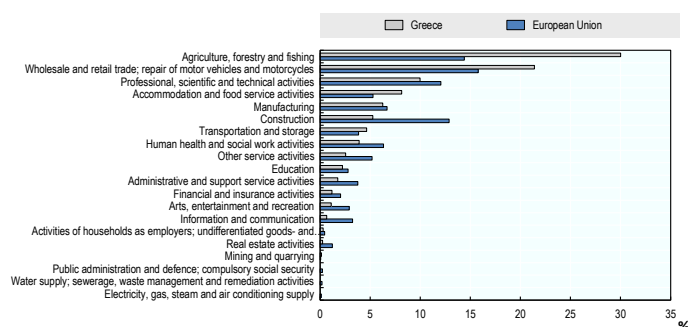
The self-employed are not equally distributed across sectors. The largest proportion worked in the Agriculture, forestry and fishing industries in 2016 (30.0%), followed by the Wholesale and retail trade (21.4%) (Figure 3a). A sizable segment of the self-employed work in Professional, scientific and technical activities (10.0%), followed by the Hospitality sector (8.1%), Manufacturing (6.3%), Construction (5.3%), Transportation and storage (4.6%), and Health and social work (3.9%). In relation to the distribution of the self-employed in the EU, the self-employed in Greece are over-represented in Agriculture, the distributive trades, the hospitality sector and storage and communication. In contrast, they are under-represented in service sectors (i.e. Arts and entertainment, Education, Health, Administration), as well as in Construction, Information and communication, and in Financial activities and Real estate activities.

The breakdown of the self-employed by occupation in Greece also diverges from the EU average (Figure 3b). The most common occupation for self-employed workers in 2016 was Skilled agricultural, forestry and fishery workers (29.8%), followed by Service and sale workers (22.9%). In contrast, the largest occupational group in the EU was Professionals (20.7%), followed by Service and sales workers (16.5%). Conventionally, occupations are classified by level of skills; three skill groups are distinguished, as follows: a high-skill group (comprising of managers, professionals, and technicians and associate professionals), a mid-skill group (clerical workers, agricultural, forestry and fishery workers, craft and related trades workers and plant and machine operators, and assemblers), and a low-skill group (service and sales workers and elementary occupations). In Greece, approximately 30% of self-employed workers belonged to a highly-skilled occupation in 2016, while almost half of the self-employed were mid-skilled and the remaining were in low-skilled occupations. By comparison, the EU average had a higher proportion of highly skilled self-employed workers and smaller proportions of mid-skilled and low skilled self-employed workers.

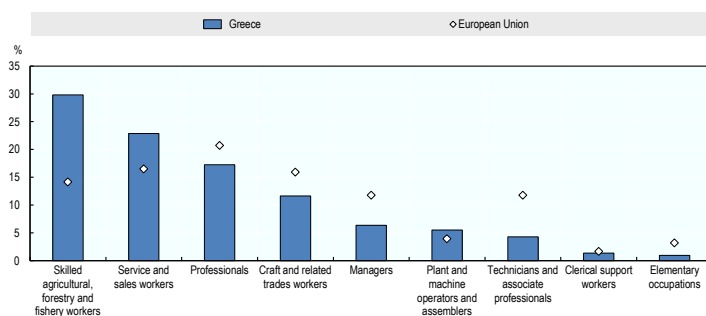
The structure of the self-employed workers by occupation reflects partly the distribution by educational category (Figure 3c). In relation to the EU average, Greece exhibits a higher proportion of self-employed people with lower secondary education or lower (33.9% in 2016) than the EU average (20.6%). The proportion of self-employed people with upper secondary and post-secondary non-tertiary education (39.7%) was under the EU average (44.6%), the proportion of self-employed workers with tertiary education (26.4%) was also significantly lower than the EU average (34.6%).

Figure 3. Self-employment characteristics, 2016

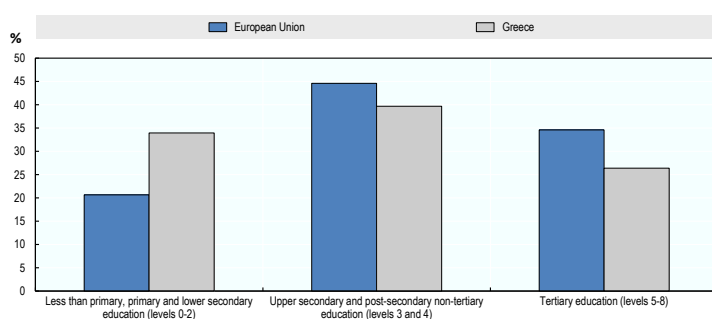
a. Distribution of the self-employed by economic activity



b. Distribution of the self-employed by occupation



c. Distribution of the Self-employed by education level



Note: Education levels refer to the ISCED classification. “Tertiary education” refers to short-cycle tertiary, bachelor’s degree or equivalent, master’s degree or equivalent and doctoral degree or equivalent.

Source: Eurostat (2017), Labour Force Survey.

Self-employed women were more likely than self-employed men to be working in Agriculture, forestry and fishing (35.2% as opposed to 27.5%), Professional, scientific and technical activities (11.9% vs. 9.0%), and in the various services sectors (education, health and social work, arts and entertainment and miscellaneous services). In contrast, men were more likely than women to work in Manufacturing, Construction, Transportation and storage, and Administration. There is strong presence of self-employed women in the distributive trades sector, whereas very few are active in Information and communication and in Real estate activities. In terms of occupational categories, self-employed women were more likely than men to work as Professionals (23.1% vs. 14.4%), Skilled agricultural, forestry and fishery workers (35.0% vs. 27.3%), and Service and sales workers (25.8% vs. 21.5%). In terms of education, self-employed women are more likely than men to have acquired tertiary education (31.2% vs. 24.0%), and less likely to have achieved medium or basic education only.

The largest proportion of self-employed young people work in Agriculture, forestry and fishing sector (43.6% in 2016), followed by Wholesale and retail trade and repair of motor vehicles and motorcycles (24.5%). Young self-employed people are particularly under-represented in the sectors of Professionals, Human health activities and Manufacturing. Self-employment among young people appears thus to be concentrated in low- or mid-skilled occupations. This may indicate that self-employment attracts young people for whom labour market entry is difficult, especially under the difficult conditions currently prevailing in the Greek labour market.

The distribution of older self-employed workers by sector of economic activity generally follows the average distribution for the self-employed and thus the structure of occupations prevailing in the labour market at large. Older self-employed workers are mostly concentrated in Agriculture (38.8% in 2016) and in Wholesale and retail trades (19.8%). Fewer work in Professional activities (8.1%), the hospitality sector (7.6%) and Manufacturing (6.5%). Self-employment in Greece may also involve substantial numbers of very old workers who, prompted by the crisis, are either delaying retirement, or moving into self-employment after retiring from an employee job. These are not captured in the data discussed here, which focuses on workers in the 50-64 years old age bracket.

Finally, few of the self-employed appear to be migrants as nearly all of the self-employed in Greece (96.3%) are native-born. This pattern holds irrespective of age and gender, and is indicative of the difficulties that foreign born individuals face in entering self-employment.

2.4. Barriers to business creation

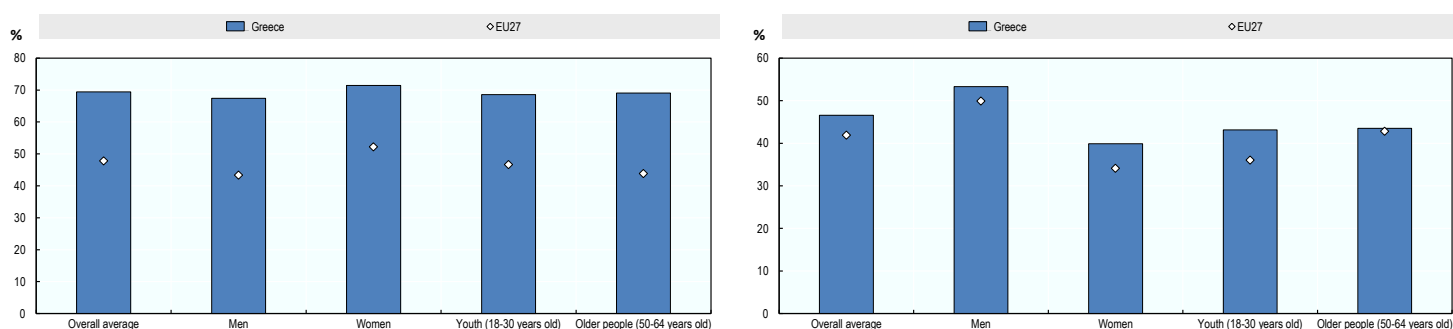
Fear of failure appeared to be a high barrier to business creation in Greece in comparison to other EU countries in the 2012-16 period (Figure 4a). Nearly seven-out-of-ten people (69.4%) cited this barrier, which was significantly above the EU average (47.8%). Women (71.5%) and youth (68.5%) were the most likely to report a fear of failure as a barrier to business creation. It should be noted that Greece has consistently exhibited one of the highest rates of fear of failure among EU countries over the past two decades. The deep economic crisis has, as expected, aggravated this factor. Nevertheless, the proportion of the population stating that they were prevented to start a business because of the fear of failure dropped from 70% in the period 2010-14 to 64.2% in the period 2012-16, which may indicate an increased confidence in the fact that Greece is gradually exiting the crisis.

People in Greece were slightly more likely to believe that they had the skills to start a business than in the EU (46.6% vs. 41.9%) (Figure 4b). This holds true irrespective of gender or age, but gender differences are still noteworthy. While 53.3% of men felt that they had suitable skills to start a business, whereas only 39.9% of women did.

Figure 4. Barriers to entrepreneurship by target group

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

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



Note: Data were pooled for the period 2012-16. Responses were weighted to reflect the population in each year, but no weighting was used when pooling the time series data, i.e. all years have the same weight regardless of the sample size in each year. The EU27 average covers all EU Member States except Malta.

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

2.5. Entrepreneurship performance

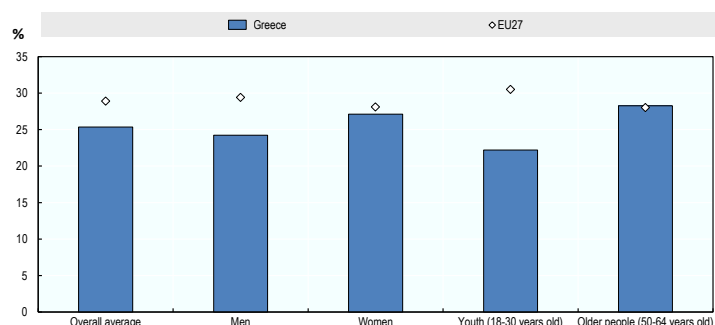
Entrepreneurs in Greece were less likely than the EU average to offer new products and services over the 2012-16 period (25.3% vs. 29.0%) (Figure 5a). The gap may be partially explained by a lag in technology adoption. National GEM survey results for 2015 show that completely new technologies are used in the production process by only by a minority of the early-stage entrepreneurs (12.3%), with the absolute majority (60%) utilising conventional technologies (GEM, 2016). Interpreting these findings, the authors of the survey conclude that new businesses created in Greece are mainly active in established rather than in new markets (niches). Women (27.1%) and older people (28.3%) were the most likely to innovate and did so at around the same rate as the EU average (respectively 28.1% and 28.0%), while men and younger people lagged behind their EU counterparts.

Greek entrepreneurs are however increasingly active in exporting. A sizeable segment of the early-stage entrepreneurs (i.e. those operating businesses less than 42 months old) reported having sales to foreign customers during the period 2012-16 (60.1%), which was slightly above the EU average (58.6%) (Figure 5b). While there was little difference across the proportions of new entrepreneurs from the different social target groups who sold to foreign customers, youth were less likely than the EU average for youth to sell to customers in other countries (56.4% vs. 63.6%).

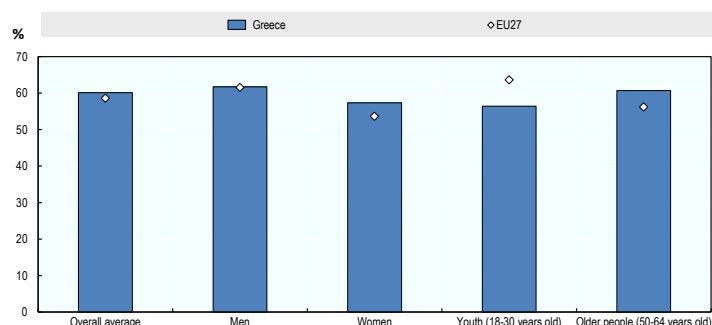
They were much less likely to expect to create more than 19 jobs with their business in the next five years than the EU average (3.1% vs. 10.0%). Moreover, Greek entrepreneurs were the least likely to expect to report this level of job creation in the EU. Older entrepreneurs were the most optimistic in terms of creating at least 19 jobs (6.0%), while women were the least (1.7%) (Figure 5c).

Figure 5. Self-employment and entrepreneurship activities by target group

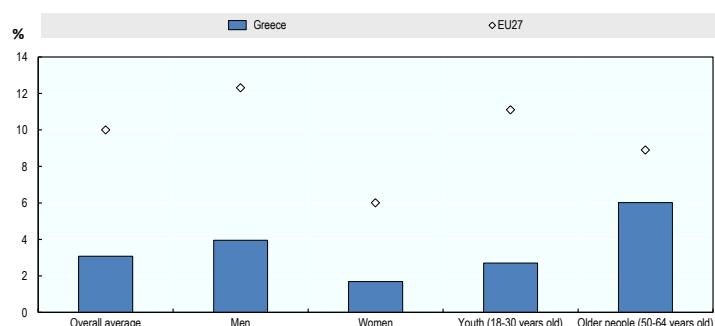
a. Proportion of new entrepreneurs whose products or services are new to all or some customers and who have few or no businesses offering the same products or services, 2012-16



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



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



Note: Data were pooled for the period 2012-16. Responses were weighted to reflect the population in each year, but no weighting was used when pooling the time series data, i.e. all years have the same weight regardless of the sample size in each year. The EU27 average covers all EU Member States except Malta.

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

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

3.1. Policy framework

The Greek Government has developed a relatively large number of initiatives focusing directly on strengthening entrepreneurship, including some tailored policies and programmes for the target groups of inclusive entrepreneurship. The European Social Fund (ESF) has supported the implementation of inclusive entrepreneurship policies and programmes.

Within the programming period (2014-20), there are currently two programmes running: (i) Start-Up Entrepreneurship, and (ii) Fostering Self-Employment Among Tertiary Education Graduates. The Start-Up Entrepreneurship Programme aims to support sound start-ups that will be

directly linked with the creation of new jobs. For this reason this programme aims at creating micro and small, sustainable businesses focusing on innovative plans, as well as fostering employment. The Programme Fostering Self-Employment Among Tertiary Education Graduates aims at helping university graduates start and sustain a professional activity related to their field of specialisation. These programmes are co-financed by the ESF in the framework of the Competitiveness, Entrepreneurship and Innovation (EPAnEK) Operational Programme of Partnership Agreement 2014-20 and with the application of the flexibility clause for financing interventions that fall within the scope of aid under the European Regional Development Fund (ERDF).

In light of the impact of the crisis, the current priorities for entrepreneurship (2014-20) have shifted relative to the previous programming period (2007-13). Current interventions focus on the promotion of innovation, supported by research and technological development and to the strengthening of exports. The new priorities are perhaps best exemplified in the new Operational Programme EPAnEK, which is one of the five sectoral operational programmes of the Partnership and Co-operation Agreement for the period 2010-20.

3.2. Government regulations

In order to facilitate access to legal and regulatory information on starting a business, the Greek government has launched the online platform “Start-up Greece”, which aims to support new entrepreneurs in Greece. Start-up Greece is an information, networking and collaboration space supported by the Ministry for Development and the Greek Government in collaboration with communities of young entrepreneurs. It provides entrepreneurs with the information necessary to start their own business (e.g. funding options, legal framework), and supports networks to bring together people, ideas, businesses, and universities, with the purpose of exploring partnerships and investment opportunities.

3.3. Financing entrepreneurship

Access to finance for entrepreneurs and SMEs remains a major problem in Greece, and it is even more so for the target groups of inclusive entrepreneurship. Banks are reluctant to offer loans for projects with an element of risk, which is often the case for start-up and SMEs. Moreover, venture capital is still at an embryonic stage in Greece. Some efforts have been undertaken in the past few years to improve the situation for SME access to finance. There are dedicated programmes for youth but no initiatives explicitly target other inclusive entrepreneurship target groups.

The main instrument offering guarantees and thus facilitating access to bank-financing for start-ups and SMEs is the National Fund of Entrepreneurship and Development (ETEAN S.A.) which was created as a state-owned corporation in 2011 with a start-up capital of EUR 1.7 billion. ETEAN operates as a *Société Anonyme* in order to provide leverage financing through revolving debt, bank guarantees and counter guarantees, joint ventures and equity participation. This project is co-funded by the Operational Programme Competitiveness and Entrepreneurship and other NSRF programmes supported by the ERDF and the European Fisheries Fund. By July 2016, approximately EUR 200 million had been disbursed. It should be noted however that no special programmes have been created for entrepreneurs who are under-represented or disadvantaged on the labour market.

An important development in the area of financing entrepreneurship has been the establishment of the Institution for Growth (IfG), which was designed in 2012 by a European-level working party composed of representatives of the European Investment Bank (EIB), the European Commission, the French Ministry for Finance and the German Investment Bank KfW. In February 2013, the Greek authorities approved the proposed concept for an IfG umbrella fund with three different sub-funds

providing each long-term debt and equity capital for dedicated purposes: one sub-fund was meant to provide borrowed funds to Greek SMEs, one sub-fund that would provide equity capital to Greek SMEs and one sub-fund would finance infrastructure projects. The IfG was launched at the initiative of the Hellenic Republic, with the guidance and support of KfW Development Bank of Germany, the EIB Group and other investors. Greece has committed EUR 350 million to the IfG, and other national and international partners have also made substantial contributions. As of May 2015, 291 contracts of up to EUR 78.7 million had been signed and EUR 64.2 million disbursed to cover 238 approved loans (SBA, 2015). The first of three planned IfG sub-funds was found on 7 May 2014 in Luxembourg. The Hellenic Republic and KfW have each contributed EUR 100 million in funding debt to this sub-fund. These funds will be lent to SMEs in the form of loans from Greek on-lending banks, thus making it easier for Greek SMEs to access investment loans and working capital, thereby contributing towards the economic recovery.

Aside from its contribution to the establishment of the IfG, the EIB has been an important contributor to investments in Greece, with a total of EUR 9 billion since the start of the crisis in 2008 and an exposure corresponding to around 9% (EUR 17 billion) of Greek GDP. EIB funding has enabled EUR 700 million to be allocated to about 5 000 SMEs during the crisis period. EIB tripled its contribution between 2012 and 2013, from EUR 550 million in lending to EUR 1.47 billion. It also introduced new products including the new Trade Finance Facility, the SME Guarantee Fund, the provision of funds to SMEs for “Skills and Jobs – Investing for Youth”, and contributed to the establishment of the “Institution for Growth in Greece”.

On May 2016, the European Investment Fund (EIF) and the Cooperative Bank of Karditsa signed the first guarantee agreement aimed at supporting micro-enterprises in Greece under the EU Programme for Employment and Social Innovation (EaSI). The EaSI agreement signed with Cooperative Bank of Karditsa will cover a loan portfolio of EUR 5 million for over 300 micro-borrowers targeting mainly farmers, young unemployed borrowers, co-operatives and social enterprises, as well as micro businesses active in the green economy.

In the field of venture capital, Greece has established a government-sponsored Greek venture capital fund of funds – The New Economy Development Fund S.A. (TANEO) – through Art. 28 of Law 2843/2000 (as amended by Art. 8 of Law 2992/2002, article 26(4) of Law 3091/2002 and article 84(3) of Law 3606/2007). According to the Law, the investment vehicles in which TANEO can participate must be investing in shares, interests in companies, convertible bonds or “equity loans”, which are issued by SMEs. Areas of assistance cover enterprises in the seed stage¹ in the start-up stage², and enterprises is in the expansion stage³. TANEO has shown a noteworthy performance in the years preceding the crisis and during 2009-11. As expected, the crisis has severely affected TANEO and its co-investors who have been increasingly risk averse. As of December 2012, TANEO participated in 11 Venture Capital Funds with total commitments amounting to EUR 140 million.

Despite the government’s efforts to introduce equity and debt capital, no dedicated measures have been introduced to support the target groups of inclusive entrepreneurship in access to finance with dedicated schemes for women, youth, migrants or seniors.

¹ This is the stage when businesses are using the capital to finance the study, assessment and development of a business concept

² This is the stage when businesses have not sold their product or service commercially and have not yet generated a profit, and they are using the capital for product development and initial marketing

³ This is the stage when businesses are using the capital for the purposes of increasing production capacity, market or product development, or the provision of additional working capital

3.4. Entrepreneurship skills

The Greek government has been very active in strengthening entrepreneurship skills since the economic crisis.

Within the frame of the Operational Programme “Education and Lifelong Learning 2007-2013”, Youth Innovation and Entrepreneurship Units were established in tertiary education institutions, including both universities and non-university tertiary education institutions TEIs. This action aimed at expanding, enhancing and qualitatively upgrading the interventions for the development of innovation and entrepreneurship by students attending the country’s universities, as an integral part of the strategy for the connection of higher education to the labour market. It is estimated that 45 534 university students and 17 901 TEI students have benefited from the actions of the Innovation and Entrepreneurship Unit during 2012-15.

In addition, some of the other key initiatives include:

- The Grants Programme to Enterprises for the Recruitment of Unemployed University Graduates up to the age of 35, which aimed at creating 5 000 new full-time jobs in private enterprises for unemployed graduates from Greek Higher Education Institutions;
- The Grants Programme to Enterprises for Work Experience Acquisition by the unemployed aged 16-24 years old. This programme aimed at improving the skills and enriching the work experience of 5 000 unemployed young people who are newcomers in the labour market. Beneficiaries work for private sector employers with subsidised insurance contributions for 12 months (stage a), and the possible provision of grants for another 12 months, on condition that the stage has shifted to an employment contract (stage b);
- Various traineeships for tertiary students and students of secondary and postsecondary vocational education.

These interventions were implemented since 2012 with the assistance of the ESF.

3.5. Entrepreneurial culture and social capital

A number of competitions and awards have been developed to promote digital innovation and entrepreneurship by the E-business Research Centre (ELTRUN) of the Department of Management Science and Technology of the Athens University of Economics and Business (AUEB).

There are also a number of targeted actions to promote entrepreneurship to different population groups. For example, the National Plan for Youth Employment (NPYE) will create “Entrepreneurship Cells”, which promote entrepreneurship and also offer small grants, co-working spaces, mentors and business advisors.

In addition, the non-governmental sector has also launched several initiatives. This includes, for example, the Business and Innovation Centre of Attika (BIC). Although it does not offer tailored support for any specific target group, many of the people using the business development services, technical support, access start-up financing, networking support, and training are unemployed (BIC, n.d.). BIC of Attika has recently created a business incubator in the Technological and Cultural Park of Lavrion. It offers basic advisory services and networking opportunities, including with investors and professional business advisors.

4. POLICY RECOMMENDATIONS

Entrepreneurship and in particular inclusive entrepreneurship have a role to play in facilitating the return to growth and to a sustainable recovery. Taking in account the state of the economy and of the labour market, the entrepreneurship actions launched for youth and women have been adequate and strengthened due to the crisis. There has also been a recent effort to strengthen entrepreneurial skills among the population. Nevertheless, there is still ample room for improving the inclusive entrepreneurship support system:

1. *Provide tailored support to women entrepreneurs and encourage them to pursue innovative ventures.* The drive towards innovation is expected to benefit women aspiring to become entrepreneurs, especially those with higher education qualifications. However, women entrepreneurs are currently concentrated in a limited number of traditional economic activities, typically with low growth potential. There is a need to encourage women to towards modern and innovative sectors and activities, including through the business development support services offered but also through the education system by ensuring that women have opportunities to study in all fields, including STEM (Science, Technology, Engineering, and Mathematics) fields.
2. *Strengthen entrepreneurship support for migrants.* Legal migrants, refugees and asylum seekers should be encouraged to participate in entrepreneurship schemes by national bodies (notably by OAED, the Greek PES). In addressing the issue of self-employment among migrants, the authorities should also take measures to encourage undeclared (i.e. informal) self-employed workers to move into legitimate business activity.
3. *Increase tailored entrepreneurship support for senior entrepreneurship.* There are currently no schemes providing start-up assistance tailored to the needs of older workers. Offering tailored entrepreneurship training and support could help older people remain attached to the labour market for longer and help transfer their knowledge and expertise to younger workers.
4. *Integrate entrepreneurship education and training in secondary and tertiary level education curriculums, including vocational education and training.* Entrepreneurship education should be strengthened within the formal curricula in order to build an entrepreneurial mindset among students at all age. Schools should further be used to increase entrepreneurship promotion, e.g. by extra-curricular activities or entrepreneurs visiting schools. There is also a need to strengthen entrepreneurship training for teachers so that they can effectively deliver entrepreneurship education.

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ANNEX: METHODOLOGY

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

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

The framework contains 5 pillars:

1. Policy framework

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

2. Government regulations

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

3. Financing entrepreneurship

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

- f. Are there schemes that encourage and support crowdfunding and peer-to-peer lending to support entrepreneurs from under-represented and disadvantaged groups?
 - g. Is financial literacy training offered to support entrepreneurs from under-represented and disadvantaged groups?
- 4. Entrepreneurship skills**
- a. Are there entrepreneurship training initiatives for entrepreneurs from under-represented and disadvantaged groups?
 - b. Do high potential entrepreneurs from under-represented and disadvantaged groups have access to one-to-one or group coaching and mentoring?
 - c. Are there public initiatives that provide information on available support programmes or on business start-up procedures for entrepreneurs from under-represented and disadvantaged groups?
 - d. Are there business consultancy and advisory services for entrepreneurs from under-represented and disadvantaged groups?
 - e. Are there business incubators for entrepreneurs from under-represented and disadvantaged groups?
- 5. Entrepreneurial culture and social capital**
- a. Is entrepreneurship actively promoted as an employment opportunity amongst the following under-represented and disadvantaged groups through the education system, media, role models, etc.?
 - b. Are there public policy actions that attempt to build specific business networks for entrepreneurs amongst the following under-represented and disadvantaged groups?