

Inclusive entrepreneurship trends and policies in Portugal

This profile presents key inclusive entrepreneurship indicators for Portugal, including self-employment and entrepreneurship activity rates for women, youth and seniors. It also provides a brief overview of recent developments in inclusive entrepreneurship policy such as the national entrepreneurship strategy, *Startup Portugal*.

Key trends: 13.9% of those in employment were self-employed in 2016, down from 19.2% in 2007. This decline can be seen across all population groups, but was strongest among women (17.0% in 2007 to 10.7% in 2016) and seniors (34.0% to 22.5%). Conversely, the Total early-stage Entrepreneurial Activity (TEA) rate has increased in recent years, suggesting that people are increasingly involved in starting and managing new businesses (less than 42 months old). Nearly one in ten youth was involved in early-stage entrepreneurship over the 2012-16 period (9.3%), relative to the EU average of 7.8%. However, Portuguese entrepreneurs were more likely than the EU average to report that they started their business because they did not have other opportunities in the labour market. Women (27.2%) and seniors (26.6%) were the most likely to report that they started their businesses out of necessity between 2012 and 2016.

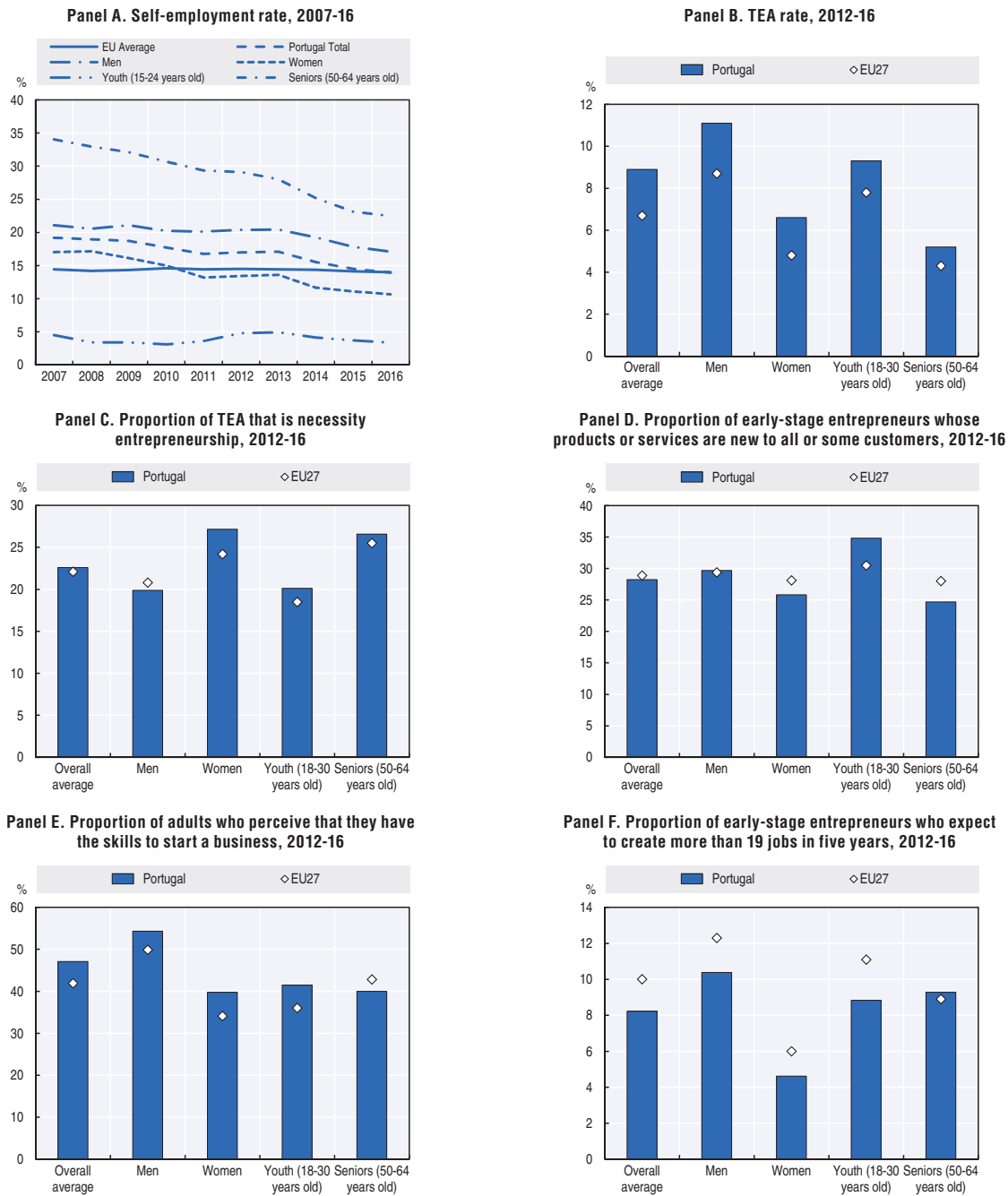
Hot issue: The majority of current entrepreneurship support focuses on the development of skills through training and mentoring (although financial support also appears to be readily available). However, the implementation of entrepreneurship education in the formal school system is lagging behind other European Union Member States. Entrepreneurship is largely absent in the curricula so learning material needs to be developed at all levels and teachers need to be trained in how to deliver it.

Recent policy developments: The national entrepreneurship strategy (“Startup Portugal”) was launched in March 2016. This is the main strategy for creating and supporting the start-ups and this links back to the National Reform Programme. It also seeks to attract foreign investors, outlines co-financing measures to support early-stage start-ups and actions to promote and accelerate Portuguese start-ups in the global market. A second recent policy that is relevant for inclusive entrepreneurship is the “Industrial Development Strategy for Growth and Jobs 2014-20” (*Resolução do Conselho de Ministros n.º 91/2013*). This strategy identifies nine priority axes to stimulate entrepreneurship, innovation and job creation. Several measures have been identified and the most relevant for inclusive entrepreneurship are to create a national network of entrepreneurship mentors, to expand the availability of entrepreneurship training courses, to further embed entrepreneurship in compulsory education and to create an entrepreneurship visa. Although many of these measures are open to all entrepreneurs, they are particularly relevant for youth.

The full Country Assessment Note can be found at: www.oecd.org/cfe/leed/inclusive-entrepreneurship.htm.

Key inclusive entrepreneurship data

Figure 30.1. Entrepreneurship and self-employment data for Portugal



Notes: 1. The self-employment rate is defined as the number of self-employed people (15-64 years old) divided by the number of people in employment. 2. The TEA rate is the proportion of adults (18-64 years old) involved in setting up a business or managing a business that is less than 42 months old. 3. Necessity entrepreneurship is defined as entrepreneurship activities that were launched because the individual did not have other options in the labour market. 4. Early-stage entrepreneurs are those who are in the process of setting up a business or manage a business that is less than 42 months old. 5. In Panels B, C, D, E and F, the population covered are those 18-64 years old.

Sources: Panel A: Eurostat (2017), Labour Force Survey, available at: <http://ec.europa.eu/eurostat/web/lfs/data/database>; Panels B, C, D, E, and F: GEM (2017), Special tabulations of the Global Entrepreneurship Monitor adult population survey, 2012-16.

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Reader's guide to the country profiles

This section of the book provides a short overview of inclusive entrepreneurship trends and recent policy actions in each European Union Member State. Each Country Profile highlights recent trends for key inclusive entrepreneurship indicators, focusing on activity rates, quality and barriers to business creation for people in under-represented and disadvantaged groups, drawing on a set of charts (see below). In addition, the Country Profiles briefly describe a current policy issue relevant for inclusive entrepreneurship policy development. Finally, each Country Profile describes a recent policy action that was introduced to support the unemployed, women, youth or seniors in business creation and self-employment.

The country overviews are complemented with a common set of country-specific data that benchmark key inclusive entrepreneurship indicators against the European Union average and over time. Data are presented for men, women, youth, seniors and the overall population total. These data help to show the scale of the challenge and its recent evolution. All Country Profiles contain six figures (except for the Malta profile, which does not participate in the Global Entrepreneurship Monitor survey):

Panel A: Self-employment rate, 2007-16. This presents the proportion of those in employment who are self-employed.

Panel B: Total Early-stage Entrepreneurship Activity (TEA) rate, 2012-16. This presents the proportion of the population who is actively involved in starting a business or who is the owner-operator of a business that is less than 42 months old.

Panel C: Proportion of TEA that is necessity entrepreneurship, 2012-16. This presents the proportion of early-stage entrepreneurship that was launched due to a lack of other opportunities in the labour market.

Panel D: Proportion of early-stage entrepreneurs whose products or services are new to all or some customers, 2012-16. This presents the proportion of early-stage entrepreneurs who self-report that they offer products and/or services that are new to potential customers.

Panel E: Proportion of adults who perceive that they have the skills to start a business, 2012-16. This presents the proportion of the population who believe that they have the knowledge and skills needed to start a business.

Panel F: Proportion of early-stage entrepreneurs who expect to create more than 19 jobs in five years, 2012-16. This presents the proportion of early-stage entrepreneurs who anticipate the creation of at least 19 additional new jobs over the next five years.



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