

Survey on Business Start-up Infrastructure

In accordance with the requirements of the “Community of Practice on Inclusive Entrepreneurship” (COPIE) in Portugal





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EXECUTIVE SUMMARY

Recession is a serious possibility in many Member States of the European Union. Unemployment is reaching previously unknown levels in many countries and the challenge of job creation is becoming increasingly urgent and complex.

New solutions are needed and stimulating 'inclusive entrepreneurship' among 'non-traditional' entrepreneurs is a possible contribution to job creation.

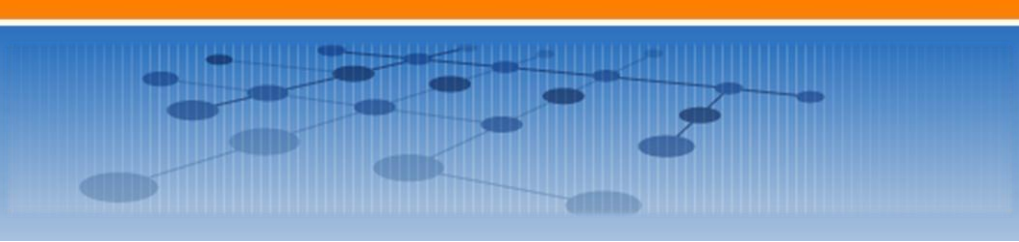
Understanding 'inclusive entrepreneurship' and contemporary challenges

In the ongoing context of crisis the mobilisation of the potential for entrepreneurship among target groups requires action which is informed by the following assumptions:

- a) Contemporary existential conditions among the members of target groups do not favour the *previous* existence of business ideas as well as the attitudes and behaviour forms that favour the 'spontaneous' emergence of a business project aiming at self-employment and income generation; adequate *animation* efforts play a crucial role and public policies involve policy integration and multi-level governance for flexible territorial context-dependent flexible response;
- b) Business ideas have to combine the skills of potential entrepreneurs with business ideas and management strategies that meet the objective of reaching income equivalent to a minimum wage with labour intensity, low productivity and capital shortages; contemporary conditions are already very difficult for 'conventional' firms, specially for activities depending on the internal market; this means an additional challenge for 'inclusive entrepreneurship' and may involve innovation and adequate technological choices;
- c) The context-dependent and animation-dependent business creation require the previous existence of some organisational form delivering animation efforts, quality business advice and the adequate support skills in developing business strategies linking innovation, non-price factors in marketing strategies as well as centralisation of distribution and commercialisation in meeting the organisational shortcomings of small-scale 'inclusive entrepreneurship'; this requires adequate local governance and policy integration, social and organisational innovation and meeting skills gaps both regarding technical as well as generic skills.

The Community of Practice on 'Inclusive Entrepreneurship' (CoPIE)

'Inclusive entrepreneurship' can contribute to widen new possibilities. But some contemporary discourses and policy measures in some Member States tend to oversimplify the challenges ahead.



The 'Community of Practice on Inclusive Entrepreneurship' (CoPIE) can contribute to make the potential contribution of 'inclusive entrepreneurship' to job creation concrete. CoPIE is a learning and communication platform for people involved in promoting 'inclusive entrepreneurship'. The members of CoPIE work on the design, implementation and management of policies and measures which make it easier for *non-traditional* entrepreneurs from target groups to become self-employed or start up a business. This is called 'inclusive entrepreneurship'.

CoPIE was initially built on the basis of the work carried out by Equal 'Development Partnerships' on opening up business creation to all members of society. Many of the countries created National Thematic Networks to improve the work in the field and prepare the mainstreaming of their 'good practices'.

A CoPIE Tool was prepared for the support in designing, implementing and managing business support systems aiming at 'inclusive entrepreneurship'. The CoPIE Tool is being tested in several member states. This report concerns the results of the testing of this Tool in Portugal.

Testing the CoPIE Tool in Portugal

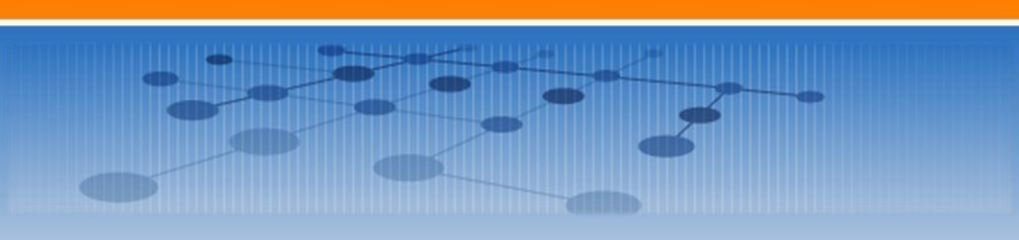
Portugal is undergoing a major change in public policies. Following the conditions agreed with the European Commission, the European Central Bank and the International Monetary Fund ('*Memorandum of Understanding on Specific Economic Policy Conditionality*') in May 2011, the country is implementing a financial assistance programme involving fiscal adjustment and reforms. Deep structural and institutional reforms are being implemented, new policy measures are being designed and new implementation conditions are being created.

The country is experiencing very deep changes. It is being a major challenge to cope with the combined effects of financial crisis, decreasing competitiveness and decreasing export opportunities, fiscal adjustment and structural policy reforms. Unemployment is expected to last at very high levels. All contributions to job creation have a role to play.

Methodology

The exceptional Portuguese conditions of financial crisis, recession and deep political and institutional reform contribute to a context of structural change where new policies are being designed and announced but are still in an early implementation phase.

Therefore, the testing of the Tool was centred on the advisors' perceptions. Interviewees were selected from an initial group that knew already about CoPIE and additional advisors were invited later to participate.



For purposes of analysis, three groups of advisors were created: advisors having field work experience and a close contact with members of target groups; advisors having a broad national perspective of the challenges at stake; advisors from the Azores Region (Islands).

Central results

Key results can be identified in testing the Tool in Portugal.

a) Governance and policy integration (animation, social protection, access to finance, etc.)

A coherent policy for 'inclusive entrepreneurship' is still in an early phase (fiscal policy, social protection, contributions to social security, etc.) and existing individual measures still reveal the need of further development in terms of policy integration, cooperation among different bodies and the participation of all those with field knowledge in designing the relevant measures.

b) Animation and pre-start-up support

Pre-start-up support is recognised as important, but advisors think that existing support does not meet the needs of target groups in an adequate way (specific needs, training, advice by job agencies and job centres, etc.).

c) Consolidation, growth and post-start-up support

Post-start-up is also recognised as important, but advisors disagree that it meets the needs of target groups and the firms they create in an adequate way (advice and coaching, assistance, qualification, crisis management, networking opportunities, etc.).

d) Access to finance

Access to finance is still recognised as difficult and advisors think it is neither easy nor fast enough to get a loan from a bank if you belong to a target group.

e) Quality of support services, organisational capacity and skills

Advisors recognise that in general advisors in the field have good expert knowledge, but they recognise that it is not the case when thinking about the specific challenges of firms created by target groups (product innovation, technology choices, sales strategies, quality checks of start-up advice, quality criteria in public bids for advisory services, previous access to information about advisory bodies by target groups, etc.).



Conduction of recommendations for action

The CoPIE Tool can structure ‘dialogues’ between different actors in developing new measures and can help ‘making sense’ for needed information concerning improvements felt as necessary.

It can be used as a ‘check list’ in defining priorities and help the search for information about examples of ‘best practice’ helping to clarify the needed conditions for action.

Testing the CoPIE Tool in Portugal helped to make priorities clear in designing measures for ‘inclusive entrepreneurship’:

- Access to finance remains a critical issue; but, when dealing with entrepreneurship among target groups other dimensions should be dealt with priority; living precarious existential conditions, threatened by unemployment and decreasing social protection, having been socialised in schools with priority to working for a wage, dealing with everyday information of decreasing business opportunities for conventional firms, animation efforts and pre-start-up play a central role; these kinds of animation efforts require a specific quality and adequate skills;
- Depending on their own skills in labour intensive production processes and trying to reach adequate income (‘economic and financial viability’) with strong capital shortages (microcredit), ‘inclusive entrepreneurship’ requires adequate business and management strategies different from those needed by conventional capital intensive and technology based small firms ; the challenges of ‘innovation’, business skills and sales have to be different though crucial for survival; growth and survival require post-start-up support; but also these kind of efforts require specific quality challenges and adequate skills;
- If governance and policy integration, social relations, pre-start-up, post-start-up and the support to commercialisation all play a critical role in making ‘inclusive entrepreneurship’ concrete, the identification of the organisations best prepared to play this role requires specific attention; it involves specific organisations prepared to develop context-specific action, prepared to learn and meet the challenges of organisational innovation and create the conditions necessary to meet skills gaps and develop the non-conventional skills considered to be critical in pre-start-up and post-start-up business support.

Recommendations for transnational cooperation

Urgent progress in Europe is needed if enlarging the potential for job creation among target groups will be seen as a priority. In contemporary conditions, this progress requires explicit and strong



political support and policy measures that actually may contribute to make results in the field concrete.

This involves 'social innovation' both in public policies and in the practice of the organisations of civil society. The needed effort of 'social innovation' can be strongly improved by action at European level.

It will not be needed information about 'best practices' alone. Member States vary deeply in cultural, historical and institutional conditions favouring entrepreneurship. Examples of 'best practice' remain strongly context-dependent.

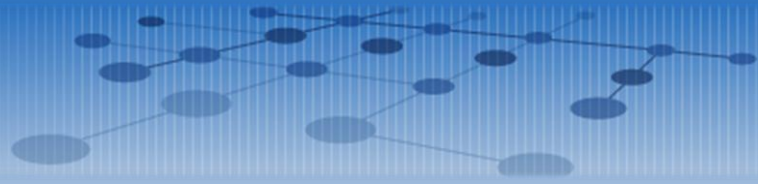
It is true that it is a very useful contribution to make information about 'best practice' covering the specific policy fields of a policy for 'inclusive entrepreneurship' available. Web based platforms wikis can play a very relevant role¹.

But, it also will be needed that conditions can be created to help to:

- 'Making sense' from information made available;
- Criteria for selecting the most adequate examples of 'best practice';
- Facilitate close interaction between people involved in experimental and innovative action ('best practice', 'bad practice', etc.) and people willing and prepared to learn from other's practices to improve their own action capacity;
- Developing the adequate learning methodologies;
- Developing methodologies for supporting the producing of useful context-dependent knowledge;
- Meeting 'skills gaps' in developing competences for 'inclusive entrepreneurship'.

Transnational cooperation at European level for 'social innovation' and 'inclusive entrepreneurship' can make a useful contribution to meet the urgent need of job creation mobilising the potential for entrepreneurship in the 'totality of European localities' making the most of available resources.

¹ See, for example, Wikipreneurship (<http://wikipreneurship.eu>).



INTRODUCTION

Recession is a serious possibility in many Member States of the European Union. Unemployment is reaching previously unknown levels in many countries and the challenge of job creation is becoming increasingly urgent and complex. New solutions are needed and stimulating entrepreneurship is a possible contribution to job creation.

Meanwhile, Portugal is undergoing a major change in public policies. Following the conditions agreed European Commission, the European Central Bank and the International Monetary Fund (*'Memorandum of Understanding on Specific Economic Policy Conditionality'*) in May 2011, the country is implementing a financial assistance programme involving fiscal adjustment and reforms. Deep structural and institutional reforms are being implemented, new policy measures are being designed and new implementation conditions are being created. The country is experiencing very deep changes. It is being a major challenge to cope with the combined effects of financial crisis, decreasing competitiveness and decreasing export opportunities, fiscal adjustment and structural policy reforms.

One year later, unemployment is reaching very high and unknown levels in the past. Official figures place unemployment higher than 15% and youth unemployment higher than 36%. In its *'Economic Survey of Portugal 2012'*, in July 2012, OECD is warning for the risk of growth turning out lower than projected, the need to restore investor's confidence and the need to pay special attention to the financing conditions of small and medium-sized enterprises.

Unemployment is expected to last at very high levels. All contributions to job creation have a role to play. 'Inclusive entrepreneurship' can contribute to widen new possibilities. But some contemporary discourses and policy measures in some Member States tend to oversimplify the challenges ahead. The 'Community of Practice on Inclusive Entrepreneurship' (CoPIE) can contribute to make the potential contribution of 'inclusive entrepreneurship' to job creation concrete.

I METHODOLOGY AND APPROACH

As can be read from its website (<http://cop-ie.eu>), the partners of CoPIE “share a common concern to widen entrepreneurship and make support systems work better across diverse populations”. They try to show that it is possible to make it easier for people from disadvantaged groups to meet self-employment and income generation in setting up their own businesses.

1. Community of Practice on Inclusive Entrepreneurship (CoPIE)

CoPIE is focused on helping to make this concrete. A CoPIE Tool was prepared for the support in designing, implementing and managing business support systems aiming at ‘inclusive entrepreneurship’. The CoPIE Tool is being tested in several member states. This report concerns the results of the testing of this tool in Portugal.

A first version of the Tool was prepared in 2007 and it was tested in Portugal in the framework of the Equal “K’Cidade” Project involved in experimental action aiming at ‘inclusive entrepreneurship’ in ‘distressed urban areas’.

CoPIE is a learning and communication platform for people involved in promoting ‘inclusive entrepreneurship’. The members of CoPIE work on the design and delivery of policies which make it easier for ‘non-traditional’ entrepreneurs from target groups to become self-employed or start up a business. This was called ‘inclusive entrepreneurship’.

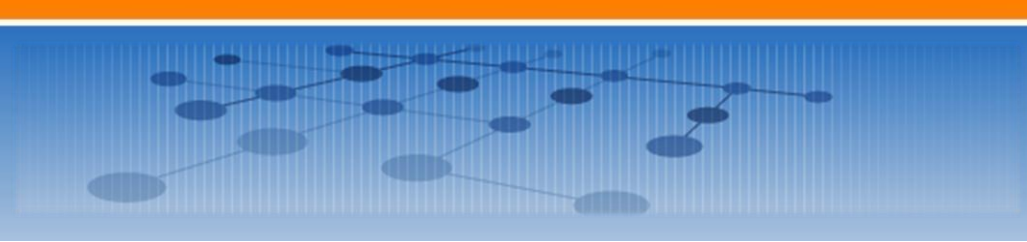
CoPIE was initially built on the basis of the work carried out over the initial five years by nearly 300 Equal ‘Development Partnerships’ on opening up business creation to all members of society. Many of the countries involved in this work created National Thematic Networks to improve the work in the field and prepare the mainstreaming of their ‘good practices’. CoPIE also incorporated the experience of the Equal ‘Development Partnerships’ involved in the Social Economy.

1.1. Aim and background

As introduced above, the CoPIE tries to contribute to the demonstration that it is possible to make it easier for people from disadvantaged backgrounds to engage in meeting self-employment and income generation in setting up their own businesses.

1.2. Understanding ‘Inclusive Entrepreneurship’

The notion of “inclusive entrepreneurship” started to be used in the framework of the development of Equal Community Initiative.



'Inclusive entrepreneurship' concerns a comprehensive approach to widening the range of people that start and grow their businesses. *'Inclusive entrepreneurship'* represents the common ground of traditions stemming from different policy fields. It had an initial support from OECD employment policies in the late 70's aiming at self-employment by means of the capitalisation of unemployment subsidies.

Later, in the early 80's, a complementary support came from 'endogenous' regional development strategies and policies stressing the role of small scale entrepreneurship in mobilising local resources and promoting innovation for competitiveness and employment (Austrian Pilot Programme on 'Endogenous' Regional Development Strategies, etc.).

In the late 80's, experimenting within anti-poverty policies in social policies (European Anti-Poverty Programmes, etc.) led to the support of new organisational forms aiming at the economic integration of the poor and gained a wider recognition with the stimulus coming from micro-credit initiatives outside Europe ('Entreprises d'Insertion' in France, social cooperatives in Spain and Italy, etc.).

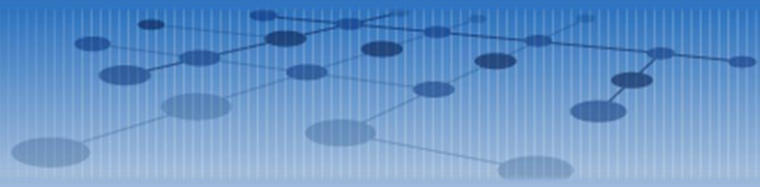
Finally, in the early 90's, SME's gained a wider recognition within economic and entrepreneurial policies aiming at flexibility and innovation for competitiveness (Delors White Book, etc.), and the European Employment Strategy recognised the relevance of entrepreneurship in its second pillar.

Therefore, *'inclusive entrepreneurship'* represents the belief that more people can profit from the benefits of an entrepreneurial attitude and solution than currently do. Becoming an entrepreneur, may represent for many an employment alternative for those that have no better one in the formal employment system. It can help an increasing number of people to have access to income earning activities and create additional jobs.

'Inclusive entrepreneurship' is about a set of attitudes, competences and skills that may represent more than just starting an individual business. Inclusive entrepreneurship can be applied to self-employment, starting or growing micro or small enterprises and to social enterprise using business-based approaches driven by a socio-economic mission.

'Inclusive entrepreneurship' is based on the recognition that the personal qualities and conditions required for entrepreneurship are not the prerogative of a privileged, highly educated few. Indeed millions of people across the globe take complex decisions, manage risk, find new innovative solutions, and collaborate with others just to survive in their daily lives.

But, *'inclusive entrepreneurship'* cannot be confused with conventional entrepreneurship and business 'as usual'. The obstacles and risks they face when trying to make the leap from survival to long-term sustainability are proportionally far greater than those involved in launching a new company on the stock exchange. Also conventional management strategies can be often of little help



when trying to cope with capital shortages, skills dependent innovation and appropriate technologies for labour-intensive competitive advantages.

A public policy for *'inclusive entrepreneurship'* is about supporting entrepreneurs from all backgrounds by creating the adequate conditions. It is about animating the realisation of the 'potential for entrepreneurship' that some people can develop. It requires policy integration (social protection, credit, space and adequate premises, etc.) and multi-level governance in coping with territorial context-dependent challenges.

Major progress on *'inclusive entrepreneurship'* has been made through the Equal Community Initiative which, in its entrepreneurship pillar, had a theme on business creation that was taken up in many of the EU Member States.

This came in line with late developments around the concept of *'economic integration'* in the framework of anti-poverty research². Literature in the field covers the role of social relations, household survival strategies and access to capital in mobilising the potential for entrepreneurship among the poor.

In the context of *'household work strategies'*, income-earning activities may include the mobilization of intra-household or inter-household potential for entrepreneurship. This can be achieved by the creation of small businesses for themselves (self-employment) and others in similar existential situations (enlarging local opportunities to work for a wage).

1.3. Questions

In contemporary conditions, the understanding of 'entrepreneurship' underlying the concept of 'economic integration', requires a critical distance from more conventional understandings of *'entrepreneurship'*, *'market'*, or *'competition'*.

A broad understanding of the *potential for entrepreneurship* is assumed in the adopted concept of 'economic integration'. Selling in the streets or migrating are examples of an informal potential for entrepreneurship that may be mobilised and put in value in adequate conditions. New kinds of organizations may need to be experimented.

Management strategies for micro-firms with little capital and *new organizational forms* (labour intensive micro-firms, associations, cooperatives and micro-insurance organizations, 'social firms', etc.) offer a field open to experimentation. Also profit-oriented entrepreneurship can be understood as a collective function ('team starters', etc.) and become a basis for linking collective action to self-employment and new job creation within conventional profit oriented micro or small firms *as well as* in new organizational forms in the field of the social and solidarity economy.

² See, for example, Henriques, José Manuel (2006) *Global Restructuring and Local Anti-Poverty Action: Learning with European Experimental Programmes* (Instituto Superior de Ciências do Trabalho e da Empresa: Lisboa) PhD. Thesis (<http://repositorio-iul.iscte.pt/handle/10071/273>) (accessed 30 May 2012)

Animation, Policy Integration and Local Governance

These kinds of firms require careful and adequate preparation. The conditions that may contribute to the possibility of this kind of business are not dependent on any a-social, automatic and autonomous market mechanism.

The constitution of 'entrepreneurship' itself may require specific *animation* activities. The realization of a potential for formal 'entrepreneurship' among target groups may require intense animation efforts. Besides the provision of access to capital, 'entrepreneurship' may require intensive animation, organizational and coaching efforts. Therefore, these kinds of firms may remain *dependent* on pro-active supportive agencies, at least in an initial phase. The access to funding is the easiest and final phase. *Animation, project creation* and *project development* are previous phases requiring considerable effort as already assumed in successful policy developments in the past³.

Therefore, the potential for entrepreneurship may not be independent of specific animation efforts aimed at making it concrete. In coherence with the way 'economic integration' in the context of anti-poverty action can be conceptualised, the potential for entrepreneurship may require specific pro-active efforts.

Conceptual Restructuring and Theoretical Development for 'Inclusive Entrepreneurship'

The kind of effort implicit from this perspective requires a critical understanding of the limits of conventional approaches offered by mainstream Economics. The neo-classical theory of the *firm* is misleading as it sees entrepreneurship just as a drive to pecuniary gain⁴. Conventional theory also offers little help to understand the specificity of decision-taking and functional division of labour in small-scale groups with horizontal relationships⁵. Extensive literature on Small and Medium Sized Firms analyses these aspects.

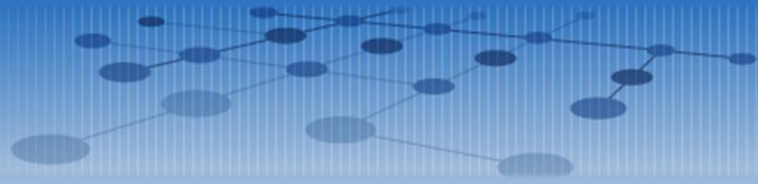
On the other hand, *markets* collapse when their influence is extended to more basic elements of economic life, labour, land and money. *Markets* collapse when they are no longer an accessory of an institutional setting, controlled and regulated by social authority⁶. Also labour is another name for *human activity* which goes with life itself, land is another name for *nature* which is not produced by

³ See, for example, Commission of the European Communities 1996, *Analysis Of The Contributions Of Local Employment Initiatives And Small And Medium-Sized Enterprises To Employment*, report prepared by Henriques, J.M. and Madruga, P., CEC, Brussels; Bundeskanzleramt 1981a, *Eigenstaendige Regionalentwicklung*, research report prepared by Glatz, H. and Scheer, G., Bundeskanzleramt, Wien; Bundeskanzleramt 1981b, *Sonderaktion des Bundeskanzleramts*, Bundeskanzleramt, Wien

⁴ See, for example, Coffey, J. and Polese, M. 1985, 'Local Development: Conceptual Basis and Policy Implications', in *Regional Studies*, Vol. 19.2;

⁵ Hodgson, G. 1988, *Economics and Institutions*, Polity Press, Oxford

⁶ Boyer, R. and Drache, D. 1997, *States Against Markets: The Limits of Globalization*, Routledge, London



man and money is a token of *purchasing power* which is not produced but comes into being through the mechanisms of banking or state finance⁷.

The active involvement of local institutional organizations may be required and pro-active agency is needed to *'build'* the adequate economic circuits (local governments sub-contracting car, gardens or building maintenance, local schools ensuring the demand for goods, local bodies of the central state ensuring the demand for cleaning services, etc.).

Finally, *'competition'* is conventionally conceptualised in a way that is not adequate for solving the problems faced by *'inclusive entrepreneurship'*. The problem to solve by these firms may be exactly to *avoid* competition. The identification of small niches and the creation of *'institutionally built economic circuits'* (public demand, demand from non-profit organizations of the social economy, sub-contracting, etc.) may be possible development perspectives. An active support to innovation, identifying *'intelligent'* products, *innovative* appropriate technologies and *'intelligent'* commercialization strategies may be needed⁸.

That is why *competition* is a poor approach for the reality of small businesses as already introduced above. Strategy focuses on setting oneself *apart* from competition⁹. The small player must have a position that is *hard to imitate*. They must focus on the position, the *'niche'* that they serve uniquely well. Cooperation and *'niches'* are more accurate than competition¹⁰.

The concept of *'economic integration'* introduced so far, actually requires a broad understanding of the very concept of *'economic'* as already recalled. In fact, the kind of efforts involved in promoting the *'economic integration'* of poor households have much in common with the possibility of *pro-active agency* and *social innovation* incorporating domains of action currently associated with *economic* policy (access to capital, financial incentives, fiscal benefits, etc.), *social* policy (community development, income support, vocational training, etc.), or *urban* and *regional* policies (decentralization, formal competencies of local authorities, local finances, land use regulations, infrastructures and premises, etc.).

Beyond Business and Management Strategies for 'Inclusive Entrepreneurship'

As was seen, the concept of *'economic integration'* in a context of increasing structural unemployment must include the possibility of enhancing target group's entrepreneurial potential. However, this potential is fulfilled by means of small businesses based on labour-intensive activities. These firms have

⁷ Polanyi, K. 1944, *The Great Transformation: the Political and Economic Origins of our Time*, Beacon Press, Boston

⁸ See, for example, Bundeskanzleramt 1981a, *Eigenständige Regionalentwicklung*, research report prepared by Glatz, H. and Scheer, G., Bundeskanzleramt, Wien; Bundeskanzleramt 1981b, *Sonderaktion des Bundeskanzleramts*, Bundeskanzleramt, Wien

⁹ See, for example, Porter, M. 1997, *'Creating Tomorrow's Advantages'*, in Gibson, R. (ed.), *Rethinking the Future*, Nicholas Brealey, London

¹⁰ See, for example, Philips, M. 1986, *'What Small Business Experience Teaches About Economic Theory'*, in Ekins, P. (ed) *The Living Economy: a New Economics in the Making*, Routledge, London



to combine capital with labour somewhat differently from conventional firms. The aim is to create income-earning activities for all those *with no* other alternative, as opposed to maximising profitability to capital. Job sustainability depends on a *high* added value of labour due to the chronic scarcity of capital in these situations.

In fact, creating new jobs through setting up new firms which mobilise the potential of non-traditional entrepreneurs require an adequate conceptual basis of action in understanding firms, markets and adequate strategies for this kind of organizations. Low capital and abundant labour require specific strategies that may contribute to remunerate labour at the national average productivity levels (minimum wage). Product innovation, adequate technology, innovation in commercialization and organizational innovation are aspects that require specific attention¹¹.

'Transaction' is better seen as the fundamental unit of business and not an 'exchange'. The component of a transaction at a small firm run by a member of a target group trying to build a new way of living may include a large component of aspects that include the *very knowledge* about this fact by the potential buyer.

The *non-price* components of a transaction at a local business run by neighbours, friends or relatives may include a large component of critical awareness about the structural nature of social problems which combines cognitive, affective and emotional dimensions in consumption behaviour.

The success of a small business depends heavily on providing goods and services that are appreciated by the buyer and generate word of mouth recommendations and decisions are not guided primarily by profit. That is the reason why *honesty* is of vital importance to business efficiency. It is always more economical to repeat business than to generate new business¹².

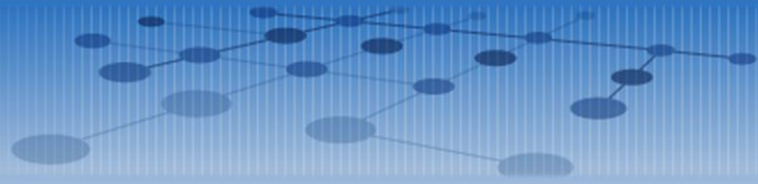
Contemporary Conditions and Current Challenges in Promoting 'Inclusive Entrepreneurship'

In the ongoing context of crisis the mobilisation of the potential for entrepreneurship among target groups requires therefore action which is informed by the following assumptions:

- a) Contemporary existential conditions among the members of target groups do not favour the *previous* existence of business ideas as well as the attitudes and behaviour forms that favour the 'spontaneous' emergence of a business project aiming at self-employment and income generation; adequate *animation* efforts play a crucial role and public policies involve policy integration and multi-level governance for flexible territorial context-dependent flexible response;

¹¹ See above, Bundeskanzleramt 1981a

¹² See, for example, Philips, M. 1986, 'What Small Business Experience Teaches About Economic Theory', in Ekins, P. (ed) *The Living Economy: a New Economics in the Making*, Routledge, London



- b) Business ideas have to combine the skills of potential entrepreneurs with business ideas and management strategies that meet the objective of reaching income equivalent to a minimum wage with labour intensity, low productivity and capital shortages; contemporary conditions are already very difficult for 'conventional' firms, specially for activities depending on the internal market; this means an additional challenge for 'inclusive entrepreneurship' and may involve innovation and adequate technological choices;
- c) The context-dependent and animation-dependent business creation require the previous existence of some organisational form delivering animation efforts, quality business advice and the adequate support skills in developing business strategies linking innovation, non-price factors in marketing strategies as well as centralisation of distribution and commercialisation in meeting the organisational shortcomings of small-scale 'inclusive entrepreneurship'; this requires adequate local governance and policy integration, social and organisational innovation and meeting skills gaps both regarding technical as well as generic skills.

2. The CoPIE Tool

The CoPIE Tool is an Excell based Tool aiming at supporting the monitoring of existing policies and measures concerning 'inclusive entrepreneurship'.

2.1. Origin

It originated from experimental action developed by projects from EQUAL Community Initiative during its first phase (2000-2005).

The results of the experience developed along this first phase enabled the possibility to develop an initial Tool which was tested along the second phase.

The Tool enabled the identification of domains of action requiring improvement. 'Best practice' from EQUAL Community Initiative could be identified to help improvement to become concrete.

The CoPIE Tool being now tested is already the result of improvements including knowledge gained from its past testing within the EQUAL framework.

2.2. Structure

It is based on different thematic parts:

- Strategy for Start-Up Support (Policy & Strategy, Approach & Realisation, Monitoring & Evaluation, Frameworks)
- Start-Up Culture (Sensitisation)
- Start-Up Support (Pre-Start-Up Support, Post-Start-Up Support, Access to Funding, Infrastructure, Quality, Start-Up Regulation).

2.3. How to rate the significance

The Tool's relevance is very much context-dependent. Different Member-States with different traditions and historical developments of their policies in the field make the relevance of the Tool dependent on these conditions.

Anyway, it helps to structure a way of reasoning in designing, implementing and managing policies. It helps to make easier the 'dialogue' between different policy domains with different traditions in the field in designing and implementing action (economic policy and social policy, etc.).

It also helps to identify different possibilities of designing specific policies clarifying the specific challenges of 'inclusive entrepreneurship as distinct from conventional entrepreneurship.

In these cases, the Tool can be used as a 'check-list' to help the design of policies and concrete measures.

The Tool revealed a good flexibility in including country-specific priorities. Testing in Portugal, was easy to adapt existing questions and introduce new questions to the analysis.

2.3.1 Qualitative comments

The usefulness of the CoPIE Tool lies beyond its use as a monitoring instrument. It contributes to build awareness in specific domains and can help 'making sense' to the search and identification of relevant information concerning 'best practices'.

Therefore, it can also be used to structure learning processes starting from this information and develop useful knowledge, skills and competences.



2.3.2 Comparability

‘Inclusive entrepreneurship’ is very much dependent on culture and historical national traditions. Therefore, the challenges are context-dependent and the improvements very much path-dependent.

But this said, the CoPIE Tool can be used to structure dialogues and debates among actors from different contexts and offer the basis for critical reflexivity and learning from context-dependent ‘best practice’.

3. Research design and methodological procedures

The research design was based on the assumption that the Tool is an instrument of *qualitative* analysis based on a *quantitative* notation.

The research design was therefore oriented to capture issues of opinion and exemplarity and *not* of statistical representativeness.

Having in mind the specific contemporary Portuguese conditions, some questions of the Questionnaire were adapted and new questions were introduced.

As Portugal has no political regions, issues concerning ‘inclusive entrepreneurship’ only concern competences at central level (with the exception of the Autonomous Regions of Azores and Madeira). Some questions had to be adapted in order to meet this reality.

New questions were introduced in order to emphasise the centrality of country specific priorities concerning target groups in ‘inclusive entrepreneurship’.

3.1. Description of survey groups

The exceptional Portuguese conditions of financial crisis, recession and deep political and institutional reform contribute to a context of structural change where new policies are being designed and announced but are still in an early implementation phase. Decision-makers could not be involved in testing the Tool.

Accordingly, it would be impossible to find firms whose experience as entrepreneurs could be linked to existing measures as related policy measures are still in an implementation phase. In the first testing of the Tool in Portugal, firms were involved that could be considered to be directly linked to the activity of an experimental EQUAL Project, “K’Cidade”.

Therefore, in Portugal the Tool was tested with the unique involvement of advisors. They were asked to autonomously fill in the questionnaires or they were interviewed later when clarification was needed.

3.2. Selection of interviewees

Interviewees were selected from an initial group that knew already about CoPIE when several organisations met to look for a collective way of acting for the improvement of their own practice on 'inclusive entrepreneurship'.

Two meetings took place in late 2011 based on their own initiative to meet and analyse the potential of CoPIE and its CoPIE Tool. These meetings should be the basis for the creation of a 'Portuguese CoPIE' and help to contribute as a working methodology aiming at improving their practice. Two meetings were organised and one of the meetings was prepared involving the coordinator and staff members from CoPIE.

This group of advisors was invited to participate in the testing of the Tool and additional advisors were invited later to participate.

3.3. Implementation of the study

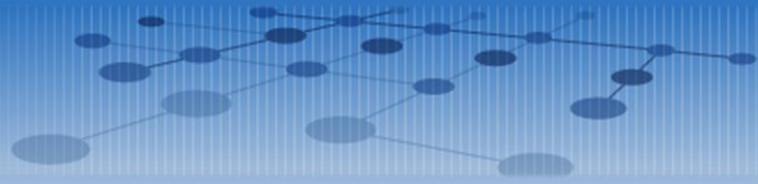
For purposes of analysis, the advisors have been divided into three groups:

- Advisors having field work experience and a close contact with members of target groups;
- Advisors having a broad national perspective of the challenges at stake;
- Advisors from the Azores Region (Islands).

3.4. New questions

As introduced above, some questions of the Questionnaire were adapted and new questions were introduced.

Some questions were adapted:



- The notion of 'region' as been some times replaced by the notion of 'country' and others by the notions of 'central, regional and local';
- The notion of target group has been specified with different categories (young unemployed, long-term unemployed, people in poverty, disabled people, people with migrant background, women, etc.)

The following new questions were introduced:

- (9b) The design of frameworks for public and private financial institutions takes the specific needs of the *firms* created by target groups (e.g. young unemployed, long-term unemployed, people in poverty, disabled people, migrant backgrounds, women, etc.) into consideration;
- (23a) Job agencies and job centres inform about how to *close* a business.
- (26b) There are training and workshop opportunities that take into account the specific needs of the *firms* created by target groups (e.g. young unemployed, long-term unemployed, people in poverty, disabled people, migrant backgrounds, women, etc.)
- (29b) The advice and coaching offers during the post-start-up phase take into account the specific needs of the *firms* created by target groups (e.g. young unemployed, long-term unemployed, people in poverty, disabled people, migrant backgrounds, women, etc.).
- (30b) The training and workshop offers during the post-start-up phase are tailored for the specific needs of the *firms* created by target groups (e.g. young unemployed, long-term unemployed, people in poverty, disabled people, migrant backgrounds, women, etc.)
- (38a) It is *fast* to get a loan from a bank for founders of a new business.
- (41a) Advisors have good expert knowledge concerning the specific needs of the *firms* created by target groups (capital shortage, labour intensity, low productivity, etc.).
- (41b) Advisors have good expert knowledge concerning the specific needs of the firms created by target groups and the role played by *product innovation* in their business strategies.
- (41c) Advisors have good expert knowledge concerning the specific needs of the firms created by target groups and the role played by *technological choices* and their relation with founders skills in their business strategies.
- (41d) Advisors have good expert knowledge concerning the specific needs of the *firms* created by target groups and the role played by *non-price factors* in their business strategies.

II SECONDARY ANALYSIS

4. Brief Country Profile

As introduced above, Portugal is experiencing an exceptional situation.

4.1. Context

The country is undergoing a major change in public policies. Implementing a very challenging financial assistance programme involving fiscal adjustment and reforms, Portugal is experiencing very deep changes with problems such as unemployment and poverty rising in a very serious way.

Public policies are facing severe budget restrictions and conventional policy measures seeing its relevance *decreasing*.

‘Social innovation’ is urgently needed as it becomes a major challenge to cope with the combined effects of financial crisis, decreasing competitiveness and decreasing export opportunities (recession possibility in Spain, etc.) , fiscal adjustment and structural policy reforms.

Strong increases in unemployment, poverty and bankruptcies of firms are reasons for major concern in the country. Fiscal austerity and reduction in public expenses contributes to a very strong decrease in internal demand making business for smaller firms increasingly difficult.

4.2. Responsibilities and Competences

Policy measures for ‘inclusive entrepreneurship’ are essentially a central competence being implemented by national institutes (employment and vocational training and support to SME and innovation).

Local Governments have no specific competences in this policy field. However, given the urgent need for action, many local governments are developing by their own diverse initiatives in the field of employment, employability and entrepreneurship (training, premises, etc.).

Portugal has only two Political Regions, Azores and Madeira. The Azores Government has its own microcredit programme which regulates conditions for the access to small loans ensured by private banks¹³.

4.3. Public Programmes

A Portuguese policy for 'inclusive entrepreneurship' is still in an early phase. 'Inclusive entrepreneurship' has not a strong tradition in the country. The first steps towards an 'inclusive entrepreneurship' policy started in Portugal in the early 80's with measures stimulating the creation of 'Local Employment Initiatives' following the OECD recommendations of the late 70's.

Given the political and institutional reforms being undertaken, some new policy measures are being designed and implemented and some other measures already undertaken by the previous government are now being adapted to the new conditions.

The Portuguese Government emphasised the role of microcredit in a Social Emergency Programme being implemented since August 2011 and just launched the Strategic Plan for Employability and Support to SME ('Youth Impulse') ("Plano Estratégico de Iniciativa à Empregabilidade Jovem e de Apoio às PME" ("Impulso Jovem"), last 5th June 2012. The Government announced last July 27th a new Programme, 'Putting in Value' Programme ("Programa Valorizar") which is being designed and will start to be implemented next September aiming at entrepreneurship and innovation in mobilising local resources.

The most relevant existing policy measures with direct links to 'inclusive entrepreneurship' include:

- The Programme to Support Entrepreneurship and Self-Employment (PAECPE) ("Programa de Apoio ao Empreendedorismo e à Criação do Próprio Emprego") (Portaria nº 985/2009)
 - National Microcredit Programme ("Programa Nacional de Microcrédito") (Resolução nº 16/2010) (4 de Março)
 - Strategic Programme for Entrepreneurship and Innovation (+E+I) (Resolução 54/2011) (16 de Dezembro); Declaração de Rectificação nº 35/2011) (21 de Dezembro)
 - Strategic Plan for Employability and Support to SME ('Youth Impulse') ("Plano Estratégico de Iniciativa à Empregabilidade Jovem e de Apoio às PME" ("Impulso Jovem") (5 June 2012)
- a) *The Programme to Support Entrepreneurship and Self-Employment (PAECPE) ("Programa de Apoio ao Empreendedorismo e à Criação do Próprio Emprego") (Portaria nº 985/2009)*

¹³ Scheme to Microcredit Bank Support in the Azores ("Regime de Apoio ao Microcrédito Bancário nos Açores") (Decreto Legislativo Regional) (26 Março 2012)

The Programme was designed to support the creation of small businesses offering a job alternative to all those without a better alternative in the formal employment system (unemployed, young unemployed, members of target groups, etc.):

- It was conceived recognising the relevance of public support in facilitating access to public financial support or credit by private banks (creating a national system of mutual guarantee) by celebrating protocols between the National Institute for Employment and Vocational Training (IEFP) and banks and ensuring the validity of projects by their previous analysis by Cooperative António Sérgio for the Social Economy (CASES)¹⁴;
- The Programme would support small scale profit oriented businesses as well as social firms;
- The Programme offers technical support to the creation and consolidation of projects that reveal good ideas and conditions for self-sustainable business;
- The technical support is offered by a network of non-profit organisations or local governments certified for that purpose;
- It was conceived as an employment policy measure to be implemented and managed by IEFP in cooperation with CASES.

b) *National Micro-Credit Programme (in the Framework of the Programme to Support the Development of the Social Economy (PADES) (“Programa Nacional de Microcrédito”)* (Resolução nº 16/2010) (4 de Março)

Later, the previous government created in 2010 the Programme to Support the Development of the Social Economy and, within the framework of the Programme, created the National Microcredit Programme aiming at facilitating credit and technical support to the creation and consolidation of projects.

This Programme should be coordinated by the National Institute for Employment and Vocational Training and the National Institute to Support SME and Innovation (IAPMEI) together with the António Sérgio Cooperative (CASES).

c) *Strategic Programme for Entrepreneurship and Innovation (+E+I) (Resolução 54/2011) (16 de Dezembro); Declaração de Rectificação nº 35/2011) (21 de Dezembro)*

The Portuguese Government launched the Strategic Programme for Entrepreneurship and Innovation (+E+I) last December 2011. The Programme aims at stimulating entrepreneurship and innovation in the country in order to contribute to a radical societal change for a more entrepreneurial society, to

¹⁴ The António Sérgio Cooperative for the Social Economy (CASES) (“Cooperativa António Sérgio para a Economia Social”) is a second level cooperative working in partnership with the Portuguese state and the organisations of the social economy. It’s mission includes acting for capacity building of these organisations.



support innovation and export-oriented firms and to promote participation in international networks of knowledge, entrepreneurship and innovation.

The Programme aims at enlarging the competencies of the Portuguese population in this sense, including youth and ‘socially unprotected’ population. The Programme does not include further links to ‘inclusive entrepreneurship’.

d) *Strategic Plan for Employability and Support to SME (‘Youth Impulse’) (“Plano Estratégico de Iniciativa à Empregabilidade Jovem e de Apoio às PME” (“Impulso Jovem”)) (5 June 2012)*

‘Youth Impulse’ is basically a Programme aiming at facilitating opportunities of traineeships for youngsters.

It also includes measures aiming at ‘inclusive entrepreneurship’:

- Self-employment by means of the creation of cooperatives (“Coopjovem”);
- Self-employment by means of benefiting from the National Microcredit Programme (“Microinvest”) (access to finance and pre-start-up and post-start-up technical support).

‘Inclusive entrepreneurship’ plays a modest role in ‘Youth Impulse’. Youngsters to be involved in both measures are estimated to reach 1220 what represents less than 2% of all the youngsters supposed to be involved in the future by ‘Youth Impulse’. The budget represents about 4% of the total budget.

III EVALUATION OF COMPILED DATA

5. Presentation of Results on Selected Topics

The presentation of results will follow the Tool's structure.

I.Strategy for start-up support

I.1. Policy & Strategy

Advisors tend to disagree concerning the existence of a policy and coherent strategies to promote 'inclusive entrepreneurship' in the country. Anyway, they reveal some perception of an eventual concern with the needs of target groups.

Their perceptions lead them to disagree with the idea that needs analysis for potential start-ups are regularly made (Q1, 2.7) but tend to agree that the specific needs of target groups are taken into consideration (Q1a, 3.5) in these analysis.

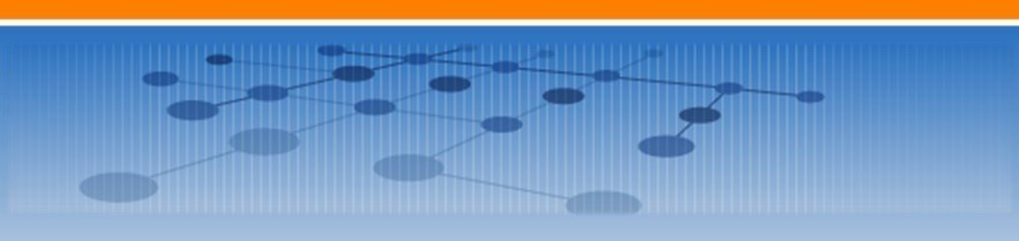
They also share the perception that no regular exchange between support institutions about support possibilities for founders exist (Q2, 2.2) and that the specific needs of target groups are taken into account (Q2a, 2.7).

No coherent strategy is considered to exist (Q3, 2.1) and therefore the specific needs of target groups are not taken into account (Q3a, 2.7).

Policy & Strategy

		<i>Local Advisors</i>	<i>Advisors</i>	<i>Azoren Advisors</i>	<i>Average</i>
1	As a basis for decision-making for policy measures regular, precise needs analyses for potential start-ups are carried out in the country / region.	1,9	2,8	4	2,7
1a	The needs of target groups (e.g. young unemployed, long-term unemployed, people in poverty, disabled people, people with a migrant background, women, etc.) are taken into consideration when carrying out a needs analysis.	2,7	3,0	4,8	3,5
2	There is regular exchange about necessary support possibilities for founders between central, regional and local support institutions.	1,7	2,5	2,6	2,2
2a	This exchange takes into account the needs of target groups (e.g. young unemployed, long-term unemployed, people in poverty, disabled people, migrant backgrounds, women, etc).	2,7	3,0	2,6	2,7
3	A shared and coherent strategy to support business formations exists between the different support institutions in the country / region.	1,4	2,0	3	2,1
3a	The strategy takes into account the particular needs of target groups (e.g. young unemployed, long-term unemployed, people in poverty, disabled people, migrant backgrounds, women, etc).	1,8	2,8	3,6	2,7

Source: CoPIE Tool



However, the different groups of advisors exhibit clear different perceptions on this topic.

Advisors having a closer contact with target groups (Local Advisors) show a clear disagreement with the idea that needs analysis for potential start-ups are regularly carried out (Q1, 1.9), that there is a regular exchange between institutions about possible support for founders (Q2, 1.7) and that there exists a coherent strategy to support business formation (Q3, 1.4) taking into account the particular needs of target groups (Q3a, 1.8).

In general, advisors from the Azores Islands tend to agree more with the existence of enough conditions for supporting business taking into account the needs of target groups.

1.2. Approach & Realisation

Advisors tend to disagree with the perception that adequate governance mechanisms for ‘inclusive entrepreneurship’ are being promoted here including the stimulating of the participation of people in charge in designing policy measures.

Actually, the people in charge are not considered to participate in the design of policy measures (Q4, 2.6) and the specific participation is not considered to be tailored to ensure adequate support offers to target groups (Q4a, 3.0).

The integration of relevant regional and local actors is not considered to be particularly relevant by existing policy measures (Q5, 2.8).

Approach & Realisation

		<i>Local Advisors</i>	<i>Advisors</i>	<i>Azoren Advisors</i>	<i>Average</i>
4	The people in charge collaborate effectively on the design of policy and support offers.	2,3	2,8	3	2,6
4a	Collaboration is tailored for support offers to also suit the needs of target groups (e.g. young unemployed, long-term unemployed, people in poverty, disabled people, migrant backgrounds, women, etc.).	2,4	3,0	4	3,0
5	The integration of relevant regional and local actors is supported by the central government.	1,9	3,0	4	2,8

Source: CoPIE Tool



Again, local advisors tend to show a stronger disagreement in what concerns participation in policy design (Q4, 2.3) and in what concerns the role of the central government in fostering the integration of relevant regional and local actors (Q5, 1.9) in order to reach collaboration forms tailored for support offers to suit the needs of target groups (Q4a, 2.4).

I.3. Monitoring & Evaluation

Advisors tend not to agree with the idea that start-up activities are subject to regular monitoring (Q6, 2.9), that this monitoring activities are used to identify best practice (Q7, 3.1), that they take into account the needs of target groups (Q7a, 2.6) or that demands on quality are an essential part of regular evaluations (Q8, 2.9).

Monitoring & Evaluation

		<i>Local Advisors</i>	<i>Advisors</i>	<i>Azoren Advisors</i>	<i>Average</i>
6	Central / regional start-up support activities are subjected to regular monitoring.	2,7	3,0	3,2	2,9
7	The monitoring results are used to identify Best Practices and to transfer them if necessary in order to reach a steady improvement of services.	2,9	3,0	3,6	3,1
7a	This permanent improvement takes into account the needs of target groups (e.g. young unemployed, long-term unemployed, people in poverty, disabled people, migrant backgrounds, women, etc.).	2,4	2,5	3	2,6
8	Clear demands on quality are an essential part of regular evaluations.	2,5	3,0	3,3	2,9

Source: CoPIE Tool

Local advisors also share a stronger disagreement.

I.4. Frameworks

Advisors tend to agree with the idea that policy measures exist that create incentives to financial institutions to provide founders with access to capital (Q9, 3.2) and that the design of frameworks of financial institutions take the needs of target groups (Q9a, 3.1) and of their organisations into consideration (Q9b, 3.2).

In line with this reasoning, advisors don't tend to agree with the idea that public contracts are used to support small-scale and micro-businesses (Q10, 2.5).

Frameworks

		<i>Local Advisors</i>	<i>National Advisors</i>	<i>Azoren Advisors</i>	<i>Average</i>
9	Central / regional politics creates incentives for public as well as private financial institutions to provide founders with access to capital.	3,1	2,5	3,8	3,2
9a	The design of frameworks for public and private financial institutions takes the needs of target groups (e.g. young unemployed, long-term unemployed, people in poverty, disabled people, migrant backgrounds, women, etc.) into special consideration.	3,0	2,5	3,8	3,1
9b	The design of frameworks for public and private financial institutions takes the specific needs of the firms created by target groups (e.g. young unemployed, long-term unemployed, people in poverty, disabled people, migrant backgrounds, women, etc.) into	2,0	2,3	2,6	2,3
10	Public contracts are used to support small-scale and micro-businesses.	1,4	3,0	3,6	2,5

Source : CoPIE Tool

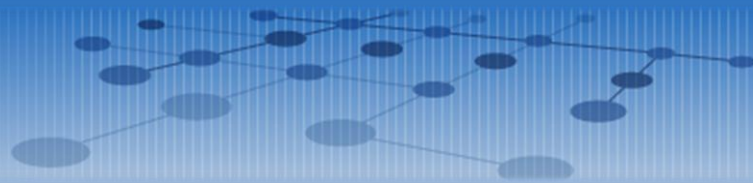
National advisors tend to disagree more with idea that policy measures contribute to provide founders (Q9, 2.5), in particular members of target groups (Q9a, 2.5), with access to capital.

But, on the other hand, local advisors tend to show stronger disagreement with the idea that the design of frameworks for financial institutions take the specific needs of target groups (Q9a, 3.0) or of their firms (Q9b, 2.0) into consideration and strongly disagree with the idea that public contracts are used to support small-scale and micro-businesses (Q10, 1.4).

II. Start-Up Culture

II.1. Sensitisation

Advisors don't tend to agree with the idea that media inform and cover the topic in a detailed manner (Q11, 2.9), but tend to agree that information events (Q12, 3.8) and agencies that offer advice to people interested in business start-up (Q13, 3.6) offer information about support possibilities. Anyway, local advisors tend to show a more 'optimistic' position (Q11, 3.6; Q12, 4.1) concerning the role of the media and of information events.



Sensitisation

		<i>Local Advisors</i>	<i>Advisors</i>	<i>Azoren Advisors</i>	<i>Average</i>
11	Central / regional and local media respectively inform and cover the topic regularly and in detailed manner (e.g. introduction of founders, support activities).	3,6	2,8	2	2,9
12	There are regular information events on the topic of start-ups and self-employment in the region.	4,1	3,5	3,4	3,8
13	Agencies that offer advice and qualification to people interested in business start-up or founders respectively get regular information about current support possibilities.	3,4	4,0	3,6	3,6
14	Schools curricula treat self-employment as an alternative to dependent employment.	2,7	1,8	1,8	2,1
15	Universities prepare students for the possibility of self-employment.	2,7	1,8	1,8	2,2

Source: CoPIE Tool

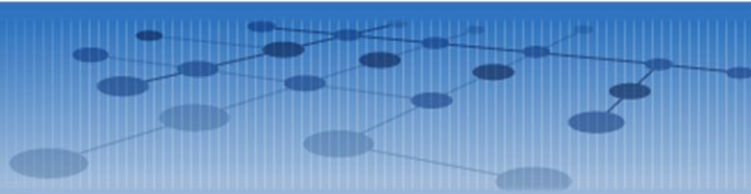
Advisors don't agree that the institutions and organisations from the formal school system offer an adequate contribution. They don't agree that schools curricula treat self-employment as an alternative to dependent employment (Q14, 2.1) and they don't agree that universities prepare students for the possibility of self-employment (Q15, 2.2). Again, local advisors show a more 'optimistic' approach to this topic (Q14, 2.7; Q15, 2.7).

III. Start-Up Support

III.1. Pre-Start-Up Support

Advisors strongly agree with the idea that qualified advice is important for successful self-employment (Q16, 4.8) and they also recognise that it may be easy to find appropriate advice offers (Q17, 3.3) or even that they actually exist for free and at a justifiable cost (Q18, 3.8). Azoren advisors share a more 'optimistic' position (Q17, 4.0) concerning the finding of appropriate advice offers and local advisors also tend to agree with the idea that tailored advice offers exist for free or at justifiable costs (Q18, 4.0).

They agree less with the idea that offers taking into account the special needs of target groups do exist (Q18a, 3.0) and that founders of a new business can get advice and assistance with the handling of formal start-up requirements (Q19, 2.9) even if they belong to a specific target group (Q19a, 3.0).



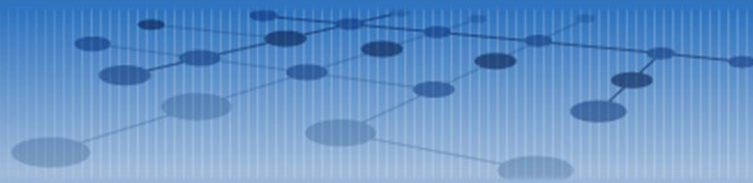
Advisors tend not to agree with the idea that advisors of different institutions and agencies work together on the support of business start-ups (Q20, 2.3) and that members of target groups have the same chances when accessing adequate support offers (Q21, 2.9).

The sales approach of advice bodies is considered by advisors of not taking into account the special needs of target groups (Q22, 2.4).

Advisors tend to accept that job agencies and job centres inform about the possibilities of both dependent employment and *starting up* a new business (Q23, 3.1) but they strongly disagree with the idea that they inform about how to *close* a business (Q23a, 1.3). Local advisors completely disagree with this statement (Q23a, 1.0).

Pre-Start-Up Support

		Local Advisors	Advisors	Azoren Advisors	Average
16	Qualified advice is important for successful self-employment.	4,9	4,5	4,8	4,8
17	It is easy to find appropriate advice offers for people interested in starting up a business and entrepreneurs.	2,7	3,5	4	3,3
18	Tailored advice offers for people interested in starting up a business and founders of a new business do exist (for free or at justifiable costs).	4,0	4,3	3	3,8
18a	Offers that take into account the special needs of target groups (e.g. young unemployed, long-term unemployed, people in poverty, disabled people, migrant backgrounds, women, etc.) exist.	3,0	2,8	3,2	3,0
19	Founders of a new business get advice and assistance with the handling of formal start-up requirements.	3,0	2,8	2,8	2,9
19a	Target groups (e.g. young unemployed, long-term unemployed, people in poverty, disabled people, migrant backgrounds, women, etc.) receive appropriate support with the handling of formal start-up requirements.	3,0	3,0	3	3,0
20	Advisors of different institutions and agencies respectively work together on the support of business start-ups.	2,0	2,3	2,6	2,3
21	Marginalised groups as a matter of principle have the same chances when accessing adequate support offers.	2,6	2,5	3,8	2,9
22	The sales approach of advice bodies take into account the special needs of groups (e.g. young unemployed, long-term unemployed, people in poverty, disabled people, migrant backgrounds, women, etc.).	2,1	2,3	3	2,4
23	Job agencies and job centres inform about the possibilities of dependent employment as well as the possibility of starting up a new business.	3,5	2,5	3	3,0
23a	Job agencies and job centres inform about how to close a business.	1,0	1,7	1,4	1,3
24					
25	It is easy for people interested in starting up a business and founders of a new business respectively to find appropriate training or workshop opportunities.	2,6	3,5	2,8	2,9



26	Tailored training or workshop opportunities for people interested in starting up a business and founders of a new business do exist (for free or at justifiable costs).	2,9	3,3	2,8	2,9
26a	There are training and workshop opportunities that take into account the special needs of target groups (e.g. young unemployed, long-term unemployed, people in poverty, disabled people, migrant backgrounds, women, etc.).	2,9	2,5	2,2	2,6
26b	There are training and workshop opportunities that take into account the specific needs of the firms created by target groups (e.g. young unemployed, long-term unemployed, people in poverty, disabled people, migrant backgrounds, women, etc.).	2,3	2,0	1,8	2,1

Source: CoPIE Tool

They don't fully recognise as easy the possibility of finding appropriate training for people interested in starting up a business (Q25, 2.9). They do not agree entirely that these opportunities exist (Q26, 2.9) and that they take into account the special needs of members of target groups (Q26a, 2.6) or of the specific needs of the firms they may create (Q26b, 2.1).

III.2. Post-Start Up Support

Advisors further strongly agree that advice, training and workshop opportunities after a business formation are important to stabilise young enterprises (Q27, 4.9) but they do not agree that public institutions and providers of support services for founders of a new business inform about qualification and advice offers during the post-start-up phase (Q28, 2.5). Local advisors and Azoren advisors completely agree with the importance of advice, training and workshop opportunities (Q27, 5.0) but local advisors tend to strongly disagree that public institutions and support services inform about support services during the post-start-up phase (Q28, 2.0).

They don't agree that advice and assistance for founders of a new business is made available during the post-start-up phase for free or at a justifiable cost (Q29, 2.4) and they agree even less that the advice and coaching offers during the post-start-up phase take into account the needs of members of target groups (Q29a, 2.3) or the specific needs of firms created by target groups (Q29b, 2.4).

Following the same line of reasoning, tailored training is not considered to exist (Q30, 2.3) and even less tailored to the needs of members of target groups (Q30a, 2.1) or tailored to the specific needs of the firms created by target groups (Q30b, 2.1.).

Finally, advisors tend not to agree that entrepreneurs from target groups are seen as equal partners in established business purposes (chambers, associations, etc.) (Q31, 2.8).

Post-Start-Up Support

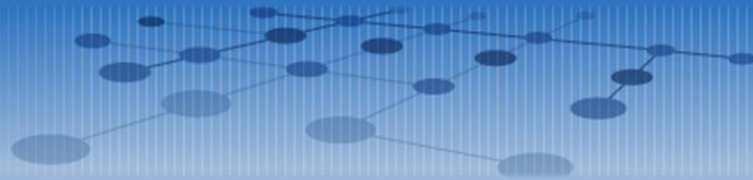
		<i>Local Advisors</i>	<i>Advisors</i>	<i>Azoren Advisors</i>	<i>Average</i>
27	Advice, training and workshop offers after a business formation are important to stabilise young enterprises.	5,0	4,5	5	4,9
28	Public institutions and providers of support services for founders of a new business appropriately inform about qualification and advice offers during the post-start-up phase.	2,0	2,3	3,2	2,5
29	Advice and assistance for founders of a new business is made available during the post-start-up phase (for free or at justifiable costs).	2,0	2,8	2,6	2,4
29a	The advice and coaching offers during the post-start-up phase take into account the needs of target groups (e.g. young unemployed, long-term unemployed, people in poverty, disabled people, migrant backgrounds, women, etc.).	2,5	2,0	2,4	2,3
29b	The advice and coaching offers during the post-start-up phase take into account the specific needs of the firms created by target groups (e.g. young unemployed, long-term unemployed, people in poverty, disabled people, migrant backgrounds, women, etc.).	2,7	2,0	2,4	2,4
30	Tailored training and workshop offers are made available for entrepreneurs during the post-start-up phase (for free or at justifiable costs).	1,8	2,5	2,8	2,3
30a	The training and workshop offers during the post-start-up phase are tailored for the needs of target groups (e.g. young unemployed, long-term unemployed, people in poverty, disabled people, migrant backgrounds, women, etc.).	2,0	2,0	2,4	2,1
30b	The training and workshop offers during the post-start-up phase are tailored for the specific needs of the firms created by target groups (e.g. young unemployed, long-term unemployed, people in poverty, disabled people, migrant backgrounds, women, etc.).	2,0	2,0	2,2	2,1
31	Entrepreneurs from marginalised groups are seen as equal partners in established business purposes (e.g. chambers, associations et cetera).	2,3	2,8	3,4	2,8
32	Small-scale and micro enterprises receive effective and efficient support on the basis of crisis management (e.g. consultancy over the phone).	1,5	2,5	2,4	2,1
34	There are networking opportunities for founders of a new business on a regional or local level respectively.	2,0	3,3	2,8	2,6
34a	There are special networking opportunities for target groups (e.g. young unemployed, long-term unemployed, people in poverty, disabled people, migrant backgrounds, women, etc.).	1,4	2,0	2,8	2,0

Source: CoPIE Tool

Advisors also don't agree that small-scale and micro-businesses receive adequate support in crisis management (Q32, 2.1).

Finally, advisors don't agree that there are networking opportunities for founders of a new business (Q34, 2.6) and agree even less that these networking opportunities exist for members of target groups (Q34a, 2.0).

Local advisors have a clear more 'pessimistic' position. They strongly disagree that training and workshop offers are made available for entrepreneurs during the post-start-up phase (Q30, 1.8), that micro firms receive adequate support in crisis management (Q32, 1.5) or that there are networking opportunities for members of target groups (Q34a, 1.4).



III. 3. Access to Funding

Advisors don't agree that funding institutions support founders of new businesses in adequate form in the transition to self-employment (Q36, 2.8) and they also don't agree that appropriate funding is made available for members of target groups (Q36a, 2.9) or that the amount of subsidies to secure the livelihood of micro-entrepreneurs are sufficient (Q37, 2.2). Local advisors clearly disagree in a stronger way on these topic (Q37, 1.4).

Advisors clearly disagree with the idea that it is easy to get a loan from a bank for founders of a new business (Q38, 1.7) or that it is fast to get it (Q38a, 1.7).

Access to Funding

		<i>Local Advisors</i>	<i>Advisors</i>	<i>Azoren Advisors</i>	<i>Average</i>
36	Funding institutions offer investment incentives in the form of subsidies to founders of a new business to effectively support them during the transition to self-employment.	2,2	2,8	3,6	2,8
36 ^a	Appropriate funding and subsidies are also made available for target groups (e.g. young unemployed, long-term unemployed, people in poverty, disabled people, migrant backgrounds, women, etc.).	2,4	3,0	3,4	2,9
37	The amount of subsidies to secure the livelihood of micro-entrepreneurs are sufficient.	1,4	2,7	3	2,2
38	It is easy to get a loan from a bank for founders of a new business (reasonable or no securities or guarantee).	2,0	1,5	1,4	1,7
38 ^a	It is fast to get a loan from a bank for founders of a new business.	1,5	1,7	2	1,7

Source: CoPIE Tool

III. 4. Infrastructure

Advisors accept that appropriate spatial infrastructures exist for founders of a new business (start-up centres, incubators, offices, offices, co-working spaces, etc.) (Q40, 3.0).

Infrastructure

		<i>Local Advisors</i>	<i>Advisors</i>	<i>Azoren Advisors</i>	<i>Average</i>
40	The country / region has a needs appropriate spatial infrastructure for founders of a new business (start-up centres, incubators, offices, work spaces or the like).	3,0	3,3	2,8	3,0

Source: CoPIE Tool



III. 5. Quality

Advisors interviewed agree that advisors in the field have good expert knowledge (Q41, 3.4), but they tend to disagree that advisors have good expert knowledge concerning the specific needs of the firms created by target groups (Q41a), namely, in what concerns the role of product innovation (Q41b, 2.7), the role of technological choices and their relation with founders skills (Q41c, 2.6) and the role played by non-price factors in their sales strategies (Q41d, 2.5).

Advisors also tend not to agree that the quality of start-up advice is monitored regularly (Q42, 2.4) or that the results of eventual quality checks are used to continuously refine the offers (Q43, 2.5). Local advisors show a stronger disagreement (Q42, 1.9; Q43, 2.1).

Quality

		<i>Local Advisors</i>	<i>Advisors</i>	<i>Azoren Advisors</i>	<i>Average</i>
41	Advisors have good expert knowledge.	3,0	3,8	3,6	3,4
41a	Advisors have good expert knowledge concerning the specific needs of the firms created by target groups (capital shortage, labour intensity, low productivity, etc.).	2,3	2,3	3,4	2,7
41b	Advisors have good expert knowledge concerning the specific needs of the firms created by target groups and the role played by product innovation in their business strategies.	2,2	2,3	3	2,5
41c	Advisors have good expert knowledge concerning the specific needs of the firms created by target groups and the role played by technological choices and their relation with founders skills in their business strategies.	2,3	2,3	3,2	2,6
41d	Advisors have good expert knowledge concerning the specific needs of the firms created by target groups and the role played by non-price factors in their business strategies.	2,3	2,0	3	2,5
42	The quality of start-up advice is monitored regularly.	1,9	2,5	3	2,4
43	The results of the quality checks are used to continuously refine the offers.	2,1	2,7	2,8	2,5
44	Advisory bodies for founders of a new business inform in a transparent and complete manner about chances and risks of a business formation.	2,7	4,3	3	3,2
44a	The particular situation of target groups (e.g. young unemployed, long-term unemployed, people in poverty, disabled people, migrant backgrounds, women, etc.) is taken into account when chances and risks are evaluated.	3,3	3,0	2,8	3,1
45	Awards for public calls for bids for advisory services are given out based primarily on (well defined) quality criteria (not price-based criteria).	2,6	2,7	3	2,8
46	Founders of a new business and entrepreneurs can get conclusive information about an advisory body before using its services.	2,8	2,8	3,8	3,1

Source: CoPIE Tool

Advisors tend to agree that advisory bodies inform in a transparent way about the chances and risks of a business formation (Q44, 3.2) and that the particular situation of members of target groups is taken into account when chances and risks are evaluated (Q44a, 3.1).



Finally, advisors tend not to agree that awards for public calls for bids for advisory services are given out based primarily on well defined quality (not-price based) criteria (Q45, 2.8), but they accept that founders of a new business can get conclusive information about the advisory bodies before using their services (Q46, 3.1).

III. 6. Start-Up Regulation

Advisors tend to agree that the time spent on formal start-up requirements is manageable (Q47, 3.3), but not to agree that existing institutions support founders with the handling of industrial requirements (Q48, 2.9).

Start-Up Regulation

		<i>Local Advisors</i>	<i>Advisors</i>	<i>Azoren Advisors</i>	<i>Average</i>
47	The time spent on formal start-up requirements imposed on founders of a new business is manageable.	3,7	3,3	2,8	3,3
48	Central, regional and local institutions support small-scale and micro-business founders with the handling of industrial requirements.	3,1	2,5	3	2,9

Source: CoPIE Tool

IV KNOWLEDGE GAIN

6. Central results

Key results can be identified in Testing the Tool in Portugal.

6.1. Governance and policy integration (animation, social protection, access to finance, etc.)

A coherent policy for 'inclusive entrepreneurship' is still in an early phase (fiscal policy, social protection policy, contribution to social security schemes, etc.) and existing individual measures still reveal the need of further development in terms of policy integration, cooperation among different bodies and the participation of all those with field knowledge in designing the relevant measures.

6.2. Animation and pre-start-up support

Pre-start-up support is recognised as important, but advisors recognise existing support does not meet the needs of target groups in an adequate way (specific needs, training, advice by job agencies and job centres, etc.).

6.3. Consolidation, growth and post-start-up support

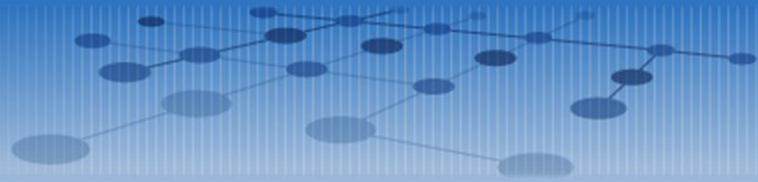
Post-start-up is also recognised as important, but advisors disagree that it meets the needs of target groups and the firms they create in an adequate way (advice and coaching, assistance, qualification, crisis management, networking opportunities, etc.).

6.4. Access to finance

Access to finance is still recognised as difficult and advisors think it is neither easy nor fast enough to get a loan from a bank if you belong to a target group.

6.5. Quality of support services, organisational capacity and skills

Advisors recognise that in general advisors in the field have good expert knowledge, but they consider this is not the case when thinking about the specific challenges of firms created by target groups (product innovation, technology choices, sales strategies, quality checks of start-up advice, quality criteria in public bids for advisory services, previous access to information about advisory bodies by target groups, etc.).



7. Conduction of recommendations for action

The CoPIE Tool can structure ‘dialogues’ between different actors in developing new measures and can help ‘making sense’ for needed information concerning improvements felt as necessary.

It can be used as a ‘check list’ in defining priorities and help the search for information about examples of ‘best practice’ helping to clarify the needed conditions for action.

Testing the CoPIE Tool in Portugal helped to make priorities clear in designing measures for ‘inclusive entrepreneurship’:

- Access to finance remains a critical issue; but, when dealing with entrepreneurship among target groups other dimensions should be dealt with priority; living precarious existential conditions, threatened by unemployment and decreasing social protection, having been socialised in schools with priority to working for a wage, dealing with everyday information of decreasing business opportunities for conventional firms, animation efforts and pre-start-up play a central role; these kinds of animation efforts require a specific quality and adequate skills;
- Depending on their own skills in labour intensive production processes and trying to reach adequate income (‘economic and financial viability’) with strong capital shortages (microcredit), ‘inclusive entrepreneurship’ requires adequate business and management strategies different from those needed by conventional capital intensive and technology based small firms ; the challenges of ‘innovation’, business skills and sales have to be different though crucial for survival; growth and survival require post-start-up support; but also these kind of efforts require specific quality challenges and adequate skills;
- If governance and policy integration, social relations, pre-start-up, post-start-up and the support to commercialisation all play a critical role in making ‘inclusive entrepreneurship’ concrete, the identification of the organisations best prepared to play this role requires specific attention; it involves specific organisations prepared to develop context-specific action, prepared to learn and meet the challenges of organisational innovation and create the conditions necessary to meet skills gaps and develop the non-conventional skills considered to be critical in pre-start-up and post-start-up business support.

8. Recommendations for transnational cooperation

Urgent progress in Europe is needed if enlarging the potential for job creation among target groups will be seen as a priority. In contemporary conditions, this progress requires explicit and strong political support and policy measures that actually may contribute to make results in the field concrete.

This involves 'social innovation' both in public policies and in the practice of the organisations of civil society. The needed effort of 'social innovation' can be strongly improved by action at European level.

It will not be needed information about 'best practices' alone. Member States vary deeply in cultural, historical and institutional conditions favouring entrepreneurship. Examples of 'best practice' remain strongly context-dependent.

It is true that it is a very useful contribution to make information about 'best practice' covering the different and specific policy fields of a policy for 'inclusive entrepreneurship' available. Web based platforms can play a very relevant role¹⁵.

But, it also will be needed that conditions can be created to help to:

- 'Making sense' from information made available;
- Criteria for selecting the most adequate examples of 'best practice';
- Facilitate close interaction between people involved in experimental and innovative action ('best practice', 'bad practice', etc.) and people willing and prepared to learn from other's practices to improve their own action capacity;
- Developing the adequate learning methodologies;
- Developing methodologies for supporting the producing of useful context-dependent knowledge;
- Meeting 'skills gaps' in developing competences for 'inclusive entrepreneurship'.

Transnational cooperation at European level for 'social innovation' and 'inclusive entrepreneurship' can make a useful contribution to meet the urgent need of job creation mobilising the potential for entrepreneurship in the 'totality of European localities' making the most of available resources.

¹⁵ See, for example, Wikipreneurship (<http://wikipreneurship.eu>).