



# Inclusive Entrepreneurship in the region of ANDALUSIA

Elaborated by the **Regional Ministry of Employment** in collaboration with  
the **Council of the Chambers of Commerce, Industry and Navigation of  
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## **EXECUTIVE SUMMARY**

In the region of Andalusia, the Regional Ministry of Employment, acting as the responsible body in the area of creation and encouragement of employment, collaborates in the establishment of programmes to promote the participation of all persons in the world of business. An example of this has been the participation since 2001 in the Community Initiative of Equal, which explores and experiments new formulas to combat the unfairness and discriminations which take place in the labour market.

Within the framework of the initiative, the government of Andalusia has wished to add to the project of Community of Practice on Inclusive Entrepreneurship (project CoPIE), in order to share good practices in the field of entrepreneurship and to deepen the knowledge of factors which favour the process of creation of self employment by people who have difficulties entering employment. Thus, a tool has been built within the heart of the project CoPIE, which consists of a series of common indicators shared by all Member States and regions forming the Community of Practice, permitting the analysis of the level of inclusiveness of the entrepreneurship policies. The tool is aimed at policy makers involved in businesses creation, advisors specialised in supporting business creation and entrepreneurs. Basically, the tool permits the identification of the strengths and weaknesses within four areas: creating the culture and conditions for entrepreneurship, integrated start-up support and training, support for consolidation and growth and access to appropriate finance. In this context, the Regional Ministry of Employment, as an active member of the CoPIE network, has undertaken a survey of the support of the creation of business by discriminated people on the basis of the mentioned tool (version 1.0).

The study includes the whole geographical area of Andalusia. In this respect, with the interest in illustrating the dimension and complexity of the study it is convenient to point out that Andalusia constitutes the second largest autonomous community in Spain and the first with respect to population, having at present around 8 million inhabitants. Due to the decision to encompass the whole territory, the study has been much wider and disperse than in other regions.

As regards the economic context of the study, it can be observed that in recent years the evolution of the Andalusian labour market has been favourable; the active population and the number of people in employment has increased and the number of unemployed has decreased. Also the percentage of women in employment in Andalusia is approaching the national figures. The creation of self employment influences on this employment growth, becoming an employment option positively valued by the Andalusian population, which is the second region in Spain in number of self employed.

### Key Points for employment.

<b>KEY POINTS</b>	<b>EVIDENCE</b>
Employment and activity rate	The employment rate is 49,10% of the total active population. In Spain it is 54.36% (1) The active population rises to 56,16% (in Spain it is 59,10%), 87,4 % of them are employed and 12,6% are unemployed. (1)

Salaries. Temporality.	The cost of labour is situated below the national average although the growth in the fourth term of 2006 in respect to the same previous period (4.1%) has been higher than the National average.(3.2%).(2) Andalusia has a high rate of temporality in both sexes although in the last two years there has been a slight decrease. It has increased in both private and public sectors, the increase being higher in the private sector, due fundamentally to a large increase in feminine temporality. (2)
Employment in the Agricultural sector	The agricultural sector is the sector which has suffered the greatest loss of employment during the last few years in nearly all the provinces. (2)
Main territorial differences	The concentration of population and economic activity exists in highly developed provinces such as Seville and Malaga with a high level of production and competition and a structure based on, above all, service activities and to a lesser degree industrial and agricultural activities.
Main areas of growth	The service sector is that of the highest growth, above all the sub sectors of tourism and building which have been the most dynamic.

(1) Active Population Census (Third Term of 2007), Andalusian Institute of Statistic.

(2) Andalusian Socioeconomic Report 2006, Economic and Social Council of Andalusia.

Equally the Andalusian Government supports and encourages the creation of future business projects which will be capable of creating employment and thus advancing towards full employment. With this in mind, in 2007 the **Regional Ministry of Employment** created and put into operation the “Plan Más Autónomos“ which intends to coordinate all the bodies of attention and support to self employed, establish new ways of assistance and advice, increase the possibilities of training and financing self employment for both the establishment and the maintenance of a business; motivate the personnel recruitment; allow the balance between working and private life and promote more security in employment.

Furthermore, the present document consists of a synthesis of a wider study called “*the support of the creation of businesses by people with employment difficulties*” where can be obtained more detailed information resulting from the application of the CoPIE tool (version 1.0) in the community of Andalusia.

## Project Development

In accordance with the tool (version1.0) elaborated within the framework of the project CoPIE, the study sample has been composed by three object groups: policy makers involved in business creation policies; advisors or tutors specialised in the creation of businesses and entrepreneurs.

The questionnaire was sent to **104** contacts grouped in more than **80** different bodies and organisms in the following way:

- 31 policy makers
- 73 advisors or tutors
- 24 entrepreneurs

The questionnaire was revised and translated into Spanish. Its completion was requested giving a punctuation of 1 to 4 (totally disagree to totally agree) and special importance was given to the addition of comments on each one. Given the size of the territory and the number of contacts, it was decided that the best way to implement the survey was by post or email. The rate of response of policy makers, advisors and entrepreneurs has been 70%, 71% and 80% respectively.

## Outcomes of the application of the tool

Next, the results derived from using the tool (version1.0) are detailed following the given structure:

### Strategy

- From the point of view of policy makers, Andalusia counts on with an integrated public strategy to promote business creation which encompasses various lines of action. The majority of the interviewees declare that there are positive actions on a regional scale, like the “Plan Más Autónomos” set up by the **Regional Ministry of Employment** or the “Programa de Incentivos” by the **Regional Ministry of Innovation, Science and Enterprise of Andalusia**. In addition they mention other local and provincial initiatives.
- Policy makers consider that the existing actions and programmes in this field are addressed to collectives with difficulties in entering the labour market, as well as those territories which need to be developed.
- In their opinion there is a need to increase the number of agreements undertaken among regional and local public administrations responsible for developing the entrepreneurship policies. They declare that it exists an excess of departmentalisation provoking mismanagement and disinformation at operational level.

### Creating the culture and conditions

- Policy makers state that there are numerous public and private information points offering awareness raising, training and support activities.
- In addition they are of the opinion that trade fairs and similar events take place regularly in the region. However, entrepreneurs state they don't use to attend many of these events due to lack of information.
- Policy makers also think that there still exists very little liaison between school and workplace, although some new programmes are being developed to improve this. Very few entrepreneurs interviewed declare having experimented with business ideas when being in full time education.
- Tutors think they have good didactic materials (texts, manuals, handbooks) on business creation, but that also consider these should be better adapted to suit the needs of the target groups, using for this purpose less technical language.
- Advisors agree on the one hand, that the majority of people who set up a business try to have an innovating idea or observe an existing business as a model, although at the same time they try to make something different. In any case they think that it is positive to visualise business role models.
- According to the interviewed advisors, current services to promote and support business creation are addressed to the general public and, in a lesser degree, to

specific groups. The implementation of awareness rising activities should also be more frequent and specialised.

- Entrepreneurs consider that administrative steps and formalities to create a business need to be streamlined. On occasions they experience difficulties in finding the adequate advice on matters requiring specific knowledge.
- Entrepreneurs believe that there is a positive image of self employed people in the media, although immigrants and ethnic minorities think that it should be reconsidered the way they are portrayed in the media.
- The groups of interviewees are of the opinion that, at the moment, there exists different and numerous awareness raising activities and business cultural activities directed at women. However the tutors consider convenient the development of a larger number of awareness raising actions directed at people over fifty, immigrants, ethnic minorities. The entrepreneurs think that those targeted should be the young people under 30s and the people over 50s.

#### Start-up Support and Training

- Policy makers, advisors and entrepreneurs all think that the network of bodies giving advice and counselling in businesses creation is large and easy to access.
- In accordance with the view of the policy makers and the advisors interviewed, there exist a large number of business premises. However, advisors consider prices are not always accessible and there exists a lack of information about the current and future availability. Equally the data analysed shows a lack of knowledge of these initiatives by entrepreneurs.
- The advisors value in a positive manner the training they receive to improve their personal and professional competences, but they require more specific and permanent training. They consider that the advice they give to set up a business to the entrepreneurs is quite good, as well as the planning methods. They would like to improve the standard quality of advice, that change depending on the organisation and often it does not fit in the needs of the specific groups.
- The advisors know of the existence of market researches which have been undertaken with the aim of detecting possible barriers in businesses creation among some of the target groups. They believe that these documents, although not always accessible, would be of great use in designing mechanisms to promote the creation of businesses.
- The entrepreneurs ask for more training in the creation of businesses and more specialised material adapted to their needs.
- The advisors believe that there are enough activities in the creation of business directed at women. Nevertheless, it is necessary to insist on people with disabilities, immigrants and ethnic minorities.

### Support for consolidation and growth

- According to the policy makers it is easy to find business information to set up a self employment activity and moreover the one that is available, is good, sufficient and accessible. But the advisors consider that although such advice exists, it is very disperse, out of date and the majority is not free. It is not easy for them to obtain these market researches with which to support the entrepreneurs who wish to establish a business in a particular sector.
- All those interviewed think that counselling in the consolidation phase of a business is an aspect which has been very poorly developed up until now. The efforts that have been made so far have been centred fundamentally on the setting up of a business. According to the advisors an example of this is that the training which they currently receive allows them to advise on the starting point of a project, but the great majority of them lack the business experience or knowledge in particular economic areas so that on occasions it is difficult for them to fulfil the expectations of the people they are trying to help.
- The entrepreneurs think the amount of grants and financial support conceded by the Public Administration for the consolidation phase of a business should be widened.
- One aspect of development proposed by those interviewed is that of the availability of premises, making them more accessible, as currently the prices of these are high. In the majority of cases it is usual that businesses have to move after a period of three years.
- Regarding the training available, the tutors think that quality training is not free and they call for an improvement in the content and duration of training programmes receiving grants as well as more flexible timetables.
- The entrepreneurs think that it is not easy to join mainstream business networks or to access into public contracts with the Public Administration. They call for a larger support of local and regional products and firms.
- According to those interviewed, although it is necessary to develop the consolidation and growth of businesses in all collectives, the disabled are among those who need more attention.

### Access to Appropriate Finance

- The interviewees all agree that although the existing financial support available to newly created businesses is very wide, it is characterized by the long period of time it takes to receive such grants, that they are not very flexible and in some cases insufficient to cover all the initial costs.
- They also agree that mechanisms could be designed to detect the financial needs created by the different groups who are objects of the survey.
- The advisors once again stress the fact that due to the type of training they receive, they lack the specialization and knowledge of financial management.

- According to the results obtained, there exists a difficulty in obtaining micro finances and financing by banks in the initial phase of a business, due to the fact that banks make the concession of credits difficult especially if there is no guarantee or income.
- From the results one can deduce that the majority of persons surveyed recognise the need to elaborate measures which make the access to financial aid in the setting up of a business easier for all collectives, although as before, the disabled are those who ask for more programmes in this matter.

## Conclusions

To conclude it can be said that one of the most valued actions has been the one concerning the multiple possibilities, points of information and activities of support offered by different organizations. A network which provides counselling services for the creation of new businesses exists in the whole territory of Andalusia, both in the private and public sector. However in the opinion of those surveyed, support in the consolidation phase of the business has not been totally developed. Efforts have been aimed more at the phase of analysis of the idea of a business and more recently at the promotion of business culture.

The field of investigation carried out within the project CoPIE has obtained evidences on fundamental aspects which determine the creation of businesses. Firstly, as regards the relationship business- education system, the policy makers confirm that business culture is a subject which should be introduced in the curriculum of all educational centres. In the case of higher education (technical college /universities) certain initiatives are already being undertaken. The entrepreneurs interviewed claim that they had very little contact with the subjects of creation of businesses when they were at school and/or at university. The advisors call for a better liaison between school and businesses in all fields since it is fundamental that students have a basic knowledge of how to undertake for themselves a new business venture.

The survey also reveals that the quality of advice and counselling available needs to improve. The tutors claim that the training they receive is limited, that they acquire knowledge on the creation of a new business but that the majority lacks the business experience and qualifications in certain economic areas.

As regard to the grant aids and measures supporting the creation of new businesses, all those interviewed, praised the wide selection of measures and grants that entrepreneurs can apply for. The policy makers and the tutors emphasized the work undertaken by the **Regional Ministry of Employment** and the **Regional Ministry of Innovation, Science and Enterprise** on a regional level. They consider that the existing activities and programmes in this field have taken into account the collectives with greatest difficulty in entering into the labour market as well as favouring the areas with the greatest need for development. The entrepreneurs, for their part, demand the streamlining of the paperwork and concession of financial aids. They also highlight the difficulties of obtaining micro finance and bank financing in the initial phase of a business.

In short, the analysis of the results derived from this study allows make clear that, in general, all the interviewees recognize the institutional efforts made for the maintenance of a wider and solid advising network, and the support for the creation of a self employed

activity in Andalusia. In the same manner, this shows the convenience of improving questions related to services from this network, such as the quality of the advice or the training that the advisors receive.