

INCLUSIVE ENTREPRENEURSHIP IN PORTUGAL



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THIS STUDY AND THE COMMUNITY OF PRACTICE ON INCLUSIVE ENTREPRENEURSHIP HAS BEEN CO-FUNDED BY THE EUROPEAN COMMISSION

EXECUTIVE SUMMARY

This report concerns the testing of a methodology to assess “inclusive entrepreneurship” business support systems. The study is part of the activities undertaken in the framework of a Community of Practice involving Belgium, Germany, Portugal, Spain and Wales. It concerns the testing of an instrument based on an Excel spreadsheet and that will be further referred below as “tool”. The testing of the tool was developed by national experts within this Community of Practice. It aimed at identifying the strengths and challenges of this diagnostic device, as a support for the Policy Forum, in Hannover.

In Portugal, the tool was tested in a “distressed urban area” of Lisbon where an Equal project explicitly tries to experiment with innovative approaches to “inclusive entrepreneurship”.

Interviews have been carried out with 4 policy makers (local and central levels), 9 advisers and 18 entrepreneurs. The 9 advisers have field work experience of business support in urban as well as rural context. Additionally, The animators of the two National Thematic Networks on “Entrepreneurship” (1st and 2nd phase) were also personally interviewed. Among the 18 entrepreneurs, 6 have been directly supported by the K’Cidade project. The others emerged “spontaneously” in the area or followed the rehousing of the local community.

The individuals belonging to different stakeholder groups were asked to comment on a statement about entrepreneurship within the themes of strategy, culture, start-up support, consolidation and growth and access to finance. They were also asked to score their comments concerning the statements (4 for totally agree, 1 for totally disagree). The scores have been given a colour (red, yellow or green) according to the value of average scores. The analysis would then identify those aspects where current “inclusive entrepreneurship” action is considered to be good (green), reasonable (yellow) and poor (red) (Annex 1).

That is how the tool enables the identification of entrepreneurship practices which clearly require improvement (red). Examples of good practice may then be used as illustration of possibilities of improvement.

“Inclusive entrepreneurship” in Portugal

Portugal has been increasingly developing an entrepreneurship policy which is already based on diverse organisations and policy instruments. The “Instituto de Apoio às Pequenas e Médias Empresas” (IAPMEI) plays a central role as national agency stimulating start-ups and organisations involved in business support. Special programmes are being implemented involving firms, entrepreneurial organisations and local governments (Prime, Finicia, etc.). Business Innovation Centres, Technological Parks and new administrative procedures (“Empresa na Hora”, etc.) aim at promoting the emergence of start-ups and innovation in existing firms.

But policy makers recognise that “inclusive entrepreneurship” as an autonomous policy issue is still in a very early stage. It is still being mainly restricted to credit as private banks are increasingly offering micro credit opportunities. 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.

“Distressed Urban Areas”

Facing poverty in ‘distressed urban areas’ constitutes a major policy challenge. It is not low income alone that characterises these neighbourhoods, but an interlocking mix of environmental, social and economic circumstances. Combating poverty in the context of ‘distressed urban areas’ constitutes an enormous challenge for contemporary European societies. “Inclusive

entrepreneurship” may be the only alternative of job creation for all those without this alternative in the formal labour market.

K’Cidade Project

The project K’Cidade aims at contributing to improve the quality of life of marginalised groups within urban Portugal (including cultural and ethnic minorities) by enhancing their capacity at the community level through the improvement of their capacities to assess and address their own needs and manage their own social and economic development", and include three urban areas: Alta de Lisboa, Ameixoeira e Mira Sintra.

Methodology

The tool was tested in Lisbon in K’Cidade project’s area. The project was chosen following a specific methodological procedure which puts in value the experimental character of the Community Initiative Equal.

Experimental programmes aiming at the improvement of public response offer examples of possible innovation and enable the identification of related policy implications. One can start from experimental results to search for the conditions that made innovation possible. Project’s results become illustrations of possible improvements and *key-messages* and *policy implications* can be derived from experimental action.

Testing the tool

The process of testing the tool involved several dimensions:

- The process started with interviewing 6 entrepreneurs whose firms were considered to be an outcome of the projects. The tool was used both as a scoring procedure and as a basis for semi-structured and semi-directive interviews in order to capture the critical conditions underlying entrepreneurship. On the basis of the information collected “short life stories” of the involved entrepreneurs have been prepared.
- The conditions identified as critical have been explicitly addressed in the process of interviewing advisers and policy makers. Policy makers at local level were interviewed first and policy makers at central level have been interviewed at the end. Given the close interaction between the implementation of policy measures in the field of micro credit and nation wide NGO, a representative of this organisation was also interviewed as policy maker.
- The advisers have been asked to autonomously fill in the tool and some have been interviewed later by telephone or Skype when clarification was needed.
- Finally, back to the field, all the remaining firms in the area have been covered. 12 entrepreneurs that created their firms in the area “spontaneously” without the project’s support were interviewed. Conditions initially identified by the project’s supported firms, existing policy measures and the advisers perceptions have been kept in mind in analysing the situations where the project was absent.

Outcomes of testing the tool

In summary, the following outcomes can be stressed:

- The tool helped to identify “culture and conditions” and “consolidation and growth” as the dimensions representing the major challenge in a Portuguese policy for “inclusive entrepreneurship”;
- Among stakeholders, advisers express the more optimistic position; they share the perception that beyond public policies opportunities are widening in civil society linked to national and international organisations;
- Existing policy measures hardly touch entrepreneurs belonging to the target groups; either entrepreneurship occurs “spontaneously” or depending on comprehensive approaches developed by projects; this also represents a major challenge concerning the continuity of actions initiated by projects and the mainstreaming of knowledge gained by experimenting in this field;
- Advisers recognise that a particular expertise is required; “inclusive entrepreneurship” is qualitatively different from entrepreneurship “as usual” aimed at target groups; this requires capacity building at organisational level and specific as well as generic skills among advisers involved in business support structures;
- Policy makers recognise the need to improve public response concerning the challenges of “inclusive partnership”; they share difficulties in knowing about measures from different sectors (enterprise, employment, education, etc.) and about the whole diversity of opportunities widespread in civil society associated to national and international organisations (Third sector, European programmes, local governments, etc.).

Further indirect outcomes

Further outcomes can also be identified:

- It contributed to raise awareness among all the involved stakeholders concerning the issues involved in “inclusive entrepreneurship”;
- The tool helped to discover new issues and helped to clarify conceptual aspects around the very notion of “inclusive entrepreneurship” and business creation and the relations between them;

The tool can also be used beyond scoring. It can offer the basis for semi-structured interviews in order to get qualitative information. It proved possible to use its structure to capture relevant information around “short life stories” of entrepreneurs being interviewed.

Policy relevant areas identified

It was possible to identify key relevant policy areas:

- Informality can be found as an explicit “survival strategy” to avoid the loss of social protection measures (minimum income, unemployment subsidy, etc.); the relation between active and passive social policy measures seems to require an explicit attention in promoting “inclusive entrepreneurship”;

- The availability of affordable premises plays also a relevant role, specially in an urban context; therefore, residential space may play a role in income generating activities and housing and re-housing interventions should include this possibility; this corresponds to remarkable challenges to current architecture and engineering assumptions;
- In “inclusive entrepreneurship”, social networks play a very relevant role; neighbours, relatives and households become central issues; in “inclusive entrepreneurship” policy is also a household centred policy rather than individual centred;
- “Inclusive entrepreneurship” requires explicit pro-active engagement change in context to make it happen (the role of schools and early stimulation, changing demand and marketing opportunities, etc.); it may well depend on the role of organisations with the adequate capacity (local authorities, local development associations, etc.);
- “Inclusive entrepreneurship” depends on adequate business strategies in order to reach income generation and the level of minimum wage given their capital shortages and below average productivities; in these conditions, adequate business support, information and advice lies beyond business “as usual”; business and advice for “inclusive entrepreneurship” requires adequate specific and generic skills;
- “Inclusive entrepreneurship” may depend on business opportunities identified by external organisations (local authorities, local development agencies, etc.); sub-contracting and CSR may represent business opportunities linked to the building of local economic thickness;
- Partnership and Governance represent opportunities for “inclusive entrepreneurship”; but their effectiveness may well depend on changes in state competences and organisational restructuring (centralisation or devolution to territorial levels; autonomy of decentralised bodies like the public employment services, etc.);
- “Inclusive entrepreneurship” may well benefit from innovation in the field coming from European experimental programmes like Equal; but ensuring the continuity which might have been initiated requires a clear identification of the conditions that made it possible and the development of policies for “inclusive entrepreneurship” that may ensure the mainstreaming of experimental action where programmes and projects cannot substitute current policy.

Best practice and the improvement of “inclusive entrepreneurship”

The Portuguese business support system for “inclusive entrepreneurship” is still in an early development phase. Anyway, starting from the Lisbon “distressed urban area” of “Alta de Lisboa” where the Equal K’Cidade is trying to contribute with innovation in this field, the tool helped to identify major challenges that can be addressed.

Innovative best practices in the country stemming from Equal or other European or national initiatives help to identify domains of possible improvement of the business support system for “inclusive entrepreneurship”.

Creating the culture and conditions for entrepreneurship

The ANOP Project (www.anop.com.pt) shows how it is possible to develop an integrated approach to entrepreneurship linking skills assessments, personal development, training and local initiatives to widen opportunities. Its Centres for Local Entrepreneurship (CIL – Casas da Iniciativa Local)® are integrated mechanisms that support local initiative (Kiosk for an Active Life, a Skill Assessment Agency, a Project Workshop, etc.).

The Project ‘*Enterprising in School*’ (ENE) (www.projecto-ene.com) (Faro) shows how it is possible to adapt ordinary secondary schools to the early stimulation of entrepreneurship. The project conceived and implemented a particular methodology, the *ENE Methodology* (*Business Plan Manual, Student Manual, Teachers Manual, Complementary Training CD-ROMs, ENE Ideas Contest, EXPO ENE, etc.*).

Start-up support and training

The project K’Cidade (www.kcidade.com) shows how it is possible to build adequate business support structures aiming at entrepreneurship among vulnerable persons. One-stop shops provide a support system to potential entrepreneurs made up of clearly defined stages like profiling, planning, start-up, consolidation and growth. Each stage involves the provision of different services (such as counselling, motivation, vocational training, mentoring and facilitating access to micro-credit) that help the entrepreneur acquire the personal competences, the technical skills as well as the resources necessary for success.

Consolidation and growth

The project “Grândola em Rede para a Inserção” (“Grândola Networking for Integration”) (www.grandolaemrede.com.pt) showed how it is possible to build informal relationships between local firms and the organisations of the third sector to mobilise local resources and widen opportunities for entrepreneurship. The informal relationship model is an integrated system of relationship between Associations, Schools, Enterprises and Institutions with social and economic intervention.

The project “Empreender Mais e Melhor” (<http://www.adcmoura.pt/html/equal.htm>) shows how it is possible to build an integrated local business support system having in mind the specific challenges of consolidation and growth. The project activities are based on a comprehensive approach to the challenges, barriers and opportunities connected to business creation in Moura County.

Access to appropriate finance

The “Glocal” project (www.iniciativaglocal.eu) shows how it is possible that entrepreneurship projects can become good alternatives to social schemes. Even if entrepreneurship only reaches a small group of people it plays a relevant role in demonstrating that it is possible to move from subsidies to self-reliance. “Glocal” also shows that it is possible to create new solutions linking local organisations to the stimulation of the emergence of start-ups, the promotion of innovation and skills development and adequate access to finance. “Glocal” stresses the relevance of a long-term approach, the role of local partnership networking and the need of adequate, accessible and flexible business support services. Last but not the least, “Glocal” shows that access to appropriate finance is a necessary condition in “inclusive entrepreneurship”. But it also shows that access to finance has to be linked to the conditions leading to start-up and to consolidation and growth in an integrated way.

1. INTRODUCTION

1.1. WHAT IS THE COMMUNITY OF PRACTICE ON INCLUSIVE ENTREPRENEURSHIP?

CoPIE is a learning and communication platform for people who are passionate about inclusive entrepreneurship. We work on the design and delivery of policies which make it easier for under-represented groups to become self employed or start up a business. We have called this 'inclusive entrepreneurship'. It builds on the work carried out over the last five years by nearly 300 EQUAL partnerships on opening up business creation to all members of society. Many of the 12 countries involved in this work created National Thematic Networks to exchange and mainstream their findings. The Community of Practice also drew heavily on the experience of the EQUAL partnerships involved in the Social Economy.

Inclusive entrepreneurship

Inclusive entrepreneurship is a comprehensive approach to widening the range of people that start and grow their businesses. It drives up employment and activity rates and cuts unemployment. It is a diversity assured approach that works effectively in communities that are discriminated against. To widen entrepreneurship we have brought together a Community of Practice on Inclusive Entrepreneurship COPIE led by Flanders and co-financed by the European Commission. COPIE is an open network aiming make entrepreneurship an attractive and viable option for more people during the 2007-13 period. COPIE has developed a new action planning approach which will be presented for the first time to around 300 delegates from the EU Member States at a Policy Forum in Hannover on 5-6 June 2007.

The Four entrepreneurial ladders out of exclusion

Although the definitions vary slightly in each Member State, the main themes dealt with in business creation are very similar across the countries. They have been described as the four parts of "an entrepreneurial ladder out of social exclusion". The four parts are:

- creating the culture and conditions for entrepreneurship;
- integrated start-up support and training,
- support for consolidation and growth and
- access to appropriate finance.

In all these areas there is already an important reservoir of good practice on how to promote inclusive entrepreneurship in many Member States. But this still generally takes the form of pilot projects and initiatives. At the end of Equal, there is a risk that this knowledge and experience can be lost. Our approach aims to combat this by helping regions to mainstream the good practice from all over Europe.

The founding partners

Flanders, Germany, Spain, Portugal and Wales are the founding members of COPIE. France, the Netherlands, Greece and Wallonie are participating as observers. They have all had direct experience of trying to close the gap between employment and entrepreneurship policies. This gap exists because those concerned with social inclusion and employment policy tend to prioritise combating exclusion through employment. European employment policy is increasingly concentrated on supply side solutions (like training, counselling and "flexicurity") for

helping the labour force adapt to a rapidly changing environment created by globalisation and an ageing population. Policies for business creation tend to receive less attention.

The people involved in the Community of Practice believe that many more people from disadvantaged groups can help to create their own future rather than hope that decent jobs “trickle down” from the high technology, high growth sectors. They argue that “entrepreneurship” should not be seen as the prerogative of a privileged few. It is already a survival strategy for millions of Europeans – and, with the right conditions and policies, it has the potential for unleashing the creativity of millions more.

Developing Action Plans for Inclusive Entrepreneurship

One of the first tasks of the Community of Practice has been to design a methodology for developing “action plans” for Inclusive Entrepreneurship. The action plans are built around a tool that takes the stakeholders systematically through an analysis of enterprise support in their region, sub region or city. The tool itself consists of four scorecards on excel spreadsheets which are already available on-line. At present, this preliminary version of the tool and bank of good practices can be consulted on the COPIE website.

The tool helps policy makers and practitioners concerned with entrepreneurship to identify the main gaps or challenges to the support system for entrepreneurship in the four main themes identified by EQUAL - from the point of view of specific groups. Policy challenges are identified from the scoring process.

Armed with this knowledge they can locate the good practices developed elsewhere to meet similar challenges in the area of culture and conditions, start-up support and training, consolidation and growth and access to appropriate finance.

Finally, they can bring both elements together to design an action plan or strategy for inclusive entrepreneurship for the next period. Now that CoPIE has established a sound basis for co-operation we plan to grow the existing community of practice by adding five to ten new member regions from a range of different Member States. We are particularly keen to expand our network to include the new Member States

The rest of this report describes how the tool has been tested by one of the members of CoPIE.

1.2. THE PROCESS OF TESTING THE TOOL IN LISBON

In Portugal, the tool was tested in a “distressed urban area” of Lisbon where an Equal project explicitly tries to experiment with innovative approaches to “inclusive entrepreneurship”.

Interviews have been carried out with 4 policy makers (local and central level), 9 advisers and 18 entrepreneurs. The 9 advisers have field work experience of business support in urban as well as rural context. Additionally, The animators of the two National Thematic Networks on “Entrepreneurship” (1st and 2nd phase) were also personally interviewed. Among the 18 entrepreneurs, 6 have been directly supported by the K’Cidade project. The others emerged “spontaneously” in the area or followed the rehousing of the local community.

“Inclusive entrepreneurship” in Portugal

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. The OECD was concerned with the prospects concerning the rise of structural unemployment in the developed countries and suggested the experimenting with capitalising unemployment subsidies.

But policy makers recognise that “inclusive entrepreneurship” as an autonomous policy issue is still in an early stage. It is still being mainly restricted to credit. Banks are becoming to provide small loans.

“Distressed Urban Areas”

Combating poverty in the context of ‘distressed urban areas’ constitutes an enormous challenge for contemporary European societies. “Inclusive entrepreneurship” may be the only alternative of job creation for all those without this alternative in the formal labour market.

Facing poverty in ‘*distressed urban areas*’ constitutes a major policy challenge. In OECD words¹: *‘It is not low income alone that characterizes these neighbourhoods, but an interlocking mix of environmental, social and economic circumstances, sometimes exacerbated by public policies, that discourages investment and job creation and encourages alienation and exclusion’* (op cit., p. 10). The same document stresses: *‘The issue of distressed urban areas is one of the most intractable in the developed countries of the OECD, and if anything it has become more aggravated in the 1980s and 1990s, both in countries with strong employment growth and in those where unemployment remains high’* (op. cit, p. 9).

K’Cidade Project

The project K’Cidade aims at contributing to improve the quality of life of marginalized groups within urban Portugal (including cultural and ethnic minorities) by enhancing their capacity at the community level through the improvement of their capacities to assess and address their own needs and manage their own social and economic development", and include three urban areas: Alta de Lisboa, Ameixoeira e Mira Sintra.

The project assumes that the concept of entrepreneurship cannot be reduced to business creation. Thus, all its intervention aims at empowerment, and in this sense, it works with a person’s own resources and the skills that he/she already has. Some of them, naturally, have the potential to become entrepreneurs, meaning that business creation is only one of the consequences of the promotion of entrepreneurship. If people reach their development potential, sometimes, creating a business will be something natural. Then, they will have management skills and the ability to compete in the market and, in a medium/long term, expanding their activities.

In what relates to business creation, the great concern of the project is that people should actually improve their situations and not end up a loan to pay and no income. To avoid this situation, the project works people’s ideas with themselves, using accessible strategies, simplifying the usual procedures in business management and mobilise all the available resources in the community. The goal is to avoid using bank credit or, if they do so, to ensure that loan amount is reduced.

None of the five companies interviewed is formal. This has a simple explanation: from the moment they legalise their business, the entrepreneurs will lose the subsidies and the social supports that receive at the moment. Everyone takes a risk when decides to create their own business, but the risk for these people is bigger as it is associated with the loss of social benefits.

¹ OECD 1998, *Integrating Distressed Urban Areas*, OECD, Paris

Methodology

The tool was tested in Lisbon according to a specific methodological procedure which puts in value the experimental character of the Community Initiative Equal. Experimental programmes aiming at the improvement of public response offer examples of possible innovation and enable the identification of related policy implications. One can start from experimental results to search for *key-messages* and *policy implications*.

Given the experimental character of Equal, it was possible to analyse the approach of these 6 firms as a result of the project. As such, the 6 firms become examples of possible achievements when the necessary conditions are in place. These aspects may become specific objects of evaluation and “methodological transferability” (horizontal mainstreaming) and policy recommendations (vertical mainstreaming) may be formulated on the basis of the projects achievements.

- The process of testing the tool started with interviewing 6 entrepreneurs whose firms were considered to be an outcome of the projects. The tool was used both as a scoring procedure and as a basis for semi-structured and semi-directive interviews in order to capture the critical conditions underlying entrepreneurship. On the basis of the information collected synthetic “life stories” of the involved entrepreneurs have been prepared.
- The conditions identified as critical have been explicitly addressed in the process of interviewing policy makers. Policy makers at local level were interviewed first and policy makers at central level have been interviewed at the end. Given the close interaction between the implementation of policy measures in the field of microcredit and nation wide NGO, a representative of this organisation was also interviewed as policy maker.
- The advisers have been asked to autonomously fill in the tool and some have been interviewed later by telephone or skype when clarification was needed.

Finally, back to the field, all the remaining firms in the area have been covered. 12 entrepreneurs that created their firms in the area “spontaneously” without the project’s support were interviewed. Conditions initially identified by the project’s supported firms, existing policy measures and the advisers perceptions have been kept in mind in analysing the situations where the project was absent.

1.3. MAIN LESSONS FROM TESTING THE TOOL IN LISBON

It is possible to identify in Portugal several measures of an entrepreneurship policy, but an “inclusive entrepreneurship” policy is still in an early stage. There is still little widespread awareness concerning the potential contribution of “inclusive entrepreneurship” to widen opportunities for job creation especially among those groups and areas less likely to accede to the labour market in contemporary conditions.

Portugal has a very relevant experience in the field of Local Employment Initiative which was evaluated with very good results. But the development of an “inclusive entrepreneurship” policy requires further improvement and much can be gained from European cooperation in this field.

The methodological procedure introduced below, enabled a further exploring into potential uses of the Tool and helped identifying policy relevant issues about the conditions from which business may depend on.

Outcomes of testing the tool

In summary, the following outcomes can be stressed:

- The tool helped to identify “culture and conditions” and “consolidation and growth” as the dimensions representing the major challenge in a Portuguese policy for “inclusive entrepreneurship”;
- Among stakeholders, advisers express the more optimistic position; they share the perception that beyond public policies opportunities are widening in civil society linked to national and international organisations;
- Existing policy measures hardly touch entrepreneurs belonging to the target groups; either entrepreneurship occurs “spontaneously” or depending on comprehensive approaches developed by projects; this also represents a major challenge concerning the continuity of actions initiated by projects and the mainstreaming of knowledge gained by experimenting in this field;
- Advisers recognise that a particular expertise is required; “inclusive entrepreneurship” is qualitatively different from entrepreneurship “as usual” aimed at target groups; this requires capacity building at organisational level and specific as well as generic skills among advisers involved in business support structures;
- Policy makers recognise the need to improve public response concerning the challenges of “inclusive partnership”; they share difficulties in knowing about measures from different sectors (enterprise, employment, education, etc.) and about the whole diversity of opportunities widespread in civil society associated to national and international organisations (Third sector, European programmes, local governments, etc.).

Further indirect outcomes

Further outcomes can also be identified:

- It contributed to raise awareness among all the involved stakeholders concerning the issues involved in “inclusive entrepreneurship”;
- The tool helped to discover new issues and helped to clarify conceptual aspects around the very notion of “inclusive entrepreneurship” and business creation and the relations between them;
- The very process of testing the tool helped to increase knowledge about the reality of scattered existing organisations and advisers that hardly could be known in advance;

The tool can also be used beyond scoring. It can offer the basis for semi-structured interviews in order to get qualitative information. It proved possible to use its structure to capture relevant information around “short life stories” of entrepreneurs being interviewed.

Policy relevant areas identified

It was possible to identify key relevant policy areas:

Culture and conditions

- Informality can be found as an explicit “survival strategy” to avoid the loss of social protection measures (minimum income, unemployment subsidy, etc.); the relation between active and passive social policy measures seems to require an explicit attention in promoting “inclusive entrepreneurship”;

Start-up support and training

- The availability of affordable premises plays also a relevant role, specially in an urban context; therefore, residential space may play a role in income generating activities and housing and re-housing interventions should include this possibility; this corresponds to remarkable challenges to current architecture and engineering assumptions;
- In “inclusive entrepreneurship”, social networks play a very relevant role; neighbours, relatives and households become central issues; in “inclusive entrepreneurship” policy is also a household centred policy rather than individual centred;
- “Inclusive entrepreneurship” requires explicit pro-active engagement change in context to make it happen (the role of schools and early stimulation, changing demand and marketing opportunities, etc.); it may well depend on the role of organisations with the adequate capacity (local authorities, local development associations, etc.);

Consolidation and growth

- “Inclusive entrepreneurship” depends on adequate business strategies in order to reach income generation and the level of minimum wage given their capital shortages and below average productivities;
- In these conditions, adequate business support, information and advice lies beyond business “as usual”; business and advice for “inclusive entrepreneurship” requires adequate specific and generic skills;

Access to finance

- Following the Local Employment Initiatives tradition access to finance was ensured by public organisations; the recent involvement of private banks is creating new opportunities with micro credit; but the assumptions beyond existing possibilities are still far from the existential situation and financial needs of the most vulnerable persons; improvement is required and intermediate organisations may have a key role to play.

Further issues

- “Inclusive entrepreneurship” may depend on business opportunities identified by external organisations (local authorities, local development agencies, etc.); sub-contracting and CSR may represent business opportunities linked to the building of local economic thickness;
- Partnership and Governance represent opportunities for “inclusive entrepreneurship”; but their effectiveness may well depend on changes in state competences and organisational restructuring (centralisation or devolution to territorial levels; autonomy of deconcentrated bodies like the public employment services, etc.);

- “Inclusive entrepreneurship” may well benefit from innovation in the field coming from European experimental programmes like Equal; but ensuring the continuity which might have been initiated requires a clear identification of the conditions that made it possible and the development of policies for “inclusive entrepreneurship” that may ensure the mainstreaming of experimental action where programmes and projects cannot substitute current policy.

Recommendations for Improving the use of the tool

Entrepreneurs

- In Portugal, the potential entrepreneurs have a very low academic and professional qualifications level and some of them are illiterate; the tool’s statements have to take this reality into account;
- The question “I was exposed to enterprise ideas while at school” does little sense for most of the interviewed entrepreneurs, as they had a very short relation with schools, and this issue only starts to be directly addressed in high schools and organisations involved in professional training.
- In Portugal, only micro credit is being perceived; for that reason people had difficulty to answer to the question “Banks provide a wide range of financial products to entrepreneurs like us”;
- In Portugal, it is easy to all to open a current based bank account if they have sufficient money for that.
- When we ask about entrepreneur’s training, it is understood in a traditional sense, as training in a classroom.

Advisers

- Using the tool with advisers involved in K’Cidade project showed the need to clarify the very concept of entrepreneurship and “inclusive entrepreneurship” when approaching business creation; the “tool”, how it is now, can hardly address this issue;
- These advisers also stressed that the questions are more guided to the efforts than to the results;

Policy Makers

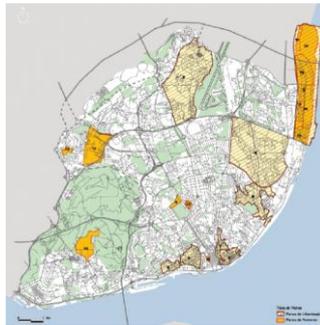
- The interviews to policy makers revealed that it is difficult to have knowledge about other sectors (enterprise policy, employment policy, social policy, etc.) and other organisations and projects of civil society in this field (experimental programmes, local projects, etc.);
- It is necessary to clarify if the statements concern entrepreneurship in general or if they concern specifically “inclusive entrepreneurship”;

2. ENTERPRISE ECOLOGY

2.1. DEMOGRAPHICS: THE AREA AND ITS PEOPLE

The Regional Plan of Lisbon organises relevant information:

- The Region of Lisbon has a population of 3.4 million inhabitants; 1/3 of the Portuguese population lives in 13% of the country's territory;
- Alone in the Metropolitan Area of Lisbon live 2 541 000 inhabitants;
- The Regional Plan identifies 262 “distressed urban areas”; but, 80 of these areas (1/3) are “newly” built social housing areas (being built since the early 90s);
- Alone in the town of Lisbon 143 679 people are living in 89 “distressed urban areas”, what represents 26% of the population of the urban centre of the Metropolitan Area.



The K'Cidade project's area where the tool was tested has particular characteristics:

- The project's area concerns 13556 inhabitants; it is divided in two sub-areas, “Alta de Lisboa” (10256 inhabitants) and “Ameixoeira” (3300 inhabitants);
- The inhabitants live in high density buildings built in the framework of a slum eradication rehousing process since 1999;



- It concerns a young population, with average family sizes higher than for the town of Lisbon (3.3 in the area, 2.4 in the town and 2.8 in the country); activity rates are lower than for the town (39.5%, 48.1% in Lisbon, 48.2% in the country); illiteracy is higher than for the rest of the town (15% and 7%) and early school leave is higher as well (6.9%, 2.2% in the town, 2.7% in the country);

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- Jobs are coherent with the rest of the social situation; women working in cleaning services and retail, men working mainly as industrial workers and in the building industry;
- Ethnic minorities are particularly expressive in Ameixoeira (18.7% and 2%) mainly due to the relevant presence of the gipsy community;
- Unemployment is very high; it reaches 28.4% in “Ameixoeira” and 22.8% in “Alta de Lisboa”; 15.3% employed are registered as self-employed;
- Around 70% of the population in both sub-areas live below the Portuguese poverty line.

2.2. KEY EMPLOYMENT CHALLENGES

Table Employment Challenges in the Lisbon project's area

Problem	Key points
Low employment and activity rates	Very young population
Low pay, casual employment	Casual employment mainly in cleaning services and building industry
Loss of jobs last 5 years	Decreasing activity of building industry
Main territorial disparities	Over proportional relevance of job loss and unemployment in "distressed urban areas"
Main growth sectors/opportunities	Not possible to identify to the concerned population
Other	

The tool was tested having in mind the employment challenges which "distressed urban areas" face. "Inclusive entrepreneurship" represents a contribution to business creation and self-employment which has to be fully reinforced.

Therefore, the following facts should be stressed:

- Unemployment is rising in Portugal and reaching the highest values since the last 20 years in spite of growth (8.3% in the beginning of 2007);
- Its higher incidence on different target groups, the spatial concentration of these groups and the cumulative vulnerability that can be found in "distressed urban areas" represent a major challenge for public policies;
- Given low rates of growth, the traditional specialisation of Portuguese economy (threatened by increasing imports from Asian and eastern European countries) and decreasing employment content of growth reinforce the increasing difficulty of particular groups to accede to a job in contemporary conditions;
- Therefore, acceding to a job depends increasingly from new job creation and new job creation depends increasingly from new firm creation.

2.3. ENTREPRENEURIAL DYNAMICS

As "inclusive entrepreneurship" plays a central role in contributing to enlarge opportunities to accede to a job in "distressed urban areas", the role of micro-firms in the employment structure and the role of start-ups in job creation deserve a central attention. The relevant information is taken from analysis undertaken by the "Instituto de Apoio às Pequenas e Médias Empresas" (IAPMEI) (www.iapmei.pt) the national agency to support SME.

The Region of Lisbon plays a central economic role in the country. It concentrates a high proportion of employment, it also concentrates the faster growing sectors (services, retail,

business services, building industry) and, like in all other parts of the country, micro-firms play the most relevant role in new job creation:

- Lisbon concentrates 36.9% of the private jobs in the country;
- SME's represent in Lisbon a lower weight in employment when compared with other parts of the country, but even so, they represent 60.6% of local employment;
- In Lisbon, SME are more dynamic than bigger firms in new job creation, and small and micro-firms play a central role in job creation.

The dynamics of start-ups have been analysed by the "Observatory of Business Creation" at IAPMEI (2006 survey). The following aspects concerning the profile, social networks and funding sources of start-ups are worth being stressed:

- New start-up entrepreneurs are "team starters" (in 48.8% of the cases two entrepreneurs); they have often previous entrepreneurial experience (45.9%) and a relevant number have entrepreneurial experience within the family (66%);
- New entrepreneurs are young (52.5% below 35 years), male (65.6%), with low academic qualifications; they have a long previous professional experience (10 years);
- Unemployed represent 14.7% of start-ups and a majority has no direct previous entrepreneurial experience (78.8%) but it exists in the family in a majority of cases (63%);
- They correspond to low investments, mainly absorbed by land (in 70% of the cases it corresponds to higher than 50% of the investment) and
- The costs, physical distance from administrative services and long administrative procedures are considered to be the more relevant obstacles to business creation.
- Only very few benefit from specially prepared infrastructures for business location as specific premises (5.5%).
- Only a small percentage benefit from business support and policy measures aimed at funding;

3. THE POLICY FRAMEWORK.

3.1. ADMINISTRATIVE CONDITIONS AND FRAMEWORK

STATEMENT	EVIDENCE
Administrative procedures for setting up a business are better than the European average.	In the framework of the Initiative "Just in Time Business Creation" ("Empresa na Hora") the average time required for setting up a business is 52 minutes.
It is possible to set up a company and test trade for a period (6 month, 1 year, 2 years) without losing benefits	It is not possible

There is exemption from tax, VAT and/or social charges for start-ups and companies below a certain turnover	No information available
It is possible to combine self employment with other activities without extra cost or administrative burdens	No information available
Integrated financial programmes are available to support unemployed/inactive people becoming self employed.	Such programmes exist (Local Employment Initiatives, etc.)
Employment and social security offices recognise and encourage the self employment option	No information available
Tax and benefit authorities will negotiate with people in the informal economy to help them become legal	No information available

3.2. STRATEGY FOR INCLUSIVE ENTERPRISE

Portugal has been increasingly developing an entrepreneurship policy which is already based on diverse organisations and measures. The “Instituto de Apoio às Pequenas e Médias Empresas” (IAPMEI) plays a central role as national agency stimulating start-ups and coordinating organisations involved in business support. Special programmes are being implemented involving firms, entrepreneurial organisations and local governments (Prime, Finicia, etc.). Business Innovation Centres, Technological Parks and new administrative procedures (“Empresa na Hora”, etc.) aim at promoting the emergence of start-ups and innovation in existing firms.

But policy makers recognise that “inclusive entrepreneurship”, as an autonomous policy issue, is still in an early stage and is mainly restricted to finance. The first steps towards an “inclusive entrepreneurship” policy started in Portugal since the early 80’s with measures stimulating the creation of Local Employment Initiatives following the OECD recommendations of the late 70’s. The OECD was concerned with the prospects concerning the rise of structural unemployment in the developed countries and suggested the early experimenting with capitalising unemployment subsidies.

Along the 90s, together with Local Employment Initiatives, some measures have been implemented within the so called “Social Labour Market”. The creation of “entreprises d’insertion” has been the most relevant measure. The last years saw the emergence of micro-credit by private financial organisations. Public measures are being developed to support

organisations from the social economy to cooperate with private banks in order to enlarge opportunities to help target groups to benefit from microcredit opportunities.

4. STAKEHOLDER ASSESSMENT OF POLICIES FOR INCLUSIVE ENTREPRENEURSHIP

4.1. INTRODUCTION TO SECTION

As introduced above, the tool was tested involving 18 entrepreneurs, 9 advisers and 4 policy makers. The scores obtained can be seen in the tables shown in Annex 1. Comments and evidence can be found in the last (right hand) columns.

The results (averaged) are coloured Green (score over 3), Yellow (score 2-3) and Red (score less than 2). Yellow and Red show the areas where improvement is required.

This was a procedure to test the tool. The process of scoring, collecting evidence and ensuring the appropriateness of the questions were tested in the conditions introduced above (see 1.2.).

The number of individuals interviewed was very small. But, the quantity of interviews is less relevant than the quality of the issues raised. The conclusions from the results require additional knowledge concerning the identified issues.

4.2. CREATING THE CULTURE AND CONDITIONS FOR ENTREPRENEURSHIP

All the stakeholders share the vision that “Culture and Conditions” is one of the weakest aspects of the Portuguese Business Support System to “inclusive entrepreneurship”. As introduced below (see 6.), there is Best Practice from within Equal that can illustrate how it is possible to improve public response in this field. That is particularly the case in what concerns the role of schools and local development organisations.

4.2.1. *Entrepreneurs*

In general, as the “tool” shows (Annex 1), we can see that the general scores are very low, especially in what concerns “Creating the Culture for Entrepreneurs”. This is explained, by the Portuguese reality, where this issue requires much more attention in the future.

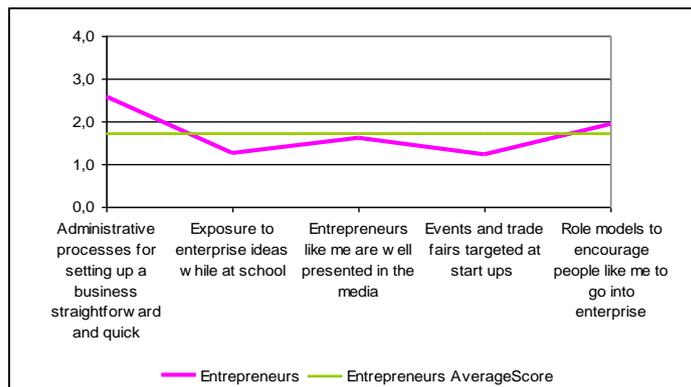
There are almost no news in the media, few events targeted at start ups, and no interest on working business creation at schools. One should add the low level of entrepreneurs formal academic and professional qualifications which reduces the potential effect of policy measures in this field.

- The reasons for better scores concerning “administrative processes” relates to the fact that they are expected to be slow as “everything else in the country”; but they complain about the complexity of administrative procedures including premises for those that develop their activity in urban spaces made available by the Municipality;
- Role models are scored low but interviews reveal their relevance in an informal way (neighbours, family and relatives, others within the project, etc.).

The analysis of the “short life stories” also helped to identify the following aspects:



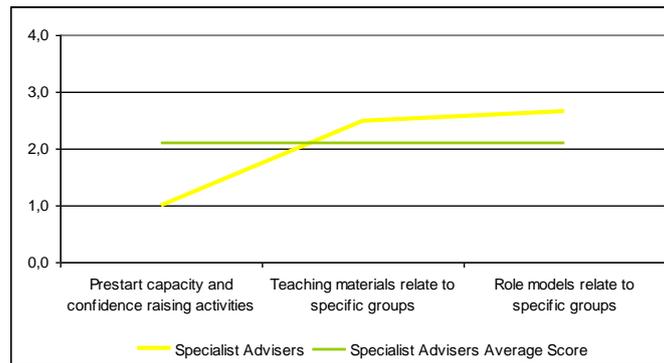
- The critical role played by social networks in the constitution of entrepreneurship; “invisible” entrepreneurs show the relevance of social relations and the risk of seeing entrepreneurship as an individual endeavour; either as an emotional or financial support (emotional support and enthusiasm of an illiterate wife, family loans, lended space to create a small shop, etc.) or as a blockade in getting a formal credit from a bank (a separated wife that was not formally divorced depending on the husbands agreement, etc.) social relations play a central role in “inclusive entrepreneurship”;
- Some entrepreneurs remain “informal” as a household survival strategy either not to loose other formal income sources (minimum income, unemployment subsidy, etc) or to avoid costs they recognise they could not afford (accountings, premises, etc.); the relation between passive and active social policy measures plays a relevant role in creating the conditions for “inclusive entrepreneurship”.



4.2.2. Advisers perspective

In general, advisers identify here relevant weaknesses in the Portuguese business support structures for inclusive entrepreneurship:

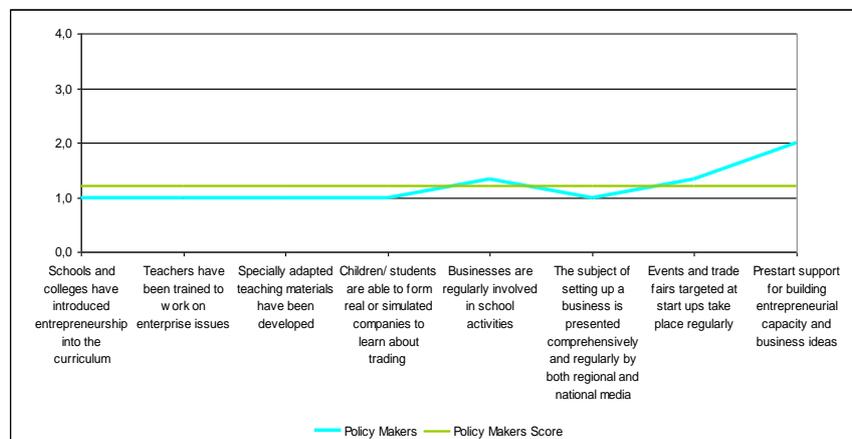
- In general, advisers agree there are almost no capacity and confidence raising activities among target groups and communities;
- When these activities exist they are confined to specific projects in the framework of experimental national or European programmes such as Equal;



4.2.3. Policy makers

Policy makers score low all the items concerning strategy and culture and conditions:

- An overall strategy for encouraging entrepreneurship is still being developed and the needs of disadvantaged areas and groups are only taken into account in what concerns the access to public funding (made more easy for different groups such as youngsters, women and disabled);
- The main organisations are considered to be weak in working together;
- All the items concerning culture and conditions are scored very weak; the only exception corresponds to some recognition of pre-start business and advice mainly due to the role of Municipalities.



4.3. START-UP SUPPORT AND TRAINING

Start-up support and training are not considered to be the weakest aspect of the Portuguese public response to “inclusive entrepreneurship”.

4.3.1. Entrepreneurs

As can be seen, in general, the scores are very low.

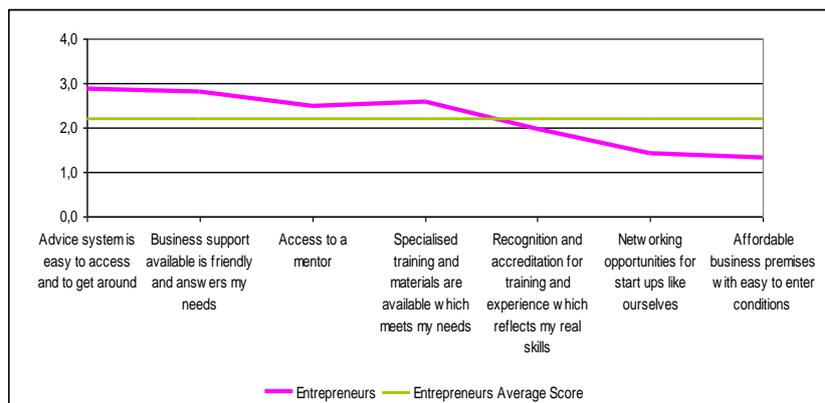
- When they do not reach the lowest scores this has different reasons. Concerning the entrepreneurs that were directly supported by the project, they are very satisfied with the individual support given by K’Cidade Project, especially by the advisers (who belong

to the organisation “Central Business”, a firm which integrates the project’s “Development Partnership” as partner), and which explains the higher scores in the answers to these questions among this group.

- The other group of entrepreneurs emphasise that either they feel proud not having depended on any kind of support when needed or they know the support exists but they never benefited from it; they may have heard about it but either they feel they don’t need it any more or they do not know how to get it.
- In what concerns business premises, this is a central problem for entrepreneurs, as it is very difficult to find urban space at an affordable cost. They depend strongly on public spaces.
- The possibility for obtain recognition and accreditation for training and experience, which reflects the real entrepreneur’s skills, is also an issue which is not adjusted to this type of project, since they adopt a methodology not centred in formal training. The same thing when it comes to networking opportunities for start ups, because there is no tradition in working this way in Portugal, even more for inclusive companies.
- The only notion they have on “inclusive entrepreneurship” relates to the other entrepreneurs on the same project.

The analysis of the “short life stories” studied in more detail also revealed:

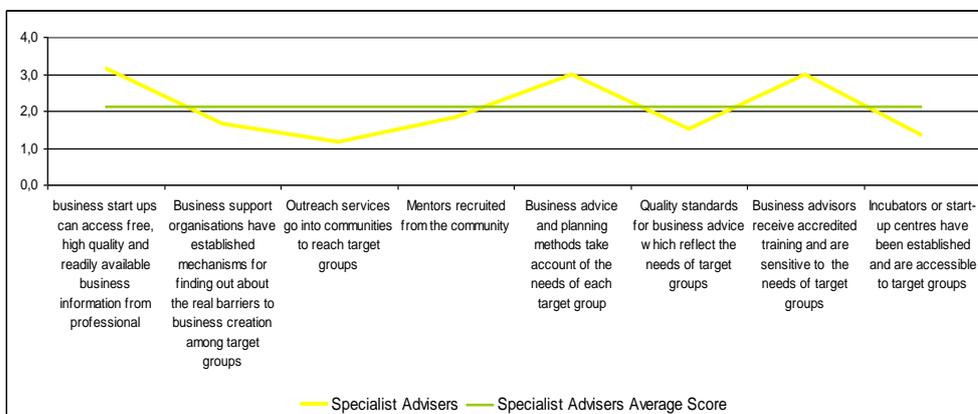
- The role played by pro-active animation and support as well as the role of changes in the local context lead to a central relevance to be recognised to organisations acting to achieve changes in the local context (local development, local development agencies, pro-active animation, centralisation of distribution, small niche opportunities created by cultural activities, etc.); helping to find customers or buying in better conditions become critical factors;
- The difficult transition from “informality” to formality increases the relevance of residential space as the basic condition to accede to premises in affordable conditions (producing food or sewing at home, etc.).



4.3.2. Advisers

Advisers recognise the existence of support and training but also emphasise its dependency on the role of non statutory organisations:

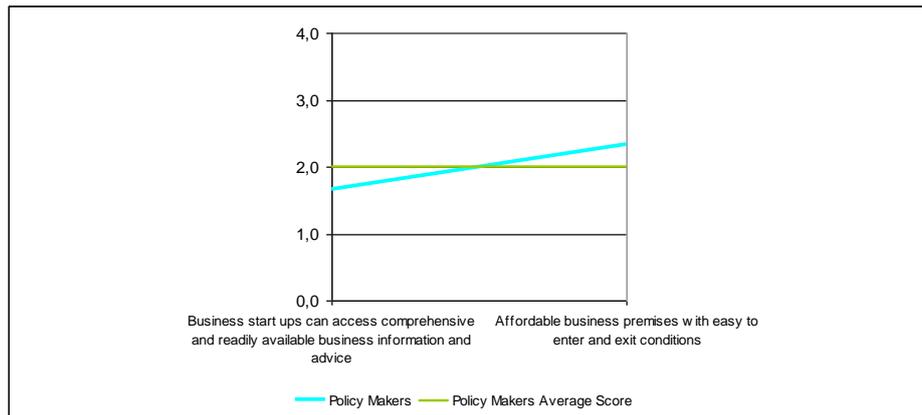
- The highest scores correspond to the availability of business information, the business advice and planning methods taking account of the needs of target groups and advisers receiving accredited training;
- However, the analysis of the evidence given by advisers shows the dependency on the role of the National Association to the Right to Credit which is associated to a private bank that played a pioneering role in microcredit; business advice and planning corresponds to their own activity which does not differentiate target groups as they deal with all forms of vulnerability without a clear differentiation; and accredited training is ensured by the organisation themselves as they recognise the existence of a skills gap in this field;
- All the other dimensions are very weakly scored on the basis of an understanding that they do not correspond to a widespread recognition of their relevance concerning the promotion of “inclusive entrepreneurship”.
- Again, when they exist they are associated to specific projects in the framework of experimental programmes; this concerns mechanisms for finding barriers to business creation, outreach services going within communities to reach target groups or the recruitment of mentors/coaches from within the communities;
- Advisers agree some incubators or start-up centres have been created and are accessible to target groups but only not widespread and very particular situations.



4.3.3. Policy Makers

Scores by policy makers are also low concerning these items:

- Very weakly scored the access to business and information advice;
- Affordable business premises is better scored given the existence of easier access to space in some particular areas but not widespread all over the country.



4.4. SUPPORT FOR CONSOLIDATION AND GROWTH

Together with “Creating the Culture for Entrepreneurship” this is considered one of the weakest dimensions of the Portuguese support system to “inclusive entrepreneurship”.

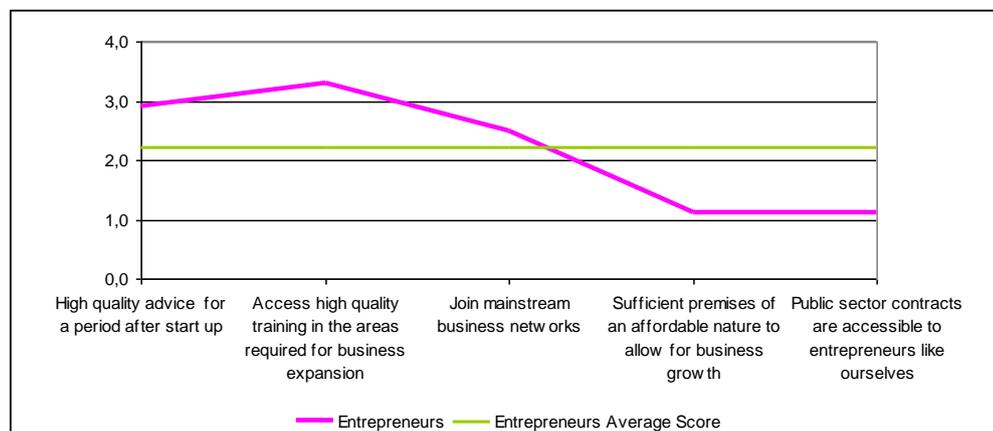
4.4.1. Entrepreneurs

Among the entrepreneurs that emerged from the project, the questions related to “Consolidation and Growth” are answered only by three of the five entrepreneurs, and they reveal a great dependence on K’Cidade Project, because all entrepreneurs stated that when they pass this stage of the life cycle of their business, and if needed, they can count on this Project support. Concerning the different items, these companies are in a start up stage.

- In what concerns to reasonable premises costs and business networks, the situation is similar as the one described at the “Start Up Support”.
- The public sector contracts are recognised, by all, as not accessible to entrepreneurs, although some required more support from it.
- The scores are not as low as might be expected concerning business networks, advice and training as entrepreneurs mention that they heard about these realities though they never experienced them directly and don’t know how to take advantage of them.

The analysis of the “short life stories” studied in more detail enabled the identification of further issues:

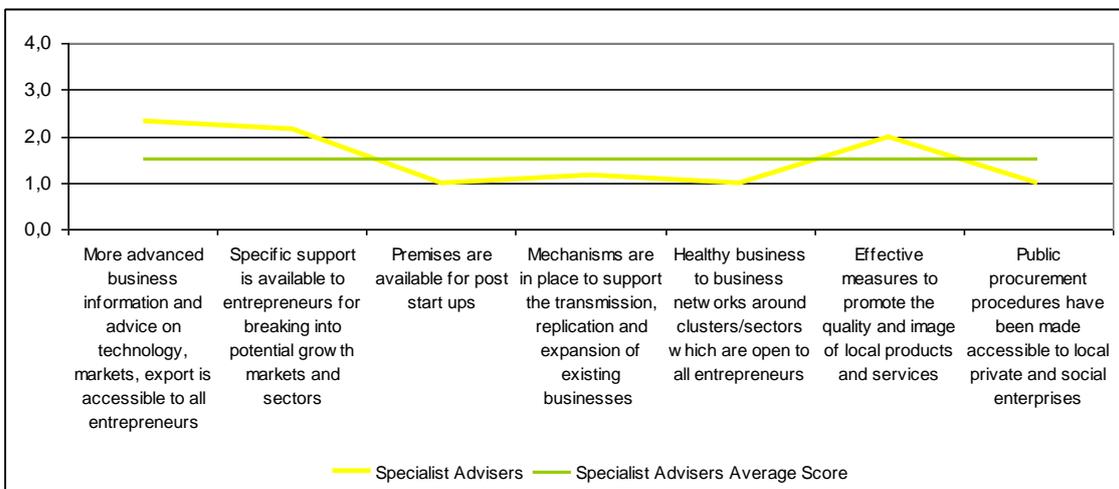
- In all the cases but one, income was still not being generated at the minimum wage level; if it were not other sources of income the business could not ensure income enough;
- In general, specific business strategies seem to be required to overcome capital shortages, low productivity and low local demand.



4.4.2. Advisers

Given the very recent openness to “inclusive entrepreneurship”, advisers share the understanding that issues concerning “consolidation and growth” are even not recognised as issues. All the statements are recognised as having yet no relevance in the Portuguese context:

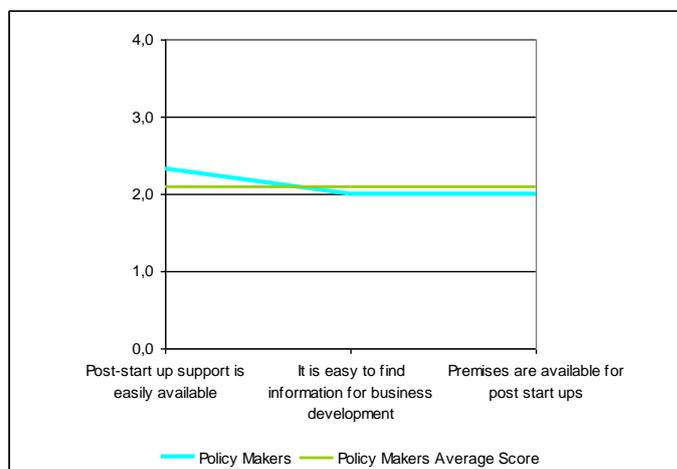
- Together with “Creating the Culture for Entrepreneurship” this is considered one of the weakest dimensions of the Portuguese support system.
- When scoring is higher than the lowest values this corresponds to the recognition of the role of specific projects or organisations.



4.4.3. Policy makers

Policy makers also score weakly the support for consolidation and growth:

- Weakest scoring is associated to premises being available for post-start ups;
- Post-start up support and information for business development are also weakly scored.



4.5. ACCESS TO APPROPRIATE FINANCE

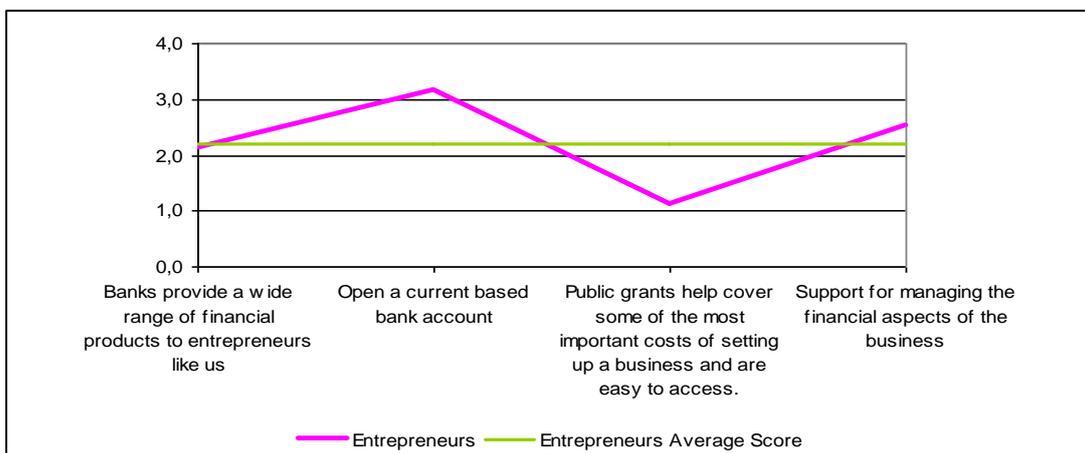
4.5.1. Entrepreneurs

As regarding “Access to Appropriate Finance”, only a few entrepreneurs applied for credit. Among the entrepreneurs supported by K’Cidade project as well as the others only less than a half applied for bank credit. Their investments have been mainly financed by savings and family loans.

- Entrepreneurs understand financial products provided by banks just as microcredit and not as insurance or other products;
- Everyone thinks it’s easy to open a bank account;
- The entrepreneurs supported by K’Cidade project count on the project to manage the financial aspects of the business; the others don’t know about this possibility;
- As we have seen above, public grants help don’t cover the most important costs of setting up a business; over 50% of the entrepreneurs that started their business independently of the project financed it with their own savings or family loans;
- Concerning public grants covering costs of setting up a business, entrepreneurs either don’t know about or say they heard about but they don’t need them.

The analysis of the “short life stories” also revealed:

- Even organisations offering microcredit are requiring warranties that are difficult to meet in these situations;
- Social relations and institutional conditions may interfere with access to finance (separated woman depending on her husband agreement, etc.).

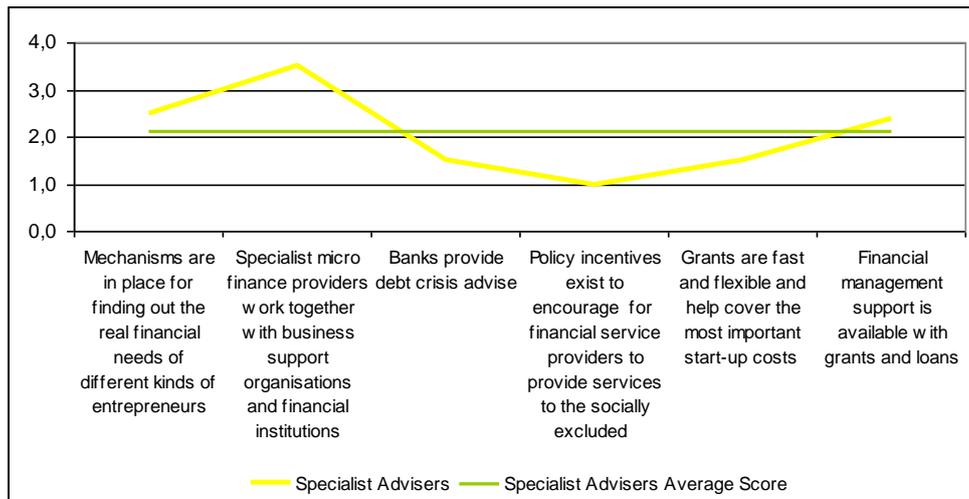


4.5.2. Advisers

This is the dimension of the Portuguese business support system to “inclusive entrepreneurship” which is receiving a higher attention. Given the widening role of private financial organisations in microcredit access to finance is actually being facilitated.

- Advisers score highest the cooperation between microfinance providers and business support organisations;

- They recognise the existence of steps towards finding out the real financial needs of different kinds of entrepreneurs as well as the availability of financial management support with grants and loans;
- Advisers do not recognise of relevance to existing debt crisis advice provided by banks and they also do not consider grants to be fast and flexible;
- Advisers also do not recognise the existence of any policy incentives to encourage for financial service providers to provide services to the socially excluded.



4.5.3. Policy makers

Policy makers recognise the weakness of access to finance:

- They recognise the strong weakness concerning loans and financial management support;
- Though remaining weak only subsidies being provided to business start ups receives a better scoring.



5. SUMMARY OF KEY STRENGTHS AND AREAS FOR IMPROVEMENT IDENTIFIED BY STAKEHOLDERS

5.1. INTRODUCTION

The tables in Annex 1 show the results for the stakeholder's scoring. It is important to remind that the testing is a qualitative procedure just centred on the tool itself. It was tested if the tool enables the association of different "views" in identifying the main challenges and improvement needs in the public business support system for "inclusive entrepreneurship".

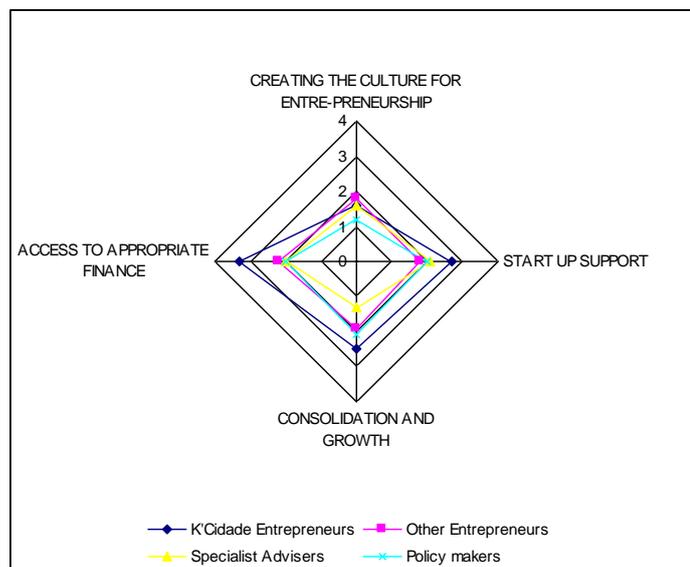
Best practice at national and European level can illustrate possibilities of improvement in order to help meeting the identified challenges.

5.2. STRENGTHS AND WEAKNESSES OF THE ENTERPRISE SUPPORT SYSTEM

Policy makers and advisers share the understanding that the Portuguese business support system to "inclusive entrepreneurship" is in an early phase.

They also share the understanding that the dimensions covering start-ups support and training and access to finance are already seeing some development. Greater attention seems to require dimensions concerning "Culture and conditions" and "Consolidation and growth".

Chart: Entrepreneurs, Advisers and Policy Makers



Actually, the entrepreneurs involved in testing the tool (entrepreneurs supported by K'Cidade project and "spontaneous" entrepreneurs in the area) showed by their answers and by their "life stories" that:

- If there is a latent potential for entrepreneurship among target groups it is not likely to be realised without a pro-active role of some external agent (project, local development agency, informal family networks, etc.);
- If business is to be consolidated and grow, business strategies are required which meet the challenges of these organisations; to overcome low income and

the traps of low demand in local markets specific strategies and support of external organisations may be required;

- The relevance of the contribution of local projects in the framework of experimental programmes such as Equal to explore action possibilities of action for “inclusive entrepreneurship” shows the relevance of the context-dependent character of animation and consolidation and growth and calls for a deeper understanding of the role of local agencies for “inclusive entrepreneurship” in the national business support system.

The improvement of the Portuguese business support system may well profit from best practice from within Equal. Alone Portuguese projects from within this programme show the possibility of improvement and illustrate possibilities of action in different fields (see Chapter 6).

6. POSSIBLE SOLUTIONS FROM OTHER REGIONS

The Community of Practice on Inclusive Entrepreneurship builds on the work carried out over the last five years by nearly 300 EQUAL development partnerships that have tested methods for opening up the process of business creation to all members of society. Many of the 12 countries involved in this work created National Thematic Networks to exchange and mainstream their findings. The Community of Practice has also drawn heavily on the work carried on within EQUAL in the Social Economy and from other EU, national and international programmes on entrepreneurship

One of the most remarkable results of all the work within EQUAL was that, although the definitions vary slightly in each Member State, the main themes dealt with in business creation were very similar across the countries. They have been described as the four parts of “an entrepreneurial ladder out of social exclusion”:- creating the culture and conditions for entrepreneurship; integrated start-up support and training, support for consolidation growth and access to appropriate finance.

The fact that so many projects were concerned with similar issues was one of the reasons for designing the tool for inclusive entrepreneurship around the same four themes. This allows the Community of Practice to create a bridge between the strengths and weaknesses in the business support system detected by the tool and the good practice that has been developed by EQUAL and other pilot (and mainstream) initiatives in other countries.

So far seven countries or regions have provided over 100 examples of good practice. These are Germany, Spain, the UK, Portugal, Flanders, France and Wallonie. But the aim is to extend and improve the data base as more countries and regions become members of the Community of Practice

The search facility and data base on the COPIE website allows people to search for new ideas which are directly linked to their areas of weakness. For example, if the tool for inclusive entrepreneurship indicates that there is a particular weakness in providing microfinance to ethnic minorities, it is simply necessary to go to the data base and click on the button for appropriate finance – this then shows all the cases that have been found on this subject. The searcher can then either home in on a more precise category of project like microfinance or they can look at all the projects that have focussed on a particular target group like ethnic minorities.

THEMES AND SUB THEMES	NO SPECIFIC TARGET GROUP	FORMERLY UNEMPLOYED	WOMEN	MIGRANTS AND ETHNIC MINORITIES	50 PLUS	YOUNG PEOPLE UNDER 30	PEOPLE WITH DISABILITIES	SOCIAL ENTERPRISES
PROGRAMMING RESEARCH, STRATEGY, MONITORING, EVALUATION	Click	Click	Click	Click	Click	Click	Click	Click
CREATING THE CULTURE FOR ENTREPRENEURSHIP	Click	Click	Click	Click	Click	Click	Click	Click
START UP	Click	Click	Click	Click	Click	Click	Click	Click
CONSOLIDATION AND GROWTH	Click	Click	Click	Click	Click	Click	Click	Click
ACCESS TO APPROPRIATE FINANCE	Click							

For example, *in both Berlin Mitte and Flanders* the tests carried out with the tool for inclusive entrepreneurship suggested that entrepreneurship education should be improved in schools through the provision of materials and the better training of teachers. A search of the data base of good practice in the COPIE website shows up a range of helpful examples including the experience of Valnalón in Asturias.

In order to foster the early development of entrepreneurship skills in Young people Valnalón has designed programmes for each educational stage with specific training materials for teachers, students and parents. More than 16,000 students are now using them in the region and the methods have been applied in several other regions and countries

In Wales, the tests using the tool for inclusive entrepreneurship pointed out that prestart support and role models for people with disabilities and the patchy provision of incubators were challenges. The data base of good practice in the COPIE website points to some good German examples of incubators and a very promising project for people with disabilities in France

Led by a French project (CAPH), three EQUAL partnerships concerned with support to business creation by handicapped people have produced a guide for business advisors called "Beyond the barriers (Au delà des Barrières). The guide introduces business advisors to the barriers faced by entrepreneurs with disabilities and provides them with

a series of suggestions for overcoming them in the different stages of creating a business.

In Asturias, the lack of mentors and coaches with business experience, recruited from the community and the absence of quality standards and accredited training for advisors were seen as challenges for business support to disadvantaged groups. Once again the data base throughs up a series of promising projects in both the UK and Germany

For example, in the UK, the partnership Business Mentoring: An Equal Partnership led by the Princes Trust has developed National Occupational Standards for Business Mentors

In Germany a number of EQUAL project came together to create the National Association of Start-up Initiatives (VDG) which now has 47 members. VDG has created a minimum quality standard for business advisors based on good practice in the first round of EQUAL

The combination of the tool and data base of good practice also allows regions and countries to identify areas in which they want to work together in the future. They can decide to test out further innovative solutions in common priority areas, share the lessons and monitor the results on the enterprise support system via the tool. This allows them to constantly improve their plans and strategies for entrepreneurship – and unleash the creativity of more and more people.

6.1. GOOD PRACTICES THAT RELATE TO THE CHALLENGES IDENTIFIED

The Portuguese business support system for “inclusive entrepreneurship” is still in an early development phase. Anyway, starting from the Lisbon “distressed urban area” of “Alta de Lisboa” where the Equal K’Cidade is trying to contribute with innovation in this field, the tool helped to identify major weaknesses that can be addressed.

Innovative best practices in the country stemming from Equal or other European or national initiatives help to identify domains of possible improvement of the business support system for “inclusive entrepreneurship”.

Best practice and the improvement of “inclusive entrepreneurship”

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Innovative best practices in the country stemming from Equal or other European or national initiatives help to identify domains of possible improvement of the business support system for “inclusive entrepreneurship”.

Creating the culture and conditions for entrepreneurship

The ANOP Project (www.anop.com.pt) shows how it is possible to develop an integrated approach to entrepreneurship linking skills assessments, personal development, training and local initiatives to widen opportunities. Its Centres for Local Entrepreneurship (CIL – Casas da Iniciativa Local)®) are integrated mechanisms that support local initiative. They are established as networks of partners that come together and define a common aim: to promote economic, vocational and social initiatives in the

region and to devise innovative ways to foster sustainable local development. They also promote environment-friendly practices within small companies, encourage cooperation between schools and training centres, and encourage active citizenship and the participation of the population in community life. They have a range of responses to different needs. A local centre might combine quite different roles such as a Kiosk for an Active Life, a Skill Assessment Agency, a Project Workshop, etc.

The Project '*Enterprising in School*' (ENE) (www.projecto-ene.com) (Faro) shows how it is possible to improve public response through the adaptation of public systems (education) to the early stimulation of entrepreneurship. The project shows how it is possible to adapt a normal secondary school to the challenge of promoting the early stimulation of entrepreneurship among youngsters. The project conceived and implemented what it called *ENE Methodology*. The *ENE Methodology*, the respective supporting products (*Business Plan Manual, Student Manual, Teachers Manual, Complementary Training CD-ROMs*), as well as the practices developed (*ENE Ideas Competition and EXPO ENE, vocational and professional counselling, seminars and visits to companies*) take on an innovative character (alternative teaching method) and made it possible to obtain meaningful results. The central role played by the teachers is acknowledged.

Start-up support and training

The project K'Cidade (www.kcidade.com) shows how it is possible to build adequate business support structures aiming at entrepreneurship among vulnerable persons. One-stop shops provide a support system to potential entrepreneurs made up of clearly defined stages like profiling, planning, start-up, consolidation and growth. Each stage involves the provision of different services (such as counselling, motivation, vocational training, mentoring and facilitating access to micro-credit) that help the entrepreneur acquire the personal competences, the technical skills as well as the resources necessary for success. Systems (portfolios, skills assessments, etc.) have been developed to record the progress made by the entrepreneurs along this itinerary in a way that is recognised by the entrepreneurs themselves, banks and other agencies. The first one-stop shop was opened in March 2006 under the Community Innovation Centre of Alta de Lisboa.

Consolidation and growth

The project "Grândola em Rede para a Inserção" ("Grândola Networking for Integration") (www.grandolaemrede.com.pt) showed how it is possible to build informal relationships between local firms and the organisations of the third sector to mobilise local resources and widen opportunities for entrepreneurship. The informal relationship model is an integrated system of relationship between Associations, Schools, Enterprises and Institutions with social and economic intervention. The model promotes the construction of an articulated plan, in what concerns to innovation, creativity and enterprise actions, that aims the resolution of territorial problems, especially for the target groups defined.

The project "Empreender Mais e Melhor" (<http://www.adcmoura.pt/html/equal.htm>) shows how it is possible to build an integrated local business support system having in mind the specific challenges of consolidation and growth. The project activities are based on a comprehensive approach to the challenges, barriers and opportunities connected to business creation in Moura county, that includes the need to intervene both before the business ideas are born (increasing the enterprising spirit) and after they are set up, through the creation and development of a qualified business support

system that will contribute to enhance business longevity and to a local sustainable economic development.

Access to appropriate finance

The “Glocal” project (www.iniciativaglocal.eu) shows how it is possible that entrepreneurship projects can become good alternatives to social schemes. Even if entrepreneurship only reaches a small group of people it plays a relevant role in demonstrating that it is possible to move from subsidies to self-reliance. “Glocal” also shows that it is possible to create new solutions linking local organisations to the stimulation of the emergence of start-ups, the promotion of innovation and skills development and adequate access to finance. “Glocal” stresses the relevance of a long-term approach, the role of local partnership networking and the need of adequate, accessible and flexible business support services. Last but not the least, “Glocal” shows that access to appropriate finance is a necessary condition in “inclusive entrepreneurship”. But it also shows that access to finance has to be linked to the conditions leading to start-up and to consolidation and growth in an integrated way.

ANNEX 1 THE TOOL COMPLETED FOR LISBON

POLICY FRAMEWORK

THEME	STATEMENT	SCORE 1-4
STRATEGY	There is an overall strategy for encouraging entrepreneurship in the area	1,7
	There is a strategy which takes account of the needs of disadvantaged areas and groups	2,0
	The main organisations work together	1,3
	Total score strategy	1,7
CULTURE AND CONDITIONS	Schools and colleges have introduced entrepreneurship into the curriculum	1,0
	Teachers have been trained to work on enterprise issues	1,0
	Specially adapted teaching materials have been developed	1,0
	Children/ students are able to form real or simulated companies to learn about trading	1,0
	Businesses are regularly involved in school activities.	1,3
	the subject of setting up a business is presented comprehensively and regularly by both regional and national media	1,0
	events and trade fairs targeted at start ups take place regularly	1,3
	There is prestart support for building entrepreneurial capacity and business ideas	2,0
	Total score enterprise culture	1,2
START-UP SUPPORT AND TRAINING	Business start ups can access comprehensive and readily available business information and advice	1,7
	There are affordable business premises with easy to enter and exit conditions	2,3
	Total score start-up and training	2,0
SUPPORT FOR CONSOLIDATION AND GROWTH	Post-start up support is easily available	2,3
	it is easy to find information for business development (products, markets, export, technology..)	2,0
	Premises are available for post start ups	2,0
	Total score consolidation and growth	2,1
ACCESS TO FINANCE	subsidies are provided to business start ups	2,0
	Loans are affordable and easily available	2,3
	Financial management support is available	1,7
	Total score access to finance	2,0

ADVISERS

THEMES	Statement	no specific target group
CREATING THE CULTURE FOR ENTRE- PRENEURSHIP	There are (prestart) capacity and confidence raising activities among target groups and communities.	1,0
	Teaching materials relate to specific groups	2,5
	role models relate to specific groups	2,7
	Score for enterprise culture	2,1
START UP	business start ups can access free, high quality and readily available business information from professional	3,2
	Business support organisations have established mechanisms for finding out about the real barriers to business creation among target groups (research, monitoring, proofing, regular contact..)	1,7
	outreach services go into communities to reach target groups	1,2
	Mentors/coaches with business experience are recruited from the community to work with new entrepreneurs	1,8
	Business advice and planning methods take account of the needs of each target group	3,0
	There are quality standards for business advice which reflect the needs of target groups	1,5
	Business advisors receive accredited training and are sensitive to the needs of target groups	3,0
	Incubators or start-up centres have been established and are accessible to target groups	1,3
		score for start up
CONSOLIDATION AND GROWTH	More advanced business information and advice on technology, markets, export is accessible to all entrepreneurs	2,3
	Specific support is available to entrepreneurs for breaking into potential growth markets and sectors	2,2
	Premises are available for post start ups	1,0
	Mechanisms are in place to support the transmission, replication and expansion of existing businesses (franchising, cooperatives...)	1,2
	There are healthy business to business networks around clusters/sectors which are open to all entrepreneurs	1,0
	There are effective measures to promote the quality and image of local products and services	2,0
	Public procurement procedures have been made accessible to local private and social enterprises	1,0
	score for consolidation and growth	1,5
ACCESS TO APPROPRIATE FINANCE	Mechanisms are in place for finding out the real financial needs of different kinds of entrepreneurs	2,5
	Specialist micro finance providers work together with business support organisations and financial institutions	3,5
	Banks provide debt crisis advise	1,5
	policy incentives exist to encourage for financial service providers to provide services to the socially excluded e.g. community reinvestment act	1,0
	grants are fast and flexible and help cover the most important start-up costs (running costs, advice, test trading...)	1,5
	financial management support is available with grants and loans	2,4
	score for access to appropriate finance	2,1

ENTREPRENEURS (Alta de Lisboa)

THEMES		no specific target group
CREATING THE CULTURE FOR ENTRE- PRENEURSHIP	I found the administrative processes for setting up a business straightforward and quick	2,3
	I was exposed to enterprise ideas while at school	1,5
	Entrepreneurs like me are well presented in the media	1,8
	I have attended events and trade fairs targeted at start ups	1,3
	There are role models to encourage people like me to go into enterprise	2,1
AVERAGE SCORE		1,8
START UP SUPPORT	The advice system is easy to access and to get around	1,8
	The business support available is friendly and answers my needs	1,6
	I have had access to a mentor	1,0
	Specialised training and materials are available which meets my needs	2,6
	It is possible for me to obtain recognition and accreditation for training and experience which reflects my real skills	2,3
	there are networking opportunities for start ups like ourselves	1,4
	There are affordable business premises with easy to enter conditions (short leases, etc)	1,7
AVERAGE SCORE		1,8
CONSOLIDATION AND GROWTH	All entrepreneurs are able to obtain high quality advice for a period after start up	1,8
	Entrepreneurs like us can easily access high quality training in the areas required for business expansion (ITC, marketing, financial management...)	2,9
	It is easy to join mainstream business networks	2,0
	There are sufficient premises of an affordable nature to allow for business growth	1,3
	Public sector contracts are accessible to entrepreneurs like ourselves	1,3
AVERAGE SCORE		1,9
ACCESS TO APPROPRIATE FINANCE	Banks provide a wide range of financial products to entrepreneurs like us	2,3
	It is easy for all to open a current based bank account	3,7
	Public grants help cover some of the most important costs of setting up a business and are easy to access.	1,3
	It is easy to get support for managing the financial aspects of the business	1,8
AVERAGE SCORE		2,2

ENTREPRENEURS (K’Cidade)

THEMES		no specific target group
CREATING THE CULTURE FOR ENTRE- PRENEURSHIP	I found the administrative processes for setting up a business straightforward and quick	2,8
	I was exposed to enterprise ideas while at school	1,0
	Entrepreneurs like me are well presented in the media	1,4
	I have attended events and trade fairs targeted at start ups	1,2
	There are role models to encourage people like me to go into enterprise	1,8
AVERAGE SCORE		1,6
START UP SUPPORT	The advice system is easy to access and to get around	4,0
	The business support available is friendly and answers my needs	4,0
	I have had access to a mentor	4,0
	Specialised training and materials are available which meets my needs	2,6
	It is possible for me to obtain recognition and accreditation for training and experience which reflects my real skills	1,6
	there are networking opportunities for start ups like ourselves	1,4
	There are affordable business premises with easy to enter conditions (short leases, etc)	1,0
AVERAGE SCORE		2,7
CONSOLIDATI ON AND GROWTH	All entrepreneurs are able to obtain high quality advice for a period after start up	4,0
	Entrepreneurs like us can easily access high quality training in the areas required for business expansion (ITC, marketing, financial management...)	3,7
	It is easy to join mainstream business networks	3,0
	There are sufficient premises of an affordable nature to allow for business growth	1,0
	Public sector contracts are accessible to entrepreneurs like ourselves	1,0
AVERAGE SCORE		2,5
ACCESS TO APPROPRIATE FINANCE	Banks provide a wide range of financial products to entrepreneurs like us	2,0
	It is easy for all to open a current based bank account	2,7
	Public grants help cover some of the most important costs of setting up a business and are easy to access.	1,0
	It is easy to get support for managing the financial aspects of the business	3,3
AVERAGE SCORE		2,3

Short Life Stories

Short Life Story (1)

Mr. A. and his wife live in “Alta de Lisboa”. With the support of K’Cidade project, they created a firm in January 2007. The firm does shoe repairing and is formally registered in his name. The wife is illiterate. *She plays a relevant role* as she is the key *emotional* force behind the project. The firm is located in Lisbon *outside the neighborhood* where they live.

The story of the birth of the firm goes back some years. Mr. A. worked in a shoe factory. The wife was unemployed and had no income source. She asked for help at the local social services and a social worker suggested the couple to create their own business. She suggested contacting K’Cidade project.

They had *never thought* of having their own business but she enjoyed the idea very much: *“the social worker suggested me to contact K’Cidade project and as I’m a very curious person that is used to fight for living, I went there”*.

They had many difficulties to obtain a loan, namely, *because they had no bailer*. They managed to borrow it from a private bank as a micro credit using his *professional shoe maker licence*. The process had many delays that were leading Mr. A. to prefer to give up. However, the wife was *highly motivated* and never gave up.

The business is *not ensuring profit enough* to be the basis of a household income higher than the “social minimum income”. This is still in accordance with the business plan created for this enterprise.

Short Life Story (2)

Mr. B. travelled very much in his life. He was born in Kenai and lived in several countries such as Paquistan and Germany. He lives

in Portugal, Lisbon, for about 25 years, with his wife and children.

For many years he worked in a cake factory. After a serious lung illness he was forced to retire. As his pension is very low, a social worker suggested him to contact K’Cidade Project in order to use he’s *Indian cooking knowledge* and started his own business cooking Indian specialities. For now, he only *cooks at home*.

The *income is very low* as he is only selling on weekends.

Short Life Story (3)

C.'s brother had the idea of creating a business. They decided to participate in a K'Cidade project's contest and were selected.

C. made a training course in audiovisual techniques and always liked painting, works in plaster and clay. His brother worked at a restaurant and quitted in order to have more time to their business. C. continues to work until they can get enough profit from the business. This process began last January and they don't have enough customers. They are *reinvesting all their savings* in the business.

The store is located in a space *belonging to a relative*. They made an *informal* agreement that allows them to save with renting. The space is near their home.

They are making contacts with some supply companies, but it is being difficult to buy in good conditions. They are thinking about getting a *little loan* to acquire some raw materials and articles for the store. They did not decide yet how to apply. They are *evaluating alternatives* with the help of an adviser from K'Cidade project.

Short Life Story (4)

Mrs. D. does *sewing works at home*. She always thought about creating her own business, but she was missing what she calls "*a push*". A social worker from a local organisation (a partner from K'Cidade Project) offered her the "push". The social worker was impressed by the quality of the sewing works Mrs. D. was doing for a *neighbourhood party* for children. The social worker suggested her to get in contact with K'Cidade project. That's how she found the opportunity to realise her old dream of creating her own business.

The business creation process with the support of K'Cidade was initiated for about one year. It is developing well although Mrs D. *did not legalise* it.

The business is entering an expansion phase and she's even forced to reject some customers. That's why she would need to find a space where she could offer more and better services.

The business creation process just found its first difficulty: access to finance. When everything was ready to formalise her application for a 6000 euros credit (with the support of the National Association for the Right to Credit, a pioneering organisation in micro credit working in cooperation with a private bank), her *husband refused to sign* the documents. *They are separated but not formally divorced*.

Mrs. D. generates with her business an *income which is equivalent to the Portuguese minimum wage* (403 euros). She can add it to her pension (283 euros).

Short Life Story (5)

Mrs. E. lives in “Alta de Lisboa” and she has a little weaving business in “Mercado da Ribeira” a *public market place outside her neighbourhood* (about 7 Km away from her home) since July 2006. In the market place she has a small shop where she keeps her weave and exhibits her works.

Some years ago Mrs. E. made a weaving course (financed by the national agency for employment) stimulated by the local social services. When she finished the course, she created a cooperative together with some other colleagues. After 3 years some of the other members left the cooperative and Mrs E. was left in a difficult situation.

At this time, some other social worker suggested her to contact K’Cidade project. She enjoyed the possibility to create her own job.

Although, the business *can’t guarantee a sufficient income* she lives with the help of the “Social Insertion Income”. That is also the reason why she does *not want her business to be legalised*.

Mrs. E. did not need to ask for credit as she already had her weave and wool, since her cooperative days.

She love’s her job. As she is a *handicapped* person due to a problem with her leg, she feels this is the ideal job.

ANNEXE 2 LINKING THE TOOL TO GOOD PRACTICE

PROJECT IDENTIFICATION	
Name and number of DP or Project:	<p>The Centres for Local Entrepreneurship (CIL – Casas da Iniciativa Local)®</p> 
Member State/nation/region:	Portugal
Urban or rural areas	Urban and rural
Lead Partner or Promotor	<p>ANOP – Associação Nacional de Oficinas de Projectos</p> <p>ANOP, the <i>Associação Nacional de Oficinas de Projectos – Desenvolvimento e Educação</i>, is a private non-profit association that was created in 1999 by a group of organisations concerned with local development, vocational training and job creation. It is made up of professionals with experience mainly in the areas of adult education and training. Its headquarters are in Santa Maria da Feira, in the Northern region of Portugal</p>
Contacts of key person in promoter organisation (name, telephone + e.mail)	<p>Carlos Ribeiro ANOP Rua Dr. Elísio de Castro 83, r/c dtº 4520-213 Santa Maria da Feira Portugal Tel: +351 256 289 350 Fax: +351 256 289 351 anop.geral@netvisao.pt www.anop.com.pt</p>
Brief description of the project (Bring out the most distinctive or interesting features of the project . Try to go further than initial project objectives to highlight what has been done (actions), how – any distinctive features of the method - and results.)	<p>The Centres for Local Entrepreneurship (CIL – Casas da Iniciativa Local)® are integrated mechanisms that support local initiative. They are established as networks of partners that come together and define a common aim: to promote economic, vocational and social initiatives in the region and to devise innovative ways to foster sustainable local development. They also promote environment-friendly practices within small companies, encourage cooperation between schools and training centres, and encourage active citizenship and the participation of the population in community life. They have a range of responses to different needs. A local centre might combine the following roles:</p> <ul style="list-style-type: none"> ▪ Kiosk for an Active Life: offers all-embracing guidance on employment, including information about businesses, vocational skills profiles, training programmes and social care provision; ▪ Skill Assessment Agency: provides guidance; identification and validation of lifelong learning skills and knowledge; skill development; upgrading of educational levels of attainment; increasing qualifications for employment (including self-employment); ▪ Project Workshop: here the participants develop new skills that will enable them to create their own jobs; they often carry out collective projects based on a deeper civic consciousness and revealing their wish to become more active citizens; ▪ Support System for Projects and Organisations: assists entrepreneurs to start up or consolidate their enterprises. Helps small companies to solve their problems, find viable business strategies, innovate and progress; ▪ Distance Vocational Training: helps people to develop new skills and increase their qualifications through distance training schemes; ▪ Starting Point: encourages the social integration of the unemployed in general, and of excluded women in particular, by using active methodologies such as the Project Workshops; ▪ Learning Community: promotes exchanges of knowledge and skills within the community, by developing collective ventures, based on local skills and other available resources.

Inclusive Entrepreneurship in Lisbon

Web link to the project and each product (specify language)	www.anop.com.pt																
POTENTIALLY TRANSFERABLE PRODUCTS/PROCESSES AND STRUCTURES²																	
Product1. Summary description (emphasise the aspects that might interest policy makers)	It has published handbooks on 'Skills assessment', 'The creation of new enterprises' and 'Support to small enterprises', a book on 'Skills assessment within the project workshops', as well as magazines, brochures and leaflets publicising its work.																
Main target groups (mark X)	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Unemployed</td> <td style="width: 50%;">x</td> <td style="width: 50%;">Young</td> <td style="width: 50%;">X</td> </tr> <tr> <td>Women</td> <td>x</td> <td>Disabled</td> <td>x</td> </tr> <tr> <td>Ethnic/migrants</td> <td>x</td> <td>Social enterprise</td> <td></td> </tr> <tr> <td>50+</td> <td></td> <td></td> <td></td> </tr> </table>	Unemployed	x	Young	X	Women	x	Disabled	x	Ethnic/migrants	x	Social enterprise		50+			
Unemployed	x	Young	X														
Women	x	Disabled	x														
Ethnic/migrants	x	Social enterprise															
50+																	
Main theme of intervention. (Mark X).	Culture and Conditions X Start-up support x Consolidation and Growth x Access to Finance x																
Main policy messages and recommendations if any (as above)	<p>More citizenship, more development, less poverty and social exclusion were promoted by this local development platform that created in the northern Portugal a real Initiative net and dynamic.</p> <p>"Initiative Net" is dynamising an enlargement process at the national scale. At mid term, it is previsible the existence of a supporting local development platform, which supports economic, professional and social initiative and that will result in more citizenship, more development, less poverty and social exclusion in the country.</p>																
Evaluation of quality and transferability: Has there been an independent evaluation? Is there any evidence that the approach offers value for money, transferability, and the possibility of application at a larger scale?	<p>The project is beeing mainstreamed and "Centres for Local Initiative" have been adopted in 21 Municipalities of northern and central Portugal. They are open to the public, and everybody is welcome, whether they are looking for a job, qualifications, work alternatives, or information on vocational skills programmes, projects or business activity.</p> <p>ANOP has had an impressive throughput of beneficiaries. The six years between 1997 and 2003 has seen the creation of no fewer than 960 small or micro enterprises. Alongside this ANOP has carried out 2,400 skills audits, awarded formal certificates to 2,050 non-qualified adults, and helped 1,500 adults to improve or change their work situation. It has supported and integrated 90 women who were in a particularly vulnerable situation. This work involved 370 partner organisations.</p>																
Repeat for different products																	

² The main output of a project may be a clearly identifiable "product" such as a toolkit. However, even when the main result concerns a particular process or a new type of organisation they must have been formalised or written up so that they can be used by others. In this sense, they can all be considered "products".

Inclusive Entrepreneurship in Lisbon

	Access to Finance
<p>Main policy messages and recommendations if any (as above)</p>	<p>The project suggests:</p> <ul style="list-style-type: none"> ▪ Stronger emphasis on creating the conditions for entrepreneurship; ▪ Reinforcing possible relationships between education institutions and vocational training institutions; ▪ Simplification of the administrative procedures and the organisational conditions (schools organisation, timetables, etc.) in order to make easier the relationship between the individuals and the initiatives; ▪ Stronger involvement of the media (mainly television) in promoting the visibility of successful projects and good practices.
<p>Evaluation of quality and transferability: Has there been an independent evaluation? Is there any evidence that the approach offers value for money, transferability, and the possibility of application at a larger scale?</p>	<p>The “ENE Methodology” was validated as an Equal product according to the Portuguese validation methodology.</p>

Inclusive Entrepreneurship in Lisbon

PROJECT IDENTIFICATION	
Name and number of DP or Project:	Urban Community Support Programme – KCIDADE
Member State/nation/region:	Portugal
Urban or rural areas	Urban
Lead Partner or Promoter	Aga Khan Foundation
Contacts of key person in promoter organisation (name, telephone + e.mail)	Maria João Marques Tel: + 351 217229001 Fax:+ 351 217229011 Email address: maria.marques@kcidade.com
Brief description of the project (Bring out the most distinctive or interesting features of the project . Try to go further than initial project objectives to highlight what has been done (actions), how – any distinctive features of the method - and results.)	<p>The UCSP K'Cidade Project is an urban community development programme which aims at improving the quality of life of vulnerable urban groups and to establish an effective permanent system for communities to plan for and resolve their own needs, with both public and private support.</p> <p>For many disadvantaged groups, the risks of losing income (from government benefits, casual work or the submerged economy) by becoming an entrepreneur often appear greater than the likely gain, especially when they have a dependant family and/or a precarious legal status.</p> <p>K'CIDADE is using EQUAL to finance specific experimental actions and more accessible and flexible tools to provide an otherwise absent system capable of effectively accompanying disadvantaged groups along a path from benefits towards independent income generating activities.</p>
Web link to the project and each product (specify language)	www.kcidade.com
POTENTIALLY TRANSFERABLE PRODUCTS/PROCESSES AND STRUCTURES⁴	
Product1. Summary description (emphasise the aspects that might interest policy makers)	<p>One-stop shops provide a support system to potential entrepreneurs made up of clearly defined stages like profiling, planning, start-up, consolidation and growth. Each stage involves the provision of different services (such as counselling, motivation, vocational training, mentoring and facilitating access to micro-credit) that help the entrepreneur acquire the personal competences, the technical skills as well as the resources necessary for success.</p> <p>Systems (e.g. portfolios and skills assessments) have been developed to record the progress made by the entrepreneurs along this itinerary in a way that is recognised by the entrepreneurs themselves, banks and other agencies. The first one-stop shop was opened in March 2006 under the Community Innovation Centre of Alta de Lisboa.</p> <p>Business incubators are currently being planned specifically to attract people that face particularly severe disadvantages in the labour market, such as unskilled women, people with disabilities, women and men from ethnic minorities or long term unemployed. The 'incubators' will provide practical support and protection to new businesses that reduce some of the risk for the entrepreneurs and increase the chances of success. The plan is to provide spaces, equipment, technical support and access to a shared managerial services platform.</p> <p>Tailor-made action-training courses targeted at small businesses and services have been set up by the project partnership looking at issues such as confidence and trust, caring and responsibilities throughout all phases of business development. Positive</p>

⁴ The main output of a project may be a clearly identifiable "product" such as a toolkit. However, even when the main result concerns a particular process or a new type of organisation they must have been formalised or written up so that they can be used by others. In this sense, they can all be considered "products".

Inclusive Entrepreneurship in Lisbon

	<p>entrepreneurial role models are presented by organising contents and competitions for entrepreneurship among particular groups such as young people.</p> <p>The project is actively promoting action plans for employability developed by the local networks in the three territories and the first job-matching projects are now starting.</p>
Main target groups (mark X)	<p>X Unemployed X Young X Women Disabled X Ethnic/migrants Social enterprise 50+</p>
Main theme of intervention. (Mark X).	<p>X Culture and Conditions X Start-up support Consolidation and Growth X Access to Finance</p>
Main policy messages and recommendations if any (as above)	<p>The project's experience so far enables the formulation of the following comments:</p> <ul style="list-style-type: none"> ▪ A long term approach as an opportunity to address the causes of social exclusion factors rather than just the symptoms; ▪ The importance given to a strong baseline study, supported by a Monitoring and Evaluation system, which allows communities and donors to participate and perceive changes on key-indicators of social development; ▪ Mobilising communities is being key to the success of the programme and as way to raise individual and community confidence; ▪ The importance given to partnering with stakeholders from both public and private sectors, fostering more sustainable interventions namely through strong governance; ▪ The importance of local partnership networking as enablers of community participation and improvement of local assets; ▪ Entrepreneurship projects as good alternatives to social schemes. Entrepreneurship reaches only a small sub-group of the population but has an important role of demonstrating that it is possible to move from subsidies to self-reliance; ▪ The promotion of Community Innovation Projects, proposed and lead by residents, simultaneously with some service-delivery on strategic areas (such as education, entrepreneurship, civil society organizations capacity building) allowed a better balance between the endogenous movement of the community (their bottom-up initiatives, their creativity) and the proposals of an exogenous actor such as the K'CIDADE; ▪ Deliver services at a range of different times and locations, in order to make the services as accessible as possible to the target community; ▪ Services should be flexible, working with local partner agencies to ensure approaches are tailored appropriately to target communities.
Evaluation of quality and transferability: Has there been an independent evaluation? Is there any evidence that the approach offers value for money, transferability, and the possibility of application at a larger scale?	<p>The problems of marginalisation exist throughout the country, and because of these needs the Portuguese government would like the K'CIDADE to expand beyond the Lisbon area over the medium term, as expressed in the annex of the Protocol signed between the Aga Khan Foundation and the Portuguese Prime Minister, José Sócrates, in December 2005. The expansion process has been envisaged to begin in 2009, as a result of solid ground experience and following the planned mid-term evaluation scheduled to take place in 2008/ 2009.</p> <p>The K'CIDADE's potential added value beyond the scope of the EQUAL project has been recognised by strategic stakeholders. The Ministry of Labour and Social Solidarity has invited K'CIDADE to provide training to social workers from the Lisbon district and to consider the expansion (directly or through others) to other areas of the country.</p> <p>A specific advocacy plan has been designed to enable successful mainstreaming; lessons learned and knowledge gained have been synthesized to contribute to the social and economic development debate. It advocates for good governance and inclusive, participatory decision-making processes, whilst expressing the importance of building capacity at the local and regional levels.</p>

Inclusive Entrepreneurship in Lisbon

PROJECT IDENTIFICATION									
Name and number of DP or Project:	Empreender Mais e Melhor								
Member State/nation/region:	Portugal								
Urban or rural areas	Rural								
Lead Partner or Promotor	ADC Moura								
Contacts of key person in promoter organisation (name, telephone + e.mail)	Sónia Pinto Tel. +351285254931 E-mail: sonia.pinto@adcmoura.pt								
Brief description of the project (Bring out the most distinctive or interesting features of the project . Try to go further than initial project objectives to highlight what has been done (actions), how – any distinctive features of the method - and results.)	<p>The Project aims at stimulating entrepreneurship on the basis of a comprehensive approach to the challenges, barriers and opportunities connected to business creation in the county of Moura county.</p> <p>This means acting both before business ideias are born (increasing the enterprising spirit) and after they are set up, through the creation and development of a qualified business support system that will contribute to enhance business longevity and to a local sustainable economic development.</p> <p>Another key output of this project, intimately connected to the previously mentioned ones, will be the creation of specific mechanisms to engage all local actors in a joint effort towards planning and evaluating territory development strategies.</p>								
Web link to the project and each product (specify language)	http://www.adcmoura.pt/html/equal.htm								
POTENTIALLY TRANSFERABLE PRODUCTS/PROCESSES AND STRUCTURES⁵									
Product1. Summary description (emphasise the aspects that might interest policy makers)	Pedagogical and Technical Resources (RTP) aiming to support the development of a Local Forum of Strategy and Prospective.								
Main target groups (mark X)	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Unemployed X</td> <td style="width: 50%;">Young X</td> </tr> <tr> <td>Women X</td> <td>Disabled</td> </tr> <tr> <td>Ethnic/migrants</td> <td>Social enterprise</td> </tr> <tr> <td>50+</td> <td></td> </tr> </table>	Unemployed X	Young X	Women X	Disabled	Ethnic/migrants	Social enterprise	50+	
Unemployed X	Young X								
Women X	Disabled								
Ethnic/migrants	Social enterprise								
50+									
Main theme of intervention. (Mark X).	Culture and Conditions X Start-up support Consolidation and Growth Access to Finance								
Main policy messages and recommendations if any (as above)	Following comments are proposed by the project's achievements: <ul style="list-style-type: none"> • The need to involve different actors with distinctive approaches to promote empowerment in local communities; • Buying solutions from outside to set up a strategic future for a region should be avoided; • To bet in the territorial marketing with the presentation and spreading of the potentialities and chances of the region. 								
Evaluation of quality and transferability: Has there been an independent evaluation? Is there any evidence that the approach offers value for money, transferability, and the possibility of application at a larger scale?	The project's product was validated as an Equal product according to the Portuguese validation methodology.								

⁵ The main output of a project may be a clearly identifiable "product" such as a toolkit. However, even when the main result concerns a particular process or a new type of organisation they must have been formalised or written up so that they can be used by others. In this sense, they can all be considered "products".

Inclusive Entrepreneurship in Lisbon

<p>Product2 2. Summary description (emphasise the aspects that might interest policy makers)</p>	<p>Methodological guide for mentoring and coaching in the process of supporting micro and small business.</p> <p>This product is based in a network of focal actors in the territory: entrepreneurship support organizations, entrepreneurs and municipalities.</p>								
<p>Main target groups (mark X)</p>	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Unemployed X</td> <td style="width: 50%;">Young X</td> </tr> <tr> <td>Women X</td> <td>Disabled</td> </tr> <tr> <td>Ethnic/migrants</td> <td>Social enterprise</td> </tr> <tr> <td>50+</td> <td></td> </tr> </table>	Unemployed X	Young X	Women X	Disabled	Ethnic/migrants	Social enterprise	50+	
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50+									
<p>Main theme of intervention. (Mark X).</p>	<p>Culture and Conditions Start-up support X Consolidation and Growth X Access to Finance</p>								
<p>Main policy messages and recommendations if any (as above)</p>	<p>The following messages are based on the project's experience:</p> <ul style="list-style-type: none"> • The need to articulate different actors in the territory to promote and support entrepreneurship. • After care services should be taken into account in programmes to develop micro and small business. • A close relationship with local communities should be built. This relationship promotes empowerment and trust, crucial in rural areas. 								
<p>Evaluation of quality and transferability: Has there been an independent evaluation? Is there any evidence that the approach offers value for money, transferability, and the possibility of application at a larger scale?</p>	<p>The "Methodological Guide" was validated as an Equal product according to the Portuguese validation methodology</p>								

PROJECT IDENTIFICATION	
Name and number of DP or Project:	Grândola em Rede para a Inserção
Member State/nation/region:	Portugal
Urban or rural areas	Rural
Lead Partner or Promoter	Câmara Municipal de Grândola
Contacts of key person in promoter organisation (name, telephone + e.mail)	Otília Moras Mesquita Tel : 269 448035 Fax : 269 442877 Email :cmg@mail.telepac.pt
Brief description of the project (Bring out the most distinctive or interesting features of the project . Try to go further than initial project objectives to highlight what has been done (actions), how – any distinctive features of the method - and results.)	<p>The aim of “Grândola em Rede para a Inserção” Project (Grândola, networking to integration) is to improve the relationship between local firms and the organisations of the third sector.</p> <p>The project’s main objectives:</p> <ul style="list-style-type: none"> • The creation of a local network of firms that enables the development of specific activities; • The promotion of entrepreneurship through the development of conditions facilitating self employment; • The promotion of corporate social responsibility; • The promotion of the relationship between education and integration with the support of the local network of firms; <p>The project developed an integrated communication system between the economic and the public sector (the third sector) in order to facilitate the matching between supply/offers of jobs. The project also develops capacity building at the level of small firms and organisations of the third sector on following Equal principles such as innovation, empowerment and equal opportunities.</p>
Web link to the project and each product (specify language)	www.grandolaemrede.com.pt
POTENTIALLY TRANSFERABLE PRODUCTS/PROCESSES AND STRUCTURES⁶	
Product1. Informal relationship model Summary description (emphasise the aspects that might interest policy makers)	<p>The Informal Relationship Model is an integrated system of relationship between Associations, Schools, Enterprises and Institutions with social and economic intervention. The model promotes the construction of an articulated plan, in what concerns innovation and creativity with a view to an increased local capacity to solve local problems as identified by target groups.</p> <p>The Model enables:</p> <ul style="list-style-type: none"> ▪ The promotion of informal networking between the several local organisations; ▪ The promotion of the social and economic local potential in terms of enterprising opportunities towards economic and social development; ▪ To stimulate firms to benefit from the informal relationship

⁶ The main output of a project may be a clearly identifiable “product” such as a toolkit. However, even when the main result concerns a particular process or a new type of organisation they must have been formalised or written up so that they can be used by others. In this sense, they can all be considered “products”.

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	<p>model;</p> <ul style="list-style-type: none"> ▪ To promote the culture of entrepreneurship; ▪ To contribute to the solution of local problems, namely, unemployment and social exclusion <p>The Model is supported by the following tools:</p> <ul style="list-style-type: none"> • Website as a strategic tool for the mobilisation of the target groups, supporting the project as a whole; • Entrepreneurs Guide, a working instrument to guide the future decisions of investment and the life of the enterprises; at the same time this guide is important to advice, to inform and to motivate the entrepreneurs; • Practices and procedures of the informal relationship model, a document which intends to be a support guide to other teams in other local contexts; • Narratives of (Un)Success Practices in the Creation of Self Employment, a document which describes the training and integration methodology used for the creation of self-employment solutions; • DVD (Technical Pedagogical Resource for the Creation of Self Employment solutions) containing several tutorials. 		
Main target groups (mark X)	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;">Unemployed X Women Ethnic/migrants 50+</td> <td style="width: 50%; border: none;">Young Disabled Social enterprise</td> </tr> </table>	Unemployed X Women Ethnic/migrants 50+	Young Disabled Social enterprise
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Main theme of intervention. (Mark X).	<p>Culture and Conditions Start-up support X Consolidation and Growth Access to Finance</p>		
Main policy messages and recommendations if any (as above)	<p>There are potential networking possibilities among local firms that may have direct positive effects on entrepreneurship possibilities and job creation.</p> <p>The linking of corporate social responsibility to the promotion of local economic thickness (information and communication among local organisations, sub-contracting, etc.) may contribute to the local capacity of combating unemployment.</p> <p>The role of external agents having the conditions to promote this kind of networking possibilities are worth being supported.</p>		
Evaluation of quality and transferability: Has there been an independent evaluation? Is there any evidence that the approach offers value for money, transferability, and the possibility of application at a larger scale?	<p>The "Informal Relationship Model" was validated as an Equal product according to the Portuguese validation methodology.</p>		
Repeat for different products			

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PROJECT IDENTIFICATION	
Name and number of DP or Project:	GLOCAL Project
Member State/nation/region:	Portugal
Urban or rural areas	Rural
Lead Partner or Promoter	Superação SPA Consultoria
Contacts of key person in promoter organisation (name, telephone + e.mail)	Cristina Coelho 00351259326294 ccoelho@spa.pt
Brief description of the project (Bring out the most distinctive or interesting features of the project . Try to go further than initial project objectives to highlight what has been done (actions), how – any distinctive features of the method - and results.)	<p>The aim of Glocal is to promote social responsible entrepreneurship, with high standards of quality, in rural areas with high levels of population loss, low levels of income and high levels of unemployment.</p> <p>The main objectives of the project are to promote a favourable environment to entrepreneurial initiatives involving local actors in networks that help to create these conditions; to promote innovation and creativeness (IncUtad, Ideas Ateliers); to promote socially responsible entrepreneurship, thereby reinforcing “glocality”, voluntary work and territorial social solidarity; to create methodologies of direct support to entrepreneurs in all phases of enterprise creation, such as: detection of investment opportunities, developing specific finance solutions (microcredit, “business angels”, etc.), developing training solutions that improve the entrepreneurs skills and their autonomy.</p> <p>Glocal’s main products are:</p> <ul style="list-style-type: none"> • SIM – Microcredit System for start – up (microcredit until 25.000€ adequate to rural and disadvantage groups) • Start-up Integrated support services (methodological and resources kit to start-up support services that includes abilities balance, one-to-one training, business plan, feasibility study and tutorialship) • Create and consolidate (G)local Companies – step by step (a friendly use manual to entrepreneurs and technicians) • Investment Opportunities laboratory (a methodology to identify and study rural investment opportunities based in a new approach) • NetMentor (a transactional web platform for the entrepreneurs tutorialship/ mentoring after start-up)
Web link to the project and each product (specify language)	www.iniciativaglocal.eu
POTENTIALLY TRANSFERABLE PRODUCTS/PROCESSES AND STRUCTURES⁷	
Product1. Summary description (emphasise the aspects that might interest policy makers)	<p>SIM – Microcredit System for self employed (microcredit until 25.000€ adequate to rural and disadvantage groups) is an integrated financial solution that combines microfinancing for the creation of small businesses with training in the enterprise. The aim is to improve the abilities of the entrepreneurs and the reduction of the business risk through viability studies, to support disfavoured groups in accessing traditional credit offered by private banks.</p> <p>SIM methodology emphasises the involvement of local organizations as a basis for the activation of the local systems. The dissemination process has involved as strategic partner “Minha Terra” Association one of the two main national associations of local development associations (LDA’s). These LDA’s, work as a network in cooperation with the initial development partnership of Glocal. For this effect, it was created the “SIM na</p>

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	Minha Terra" Network (YES in My Land") which involves already eleven LDA's.																
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Main theme of intervention. (Mark X).	Culture and Conditions Start-up support x Consolidation and Growth Access to Finance x																
Main policy messages and recommendations if any (as above)	<p>Glocal shows how entrepreneurship projects can be good alternatives to social schemes. Even if entrepreneurship only reaches a small group of people it plays a relevant role in demonstrating that it is possible to move from subsidies to self-reliance.</p> <p>Glocal also shows that it is possible to create new solutions linking local organizations to the stimulation of the emergence of start-ups, the promotion of innovation and skills development and adequate access to finance.</p> <p>Glocal stresses the relevance of a long-term approach, the role of local partnership networking and the need of adequate, accessible and flexible business support services.</p>																
Evaluation of quality and transferability: Has there been an independent evaluation? Is there any evidence that the approach offers value for money, transferability, and the possibility of application at a larger scale?	<p>SIM methodology was validated according to EQUAL Portugal validation process involving IAPMEI (the Portuguese agency to support SME) local potential incorporators (local development associations, financial group, etc.).</p> <p>The SIM was developed, initially, in 6 Municipalities financing small projects under 25.000€ . At the moment it is already being mainstreamed in 50 Municipalities in the north of Portugal.</p>																