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Business Start-Ups & Youth Self-Employment in Spain: A Policy Literature Review

María C. González Menéndez and Begoña Cueto

Universidad de Oviedo

STYLE-WP7:

Business Start-Ups & Youth Self-Employment

National Report from Spain

Contributing to D.7.1

Actual: 28/03/2015



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- i) to 'advance the knowledge base that underpins the formulation and implementation of relevant policies in Europe with the aim of enhancing the employment of young people and their transition to economic and social independence', and
- ii) to engage with 'relevant communities, stakeholders and practitioners in the research with a view to supporting employment policies in Europe.' Contributions to a dialogue about these results can be made through the project website www.style-research.eu, or by following us on twitter @STYLEEU.

To cite this report:

González Menéndez, M.C. & Cueto, B. (2015) *Business Start-Ups and Youth Self-Employment in Spain: A Policy Literature Review*, STYLE Working Papers, STYLE-WP7.1/ES. CROME, University of Brighton, Brighton. <http://www.style-research.eu/publications/working-papers>

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Acknowledgements

The research leading to these results has received funding from the European Union's Seventh Framework Programme for research, technological development and demonstration under grant agreement no. 613256. The authors are grateful for comments on an earlier version of this report provided by Jackie O'Reilly and two anonymous peer reviewers.

Executive Summary

Self-employment was traditionally excluded from the scope of labour law in Spain. An important recent development has been the passing of the Self-employed Workers' Statute in 2007. It is a comparatively innovative regulation of self-employment in that it comprises a comprehensive legal framework covering all aspects of self-employment, including a specific reference to economically-dependent self-employed workers.

Self-employed workers are defined legally as those who habitually, personally and directly perform a profit-driven activity without an employment contract, and may use the paid services of other people, whether or not the owner is of an individual or family company.

Spain does not rank well among other developed economies as to the ease for doing business according to the World Bank Group (2014): 33rd out of 190 countries. Multi-level bureaucratic procedures are a specific difficulty to consider, even if the procedure to create a start-up as a self-employed person is much simpler than that to create a limited company. Two current national projects are attempting to facilitate the bureaucratic process by providing counselling on the required administrative procedures (Ventanilla Unica Empresarial and Centro de Información y Red de Creación de Empresas).

Spain has one of the highest self-employment rates in the context of the European Union although it is much lower for youth (in 2014, the Spanish self-employment rate was 17.6 per cent compared to 9.4 per cent for workers under 30), as in the majority of other countries. The extension of self-employment can be a sign of entrepreneurial dynamism but, at the same time, it can also reflect the lack of opportunities of salaried employment. The dramatic job destruction during the economic crisis can drive unemployed workers into self-employment as a way to escape from unemployment. According to the GEM project, the total early-stage entrepreneurial activity rate in Spain was 5.2 per cent in 2013. This is a low rate in comparison with other European countries. Spain also has a low rate of nascent entrepreneurs (3.1 per cent in 2013). Focusing on the motivation for the start-up, 33 per cent are opportunity-based entrepreneurs.

In the context of the Spanish policy-making administrative procedures, employment policies can be designed at the national, regional and local levels.

At the national level, the Strategy of Entrepreneurship and Youth Employment 2013-2016 was launched to promote self-employment among young workers. Particularly relevant policies here are the reductions of the self-employed Social Security contributions and several incentives for the self-employed to hire workers. For instance, workers under 30 years of age (under 35 for women) have a fixed contribution to Social Security of 50€ per month during 15 months. Another national major programme promoting self-employment is the capitalisation of unemployment benefits giving unemployed people the possibility of receiving the contributory unemployment benefits as a lump-sum payment in order to set up a business.

At the regional level, there are a number of support programmes for start-ups. Sometimes regional programmes specifically foster innovation targeted at or by start-ups. The majority of the programmes have a general approach and they target all workers. However, young workers or women usually enjoy better conditions in terms of higher subsidies.

In general, in the crisis period there was no destruction of traditional policy instruments, they were in fact expanded towards new areas such as training and innovation.

The Public Employment Service offers coaching and counselling regarding self-employment. It provides information on the bureaucratic procedure for start-up, subsidies and training. Besides this, there are regional agencies for the promotion of entrepreneurship facilitating the administrative procedures and providing information about existing subsidies.

With respect to the promotion of entrepreneurial culture through education, the main innovation is the inclusion of a new optional subject called “professional guidance and entrepreneurial initiative” in the core national curriculum for lower secondary education. Other programmes include the development of teaching materials and training to college students.

Spanish young self-employed workers are mainly male, low qualified individuals, working in the retail trade, hotels and restaurants and personal services industries. Self-employed workers have a greater probability of poverty than employees. Their income is lower although we should be cautious about the data because of underreporting. However their working conditions are usually also worse than those of employees in terms of working hours and training. More research is needed to study the profile of new young entrants into self-employment, their probability of survival and the impact of self-employment on their labour market trajectories.

Key words:

Self-employment; unemployment; young people; women; migrants; quality of self-employment; policies targeted to promote self-employment in Spain.

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Abbreviations

ALMP	Active Labour Market Policy/Policies
AT	Austria
BE	Belgium
BG	Bulgaria
CH	Switzerland
CY	Cyprus
CZ	Czech Republic
DE	Germany
DK	Denmark
EC	European Commission
EDSEW	Economically Dependent Self-Employed Workers
EE	Estonia
EPL	Employment Protection Legislation
ES	Spain
ESF	European Social Fund
EU	European Union
EU-LFS	European Union- Labour Force Survey
EU-SILC	European Union Survey on Income and Living Conditions
FI	Finland
FR	France
GEM	Global Entrepreneurship Monitor
GDP	Gross Domestic Product
GR	Greece
HU	Hungary
IE	Ireland
ILO	International Labour Office
IS	Iceland
ISCED	International Standard Classification of Education
IT	Italy
LFS	Labour Force Survey
LT	Lithuania
LU	Luxembourg
LV	Latvia
MT	Malta
NEET	Not in Employment, Education or Training
NL	Netherlands
NO	Norway
OECD	Organisation for Economic Cooperation and Development
OLS	Ordinary Least Squares
PIAAC	Programme for the International Assessment of Adult Competencies
PL	Poland
PT	Portugal
RO	Romania
SE	Sweden
SI	Slovenia
SK	Slovakia
SME	Small and Medium Sized Enterprise
SOC	Standard Occupational Classification
STW	School to Work
TEA	Total Early Stage Entrepreneurship Activity
UK	United Kingdom

USA	United States of America
VET	Vocational Education and Training
VoC	Varieties of Capitalism
YES	Youth Entrepreneurship Strategies
YTR	Youth Transition Regimes

1. Introduction

In the first section of this report, the definition of self-employment, the procedures to become self-employed and the social security regime of the self-employed are explained. Self-employment in Spain has a specific regulation. Since 2007, the Self-employed Workers' Statute provides a legal framework for all aspects concerning self-employment. One of the main innovations is the definition of Economically-Dependent Self-employed Workers. The main trends in self-employment are also described here using information from the Labour Force Survey (LFS), Social Security data and the Global Entrepreneurship Monitor (GEM). LFS is the standard dataset and it allows us to describe self-employed workers according to age, sex and other socioeconomic variables. Given that the self-employed have a separate Social Security regime from other workers, the Social Security dataset allows for describing the evolution of affiliation by sex and age. Finally, the GEM dataset contains information about the different steps to becoming self-employed, allowing us to document entrepreneurial activity, nascent entrepreneurs and the motivation in becoming self-employed.

The following section provides an analysis of the policies that foster self-employment. After a brief explanation of the Spanish three-level administrative context (national, regional, local), we describe self-employment policies by type of support and by target group. We detail the financial support for start-ups that are the most common measure in the Spanish labour market. We also define the capitalisation of the unemployment benefits that started in 1985 and the recently launched Strategy for Entrepreneurship and Youth Employment. The development of an entrepreneurial culture in the educational system is also addressed. We describe the changes in the national curriculum for lower secondary education in 2011 that included a new optional subject called “Professional Guidance and Entrepreneurial Initiative” and other programmes targeting students.

The report then focuses on describing the main traits of self-employed workers' quality of work in terms of income, hours of work and survival of the businesses. In a separate section some possible research questions for future research are presented. Finally, the concluding section reflects on the main findings of the report.

1.1 Aims of this paper

The aims of this paper are fourfold. The first aim is to examine how self-employment is defined and the characteristics of those most likely to go into self-employment. The second aim is to provide an overview of national policies which encourage self-employment and entrepreneurship in Spain. The third aim is to critically examine concerns associated with the quality of self-employed work. Based on the above, the final aim is to suggest key research questions that should be considered in Tasks 2 and 3.

1.2 Organisation of the paper

The organisation of the paper is as follows: We begin with defining self-employment in Spain and identifying the characteristics of those most likely to go into self-employment. Following this, the national policies of Spain which aim to encourage self-employment in general and youth in particular are presented. Furthermore, an insight into the quality of work associated with self-employment is provided. The paper also outlines sustainability and job creation of start-ups. Finally, the paper concludes with suggestions for future research.

1.3 Definition of Self-Employment

In this section we review the legal definition of self-employment, the impact of some recent and innovative changes in the said definition, the administrative procedures in becoming self-employed, and the social security regime of the self-employed.

1.3.1 Definition of Self-Employment: A Recent Innovative Legal Approach

Self-employed workers were traditionally excluded from the scope of labour law. In this sense, the Spanish Self-employed Workers' Statute 2007 (Estatuto del Trabajador Autónomo) is “an innovative experiment from the standpoint of comparative law” (Cabeza Pereiro, 2008: 91), since neighbouring countries do not have a specific regulation for self-employed workers.

The Spanish Self-employed Workers' Statute, published as Law 20/2007¹, provides a comprehensive and systematic legal framework covering all aspects of self-employment. It also establishes benefits for the cessation of activities and protection for temporary sick-leave, maternity/paternity and risk at pregnancy/breastfeeding (voluntary). The Statute was particularly innovative in defining "economically-dependent self-employed workers"² and in giving them rights (eighteen days of holidays a year and social security coverage against accidents at work and professional illness). These rights are independent of whether the worker has employees or not and of the sector in which the work is carried out.

Self-employed or autonomous workers are legally those who habitually, personally and directly perform a profit-driven activity, without an employment contract, and may use the paid services of other people, whether or not the owner is of an individual or family company. In this regime, included workers are:

- Workers over 18 years of age who perform a for-profit economic activity in a regular, personal, and direct manner, without being subject to an employment contract.
- The spouse and relatives up to the second degree, inclusive (for workers in the Special Scheme for Self-Employed Workers), up to the third degree by consanguinity, affinity, and adoption who work with the self-employed worker in a regular, personal, and direct manner and are not wage earners.
- Self-employed workers who are economically dependent (Law 20/2007 of July 11).
- Professionals who conduct, on their own behalf, an activity which requires membership of a Professional Association
- Associates of regular joint companies and collective associates of limited partnership companies.
- Associate workers of Associated Work Co-operatives, when the latter choose this Regime in their bylaws. In this case, the minimum age for inclusion within the Special Regime is 16.
- Communal partners or partners of communities of property and irregular civil companies.
- Those who perform management or administration functions arising from the position of a member of the Board of Directors or administrator, or who perform other services for a capitalist trading company, for profit and in a regular, personal, and direct manner, provided that they have effective, direct or indirect, control of the company. This is understood to mean, in all cases when this circumstance occurs, that the worker's shares or stock represent at least one half of the share capital.

1.3.1.1 Impact of the Recent Changes in the Legal Definition

In general, it is worth stressing that the changes to the legal definition of self-employment carried out in the last decade or so clearly aim to make visible hidden work by family members of the self-employed. This is particularly relevant regarding women's (as spouses or partners) and young workers' status. However, the impact of the legal definition changes is still modest in the case of economically-dependent self-employed workers.

Regarding Spanish data on Economically-Dependent Self-Employed Workers (EDSEW). EDSEW, had growing concerns about this type of workers in 2007 and 2008. This led to the inclusion of specific questions in the Spanish Labour Force Survey 2009 by the Statistics National Institute³. While the data is not publicly available, a recent ILO study reports in 2013, some 271,000 workers, or 12.3 per cent of the self-employed workers without employees, qualified as EDSEW i.e. declaring dependence on a client for most of their income or declaring that they have an employer giving them work (OIT, 2014). Their numbers had decreased between 2009 and 2010 and then increased 18.4 per cent between the last quarter of 2010 and the last quarter of 2013. The rise is due to a 32.7 per cent increase in the number of self-employed workers declaring that they have an employer whereas the number of those declaring dependence on a single client for most of their income in fact decreased 2 per cent in the same period (OIT, 2014). Since 2009 (R.D. 197/2009), in order to recognize the labour and welfare state rights given to EDSEW in 2007, a written contract with the main client must be provided. Moreover, EDSEW must register as such with the National Public Employment Services in a period of 10 days after signing the

¹ Boletín Oficial del Estado 166 (12th July 2007).

² Economically dependent autonomous workers are those who carry out their economic or professional activities for financial gain and in an habitual, personal, direct manner and predominantly for one natural or legal person, called the client, on whom he or she depends economically, receiving from that client at least 75 per cent of his or her income for the performance of work and economic or professional activities.

³ Since then, those self-employed workers whose answers imply that they are economically-dependent self-employed workers are re-classified as salaried workers. http://www.ine.es/daco/daco42/daco4211/preguntas_epa.pdf

contract. By the end of 2013, only 13,000 contracts of this type had been registered (OIT, 2014). In other words, most EDSEW do not currently enjoy the rights granted by the 2007 Self-Employed Workers Statute.

The EDSEW status, a recent concern of the EU, is not an officially recognized category of workers in most other European countries, which makes comparative reliable data scant. Several institutions and unions proposed to the European Commission the implementation of the Project TRADE – European Network for the support of self-employment and economically dependent work. In this project a new methodology to quantify the EDSEW through a survey to self-employed workers was developed. According to their data (UPTA, 2014), 27.8 per cent of all self-employed workers in Spain are EDSEW, a proportion similar to that found for France (26.1per cent) but much smaller than that found for Italy (56.1per cent) and Bulgaria (69per cent)⁴.

1.3.2 Administrative Procedures to Become Self-Employed

The World Bank Group (2014) ranks Spain 33 out of 190 economies for the ease for doing business. As shown in Table 1, Spain ranks 74 for ease for starting a business and 52 for ease of getting credit.

The ranking does not differentiate according to the legal form adopted by the start-up and thus it is worth mentioning that the bureaucratic process to create a start-up as a self-employed person is much simpler than that to create a limited company. In any case, the involvement of three levels of government (national, regional and local) is widely recognised to lead to coordination problems, either directly or indirectly through the number of documents to be submitted (AEVAL, 2012; OIT, 2014). The process of becoming self-employed includes five types of administrative procedure as shown in Table 2.

Registering with the tax office and with the Social Security administration can be done on-line easily. If commercial premises need to be built or fitted, the process becomes more complex in that the regulation is defined at the local level where each local entity can decide its own guidelines. In practice, this means high variation among municipalities and an extended process to obtain a permit to use the premises.

⁴ The report only provides data for these four countries.

Table 1: Ranking on the ease of doing business

Country	Ease of Doing Business Rank	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Paying Taxes
Singapore	1	6	2	24	17	5
New Zealand	2	1	13	2	1	22
Hong Kong SAR, China	3	8	1	96	23	4
Denmark	4	25	5	8	23	12
Korea, Rep.	5	17	12	79	36	25
Norway	6	22	27	5	61	15
United States	7	46	41	29	2	47
United Kingdom	8	45	17	68	17	16
Finland	9	27	33	38	36	21
Australia	10	7	19	53	4	39
Ireland	13	19	128	50	23	6
Germany	14	114	8	89	23	68
Estonia	17	26	20	13	23	28
Poland	32	85	137	39	17	87
Spain	33	74	105	66	52	76

Source: Doing Business. (<http://www.doingbusiness.org/rankings>).

Table 2: Administrative procedures to become self-employed by organism.

Organism	Level	Procedure
Tax office	Regional	Register (natural or legal person) indicating trade income tax and tax liability
Social Security administration	National	Register indicating social security contributory base
Local Administration	Local	If the business needs premises
Trade companies' registrars (not compulsory for own-account workers)	Regional	Register
Notary office	Local	Register

1.3.3 Social Security Regime of the Self-Employed

Self-employed workers have a special contributory system in the Spanish Social Security called Special Regime for self-employed workers.

The social security contribution base can be set by the self-employed aged under 47 at any level between the minimum and maximum amounts set each year - in 2014 the minimum contribution base was of 875.70€ per month and the maximum contribution base was 3,597.00€ per month. For workers aged 48 or over, the contribution base can be set between 916.50€ and 1870.50€ per month.

The contribution type is the percentage applied to the contribution base, the result of which is the payment or amount to be paid. In the case of self-employed workers the rate is 29.8 per cent (26.5 per

cent if temporary disability is not included). The contribution rate for protection against becoming out of work will add 2.2 per cent, payable by the worker.

In sum, self-employed workers have their own system in the Spanish Social Security with contribution bases and types different to salaried employees.

1.3.4 Who Starts a Business and Who Does Not?

In this section we review the extension and main trends of self-employment, firm demography, general entrepreneurship prompts and traits, and the quality of work of the self-employed.

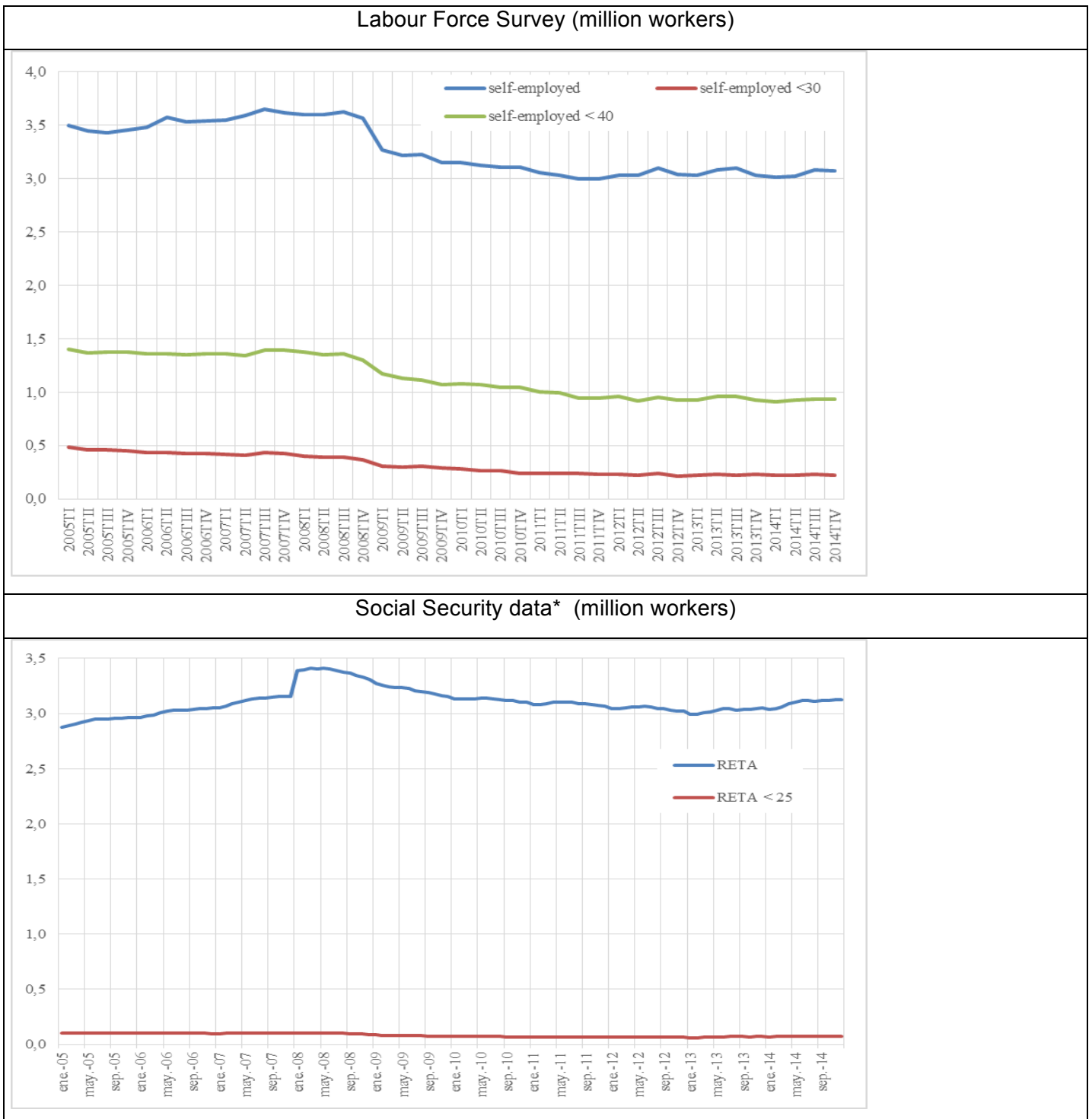
1.3.4.1 Extension of Self-Employment in Spain (EDSEW)

According to the Labour Force Survey (LFS), in the fourth quarter of 2014 there were 3.1 million self-employed workers in Spain. Of them, 7.2 per cent were below 30 years-old (around 220,000) and 30.4 per cent were below 40 years-old (around 900,000). According to the Social Security data, 3.1 million workers were registered in the same period in the Special Regime for self-employed workers. Figure 1 below shows the evolution of the total number of self-employed according to both sources for the period 2005-2014.

The self-employment rate in Spain is high in comparative European terms according to Eurostat: in 2013, the self-employment rate in Spain was 16.9 per cent compared to 14.4 per cent on average in the EU-28 and 14 per cent in the EU-15. The OECD suggests that while the latter may signal positive entrepreneurship, it can also be “a sign that employers prefer to hire workers as independent contractors to benefit from lower social security contributions (...) and it could also indicate that the economy is not creating enough opportunities in the formal labour market” (OECD, 2014: 109). This could be connected to the growth in EDSEW from the last quarter of 2010 to the last quarter of 2013, identified by the ILO.

Both the LFS and the Social Security data show reduced self-employment rates for women than for men. Social Security data show that women represent 35 per cent of the whole self-employed workers. According to the LFS, in 2014, the male self-employment rate was 21.5 per cent and the female rate was 13 per cent. This gap is smaller in the case of workers below 30 years old although self-employment rates are, in both cases, much smaller than in the case of workers over 30 years old (Figure 2).

Figure 1: Self-employed workers in Spain (2005-2014)

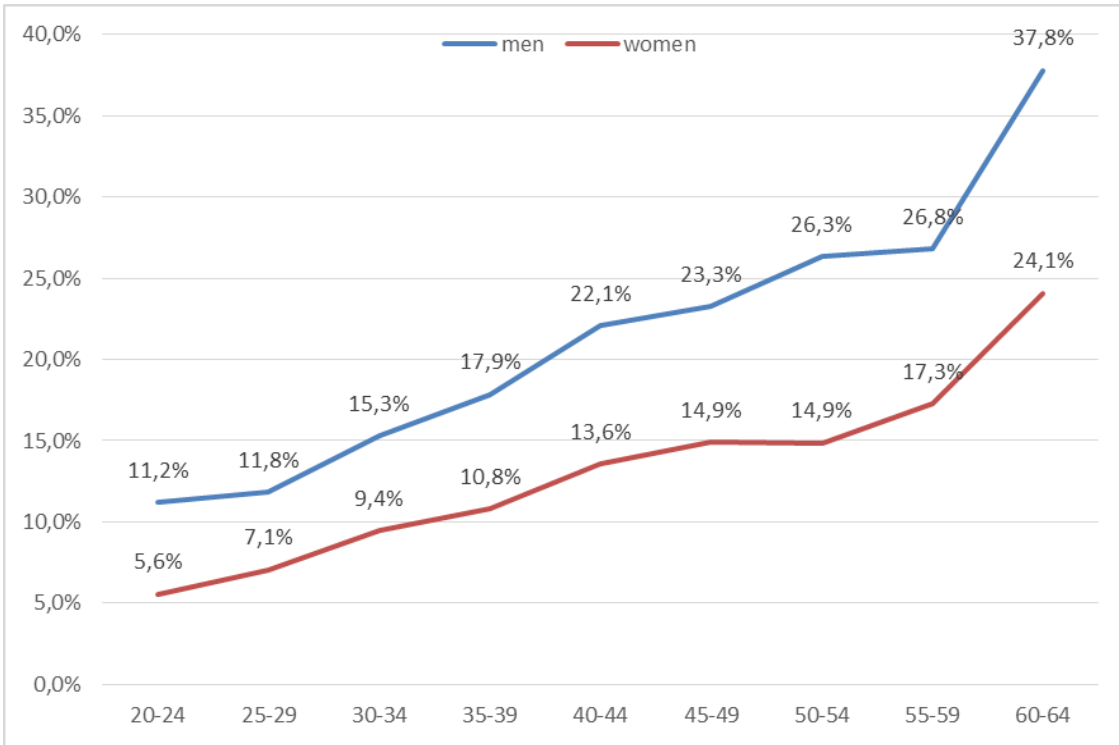


*In 2008, workers in the agricultural scheme are included in the Special Regimen for self-employed workers.

The rate of immigrant self-employment in Spain is lower than that of nationals (15 and 18 per cent respectively in 2014, according to the LFS). The gap between self-employment rates of immigrants and native workers was 9 percentage points in 2005 and it was 3 percentage points in 2014. The gap may have been reduced as a consequence of the economic crisis. For instance, Solé *et al.* (2009) found that the exclusion from the formal labour market suffered by many immigrants leads them to view self-employment as a means of achieving professional stability and upward social mobility.

As to the recent trends in self-employment, Figure 3 below shows the evolution of the self-employment rate for the period 2005-2014 for different age groups. Clearly, from 2011 the downward trend in the self-employment rate among nearly all age groups was reversed. The only exception is the 30-39 aged persons group, which changed its trend a year later.

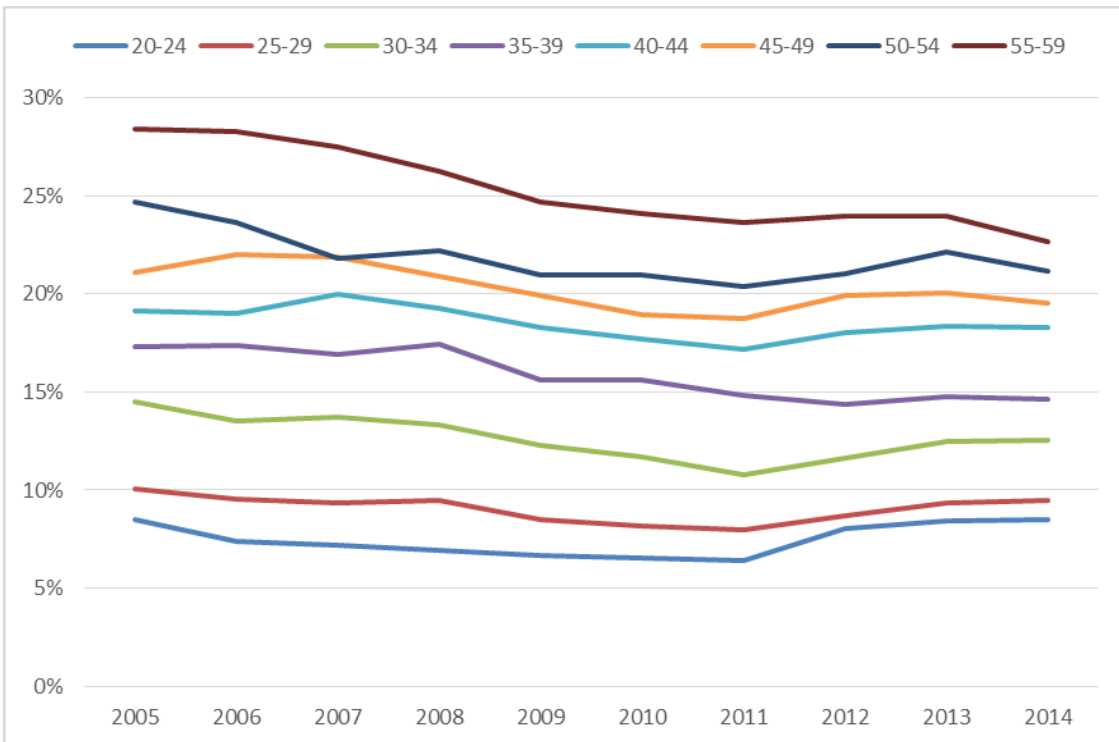
Figure 2: Self-employment rate in Spain by sex and age, 2014.



Source: LFS.

However, this change in the rate of self-employment among the working population of any age hides a statistical composite effect. As shown in Table 3 for youth jobs, the destruction of self-employed jobs continued throughout 2011-2014. The rate of self-employment increased in those years because the proportion of salaried jobs destroyed was even higher at the time. Having said that, Table 3 also shows that, in any case, the rate of destruction of self-employed jobs slowed down from 2011. Without further data it is not possible to determine the extent to which the slowing down of the rate of destruction of self-employed jobs is a result of the transit of new entrants into self-employment as a refuge from unemployment in salaried jobs (including the possible ‘forced’ self-employment of non-declared EDSEW), and the extent to which it is a consequence of the successive waves of public policies fostering and supporting self-employment.

Figure 3: Self-employment rate by age group (2005-2014)



Source: LFS.

Table 3: Type of employment of workers aged 16-29 in the period (2005-2014), by sex (in thousands).

	Salaried employment			Self-employment		
	men	women	total	men	women	total
2005	2444.9	1967.4	4412.3	315.9	147.8	463.7
2006	2471.0	2020.5	4491.4	295.6	133.5	429.1
2007	2468.8	2021.7	4490.5	285.0	133.3	418.3
2008	2210.8	1953.9	4164.8	261.3	125.6	386.9
2009	1773.7	1681.3	3454.9	192.4	106.4	298.8
2010	1569.3	1538.8	3108.1	170.6	92.8	263.4
2011	1406.9	1398.7	2805.6	150.8	84.0	234.8
2012	1181.2	1215.4	2396.6	148.3	79.1	227.4
2013	1071.7	1094.0	2165.6	150.6	75.1	225.7
2014	1078.6	1063.5	2142.0	145.4	77.9	223.3

Source: LFS.

During the last three years, youth self-employment rate has increased, although it is still below 10 per cent. Regarding their characteristics, it is higher for men than for women, a common feature of the adult population. With respect to the level of qualifications, young self-employed workers have a low educational attainment in comparison to salaried employees. This low qualification is related to the type of business activities performed that are mainly retail trade, hotels and restaurants and personal services (Gutiérrez *et al.*, 2014).

1.3.5 Entrepreneurship Prompts and Traits

According to the latest report of the GEM project, based on its own survey data, the Total Early-stage Entrepreneurial Activity (TEA) rate⁵ in Spain was 5.2 per cent in 2013 (GEM, 2014). As we can observe in table 4, this rate is similar to that in Germany and one the lowest in comparison with the selected countries. Spain also has the lowest rate of nascent entrepreneurs⁶. Focusing on the motivation for the start-up, 33 per cent are opportunity-based entrepreneurs, the same percentage as in Poland and the lowest among the selected countries.

⁵ The Total Early-stage Entrepreneurial Activity (TEA) rate is defined as the prevalence rate of individuals in the working age population who are actively involved in business start-ups, either in the phase in advance of the establishment of the firm (nascent entrepreneurs), or the phase spanning 42 months after the establishment of the firm (owner-managers of new firms).

⁶ Percentage of 18-64 population who are currently actively involved in setting up a business they will own or co-own; this business has not paid salaries, wages, or any other payments to the owners for more than three months.

Table 4: Selected indicators of entrepreneurial activity

Total early stage entrepreneurial activity													
Country	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Estonia	-	-	-	-	-	-	-	-	-	-	-	14.3	13.1
Germany	6.3	5.2	5.2	4.4	5.1	4.2	-	3.8	4.1	4.2	5.6	5.3	5.0
Ireland	11.4	9.1	8.1	7.7	9.8	7.4	8.2	7.6	-	6.8	7.2	6.2	9.2
Poland	8.0	4.0	-	8.8	-	-	-	-	-	-	9.0	9.4	9.3
Spain	6.3	4.6	6.6	5.1	5.7	7.3	7.6	7.0	5.1	4.3	5.8	5.7	5.2
UK	6.5	5.4	6.4	6.2	6.2	5.8	5.5	5.9	5.7	6.4	7.3	9	7.1
Nascent entrepreneurs													
Country	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Estonia	-	-	-	-	-	-	-	-	-	-	-	9.5	8.8
Germany	3.8	3.5	3.5	2.8	3.1	2.9	-	2.4	2.2	2.5	3.4	3.5	3.1
Ireland	7.1	5.7	5.1	4.4	5.7	4.5	4.2	3.3	-	4.4	4.3	3.9	5.5
Poland	5.7	3.2	-	3.9	-	-	-	-	-	-	6.0	4.8	5.1
Spain	3.3	2.2	4.6	2.1	2.4	3.0	3.5	3.3	2.3	2.2	3.3	3.4	3.1
UK	3.3	2.5	3.4	3.4	3.4	3.2	2.9	3.1	2.7	3.2	4.7	5.3	3.6
Improvement-Driven Opportunity Entrepreneurial Activity: Relative Prevalence													
Country					2005	2006	2007	2008	2009	2010	2011	2012	2013
Estonia					-	-	-	-	-	-	-	49	50
Germany					45	38	-	49	43	48	55	51	56
Ireland					68	62	47	45	-	33	37	41	44
Poland					-	-	-	-	-	-	32	30	33
Spain					55	66	50	48	41	42	39	33	33
UK					52	61	52	49	43	43	46	43	45

Source: GEM data.

According to the LFS, in 2014, employers amounted to 28.7 per cent of the self-employed workers. The figures were smaller for women and for young workers. As shown in Table 5, female employers were 26.7 per cent of the total female self-employment, 4 percentage points smaller than in the case of men. We also have to stress the role played by those registered as “family workers” (one of the four possible categories of self-employed used by the LFS); thus 6 per cent of female self-employed workers in Spain are categorised as “family workers”. With respect to self-employed workers below 40, employers amount to 23.6 per cent (only 12.5 per cent if we consider workers below 30 years old).

Table 5: Distribution of self-employed workers by labour status, 2014.

	All			Below 40		
	Men	Women	Total	Men	Women	Total
Employer	29.7%	26.7%	28.7%	23.5%	23.8%	23.6%
Own-account worker	67.4%	66.5%	67.1%	70.8%	68.9%	70.1%
Family worker	2.0%	6.0%	3.4%	4.9%	6.7%	5.5%

Source: LFS.

An important proportion of women transiting into self-employment had previous experience as salaried workers (49.5 per cent), which may indicate an "expulsion" from the labour market or a process of "escape" from the current working conditions towards a more independent and economically beneficial situation (Escobar, 2005). At the same time, another study states a trend towards female opportunity-oriented entrepreneurship, i.e. that women creating businesses are increasingly moving away from the stigma of necessity self-employment and low added value (Ruiz Navarro, *et al.*, 2012). Still, in general, businesses created by women in Spain are characterized by having greater consumer orientation, have less potential for job creation and a lower intensity of internationalization than those created by men (Ruiz Navarro, *et al.*, 2012).

1.4 Summary

The legal definition of self-employment in Spain experienced an innovative change in 2007 with the publication of the Spanish Self-employed Workers' Statute that provides a comprehensive and systematic legal framework covering all aspects of self-employment. It also aims to make visible previously hidden work by family members of the self-employed and it recognises the case of economically-dependent self-employed workers.

Self-employment rate in Spain is one of the highest in the context of the European Union (16.9 per cent in 2013 in comparison to the average of 14.4 per cent in the EU-28). However, since self-employment is often sought mainly as an alternative to unemployment we should be careful about equating self-employment and entrepreneurship. 'Necessity self-employment' rather than entrepreneurship may account for the increase in self-employment in Spain in recent years (self-employment rate in 2011 was 16.5 per cent).

The youth self-employment rate is lower than that of adults, as in the rest of the European economies. It is below 10 per cent for the whole period 2005-2014. The young self-employed are predominately male, with a low level of qualification and working in retail trade, hotels and restaurants and personal services. Only 23.6 per cent of the young self-employed are employers, five percentage points less than the proportion for the whole population of self-employed workers.

The GEM project finds that the Total Early-stage Entrepreneurial Activity (TEA) rate in Spain was 5.2 per cent in 2013. This is a low rate in comparison with other European countries. Spain also has a low rate of nascent entrepreneurs (3.1 per cent in 2013). Focusing on the motivation for the start-up, 33 per cent are opportunity-based entrepreneurs.

2. Policies to Encourage Self-Employment in General and for Youth in Particular

In this section we review the main active labour policies aimed at fostering and supporting self-employment in Spain. These policies can be defined at both the national and the regional levels. At the regional level, each autonomous community can establish policies targeted at self-employed workers. Regional governments have their own services to support entrepreneurship and their own programmes to encourage it.

It is worth remarking on the Spanish policy-making administrative context, with policies being designed at both the national and the regional levels. Local authorities can also develop relevant policies but available information on local-level policies is fragmented at best. The Basque Country is exceptional in presenting sub-regional provincial- and local-level subsidies as well as regional-level ones. The peculiarity of the Basque Country is likely due to the fact that the regional government only accepted the responsibility of active employment policies recently: regional active labour policies started there in 2011. Thus, regional funding for active employment policies was previously channelled through local administration, and national funding for employment policies channelled through provincial administration⁷.

The evaluation of active labour market policies in Spain, is uncommon. Some reports focus on follow-up and financial indicators but no impact evaluation has been carried out. From a macroeconomic point of view, Congregado and Carmona (2013) conclude that the promotion of self-employment is an effective strategy for combating unemployment, although its effectiveness varies across regions. Moreover, the authors state that the most powerful tools of the entrepreneurship policy are those oriented to promote the emergence of new employers (see also Urbano & Toledano, 2009). Some authors have also stated that the improvement of the systems used for assessing public assistance plans have important effects on the quality of start-ups (Revuelto & Fernández, 2009). However, the evaluation of active labour market policies in Spain remains poor.

It is difficult to estimate the impact of the crisis on the regional active policies of self-employment. No public data is available on the number of users, either by policy or in aggregate, or on the amount of money that was destined to the policies each year, something that clearly needs to be improved. In any case, budget cuts do not seem to have been translated into policy destruction or even in substantive cuts to subsidies. In fact, new policy instruments have been added to the existing ones. Yet, savings have been made often by delaying the public calls by one or even two years, and by hardening the conditions to be met by the self-employed, as in the minimum volume of assets. In any case, we do not see destruction of specific traditional instruments but their inertia over time (without an assessment of their impact) paired with, to a greater or lesser degree, an expansion of policy instruments towards areas such as training and innovation.

As to local active policies, while there is a report by the Ministry of Employment on local government expenditure on active employment policies, it is not public.

In general, recent national reforms to promote self-employment are a valuable step. The stability in the number of self-employed workers during 2012-2014 may be a result of these policies (OIT, 2014). However, for such policies to have maximum impact, it is important that companies receive the support needed to grow and to create new jobs. Specifically the ILO (OIT, 2014) has recommended Spain: to improve firms' access to credit and risk capital; to improve competition in the electricity sector - Spain has one of the most expensive electricity bills in Europe; to improve the training of entrepreneurs; to simplify administrative procedures to create business; to provide fiscal incentives for R&D investment – investment per employee has diminished rapidly during the crisis. Since many of these policies are already in place, we would add that a rigorous independent evaluation of the impact of active employment policies, and greater transparency by national and regional public administrations be carried out. It is particularly urgent to assess areas of improvement on policy design and implementation.

⁷ It is also important to mention the economic context and that the economic crisis has reduced resources allocated to active labour market policies. The budget for active labour market policies were reduced to 40 per cent in 2011 (Cueto & Suárez, 2014).

2.1 Financial Support

The majority of the programmes fostering self-employment in Spain focus on providing some form of financial support. Most often this support takes the form of subsidies in the early stages of becoming self-employed. Partially financing the hiring of new employees for start-ups is another type of financial support used.

2.1.1 Direct Labour Market Support for Start-ups

Both nationally and regionally, self-employed workers may have access to:

- Subsidies for establishing self-employment: a lump-sum payment conditioned to the amount of the investment.
- Microcredit loans: a reduction of the interest rate fixed by the entity that provides the loan credit.
- Bank endorsements: credit lines offered by some banks, sometimes in collaboration with mutual guarantee companies, which facilitates obtaining guarantees
- Risk capital: funding provided to companies with high growth potential in return for a shareholding.
- Business angels: a group of private equity investors providing smart capital (money, experience and network of contacts) to entrepreneurs with new business initiatives that need funding and expert support.

All regional incentives are compatible with the national ones and can be added to them. Besides the aforementioned reduction in social security contribution (most often available only when unemployment benefits are capitalised, with the exceptions of Aragon and Catalonia – see each region's policies description below), the majority of the regional programmes' economic incentives consist of subsidies for those workers entering self-employment, and for the self-employed employing workers. The amount of these, and other subsidies are often variable with the investment and can vary from 1,000€ to 10,000€. Further subsidies consist of reductions of the interest rates of loan credits (up to 4 points). The programmes often differ cross-regionally in the amount of the subsidy. Yet, a previous comparison of these programmes concluded that they were very similar in terms of the type of support and the amount of the subsidy (Cueto & Taboada, 2004).

Other types of programmes often have to do with training or fostering entrepreneurial culture. In Appendix 1, we offer a summary description of the extant of regional-level policies in Spain by region, differentiating between economic incentives (including reductions in social security contributions), and other policies.

2.1.2 Indirect Labour Market Support for Start-ups

In Spain, employment regulation (such as that governing labour contracts) is strictly national and thus uniform across the state. Recent labour reforms facilitating the hiring of new employees constitute indirect support for start-ups since there are numerous deductions in the employer social security contribution on behalf of the worker as well as in the form of tax breaks. We next refer to these new developments.

2.1.2.1 Incentives for Small Firms to Hire Workers

In 2012, a new type of open-ended labour contract, the so called **Entrepreneurs Support Contract**, was created with substantial employers' social security contribution reductions and tax breaks and a wider trial period (one year). Firms with less than 50 employees that have not dismissed unfairly or collectively in the previous 6 months may employ under this figure jobseekers with the following incentives:

- For the first worker aged between 16 and 30 employed with this contract full-time, the firm gets a 3,000€ tax deduction in the same year. The contract must be kept for a minimum of three years or the tax break is returned
- If the worker (of any age) was receiving unemployment benefits, the employer also has a fiscal deduction of 50 per cent of the smallest amount of the following: the 12-month unemployment benefit the worker was receiving, or the remaining unemployment benefit the worker had a right to.

- If the worker is aged between 16 and 30, is over 45, or is a woman that will work in a sector where women are underrepresented, there are also substantial deductions to the employer's social security contribution over a period of 3 years as shown in Table 6.
- If the contract is part-time, all the above subsidies and tax deductions are diminished proportionally.
- It is worth remarking that the small firms using this labour contract benefit also from an enlarged trial period (i.e. without dismissal costs at the end of it) of one year, the standard trial period being one month.

Table 6: Deductions in employer's social security contribution per worker employed with the Entrepreneurs Support Contract, per year.

Jobseeker characteristic	Year 1	Year 2	Year 3
Aged between 16 and 30	83,33€ per month (1,000€ per year)	91,67€ per month (1,100€ per year)	100€ per month (1,200€ per year)
If aged between 16 and 30 and a woman that will work in a sector where women are underrepresented	91.66€ per month (1,100€ per year)	100€ per month (1,200€ per year)	108.33€ per month (1,300€ per year)
Aged over 45	108.33€ per month (1,300€ per year)	108.33€ per month (1,300€ per year)	108.33€ per month (1,300€ per year)
Aged over 45 and a woman that will work in a sector where women are underrepresented	233,33€ per month (1,500€ per year)	233,33€ per month (1,500€ per year)	233,33€ per month (1,500€ per year)

Open-ended contract of a youth by micro firms or self-employed entrepreneurs (Contrato indefinido de un joven por microempresas y empresarios autónomos). Alternatively, in that it is a different contract from the one just reviewed, from 2013 micro-firms (with less than ten workers) and the self-employed that have not been dismissed unfairly or collectively in the previous 6 months may hire once⁸ a young unemployed person aged under 30 with a part-time or full-time open-ended contract with a 100 per cent reduction in the employer's Social Security contributions for common contingencies during the first contract year. The contract must be kept for a minimum of 18 months.

Open-ended contract for youth new entrepreneurial projects. The self-employed under 30 years of age without employees:

- hiring for the first time
- with an open-ended contract
- a person aged over 44
- unemployed for 12 months or that has exhausted his/her unemployment protection and,
- beneficiary of the retraining programme PREPARA

They have a 100 per cent reduction in the employer's Social Security contributions for common contingencies during the first contract year.

⁸ Literally, this contract can be used by the microfirm/entrepreneur just once, i.e. to employ one person.

2.1.2.1 Incentives for Any Employer's Hiring of Young Workers

Contract for those registered in the Youth Guarantee. From 2014, any firm (or self-employed worker) that hires a young worker registered in the Youth Guarantee with a full time open-ended contract that remains in place for a minimum of 6 months has a reduction in the employer's Social Security contribution on behalf of the worker of 300 euro for a maximum of six months.

First job contract for young people: Firms hiring jobseekers under the age of 30 with less than three months' work experience and transforming the contracts into open-ended are entitled to an annual discount in the employer's Social Security contributions of 500 euros for three years, and 700€ if the contract involves employing women.

Also, people between 25 and 29 with no professional qualification can now be hired under the **New Training and Learning Contract** - created in 2012 for people between 16 and 24 years old with no relevant qualifications. Its duration goes from one to three years and employers must provide training for these employees. There is a reduction in the Social Security contributions (100 per cent for firms with less than 250 employees or 75 per cent if the firm size is 250 or more).

Incentives for part-time contracts including training. This is an incentive for hiring workers on a part-time basis with a training component, which allows the unemployed to gain an occupational qualification connected to the job market. It is targeted at young unemployed aged under 30 without previous employment and with work experience of less than three months, or who are coming from another sector (retraining), and who will combine employment with training. The employee must provide evidence of training completed or in progress within the six months prior to the contract date and the firm must maintain net employment. The incentive consists of a reduction of the employer's Social Security contributions for common contingencies for a maximum period of 12 months (75 per cent reduction for companies employing more than 250 people and 100 per cent for the rest). This incentive may be extended for a further 12 months on condition that the employee provides evidence of completion of the relevant training programme, within the second year or within the six months immediately prior to renewal.

2.2 Coaching and Counselling

The Public Employment Service offers information and counselling regarding self-employment. There are collective and individual actions aimed at motivating the unemployed towards self-employment. Collective actions usually provide general information about available subsidies and bureaucratic procedures for start-ups as well as some training on performing an economic viability assessment of a business project. Individual actions are oriented towards those that already have an idea for a business. In this case advice is more specific and usually focused on the development of the business plan and its implementation. The objective is to guide entrepreneurs in developing their business plan, supporting and advising them on those aspects that may present them with greater difficulties.

There are two main national projects aimed at facilitating the process of starting up a business. They provide counselling with an administrative perspective:

- *Ventanilla Unica Empresarial* (One window for business)⁹ is a public programme developed by the Spanish Chambers of Commerce that helps any individual or company with an entrepreneurial project in Spain. It offers free and open online general counselling as well as personal assistance in each region. In a single portal (or place), individuals can find all the resources available on the internet to facilitate business creation: online counselling, support for the procedure in becoming self-employed, documentation and training.
- *Centro de Información y Red de Creación de Empresas*, CIRCE (Information Center and Business Creation Network)¹⁰ is another information system that facilitates the step up of several forms of mercantile societies in Spain. This system facilitates the creation of a company through arrangements and communications with all the public agencies and administrative bodies involved in the process. The entrepreneur is only required to fill in the Single Electronic Document which

⁹ <http://www.ventanillaempresarial.org/>

¹⁰ <http://portal.circe.es/es-ES/Paginas/Home.aspx>

includes a number of sections. CIRCE automatically takes all the necessary steps to create the company, getting in touch with all the public agencies involved (Tax Administration Agency, Social Security, Trade Companies Registrars, Notary's Office, etc.). According to this portal, the creation of a company online is more flexible than doing it in person. It requires fewer visits to public agencies yet still involves all agencies necessary to formally create and register the company. This system can reduce the duration of the process from 40 days to 48 hours.

At the regional level, there are other agencies for the promotion of entrepreneurship (Table 7).

Table 7: Regional agencies for the promotion of entrepreneurship.

Region	Agency	Link
Andalucía	Andalucía emprende	http://www.andaluciaemprende.es/
Aragón	Aragón emprendedor	http://www.aragonemprendedor.com/
Asturias	Empredesastur	http://www.empredeastur.es/
Baleares	Invest in Balearics	http://www.investinbalearics.com/web/invest-in-balearics.php
Canarias	Emprender en Canarias	http://www.emprenderencanarias.es/
Cantabria	Cantabria emprendedora	http://www.cantabriaemprendedora.es/
Castilla La Mancha		http://www.castillalamancha.es/emprendedores
Castilla y León	Portal de Empresas de Castilla y León	http://www.empresas.jcyl.es/
Cataluña		http://inicia.gencat.cat/inicia/es/
Comunidad Valenciana	Portal del Emprendedor	http://www.emprendedores.gva.es/
Extremadura	Activación empresarial	https://activacionempresarial.gobex.es/
Galicia	IGAPE. Instituto Gallego de Promoción Económica	http://www.igape.es/es/
La Rioja	Emprende Rioja	http://www.emprenderioja.es/
Madrid	Centro de Emprendedores Comunidad de Madrid	www.emprendelo.es
Murcia	Instituto de Fomento	http://www.institutofomentomurcia.es/web/emprende
Navarra		http://www.navarra.es/home_es/Servicios/temas/16/Emprego-y-trabajo/Emprendedores
País Vasco	Servicio Vasco de Emprendimiento	http://www.euskadiemprende.net/es/portada-euskadiemprende/index.aspx

2.3 Programmes for Women: Creating Networks

In Spain, policies to encourage self-employment target all workers. There are, therefore, no specific programmes for women as such. Nevertheless, general programmes usually contemplate better conditions for women, such as larger subsidies or lower interest rates in the case of loans.

Moreover, a specific policy oriented towards improving the situation of self-employed women in agriculture has been developed. Self-employment is especially important in the agriculture sector and the participation of women in agriculture has always been intense; however, most often only men are listed as owners of farms, while women appear as spouses in the category of "family support". The first step in the recognition of the rights of women farmers was the enactment of Law 36/2003 which removed the prohibition that both husband and wife contributed to the Special Agrarian Social Security as self-employed in the same farm. From October 2005, a three-year 30 per cent reduction of the social security contribution as self-employed for the below 40 years-old spouse also contributed to improving the recognition of young women as self-employed in agriculture. The approval of the Royal Decree 297/2009 on shared ownership on farms was a major breakthrough for the development of the system of joint ownership of property, rights and obligations in agriculture. Through this legislation, in compliance with the 2007 Equality Law, the work and management responsibility of spouses (married or not) were recognised (shared ownership with descendants below 40 years-old was possible since 1981). In January 2012, the Law 35/2011 on shared ownership of farms came into force, specifically aiming to improve the professionalization of women's agrarian activities. However, up to 30th July 2014, only 101 shared ownerships of farms had been registered (Ministry of Agriculture, 2014).

2.4 Fostering Innovation

At the regional level, some autonomous communities have specific programmes fostering innovation. This is the case of Andalusia, Catalonia and the Valencian Community. No precise definition of innovation is used by these policy-makers. The person applying must make the case that her/his project is innovative or can be linked to the ICT sector, for which there are specific programmes.

2.5 Programmes for Youth: Developing Entrepreneurial Mind-sets and Skills

A programme to enhance the employability of young people called "Strategy of Entrepreneurship and Youth Employment 2013-2016" was launched in 2013 (Law 11/2013 of 26 July). To promote their self-employment and entrepreneurship the programme created a flat and reduced rate of social security contribution for young self-employed workers and measures to improve their financing. According to this law people under 30 years old will contribute to the Social Security under the following conditions:

1. Workers under 30 years of age (under 35 for women) who join the Social Security Special Regime for Self-Employed Workers will benefit from a reduction to their contributions for common contingencies. This reduction will be equal to 30 per cent of the contribution resulting from application of the minimum valid contribution rate (29.8 per cent or 29.3 per cent when covered by cessation of activity protection) to the minimum contribution basis for this regime. The reduction will be in place for the 15 months immediately following the effective date of affiliation. This often comes to mean that the contribution to Social Security is 50€ per month.
2. Alternatively, self-employed workers under the age of 30 who join for the first time or who have not been paying contributions in the five years immediately prior under the Social Security Special Regime for Self-Employed Workers may benefit from the following reductions and credits to their contributions for common contingencies - including temporary disability - resulting from applying the minimum contribution rate in force at any given time to the minimum contribution basis for a maximum period of 30 months according to the following scale:
 - a) A reduction equal to 80 per cent of the contribution during the 6 months immediately following the effective date of affiliation.
 - b) A reduction equal to 50 per cent of the contribution during the 6 months following the period indicated in section a) above.

- c) A reduction equal to 30 per cent of the contribution during the 3 months following the period indicated in section b) above.
- d) A credit equal to 30 per cent of the contribution during the 15 months following expiry of the period of reduction.

These conditions are not applicable to self-employed workers who are employers. The reduction will have a total uninterrupted duration of 30 months regardless of any periods of absence from the Regime within said period, which will be counted for the purpose of calculating the 30 months.

Furthermore, for people under 30, the perception of unemployment benefits is compatible with the performance of an activity on their own for a maximum of nine months (270 days).

In August 2014¹¹ the Ministry published the distribution of participants in the Strategy of Entrepreneurship and Youth Employment by autonomous communities (267,964 people of which 109,287 were under 30).

2.6 Programmes for Migrants

Policies to encourage self-employment target all workers. There are no specific programmes for migrant workers who have the same conditions in the general programmes as national workers.

2.7 Policies of Unemployed Persons

In 1985, the Spanish Government introduced the capitalisation of unemployment benefits. This programme gave unemployed people the possibility to receive in a lump sum payment, the contributory unemployment benefits in order to set up a business. In 1992, this possibility was restricted to the unemployed who entered cooperatives. In 2002, the option for the self-employed was re-instated, although with changes with respect to 1985.

Since 2013, young unemployed people enjoy better conditions than mature unemployed workers in the “Capitalisation of unemployment benefits programme”. Men under 30 and women under 35 can receive 100 per cent of the amount, when the ordinary limit is 60 per cent. Young workers can also allocate to this capital the costs of establishment and operation of an entity, the payment of fees, and the price of specific advice, training and information related to the activity undertaken. If the provision for the full amount is not obtained, the monthly unemployment benefit can be used to subsidise the employee contribution to Social Security. Older workers must exclusively allocate the benefits to the costs of establishment.

With respect to the evaluation of this programme, in 2013, 143,482 individuals were beneficiaries of the programme (Ministry of Employment and Social Security, 2013)¹². A recent evaluation of the capitalisation of the unemployment benefits programme from a macroeconomic perspective concludes that the programme has had limited impacted, suggesting that it hardly affects transitions into self-employment (Mayor *et al.*, 2015).

2.8 Building an Entrepreneurial Mind-set

Actions to promote entrepreneurship through education are developed at both the national and the regional levels in Spain. At the national level, both the Ministry of Education and the Ministry of Industry, Energy and Tourism foster actions to promote an entrepreneurial culture among the young. At the regional level, the autonomous communities’ governments, all with devolved competencies for education and labour policies are also involved.

First, the Directorate General of SMEs of the Spanish Ministry of Industry has developed teaching materials to be used to promote entrepreneurial culture at schools. Since 2006, curricular and extra-curricular activities have been introduced in studies programmes with the collaboration of regional administrations, chambers of commerce, associations and other private bodies (Education, Audiovisual and Culture Executive Agency, 2012).

Second, the 2011 reform of the core national curriculum for lower secondary education included a new optional subject in the 4th year called “Professional Guidance and Entrepreneurial Initiative”. The aim of

¹¹Ministry of Employment press release of August 19th, 2014.

(<http://prensa.empleo.gob.es/WebPrensa/noticias/seguridadsocial/detalle/2294>)

¹² Unfortunately, there is no disaggregation by sex or age.

this module is to foster creative and diverse mental activity that allows the acquisition of the knowledge and necessary experience to develop an entrepreneurial spirit. At the regional level, all autonomous communities have developed further complementary actions to promote entrepreneurial culture at school (Ministry of Industry, Energy and Tourism, 2010).

Third, the Strategy for Entrepreneurship and Youth Employment includes several initiatives to promote a culture of entrepreneurship. Some measures endeavour to:

- facilitate entrepreneurship among university and vocational training students through incentives to help them combine their training with self-employment,
- encourage young entrepreneurs to undergo training courses on e-marketing and use social networks and other digital communication forums as a promotional platform and showcase for their ideas.

The Strategy also encourages the media to communicate a positive outlook on young people's entrepreneurship and on the importance of employers and workers in society.

Fourth, the programme Entrepreneurial Initiative (Iniciativa Emprendedora)¹³ is developed at the national level. It aims to help college students to create a business as an attractive alternative to waged employment. Training is provided by the School of Industrial Organisation, the oldest business school in Spain and owned by the Ministry of Industry, with a track record of expertise in setting up companies, having participated in the creation of several thousand business projects both inside and outside of Spain.

2.9 Summary

In the analysis of policies to promote self-employment, we have to take into account the Spanish policy-making administrative context, with policies being designed at national and regional levels. Local entities can also develop policies, although information on this policy-making level practice is fragmented.

Financial support is the most common programme to foster self-employment, mainly at the early stage of becoming self-employed. There are subsidies for establishing self-employment, microcredit loans, bank endorsements, risk capital and business angels.

At the national level, reductions in social security contributions are available for self-employed workers and also in the case of SMEs that hire new employees. This latter form of indirect support for start-ups via new labour contracts is very commonly used to regulate the Spanish labour market. Recent examples are the so called entrepreneurs support contract, new training and learning contract and part-time contracts including training). Some new labour contracts target specific groups of workers: open-ended contracts for young workers, for those registered in the Youth Guarantee, the first contract for young people.

The Public Employment Service offers coaching and counselling regarding self-employment. Actions can be individual or collective, providing information on the bureaucratic procedure for start-ups, subsidies and training. There are specific programmes to facilitate the process of starting up a business. Ventanilla Única Empresarial and Centro de Información y Red de Creación de Empresas provide counselling with an administrative perspective. Besides, there are regional agencies for the promotion of entrepreneurship facilitating the administrative procedure and informing individuals about the existing subsidies.

Most policies fostering self-employment at any administrative level have a general approach in that they target all workers. In any case, specific groups of workers such as women, youth and workers with disabilities usually enjoy better conditions (higher subsidies) in general programmes. These conditions apply to both national and migrant workers.

Since 2003, several regulations have strengthened the rights of women farmers, allowing the shared ownership of property, rights and obligations in agriculture.

A current major programme targeting unemployed workers is the capitalisation of unemployment benefits in a lump-sum payment in order to set up a business.

¹³ <http://www.eoi.es/porta/guest/iniciativa-emprendedora-universitaria>

In 2013, the Strategy of Entrepreneurship and Youth Employment was launched. It is a programme to promote self-employment by reducing the social security contributions for young self-employed workers. It also includes measures to improve funding.

While there are many different regional programmes, no single policy can be said to be used by only one region. The majority of regions have similar programmes so there is great inertia of policies with few innovations. In any case some regions may have extended their policies towards counselling, training and innovation more than others.

With respect to the promotion of entrepreneurial culture through education, we can outline the inclusion of a new optional subject called “professional guidance and entrepreneurial initiative” in the core national curriculum for lower secondary education. Other programmes include the development of teaching materials and training for college students.

3. The Quality of Work Associated with Self-Employment

3.1 Wage Levels

Nearly a third of the self-employed is below the poverty line in Spain (Fundación Alternativas, 2013). Half of the working poor are employed in small companies or in low-wage jobs, and a third are self-employed workers with no employees, so the self-employed have a greater probability of being at work in poverty in Spain than employees (García-Espejo & Gutiérrez, 2011). In 2012, the poverty rate in Spain was 12.3 per cent but in the case of self-employed workers, it reached 35.5 per cent (Fundación 1º de Mayo, 2014). In any case, we need to be cautious about the data on income from self-employment. Martínez-Lopez (2013) estimates the underreporting of income by self-employed workers in 25 per cent of the reported income acknowledged by the household (similar to that in Sweden or USA).

3.2 Working Hours

According to the LFS, in 2014, the proportion of self-employed workers who work more than 40 hours a week is around 46 per cent, lower in the case of women and people below 40 as we can observe in Table 8.

With respect to training, only 3.9 per cent of self-employed workers participated in some training activity in 2014. Young workers' and women's presence in training activities is higher than the average.

Table 8: Quality of work of self-employed workers, 2014.

	All			Below 40		
	Men	Women	Total	Men	Women	Total
Working hours:						
> 40 hours/week	50.1%	37.1%	45.7%	46.1%	33.6%	41.8%
don't know	15.2%	11.7%	14.0%	15.5%	11.3%	14.0%
Training	3.4%	4.9%	3.9%	5.0%	6.5%	5.5%

Source: LFS

3.3 Sustainability and Job Creation of Start-Ups

The total number of firms in Spain in 2014 was just over 3.1 million, a reduction of 8.9 per cent since 2008 (see Appendix 2). The overall establishment rate of firms in 2014 is 11 per cent, and has been increasing since 2010 (own elaboration from DIRCE- Directorio Central de Empresas- see INE, 2014).

While firms' birth rate figures for Spain are broadly similar to those of other European countries (OIT, 2014), Spain has one of the lowest birth rates of firms (see Table 9) in OECD countries (OECD, 2014), particularly of high growth firms, and one of the lowest early stage entrepreneurship rates.

Table 9: Indicators on firm demography in selected OECD countries.

	Employer enterprise birth rate (2010)		Share of high-growth firms (2010)		Early stage entrepreneurship rate	
	Manufacturing	Services	Manufacturing	Services	2007	2013
Canada	4,13	7,13	2,61	2,99	7,10	12,20
Estonia	5,40	10,64	3,37	4,11	-	13.10
France	7,05	10,91	5,72	8,43	3,20	4,60
Italy	6,10	10,11	1,59	3,05	5,00	3,40
Spain	4,27	9,51	1,35	2,56	7,60	5,20
Sweden	5,27	10,13	3,35	5,64	4,20	8,30
USA	2,07	3,27	2,67	3,23	9,60	12,70

Source: OECD (2014).

According to the ILO (OIT, 2014), the probability of survival of new firms in Spain is among the lowest in Europe. In 2011, while 76.5 per cent of the newly established companies still work a year after its creation, only 41.5 per cent survive after five years. An additional weakness of the Spanish business environment is the limited ability of new firms to grow. Job creation in Spanish companies represents 21 per cent of the initial workforce one year after its creation, 32 per cent after two years and 43 per cent after four years (OIT, 2014).

Focusing now on the survival rate of own-account workers' new businesses, we have estimated this using data from the Working Lives Continuous Sample as slightly below 70 per cent during the period 2005-2007. However, the crisis has had an impact on survival rates. Businesses that started in 2009 have lower survival rates, not reaching even 60 per cent. There is a gap of 12-14 percentage points between those who entered self-employment in 2005 and those who started their business in 2009. Survival rates are lower for young workers and immigrants while there are no significant differences between men and women (see Table 10).

Table 10: Survival rate of own-account workers' new businesses after one year and after two years by sex, age and nationality, in % (2005, 2009).

	Survival after 1 year		Survival after two years	
	2005	2009	2005	2009
Total	66.25	56.05	53.68	42.60
Men	66.37	53.11	54.10	41.00
Women	66.06	60.23	53.03	44.87
Aged >29	66.89	56.16	54.62	43.47
Aged 16-29	64.78	55.68	51.52	39.82
National	67.85	58.19	56.11	44.98
Non-national	53.41	45.90	34.10	31.37

Source: LFS

3.4 Summary

Self-employed workers have a greater probability of being in poverty than employees. Their income is lower although we should be cautious about the data because of underreporting. However their working conditions are usually worse than those of employees in terms of working hours and training.

With respect to the firm demography, birth rates are similar to the European ones but the proportion of high growth firms is lower, which shows the difficulties involved in job creation.

4. Research Questions

The promotion of self-employment is one of the main features of active labour market policies in Spain. The high unemployment rates and the lack of salaried employment have increased the importance of self-employment. This is more noticeable in the case of the youth: while young self-employment rate is below 10 per cent, this figure has increased slightly since 2012.

The design and implementation of self-employment policies targeting young workers should take into account that the nature of youth self-employment is different from that of adults as Williams (2004) stated. For the case of the US, this author found that young self-employed workers are more engaged in agricultural and service industries than in management, professional and sales occupations in comparison to adults. He also found that young self-employed workers have a lower level of educational attainment. This second finding can be indicative of fewer job opportunities in salaried employment. In Spain, the educational level of young self-employed workers is lower than that of salaried employees, and almost half of them perform their activity in the retail trade, hospitality and personal services (Gutiérrez *et al.*, 2014).

With a high rate of unemployment among the young and with a high proportion of low qualified young individuals, self-employment can be an opportunity for the young to enter the labour market in Spain. Therefore, our first interest is to analyse the characteristics of the new (inflows) young entrepreneurs, especially in a context of economic downturn. Are young workers entering self-employment after a long period of unemployment? Is self-employment a way to escape from unemployment? We will answer these questions through the analysis of the characteristics of the new self-employed in terms of age, qualifications and previous labour market trajectory. The LFS permits analysis of the stock of self-employed workers but it is not possible to study the inflows into self-employment due to the small sample size. However, in the case of Spain, the Spanish Continuous Working Lives Sample makes possible analysis of those who are the new self-employed workers even in the context of the economic crisis.

Employment programmes promote transitions into self-employment. A key question is whether the new self-employed workers stay in self-employment for a long period. Some previous research has analysed the effects of self-employment programmes in terms of firm survival rate or job creation (Cueto & Mato, 2006; Cueto, 2008; Mato *et al.*, 2004). These studies conclude that the main variables explaining firm survival are the entrepreneur's age, industry, and labour experience. Young workers have a lower probability of survival. Activities relating to restaurants also have a higher failure rate. People with labour experience have a higher voluntary exit rate, which may reflect greater opportunities in the labour market over those people who have not worked before. Therefore, our second research interest is to study the survival rates of new firms created by young workers. Clearly the crisis has had an impact in terms of lower survival rates, yet we do not know if the crisis has affected the young self-employed in a differential way. The analysis of the determinants of survival can help with the design of more efficient policies providing support for those factors that have a greater negative effect on survival.

Self-employment can be the first labour experience for young workers. This experience obviously has an effect on the labour market careers. Hyytinen and Rouvinen (2008) find that those re-entering paid-employment after a brief self-employment spell have lower wages than those staying in salaried employment. However, these authors state that there is self-selection, i.e., the likelihood of entering (and exiting) entrepreneurship correlates negatively with unobserved ability in-paid-employment. Bruce and Schuetze (2004) also find that those who experience self-employment have difficulties returning to the wage sector. Hence, our third research question is related to the consequences of self-employment spells on labour market careers. For the youth, at least two hypotheses can be tested. On the one hand, self-employment spells can foster new transitions into self-employment in comparison with young workers who never become self-employed. On the other hand, it can be a valuable experience to return to wage employment.

5. Conclusion

More than 3 million workers are self-employed in Spain. This means that self-employment is almost 20 per cent of the employed population. Since 2012, there has been an upward tendency in self-employment, in part due to the increased numbers of young people becoming self-employed. In analysing this trend, however, it must also be taken into account that the economic crisis destroyed more than 3.5 million jobs, around 0.5 million of them being self-employment. Thus, while the self-employment rate is increasing we must be aware of the high proportion of salaried jobs destroyed (in comparison to self-employed jobs) in the recent crisis.

Young people, women and immigrant workers have lower self-employment rates than adults, men and national workers. Besides, women and young self-employed workers are over-represented as family workers, while the proportion of employers is smaller in comparison to male self-employment. We have to stress that young people, women and immigrant workers are also more vulnerable in terms of the survival rates of their businesses. After one and two years, the probability of survival is lower for young workers and immigrants than for older and national workers, while there are few differences among men and women.

The importance of self-employment is increasing not only because of their quantitative magnitude in the labour market but also because of its connection to entrepreneurship. The identification between self-employment and entrepreneurship is not necessarily appropriate given that some workers can enter self-employment as a way to avoid unemployment. However, the possible positive consequences of self-employment for society are both job creation and the reduction of unemployment. These are strong reasons for the implementation of programmes fostering self-employment such as: the capitalisation of unemployment benefits; coaching and counselling by the Public Employment Service; initiatives to facilitate the administrative process of becoming self-employed; and the recently launched Strategy for Entrepreneurship and Youth Employment. All these are national-level programmes and are supplemented by the actions of regional governments..

At the national level, the Strategy of Entrepreneurship and Youth Employment 2013-2016 was launched to promote self-employment among young workers. Reductions of the self-employed Social Security contributions and several incentives for the self-employed to hire workers were implemented. Another national major programme promoting self-employment is the capitalisation of unemployment benefits giving unemployed people the possibility of receiving the contributory unemployment benefits in a lump-sum payment in order to set up a business.

Policies encouraging self-employment target all workers, offering better conditions for some groups such as women, young workers and people with disabilities. Specific actions for more vulnerable groups are scarce. The majority of the programmes consist of financial support and facilitating the process of starting up a business from an administrative perspective. However, the Public Employment Service has also developed some counselling and coaching activities. There are other programmes to promote entrepreneurial culture at schools, the inclusion of a new optional subject called “Professional Guidance and Entrepreneurial Initiative” in the curriculum for lower secondary school, being of particular significance.

A most relevant recent development signalling the importance of self-employment is the passing of the Self-employed Workers’ Statute in 2007. It provides a comprehensive and systematic legal framework covering all aspects of self-employment. It also aims to make visible previously hidden work by family members of the self-employed and it recognises the case of economically-dependent self-employed workers, those self-employed workers that carry out their activity mainly for one client.

A weakness of the Spanish administration of employment policies is that evaluations of impact are not carried out. Therefore, we have no information on their effectiveness. However, the lack of targeting suggests that their impact is limited. Given the existing international evidence, Spanish programmes probably have a high deadweight effect. At the same time, the majority of these programmes focus on the transition into self-employment whereas the support for consolidation is weak.

Taking into account the state of current knowledge in youth self-employment in Spain, three main lines for future research are proposed. First, to study the characteristics of new self-employed young workers and their motivation to enter self-employment. Second, to perform a survival analysis studying the duration of the new start-ups and its determinants. And third, to observe how the self-employment spells of young self-employed workers contribute to their working careers. The answers to these questions will contribute to improve the design of entrepreneurship policies.

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Appendix 1

Regional Policies

Policies in support of self-employment in Andalusia, 2014.

ECONOMIC INCENTIVES AND SUBSIDIES

1. Reduction in the contributions to Social Security (50per cent) for workers who capitalized their unemployment benefits
2. Self-employment subsidies for unemployed workers becoming self-employed: 2,000€
3. Support to the incorporations of unemployed persons as new partners or workers in cooperatives and worker-owned companies (maximum of 10,000€:); Hiring of managers and specialized technicians (maximum 10,000€)
4. Firm consolidation: counselling, training, studies aimed at design and development of sector plans, training and technical advice, personnel costs, travel expenses and term overhead for project implementation, cost of hiring external advice (maximum 90,000€)
5. Employment creation in self-employment: 3,000€ for open-ended contracts (max. 3); 4,800€ if young worker with, at least, secondary level of education
6. Promotion of innovation: Implementation and development of innovative projects for creation of self-employment and the consolidation of business (2,000-8,000€)
7. Support for innovation (projects to modernise firms, incorporate improvements in products, processes or services, experimental technology development projects...)
8. Innovation check : Consultancy services in order to encourage innovation in the Andalusian micro-firms (less than 50 employees), helping to improve their competitiveness and productivity (2,000 - 6,000€)
9. Grants for funding (line of credit: 3,000-25,000€)
10. Subsidies to the retail trade sector

OTHER POLICIES IN SUPPORT OF SELF-EMPLOYMENT

11. Measures to improve knowledge of self-employment, information, motivation and guidance, counselling, technical assistance ...

Policies in support of self-employment in Aragón, 2014.

ECONOMIC INCENTIVES AND SUBSIDIES

1. Reduction in the contributions to Social Security (50 per cent generally and 75 per cent if <30)
2. Self-employment subsidy for unemployed workers becoming self-employed: from 3,000 to 6,000€
3. Micro-credits: reduction in the interest rate up to 4 pp with a limit of 4,000€
4. Counselling (maximum 2,000€)

OTHER POLICIES IN SUPPORT OF SELF-EMPLOYMENT

5. Training for entrepreneurs

Policies in support of self-employment in Asturias, 2014.

ECONOMIC INCENTIVES AND SUBSIDIES

1. Reduction in the contributions to Social Security (50 per cent) for workers who capitalised their unemployment benefits
2. Self-employment ticket for unemployed workers becoming self-employed: investment 4,000-5,000€
3. Support for the incorporations of unemployed persons as new partners or workers in cooperatives and worker-owned companies (5,500€ minimum; 625€ for each child under 3 years-old; 10,000 if disabled; 8,000 if socially excluded)
4. Firm consolidation ticket for self-employed workers, civil societies, micro and social enterprises with less than 10 employees, and that have begun the activity with a minimum period of two years and maximum 8 years (maximum 10,000)
 - a. Actions aimed at developing marketing and sales strategies to improve the positioning of the company in the market: Market Research; Developing marketing communication tools, including their adaptation to international market; Consulting in developing marketing plans; Implementation or improvement of corporate identity; Implementation of technology solutions and services that contribute to the dissemination and marketing of products and services through Internet; Generation of enterprise networks or entities new and enhance existing membership
 - b. Actions aimed at the generation of new products or services as well as improving existing ones: Implementation of quality Systems; Improved business management tools based ERP software; non-formal training, specific character, to improve the professional skills of entrepreneurship and contract staff; Acquisition of special technical equipment of the activity to develop; Design and prototyping
5. Micro-credits for a maximum of 75 per cent of the investment or 25,000€
6. Business Angels Asturian network

OTHER POLICIES IN SUPPORT OF SELF-EMPLOYMENT

7. Promotion of Entrepreneurial Culture
 - a. Entrepreneurial training: from primary education to university courses, with the support of business centres, enterprise incubators and SATs
 - b. Different action lines focused mostly on entrepreneurs' training in areas such as health and safety and IT; some for specific groups such as women and some for specific sectors such as the social economy (co-operatives); some to promote general entrepreneurship culture; some on personalised advice and orientation; some to promote employment by the self-employed

Policies in support of self-employment in the Balearic Community, 2014.

ECONOMIC INCENTIVES AND SUBSIDIES

1. Financial subsidies (reduction in the interest rate up to 2 pp)
2. Self-employment subsidy for unemployed workers becoming self-employed: from 5,000 to 8,000€
3. Subsidy for hiring employees (1,000-4,000€)
4. Micro-credits (maximum 20,000€)

OTHER POLICIES IN SUPPORT OF SELF-EMPLOYMENT

5. Promotion of Entrepreneurial Culture

Policies in support of self-employment in the Basque Country, 2014.

ECONOMIC INCENTIVES AND SUBSIDIES

1. Reduction in the contributions to Social Security (50 per cent) for workers who capitalized their unemployment benefits
2. Support for entrepreneurs (1,500-2,000€)
3. Support for young entrepreneurs (< 30): maximum 1,700€ depending on the investment
4. Subsidy for the consolidation of new firms: 3,000€ to finance the costs incurred by the advice/support in the management of the company and the cost of contributions to Social Security
5. Financial subsidies: reduction in the interest rate of loans to finance the initial investment of the SME

Policies in support of self-employment in the Canary Island Community, 2014.

ECONOMIC INCENTIVES AND SUBSIDIES

1. Reduction in the contributions to Social Security (50 per cent) for workers who capitalised their unemployment benefits
2. Self-employment subsidy for unemployed workers becoming self-employed: from 5,000 to 10,000€
3. Financial subsidies (reduction in the interest rate up to 4 pp)
4. Counselling for the consolidation of firms: Technical advice for the preparation of the Business Plan, monitoring,... (2,000€)

OTHER POLICIES IN SUPPORT OF SELF-EMPLOYMENT

5. Training for entrepreneurs

Policies in support of self-employment in Cantabria, 2014.

ECONOMIC INCENTIVES AND SUBSIDIES

1. Reduction in the contributions to Social Security (50 per cent) for workers who capitalised their unemployment benefits
2. Promotion of self-employment: subsidy to finance the contributions to Social Security (4,800€ men; 6,000€ women, 6,800€ <35 or >45)
3. Counselling for the consolidation of firms: Technical advice for the preparation of the Business Plan, monitoring
4. EMPRECAN: Counselling for the creation and consolidation of new firms and subsidies for training (2,000€), financing of fixed assets (maximum 15,000€) and cost of establishment (maximum 4,000€)
5. CONTRATA: hiring of technical staff for the development of R & D projects of industrial character, previous work relating to the viability of Projects and/or opening new lines of industrial research (maximum 12,000€)

Policies in support of self-employment in Castille-La Mancha, 2014

ECONOMIC INCENTIVES AND SUBSIDIES

1. Reduction in the contributions to Social Security (50 per cent) for workers who capitalised their unemployment benefits
2. Self-employment subsidy for unemployed workers becoming self-employed: from

2,000 to 4,000€

3. Technical support: maximum 2,500€

4. Incentives for hiring (5,200 - 7,000€)

Policies in support of self-employment in Castilla & León, 2014

ECONOMIC INCENTIVES AND SUBSIDIES

1. Incentives to promote the shared ownership of farms: 50 per cent of the contribution to Social Security for women > 40 and 20 per cent if women <41

2. Reduction in the contributions to Social Security (50 per cent) for workers who capitalised their unemployment benefits

3. Financial subsidies: reduction in the necessary loan for the establishment of the activity (maximum 2.5 pp)

4. Self-employment subsidies for unemployed workers

Policies in support of self-employment in Catalonia, 2014

ECONOMIC INCENTIVES AND SUBSIDIES

1. Reduction in the contributions to Social Security for men <30 and women <35 (30 per cent)

2. Financial subsidies: loans (10,000- 100.000€)

3. Support to counselling (up to 12,500€)

4. Support to innovation (up to 10,000€)

Policies in support of self-employment in Extremadura 2014.

ECONOMIC INCENTIVES AND SUBSIDIES

1. Micro-credits for innovative projects to SME (3 possibilities depending of the nature of the investment)

2. Self-employment subsidy for unemployed workers becoming self-employed: from 5,000 to 7,500€

3. Financial subsidies: reduction in the required loan for the establishment of the activity (5,000 to 7,500€)

4. Business mentoring

5. Incentives to hiring unemployed workers for a year: 2,000 to 4,500€

OTHER POLICIES IN SUPPORT OF SELF-EMPLOYMENT

6. Promotion of Entrepreneurial Culture

a. Entrepreneurial training: from primary education to university courses

b. Training for entrepreneurs

Policies in support of self-employment in Galicia 2014.

ECONOMIC INCENTIVES AND SUBSIDIES

1. Micro-credits to firms with less than 10 employees (reduction in the interest rate up to 4 pp)

2. Self-employment subsidy for unemployed workers becoming self-employed: from 5,000 to 10,00€

3. Subsidies to new firms: 15-40 per cent of the investment (35,000 to 500,000€)
4. Financial subsidies: reduction in the required loan for the establishment of the activity (5,000 to 10,000€)
5. Subsidy to young unemployed people (<30): 1,200€
6. Incentives to hiring unemployed workers with open-ended contracts: 1st to 3rd employee of the firm (4,000 to 6,000€)
7. Incentives to promote the shared ownership of farms (3,000€€)

Policies in support of self-employment in La Rioja, 2014.

ECONOMIC INCENTIVES AND SUBSIDIES

1. Reduction in the contributions to Social Security (50per cent) for workers who capitalized their unemployment benefits
2. Self-employment subsidy for unemployed workers becoming self-employed: from 5,000 to 10,000€
3. Financial subsidies (reduction in the interest rate up to 4 pp)
4. Counselling for the consolidation of firms: Technical advice for the preparation of the Business Plan, monitoring
5. Subsidy for the hiring of the first employee

OTHER POLICIES IN SUPPORT OF SELF-EMPLOYMENT

5. Training for entrepreneurs

Policies in support of self-employment in Madrid, 2014.

ECONOMIC INCENTIVES AND SUBSIDIES

1. Reduction in the contributions to Social Security (50 per cent) for workers who capitalized their unemployment benefits
2. Self-employment subsidies for unemployed workers becoming self-employed in Sierra Norte: 5,800€ (6,000€ if women)
3. Employment creation in self-employment: 1,500€ for open-ended contracts; 1,000 if fixed-term contracts (minimum duration: 6 months)
4. Financial support: Loan or leasing: maximum 60.000€ with a interest rate of 3+EURIBOR for 5 years

Policies in support of self-employment in Murcia, 2014.

ECONOMIC INCENTIVES AND SUBSIDIES

1. Reduction in the contributions to Social Security (50 per cent) for workers who capitalized their unemployment benefits
2. Self-employment subsidy for unemployed workers becoming self-employed: from 6,000-10,700€
3. Subsidy for hiring employees <30 (400-1,800€)

Policies in support of self-employment of Navarre, 2014.

ECONOMIC INCENTIVES AND SUBSIDIES

1. Self-employment subsidy for unemployed workers becoming self-employed: from 5,000 to 10,000€

2. Financial subsidies (reduction in the interest rate up to 4 pp)
3. Business angels
4. Counselling for the consolidation of firms: Technical advice for the preparation of the Business Plan, monitoring

OTHER POLICIES IN SUPPORT OF SELF-EMPLOYMENT

5. Training for entrepreneurs

Policies in support of self-employment in the Valencian Community, 2014.

ECONOMIC INCENTIVES AND SUBSIDIES

1. Financial subsidies (maximum: 15,000€)
2. Self-employment subsidy for unemployed workers becoming self-employed: from 2,500-4,500€
3. Subsidy for hiring employees (2,000-5,000€)
4. Subsidies for innovative firms
5. Support for the incorporation of unemployed persons as new partners or workers in cooperatives and worker-owned companies

OTHER POLICIES IN SUPPORT OF SELF-EMPLOYMENT

1. Training and counselling for entrepreneurs

Appendix 2

Firm Demography

Table 11: Firm demography by size, 2008-2014.

	Number of firms						
	2008	2009	2010	2011	2012	2013	2014
Total	3.422.23 9	3.355.83 0	3.291.26 3	3.250.57 6	3.199.61 7	3.146.57 0	3.119.310
no employees	1.754.37 4	1.767.47 0	1.774.00 5	1.795.32 1	1.764.98 7	1.681.58 8	1.672.483
1-5 employees	1.304.55 9	1.251.76 3	1.211.16 0	1.161.36 0	1.156.44 6	1.203.28 9	1.205.612
6-9 employees	160.460	151.233	143.016	138.040	131.944	125.029	110.819
10-19 employees	110.369	101.601	88.396	84.834	79.113	74.204	70.226
20-50 employees	61.709	55.641	48.765	46.160	43.070	39.506	38.157
	Birth rate						
Total	12.0%	10.0%	9.8%	10.2%	10.5%	10.6%	11.0%
no employees	17.3%	14.1%	13.6%	14.2%	14.5%	15.2%	15.6%
1-5 employees	9.7%	8.1%	7.9%	8.0%	8.0%	7.5%	8.2%
6-9 employees	2.5%	1.8%	1.6%	1.6%	1.8%	1.8%	1.7%
10-19 employees	2.8%	1.9%	1.8%	1.6%	1.6%	1.7%	1.8%
20 or more employees	1.9%	1.4%	1.5%	1.3%	1.3%	1.3%	1.4%

Source: Own elaboration from DIRCE (INE, 2014).

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