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I01 National Report - Portugal

Prepared by APSU, May 2021

Reference IO:	I01- Comprehensive framework of digital skill gaps of under-represented population groups (women, immigrants, youth, and seniors) in digital entrepreneurship developed
IO Leader:	P3: CSI
Project Title:	Promoting capacity building of Missing Entrepreneurs for inclusive digital entrepreneurship and digital transformation of businesses
Project Acronym:	The Missing Entrepreneurs
Project Number:	2020-1-FR01-KA204-080632



Co-funded by the
Erasmus+ Programme
of the European Union

"The European Commission support for the production of this publication does not constitute an endorsement of the contents which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein." [Project number: 2020-1-FR01-KA204-080632]

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1. Introduction

Desk-based investigation involves the examination of recent, relevant, and available data and resources in relation to the regulatory context which surrounds the marginalisation of potential entrepreneurs from the Digital Entrepreneurship context. Given that this context varies amongst partner countries, the present guidelines document will not provide a set list of research material. Instead, APSU will explore the research material, which is relevant to the situation in the Portuguese context and as it relates to the four social groups explored by the project (women, youth, seniors and immigrants). Also, in conformity with the objective of “The Missing Entrepreneurs”, the obstacles and barriers will be highlighted, as they create a disconnection between 3 key actors: potential entrepreneurs, digital entrepreneurship and training that will help close the gap and create opportunities for the project’s target groups to participate in the dawn of the Digital Entrepreneurship Revolution. The issue of lacking knowledge-infrastructure that Missing Entrepreneurs interested to engage in Digital Entrepreneurship can access will, consequently, receive special attention by APSU in regard to the Portuguese report. Moreover, APSU also investigated some “good practices” that are already in place, as these existing practices may be critical when conceptualising new, innovative solutions to the issues of Digital Entrepreneurship engagement. While studying about existing “good practices”, it should be stated the effectiveness of such practices as well as potential deficiencies.

2. Key Findings from Desk Research

According to “The Missing Entrepreneurs 2019: Policies for Inclusive Entrepreneurship” report issued by the OECD/European Union in 2019, the Portuguese case in regard to key trends concerning policies for inclusive entrepreneurship is that, generally, the amount of the self-employed among the working population has **declined** over the 2009-2018 period from 18.7% to 13.5%.



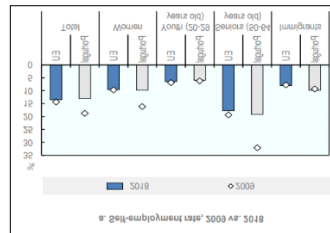


Figure 1 - Self-employment rate, 2009 vs 2018 (retrieved from: <https://doi.org/10.1787/3ed84801-en>)

However, women, youth and seniors were more likely than the European Union (EU) average to **be involved in starting a business or managing one that is less than 42 months old** between 2014 and 2018 – 7.0% vs. 4.9% for women, 9.7% vs. 7.7% for youth, and 5.4% vs. 4.4% for seniors, as states Figure 2:

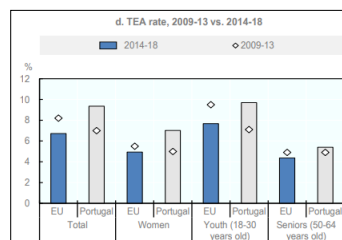


Figure 2 - Total early-stage Entrepreneurial Activity rate 2009-13 vs. 2014-18, retrieved from <https://doi.org/10.1787/3ed84801-en>

Nevertheless, these groups were also somewhat more likely to be involved in entrepreneurship because **they could not secure suitable employment**. This was particularly true for **women**, since nearly 1/3 (32.1%) stated starting their business out of **“necessity”**. According to an OECD study (“Policy Brief on Women's Entrepreneurship”, 2017), Portuguese women show significantly less preference for self-employment than men. Most of them are unlikely to make the decision to start their own business without the existence of a stress factor such as unemployment or sudden loss of income, the need to escape adverse working conditions, or wage and career discrimination. However, the number of women who decide to create their own business has been increasing all over the world, and in Portugal as well. At a time when the crisis has put an end to many jobs, reduced salaries and other benefits made working conditions more difficult and forced workers to accumulate functions, many women feel that the monetary rewards and personal fulfilment no longer justify the effort of a traditional career. The possibility of devoting more time and attention to organizing the



home, raising children, or a personal project, as well as the opportunity to develop their business ideas, are additional motivation for taking unusual paths. Starting their own project allows them to develop a business taking advantage of their best skills and managing their schedules, tasks, goals, teams, processes and ways of working with total independence, freedom and flexibility.

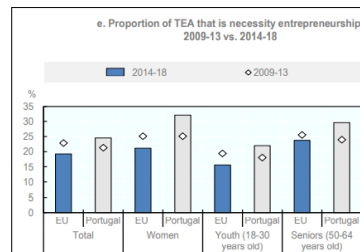


Figure 3 - Proportion of TEA that is necessity entrepreneurship, 2009-13 vs 2014-18, retrieved from <https://doi.org/10.1787/3ed84801-en>

In the aforementioned “The Missing Entrepreneurs 2019” report, it was also stated that Youth Entrepreneurship continues to receive a **great deal of support** in Portugal.

In Portugal, entrepreneurship is important in the social development and current economies, in terms of job creation, innovation, wealth creation, and is also increasingly becoming a career option for a growing workforce. However, national characteristics create barriers to this emergence, being them the strong dependence on public funding by the private organizations of social solidarity; the composition of the third sector strongly marked by the heaviness of religious institutions; needs of training and professionalization of the Third Sector organizations; and the weak dynamism of the civil society and collective action. In order to positively face such facts, Portugal has already developed a legal framework, although fragmented, and even instruments to foster Social Entrepreneurship (Quintão, 2004), as is the case of the "Social Employment Market" (MSE); the "Patronage Statute"; programs such as Innovative Ideas Contests); the launching of the Incubation Centers; the Entrepreneurs Guides; the CIS - Social Innovation Centre; the CoopJovem - program to support cooperative entrepreneurship; and, among others, the creation of the National Council of the Social Economy and the Law of the Social Economy - approved unanimously in the Portuguese Parliament, back in the beginning of the 2010's.



However, in the context of “The Missing Entrepreneurs” project, there are different initiatives being developed in Portugal for each of the target-groups (migrants, women, young people and seniors).

In regard to initiatives addressed to the migrant population, the PEI - Project to Promote Immigrant Entrepreneurship aims to foster entrepreneurship among immigrant communities, with special focus on those living in more vulnerable neighbourhoods. Supporting immigrants in the structuring and implementation of a business idea is the central objective of the PEI, an initiative created by the ACM (High Commission for Migrations). This measure has been developed throughout the Portuguese territory since 2009.

Concerning initiatives aimed at fostering the entrepreneur spirit of women in Portugal, in March 2017, a Facebook group called "Mothers at Work" was created for women willing to seek a different professional path, more in line with their needs of adjusting family-work life, their tastes and skills. The group quickly grew, with daily dozens of new members joining with new business ideas and perspectives. To respond to the needs of the members, as well as to the lack of information and training needed to make their projects grow and expand, the administrators created a new Facebook page called "Women at Work". It aimed at offering resources and advice to the women willing to follow an entrepreneurial path. The community has been growing fast and, at this point, has around 140.000 members.

About initiatives seeking to support seniors, considering that there are gaps in the offer of effective solutions to mitigate unemployment in age groups over 45, particularly in individuals with high levels of qualification, the AEP Foundation has defined a strategy to support senior entrepreneurship. The search for employment for people aged between 45 and 60 is hard, so the creation of one's own job presents itself as a smart and coherent solution to respond this reality. The project “Empreender 45-60” is focused on the North region of the country, where there is a higher rate of qualified unemployment in this age group.

Monitoring tend to show that many programmes have surpassed their uptake targets, probably due to tenacious high youth unemployment. Therefore, apropos of public



support measures for young entrepreneurship in Portugal, the Government launched a national entrepreneurship strategy, called “Startup Portugal”. In 2018, a new version of this plan, “Startup Portugal+” was issued to give a new push to the original strategy.

3. Research Results: Best Practices

Title of the best practice: PEI - Project Promoting Immigrant Entrepreneurship	
Program Project Initiative Report Case Study Other: _____	
Website: https://www.acm.gov.pt/pt/-/programa-de-emprededorismo-imigrante-pe-1	Social media link(s): https://www.facebook.com/emprededorismoimigrante
Leading organization/Author: ACM - High Commission for Migration	
Year/Timeframe: 2009 - now	
Target group(s)/Beneficiaries: PEI is aimed at immigrant citizens willing to structure a business idea and implement it.	
<p>Description: The PEI - Project to Promote Immigrant Entrepreneurship aims to foster entrepreneurship among immigrant communities, with special focus on those living in more vulnerable neighbourhoods. It has four main objectives:</p> <ul style="list-style-type: none"> • Develop an entrepreneurial attitude towards life, promoting self-esteem and self-confidence; • Develop personal, social and business management skills which are fundamental for the creation of a business; • Promote the creation of businesses in a sustainable way; • Facilitate the connection between potential entrepreneurs and existing entrepreneurship support programmes carried out by different entities; <p>PEI Impact and Outcomes Evaluation Study HERE.</p>	
Relevance to The Missing Entrepreneurs: the promotion of the formalisation of existing businesses in the informal economy can be deeply fruitful, not just legally (taxes and other State incomes), but also by fostering different businesses, operated by	



different approaches and techniques brought by the immigrants, and therefore enrich the local/national economy. The resources already produced for this initiative could be inspiring for The Missing Entrepreneurs.

Title of the best practice: Women at work (“Mulheres à Obra”)	
Program Project <u>Initiative</u> Report Case study Other: _____	
Website: https://www.mulheresao bra.pt/	Social media link(s): https://www.facebook.com/groups/394280080927656 / https://www.youtube.com/channel/UC1Trwn5yY6Vr1R5sCZ6N68w
Leading organization/Author: Camila Rodrigues and Carla Alexandra Lopes	
Year/Timeframe: 2017 - now	
Target group(s)/Beneficiaries: women willing to seek a different professional path, more in line with their needs of adjusting family-work life, their tastes and skills.	
Description: in March 2017, a Facebook group called "Mothers at Work" was created for women willing to seek a different professional path, more in line with their needs of adjusting family-work life, their tastes and skills. The group quickly grew, with daily dozens of new members joining with new business ideas and perspectives. To respond to the needs of the members, as well as to the lack of information and training needed to make their projects grow and expand, the administrators created a new Facebook page called "Women at Work". It aimed at offering resources and advice to the women willing to follow an entrepreneurial path. The community has been growing fast and, at this point, has around 140.000 members. “Women at work” ’s vision is to promote cooperation between women entrepreneurs with the conviction that mutual help produces added value that transcends the logic of profit, as it fosters social, economic and environmental sustainability, nurturing civic awareness, empathy and mutual respect. Evaluation Report 2020 can be accessed HERE	
Relevance to The Missing Entrepreneurs:	



- The positioning of “Women at Work” in social media can be inspiring for a project like Missing Entrepreneurs;
- It will be important to ensure to all participants a well-balance between professional and private life, as “Women at Work” strives to do.

Title of the best practice: Empreender 45-60	
Program	Project Initiative Report Case study Other: _____
Website: https://empreender4560.pt/	Social media link(s): https://www.facebook.com/empreender4560/
Leading organization/Author: AEP Foundation	
Year/Timeframe: 2016 - now	
Target group(s)/Beneficiaries: Individuals in the 45-60 age group, particularly with high levels of qualification.	
Relevance to The Missing Entrepreneurs: <ul style="list-style-type: none"> • The Awareness and Capacity Building Actions (in the context of the Activities) could be explored by The Missing Entrepreneurs team. • The Dissemination strategy is interesting and could be beneficial to deeply analyse it and import dissemination mechanisms that enhance its transferability to other territories, increasing the contribution to the transformation of society, with an impact on local economies. 	

Title of the best practice: StartUp Portugal+	
Program	Project Initiative Report Case study Other: _____
Website: https://startupportugal.com/	Social media link(s): https://startupportugal.com/
Leading organization/Author: Ministry of Economy	
Year/Timeframe: 2016 - now	
Target group(s)/Beneficiaries: Entrepreneurs of all ages, mainly youngsters.	

Description: StartUP Portugal - National Strategy for Entrepreneurship was launched in 2016 by the Ministry of Economy with the aim of extending the current dynamics of the Portuguese entrepreneurial ecosystem, one of the most active in Europe, to the whole country and to all sectors of activity. StartUP Portugal focuses on three axes of action - ecosystem, funding and internationalization. This strategy was designed to listen to the main national and international stakeholders, who have participated in establishing a set of measures concerning funding, taxation, incubation conditions and international promotion. It was designed to offer instruments for each step of launching a business, with tax benefits and financing for entrepreneurship, for both creation and acceleration phases. The Portuguese Government has mobilised the whole Portuguese ecosystem for the program, establishing entrepreneurship and innovation as priorities of the current administration. More info [HERE](#).

Relevance to The Missing Entrepreneurs: the internationalisation strategy for Portuguese startups, as thought by the Portuguese Government, could be useful for setting up a network of Missing Entrepreneurs around the EU.

4. Research Results: Questionnaires

The provided questionnaire was delivered in Portugal. The questionnaire was designed and delivered as an online questionnaire (Google Forms format). There was a total of 42 questionnaires. Specifically, the minimum target numbers (5 each) for the social groups addressed by the project (women, youth, seniors, immigrants) were fulfilled, as follows:

Women – 28 responses; Youth – 25 responses; Seniors – 7 responses and Immigrants – 8 responses.

Section A: Demographic information

Section A was aimed at finding out some relevant information such as age group, gender, nationality, country of residence, legal status, and academic level. Regarding the age group (Q1), the highest percentage of respondents is embraced in the 25-34 years old age group (45,2% - 19 people). About Gender, 64.3% answered as female and 35.7% as male.

About the Nationality, most of the respondents are Portuguese (81%, 34 people).



Regarding Q.4 (“Country of Residence”), 100% of the respondents live in Portugal.

About Q.5, 78,6% are National Citizens; 14,3% Permanent Resident Citizens; 4,8% are Temporary Residents (International Students) and 2,4% are EU Citizens.

Concerning the highest achieved academic level, the majority of the respondents (40,5% - 17 people) owns a University degree (BA/Bsc).

Section B: Entrepreneurial background

About the first question, the results showed a balance. Levels ‘5’ and ‘8’ shared the same number of respondents and were the most voted. Looking at the figures, we can say that most respondents of this survey feel familiar with setting up a business.

Regarding Q.8, participants were asked to state whether they have never owned a business or if they did. 73,8% (31) never did, while 26,2% (11) did. Respondents who had chosen the option "I owned a business in the past, which was..." in Q.8 would be referred to Q8. a. Although 11 people had chosen this option, only 5 participated in Q8.a. Of these 5, 2 respondents closed the business, 1 of them sold it and the remaining 2 chose the third option "Please provide reasons as to why you do not own the business now: (go to Q8. b.)". However, there may have been flaws in the interpretation of the options as Q.8b had 7 responses. Of those 7 answers, the majority (5 people - 71.4%) said they closed their business for financial reasons. The second most voted reasons were "operational reasons" and "needed too much personal energy". "Time Management", "Lack of knowledge on how to run/adjust the business" and "Did not keep up with the market" had 1 respondent each.

Regarding Q.9, 8 people have responded to it and the answers range from 4 to 29 years (even though the latter is a case of inheritance).

When asked to evaluate the current state of their business (Q.10), despite 81% responding they do not own a business (this was a compulsory question), the remaining percentage was divided between three different opinions.

Q.11 reflected the evaluation from Q.10. Despite the majority of “I do not own a business” answers, it should be highlighted the fact that the COVID-19 pandemics brought many



problems to the respondents. Regarding the “Everything is going well” respondents, one of them is happy with the possibility of working from home and, finally, the other respondent stated that there is a regular demand for the services offered, so everything is going well. In the last question, it is safe to affirm that most of them are quite familiar with the term.

Section C: Digital Entrepreneurship

In Q.13, the majority of the participants feel quite familiar with the term “Digital Entrepreneurship”.

As for Q.14, the majority have never thought about the referred possibility. The 19 participants who have considered getting into Digital Entrepreneurship were invited to explain the reasons why in Q14. a. Among them, participants stated that the field of Digital Entrepreneurship is particularly fruitful in business and financial opportunities, has a greater proximity to customer’s needs, being a low-cost growing sector with better reach and practicality.

In Q.15, the top-3 referred responses were “Business Opportunities”, “Financial Opportunities”, and “Ease to start a digital enterprise” (50% - 9 people).

In Q.16, the top-3 reasons were “Knowledge”, “Necessity” and “Financial Opportunities”.

In Q.17, regarding ‘Communication’, all 42 participants stated to have a ≥ 5 level of knowledge and practical familiarity with this skill; about “Finance”, there was more balance between responses below 5 and responses above; next topic was “Operations Management”, and the figures were quite like the previous one; about “Project Management”, the most chosen option was level, and participants showed they generally feel familiar and gather knowledge about this topic; “Social Media Management” gathered a good percentage of familiarity and knowledge; about “Business networking” shows an even division regarding the familiarity and knowledge of the topic; regarding “Data analytics”, some division was shown in the degree of familiarity and knowledge about this topic; in “Web development”, the most chosen option was level 3; about “Design thinking/Creativity” topic, results show a tendency to a reasonable degree of knowledge



and familiarity in this respect; as for “Product service development”, the most chosen option was level 3, with 21,4% (9 people).

In Q.18, regarding ‘Communication’, all participants chose levels ≥ 6 in the scale of importance; as for “Finance”, the same tendency is kept; considering “Operations Management”, again we see participants giving high importance to this skill; about “Project Management”, the most chosen options were levels 9 and 10, with 23,8% (10 people), each, being levels 1,2; concerning “Digital Marketing (Branding, Logistics, Distribution)”, 88,1% of the respondents have chosen levels of importance from 6 to 10, showing that participants also attribute great importance to this skill; regarding “Social Media Management”, most participants chose levels ≥ 6 (92,8% - 39 people); as regards “Data analytics” skill, 85,7% of the respondents have chosen levels of importance ≥ 6 , showing that this skill is also important for them; about “Web development”, 85,7% of respondents chose levels ≥ 6 , thus showing that the vast majority of participants also place great importance on this skill; about “Design thinking/Creativity”, the most chosen option was level 10, with 23,8%, thus, many of the participants think this is important; finally, concerning the “Product service development” skill, 92,8% of the respondents have chosen levels ≥ 6 , once again revealing that participants consider this skill to be important.

In Q19, most of the contributions relied on knowledge about digital marketing and interpersonal skills related to the management of people and teams, as they consider relevant to the development of a business.

Regarding Q.20, most participants (83,3%) stated that they would only be willing to attend that training for “Less than a month” (23,8%), “1-2 Months” (38,1%) or “3-4 Months” (21,4%). The less chosen option was “More than 6 Months”, thus showing that participants are not very willing to invest time in their training.

In Q.21, the most chosen option was “Blended methodology, followed by “Face-to-face classroom setting” and “Online asynchronous”. From these data, we can conclude that the participants value, above all, the human interaction, in person, as a learning method, also giving some importance to the convenience of self-management of the available time.



At last, in Q.22, 92,9% of participants stated “Yes”, and only 7,1% stated “No”. From this data, we can see that the willingness to learn, based on a face-to-face method, as nothing to do with the lack of technological resources (at least for these participants).

5. Conclusions and Recommendations

Most of the participants in the Portuguese questionnaire were composed of young women, although there was also a good representation of immigrants and senior citizens. For their characterization, it is relevant to mention that the majority has a high level of education (complete high school or higher education) and has not or had never run a business. Those who have already managed or are managing a business only report that there have been minor and surmountable problems in management. The majority of participants seem to be familiar with the terms entrepreneurship and digital entrepreneurship, although less familiar with the last, having identified financial reasons as the leading motive not to own a business. In fact, it seems that the financial aspect is both the main reason to start a business, being it digital or not, as the impediment to start it. For respondents, the key attractions of digital business are the financial and business opportunities, being the lack of knowledge and financial background, the fundamental motives keeping them to get into digital entrepreneurship. Despite it, roughly 50% of the respondents have already thought about the possibility of getting into digital entrepreneurship. Concerning the familiarity with the entrepreneur’s skills, participants tend to be more comfortable with communication, finance, operations and project management and less with data analytics, digital marketing (branding, logistics, distribution) and web development. They view all skills listed in Q.18 of the questionnaire as being very important, but put an emphasis in communication, finance and digital marketing. Indeed, asked to refer other skills, they referred topics related with digital knowledge or people management. However, despite rating knowledge, particularly, digital knowledge as a key factor to successfully manage a business, especially a digital business, respondents aren’t willing to spend a lot of their time on training, with a large majority stating that they would prefer a training that lasted less than a month, or between 1 and 2 months. Still regarding training, the participants indicate that the preferred learning method should be based on a mixed system, online and face-to-face,



followed by face-to-face classroom setting and online asynchronous. These options aren't based in the lack of the necessary equipment, that allows online learning, once the vast majority of respondents (92,9%) stated to have that kind of equipment (computer, phone, tablet, etc). The analysis of all the data, gathered from the responses to the questionnaire, allows us to deduce that, in what concerns entrepreneurship, the target groups place a high value on people management skills and human, in person, interaction, recognizing some lack of technical knowledge, which should be met with specific and very targeted training, taking up little time and equipping them with the right tools to successfully develop a business.

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