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**Emerging entrepreneurship  
sectors for  
young people at risk of  
exclusion.  
*Executive Summary***

## **Emerging entrepreneurship sectors for young people at risk of exclusion. Executive Summary.**

Action Against Hunger Foundation, 2015  
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# **Emerging entrepreneurship sectors for young people at risk of exclusion.**

## ***Executive Summary***



## Introduction

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VIVES PROYECTO has the mission of generating opportunities for accessing the world of work for unemployed people and those at risk of exclusion through entrepreneurship, ensuring that individuals belonging to groups facing difficulties enjoy the same opportunities in accessing employment or self-employment as those not in such groups.

In the context of this project a Study has been produced, the General Objective of which was to perform an exploration of emerging entrepreneurship sectors, where young people in a situation of risk of exclusion have the greatest opportunities to establish themselves with a view to the future. The specific objectives of this study were:

1. Identify emerging sectors by business area for enterprising young people.
2. Describe the inherent characteristics of each sector and their potential.
3. Determine which skills are relevant to allow entrepreneurship by young people in each of these emerging sectors.
4. Offer specific tools to underpin the skills of young people at risk of exclusion and tie these to the needs identified in each sector.

The aforementioned study has resulted in three outcomes:

- A Report on emerging entrepreneurship sectors for young people at risk of exclusion, aiming to quantify the potential for self-employment creation in the Spanish economy for young people, and attempting to detect those key emerging sectors with the greatest potential for growth, along with subsectors

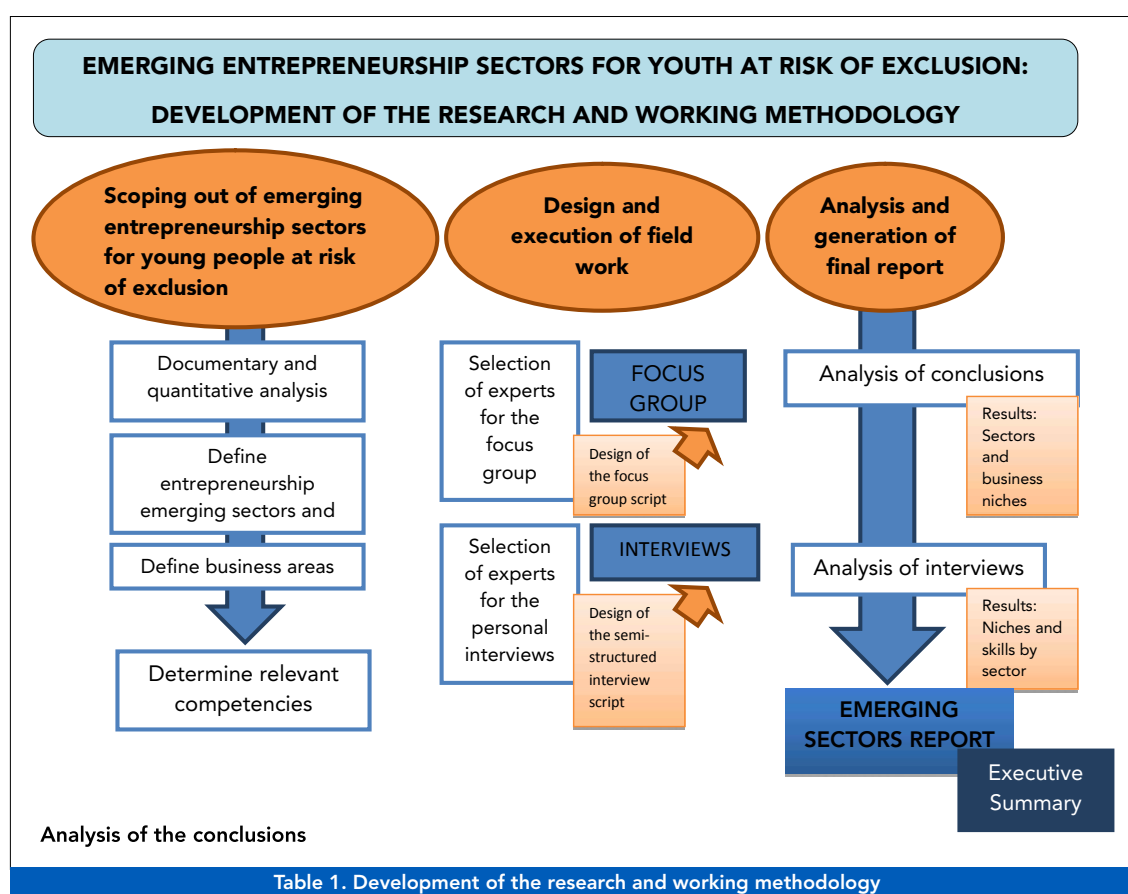


or business areas within each of the emerging sectors.

- A Tool to measure entrepreneurship skills, the purpose of which is to establish to what extent a young person has the entrepreneurial skills required. In other words, this is a diagnostic tool for entrepreneurial skills among young people.
- A Guide to underpin the entrepreneurial skills of young people at risk of exclusion, as the basis of this document, which develops each of the skills covered by the tool referred to immediately above.

## Certain contextual nuance

The employment market has over recent years revealed two major circumstances: firstly, a far-reaching change as a result of the radical transformation taking place in the employment relationship, and furthermore the lack of jobs created in economies to address the needs of the overall population seeking work. Against this backdrop, with ever more insecure employment relationships, given that the standard model of stable and lasting employment relationships is increasingly less predominant, with temporary work, part-time work and more informal conditions becoming increasingly significant, it becomes necessary to consider new alternatives to the traditional employment model. Changes in employment relationships are also fostering inequality and social exclusion, above all among the most vulnerable groups, such as people with low levels of qualifications, either at the base of the active population pyramid, the youngest, or otherwise those at the top of the active population pyramid: people aged over 50.



Entrepreneurship would seem to be a possible alternative response to this situation. Although Spain is a country in which small and medium enterprises predominate, it does not, however, have a developed and advanced entrepreneurship culture. Until recently, entrepreneurship was seen as a last-resort option, a residual phenomenon: entrepreneurs acted more through necessity than opportunity. Fortunately, this has changed over recent years and there are more and more entrepreneurs perceiving market niches and deciding to set up an enterprise. Entrepreneurship, then, proves for many people to be an opportunity, a possible way of accessing and entering the labour market, and in many cases it likewise provides the possibility of full personal integration, not only from the economic perspective and access to goods and services, but likewise facilitating social integration, relationships with other people, participation in communal decisions, etc. In short, it has emerged as a means of social integration understood in the broader sense. Entrepreneurship is in general seen as a fundamental and priority activity for economic development, but also for the social development of individuals, and hence the country.

Within this context, Acción Contra el Hambre is developing its VIVES PROYECTO as an intervention strategy in the field of employability in Spain, an initiative covering a range of actions intended to foster and support inclusive entrepreneurship, focusing on people at risk of social and occupational exclusion, with an interest in developing a micro-enterprise activity, along with all public, private and non-profit entities operating within the so-called "Entrepreneurship Ecosystem". Specifically, one of the actions undertaken within the context of VIVES PROYECTO has been the generation of a study focused on young people at risk of social exclusion, serving to identify those economic sectors with the greatest potential for growth and entrepreneurship, more specifically to identify those business niches where entrepreneurship is possible. This has given rise to the project "Emerging entrepreneurship sectors for young people at risk of exclusion", focusing on the youngest members of the active population, between 18 and 35 years, at risk of exclusion, not only characterising these potential entrepreneurship sectors but also serving to detect the technical and professional skills that young people at risk of exclusion would need to have or develop so as to be able to embark on and implement entrepreneurship in the selected business areas. This study is supplemented by means of a Tool serving to detect the decisive factors in potential entrepreneurs, and the level of development of each individual in each of these required entrepreneurial skills. A Guide has likewise been produced to underpin key skills in the emerging sectors detected, with the aim of addressing with each individual entrepreneur those skills in which they are inadequately developed.

The research into emerging entrepreneurship sectors for young people at risk of exclusion was performed in accordance with the following layout and methodologies.

### **The baseline data for the study corroborate the need to embark on actions intended to foster and support inclusive entrepreneurship as an opportunity for occupational inclusion**

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The number of young people aged between 18 and 35 in Spain in 2014 amounted to a total of 9,250,534, of whom, in terms of their educational level, 29% had completed only Secondary schooling, 10% Intermediate Level Vocational Training, 11% Higher Level Vocational Training, a further 21% had intermediate Baccalaureate qualifications, and the remaining 20%, corresponding to the older individuals among the age band



considered, had University qualifications. These data reveal that young people study until they acquire intermediate level qualifications, before abandoning the route to higher-level studies.

Meanwhile, an analysis of the poverty and exclusion rate (AROPE rate) for all young people aged between 18 and 34, according to data from the ECV (Living Conditions Survey) conducted in 2014 by the INE (National Statistical Institute), reveals that 34% of young people found themselves in this situation, affecting more than 3 million young people.

With regard to the situation of young people in the employment market, activity rates are 65.7% for men and 60% for women, with a gap between the two sexes of 5.6 percentage points, according to Active Population Survey data for the second quarter of 2015, while unemployment most significantly affects young people aged between 16 and 34: the unemployment rate for young men is 37.84%, and 39.73% for young women, as opposed to overall rates of 19.9% for men and 22.7% for women.

### **The selection of emerging entrepreneurship sectors for young people at risk of exclusion reveals considerable potential for employment and self-employment creation in the inherent business niches in such sectors**

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On the basis of these data, entrepreneurship emerges for many individuals as a potential entry route into the employment market, and likewise a form of social exclusion, since many of these individuals are excluded from social participation in different spheres.

In order to address the analysis to detect potential emerging entrepreneurship sectors, and following establishment of the general methodology of the study, we then considered a comparison of the employment market situation with neighbouring countries with a similar economic and social model and a more developed employment market. The methodology is in particular based on the selection of eight European

countries similar to Spain in terms of productive specialisation and per capita GDP, but with higher rates of employment and a better functioning employment market, so as to identify those economic activities and occupations that could generate more youth employment. It is possible with all these data to define which economic activities/occupations reveal the greatest competitive advantage.

In accordance with this selection, the indicator known as the “employment intensity” is calculated, providing a relationship between the number of young people employed and the size of the young population, serving to recognise those activities and occupations where there are business opportunities for young people as a group in Spain, in other words allowing us to calculate the potential growth in employment among young Spaniards. This is a twofold exercise, generating both the indicator for employment in general, and also specifically for self-employment.

In addition to this quantitative analysis, a thorough document analysis was performed, along with research among experts familiar with the employment market situation, specifically entrepreneurship.

On the basis of these three methodologies, a selection was performed, from among all economic sectors with potential for growth in the future, of those proving of greatest interest for the object of the study, namely those sectors with the greatest potential for increased entrepreneurship for young people at risk of exclusion.

These business niches were characterised with regard to young people at risk of exclusion, taking into account the training needed in order to engage in entrepreneurship in each of them, along with the required skills profile, identifying whether it would be possible for young people with a low level of training to set up an enterprise, while likewise identifying whether there would be scope for young people with intermediate or higher level training, since the definition of young people at risk taken into account also included young people with considerable qualifications but revealing other exclusion risk factors.





## **The quantitative figures of the study reflect**

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An analysis of the general results for total employment among young people suggests that:

- In Spain, across all sectors of the Spanish economy 1,179,274 jobs for young people aged between 20 and 29 years could be created, of which 202,622 correspond to the five sectors selected, while 23,486 jobs would correspond to self-employment.
- Spain needs to create moderately skilled jobs among young people, in particular in "technical and intermediate professional" occupations, and likewise technical jobs.
- There are clear opportunities for sectoral re-qualification within the same occupation, as in the case of "service workers and retail and market salespeople";
- A need to promote training among lower qualified levels of occupation is perceived.
- The activities with the greatest potential for creation among young people are "health and social services".
- Meanwhile, other activities that stand out for the volume of employment to be created are those involving "manufacturing industry, construction and retail".
- Among specialist construction activities, the particular emphasis is on "skilled trades and construction workers".
- Likewise significant are "social service activities without accommodation" and those in "residential establishments".
- Lastly, "education" proves to be one of the main employment niches among young people for those with greater qualifications, in particular in occupations defined as "teaching professionals".

## **The Trade Sector proves to be one of those with the greatest potential for young people at risk of exclusion**

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Trade is one of the emerging entrepreneurship sectors with future prospects both in Spain and globally, above all taking into account the current process of globalisation and the economic development of the large super-populated countries.

Trade covers activities based on the exchange of goods and services via a trader or dealer, distinguishing between Wholesale Trade and Retail Trade. Taking into account both branches of trade, the sector accounts for 12.3% of total GDP at basic prices within the Spanish economy, and in terms of employment occupies 14.8% of all those in work in 2014, employing more than 2.5 million people in Spain.

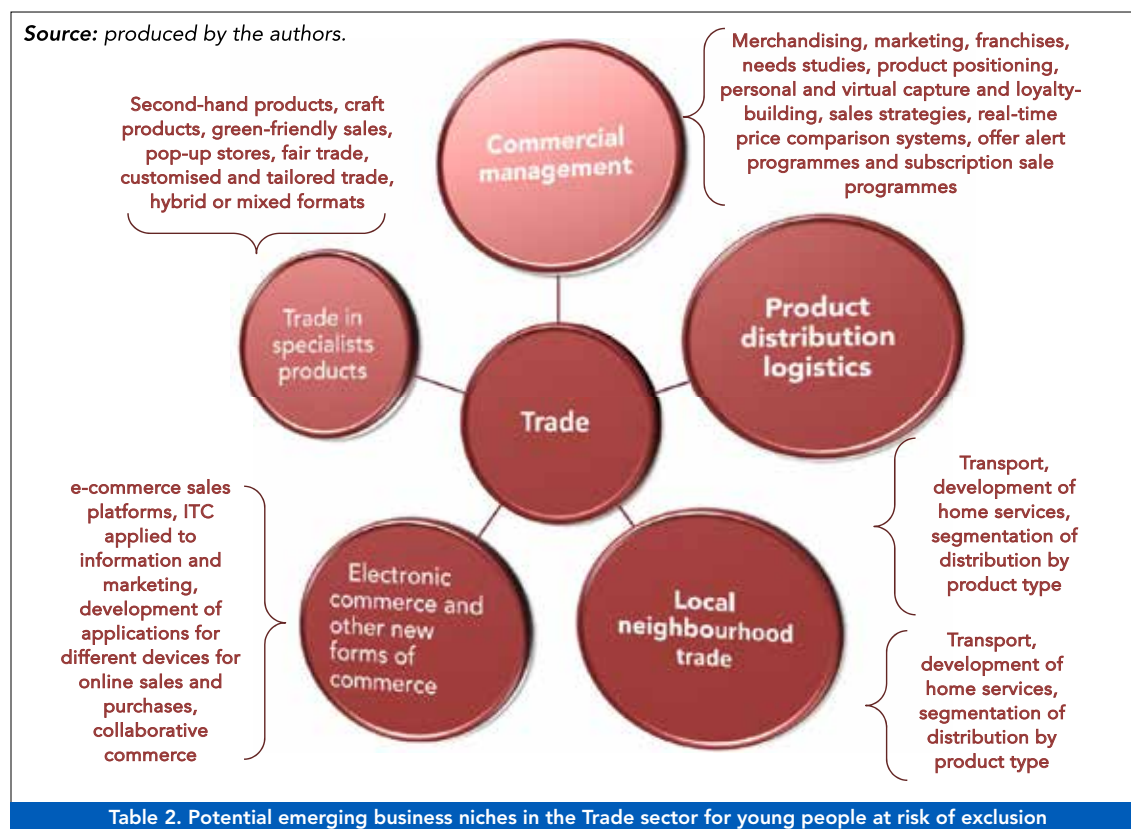
As regards entrepreneurship opportunities in the trade sector, it should be stated that this is a sector in which self-employment has traditionally been predominant,

representing 26.5% of all employment in the sector, with a substantial difference between men and women, as 31% of men are self-employed as opposed to 22% of women. As regards youth employment in the trade sector, 17.6% of young people in work are engaged in such activities, while 13.9% take the initiative of self-employment.

The situation of the sector during the years of economic crisis has been of a slowdown in consumption, although on the supply side there has been an increase in the square metres of surface area dedicated to sales. The sector is at present in the process of recovering demand levels prior to the crisis, although those figures have not yet been reached. The forecast over coming years is of considerable competitiveness among companies, although more employment will also be required in order to staff the increased area of sales premises.

The make-up of supply trends will be: 1) reduce the number of stores but specialise more; 2) channels of access to consumers are undergoing a revolution, in particular in the retail trade sector, as operators will need to master all existing channels to offer a complete purchasing experience and have a presence in all consumer decisions, and 3) there will be an amalgamation of commercial establishments by sector, and following this grouping by sub-sector there will be substantial gaps or niches of activity for small local, neighbourhood traders who will be in a position to develop new activities by offering distinctive products.

In response to this situation, the possible emerging activities identified for young people at risk of exclusion include certain sub-sectors within the Trade Sector, along with specific business niches where there are possibilities to embark on entrepreneurship processes. As regards the possibility of entrepreneurship in the trade sector, no significant differences are found between the sexes, in other words men and women could equally set up businesses connected with the activities indicated here.



Of all these activities, the most notable are

- **Electronic commerce:**

In the case of electronic commerce, or e-commerce, the usage of new technologies is being driven to a great extent from the bottom up, in other words not by the corporate departments of companies, but by consumers themselves, with increased technological skills. The emergence of electronic commerce will need to coexist with free service and dispatch systems, which may be the most appropriate for certain groups of product and consumer segments. There will therefore be market niches for neighbourhood retailers, in particular for more everyday products. In order to be successful, e-commerce must be hyper-specialised and based on extremely distinctive features.

- **Local, neighbourhood retail:**

Neighbourhood operations with a physical store will be a niche if they can incorporate an offering of products and services based on tradition. Innovation through tradition (R&D&T), with a controlled risk and low investment, is the type of business that could prove successful for young people and those in a situation of exclusion.

- **Trade in specialist products:**

Specialist products connected with arts and crafts, pop-up stores and hybrid or mixed formats offering different products or services, such as cafe-bookshops, cafe-hairdressers, etc. will be the activities of the future.

- **Franchises:**

Franchises could be one of the simplest formulas for entrepreneurship, as the brand provides umbrella coverage and security.

Despite the positive prospects offered by the sector, consideration must be given to a number of obstacles such as a lack of training in certain areas of trade (management, marketing, food preparation...), access to finance, lack of association vision and difficulties in work-life balance.

**The Green Economy Sector reveals certain niches for entrepreneurship with greater difficulties for self-employment, sectors with low employment intensity, but new areas to be developed, suggesting that they will generate entrepreneurship processes**

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The concept of "Green Economy" and "Green Jobs" have not been precisely defined, nor is there international consensus in this regard. The International Labour Organization understands the Green Economy as meaning "an improvement in human welfare and social fairness, significantly reducing environmental risks and ecological deficiencies".

This study took into account the concept of "Green Economy" defined by the Biodiversity Foundation as meaning those activities that:

- 1) Have the function of correcting, minimising or regenerating the adverse effects of human activities on the environment.
- 2) Produce goods and services in an environmentally friendly manner.
- 3) Have a preventive and control purpose (eco-design, environmental education and awareness-raising...)
- 4) Adopt the focus of environmentally modernising their products and processes and research and technological development activities.

With these definitions, it would be fair to state that the Green Economy sector has been registering continuous growth over recent years, representing 2.4% of Gross Domestic Product (GDP) and 4.9% of all employment in Spain, involving in absolute terms 850,603 people.

As for entrepreneurship opportunities in the green economy sector, it should be emphasised that this is a sector in which self-employment is particularly significant. Thus, out of all people employed in Spain in this field, 34.4% are self-employed. As opposed to the general rule, women prove to be more entrepreneurial (35.2%) than men (34.2%).

If we look at youth self-employment within this sector, it deviates from the structure seen for employment overall across all age bands. Among young people, men (16.3%) are more entrepreneurial than women (8.4%). The most notable feature here is the







substantial gap between the figures for self-employment in the green economy sector in general (34.4%), and the fact that young people do not demonstrate such initiative, as only 14.5% of young people in the sector are entrepreneurs.

Spain reveals confirmed prospects for positive employment creation in sectors such as renewable energies, sustainable construction and transportation, production of bio-fuels, organic agriculture and livestock farming and sustainable tourism. However, other “traditional” activities, such as the management and treatment of waste and waste water or the management of woodland (except in combating climate change through “forestry sinks”) reveal limited or moderate capacity for growth in the future. The Environmental and Health Employment Trade Union Industry has performed estimates in this regard, suggesting an increase by 2015 and 2020 of 124,265 jobs in renewable energies, 122,000 in sustainable transportation, 100,000 in construction and 14,000 in waste management.

The European Union’s Europe 2020 Strategy for growth and employment acknowledges the importance of the transition towards a green and resource-efficient economy to achieve smart, sustainable and integrating growth. One of the priorities of the Europe 2020 Strategy is sustainable growth: promoting an economy that makes more effective use of resources, and is greener and more competitive. To this end, objectives are proposed regarding climate and energy to reduce greenhouse gas emissions, promote renewable energies and increase energy efficiency.

In Spain, although it is still too early to evaluate the impact of this initiative, steps are being taken in the right direction in an attempt to generate a more sustainable economic and social model. Furthermore, over recent years there has been a notable increase in the ecosystem supporting green entrepreneurship and economy on the part of public authorities.

The following particular aspects should be highlighted from the analysis undertaken to identify emerging activities and more specific business niches within the green economy sector focused on young people at risk of social exclusion.



Of all these activities, the agents interviewed emphasise the following:

- **Organic agriculture.**

Agriculture has over recent years been perceived as a sector of employment turned to by those who had not had the opportunity to study and found themselves forced to remain in rural regions, engaging in a last resort occupation. Organic farming, meanwhile, entails a new way of understanding this activity which could today prove highly attractive for young people at risk of social exclusion.

Certain examples of business areas in which there are appealing opportunities for entrepreneurship for such young people within organic farming would be as follows:

- Agri-energy crops.
- Maintenance of agricultural estates.
- Local consumption or consumer group operations.
- Creation of new product distribution formats..
- **Sustainable construction and refurbishment:**

The new regulatory demands regarding energy efficiency certification of buildings will lead to considerable business opportunities within the construction sector: opportunities focused on the incorporation of energy efficiency criteria within construction, and opportunities focused on energy certification.

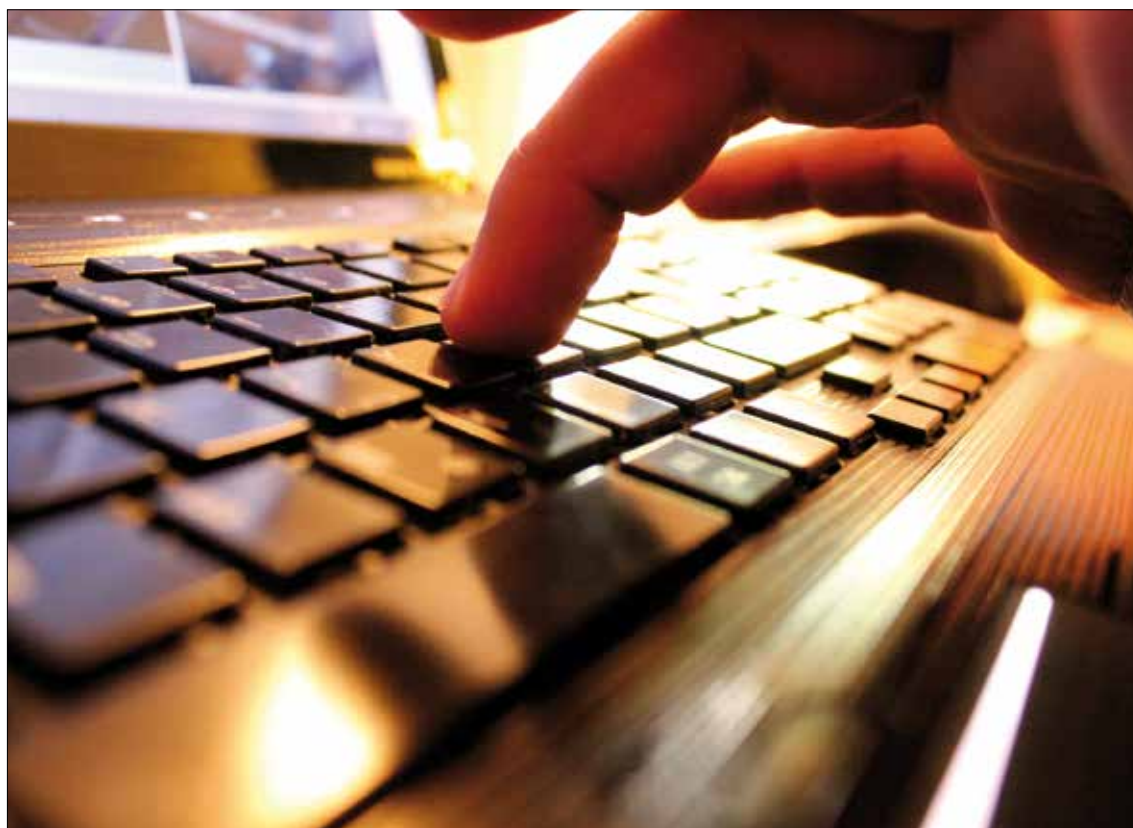
**The Information and Communication Technologies (ICT) Sector is appropriate for the entire "Generation Z", as they are individuals with virtual interaction: they are the digital generation and have high levels of skills for the development of applications, programs**

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The ICT sector, aside from being a productive sector in itself, is transversal and a driver of other economic sectors. With regard to the ICT sector, the first challenge is to define its constituent activities, in that it could be conceived in terms of a "hyper-sector". To characterise the sector in accordance with the definition given to it by the ONTSI (National Telecommunications and Information Society Observatory), we have followed the international classification recommendations, which included within the ICT sector the branches of telecommunications, information technology activities, ICT production and ICT wholesale trade, and for the content generation sector (media and audiovisual), the branches of publications, film and video, music publication, sound recording and radio and television programming and other information services.

The ICT and content sector represent core components of economic and social activities in Spain, although following the economic crisis the sector has registered a general downturn as regards the turnover of the various ICT subsectors. According to the ONTSI, the ICT and Digital Content sector contributed 4.1% of overall GVAm.

As regards employment in the ICT sector, according to the micro-data from the Active Population Survey corresponding to the second quarter of 2015, and in accordance with the aforementioned definition, it accounts for 2.3% of all jobs, employing slightly more than 400,000 people in Spain. The percentage of self-employed people engaged in the technology and information field amounts to 13.5% for Spain as a whole.



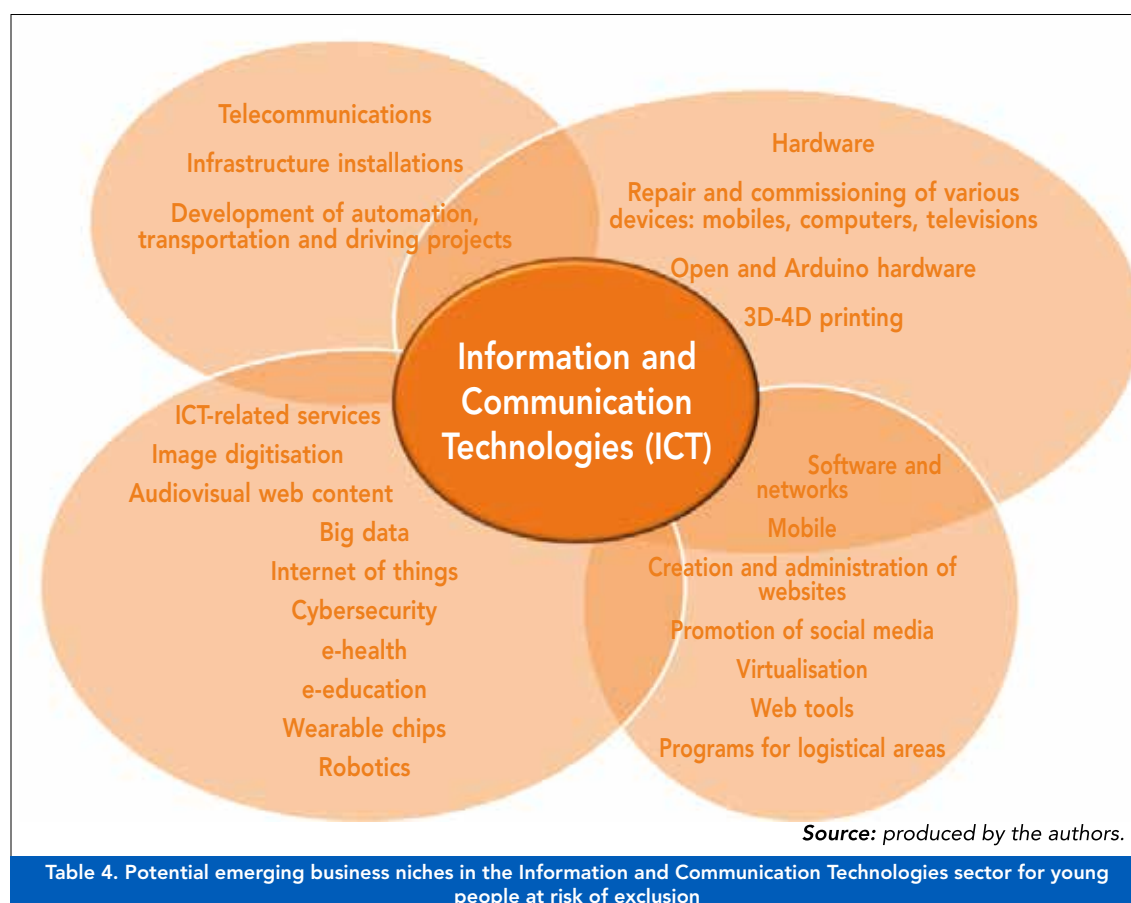
Meanwhile, the differences between men and women are likewise evident in the ICT sector, with the gap separating women working in this field on a self-employed basis (8.2% of all women employed) representing around a half of the number of men (15.5%).

The data regarding youth employment in the ICT sector follow the same trends, emphasising the importance of this sector among young people overall, as a proportion of total employment. However, it should be emphasised here that the level of entrepreneurship is lower among young people, with the proportion of self-employment standing at 10.4%.

The ICT and Content sector thus proves to be a fundamental sector in the economic and social activity of recent years. Within the international context, the OECD (Organisation Economic Cooperation and Development) suggests that there are certain indicators confirming a recovery in the sector. At the national level, the prospects for improvement are clear.

The overall prospects for the sector suggest a drastic and exponential change. There now exists a new business for 3.0 enterprises, where efficiency, agility, focus and the consumer interface represent the future. Meanwhile, there are many new innovations that could generate more business and also more employment in the sector (such as in the development of smart cities, online vehicle connections, etc.).

The potential emerging activities for young people at risk of social exclusion and the business niches detected within the ICT field are as follows:







Of all these activities, the most notable are: Digital systems, cybersecurity, smart cities, Internet of things, Big Data (development of applications and services to exploit data exchanged via the Internet or gathered by sensors). Software established on the basis of existing technologies. e-commerce, start-ups supporting health (e-health), the environment, education. Systems comprising hardware, software and communications. 3D and 4D printing (3D plus time), development of wearables, chips, robots, services and applications using ICT and development of digital services based on social media.

### **The Tourism Sector, which enjoys a leading global position, reveals major opportunities for entrepreneurship in new areas pending development, requiring positioning**

Tourism has been selected as another of the emerging entrepreneurship sectors with present and future prospects in Spain. It represents one of the country's traditional economic sectors for job creation, and at present maintains its significance in economic and employment terms.

The analysis of the tourism sector took into consideration the set of activities involving transportation, tourist accommodation, catering activities and travel agencies and operators, along with other leisure and recreation activities, in accordance with a broad definition of the sector.

The tourism sector is one of the main engines of the Spanish economy. According to the Spanish Tourism Satellite Account<sup>1</sup> produced by the National Statistical Institute, the Gross Domestic Product (GDP) of the Tourism sector amounted to 10.9% of Spain's total GDP in 2012 (the most recent figure published by the INE in 2013).

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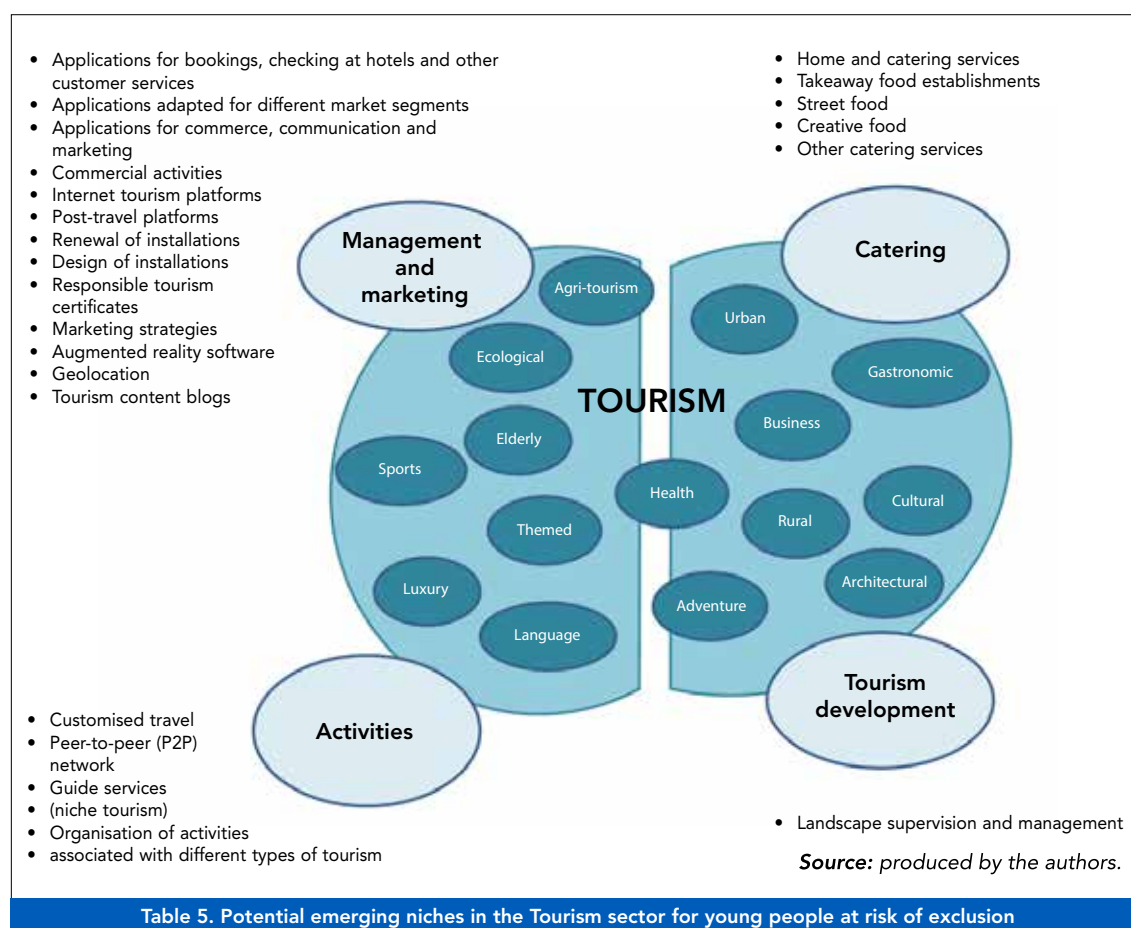
<sup>1</sup> The CSTE (Spanish Tourism Satellite Account) is a tourism-related economic information system, designed as a satellite of the main National Accounts system, and serving to measure the impact of Tourism on the National Economy. The CSTE is produced by the Sub-Directorate-General for National Accounts of the INE (National Statistical Institute).

The sector accounts for 11.8% of all employment, in other words almost 2.1 million jobs. A view from the gender perspective reveals a sector in which men and women are equally distributed. Taking into account contracted labour and self-employment in the tourism sector, a distinct trend towards self-employment comes to light. Specifically, 21.8% of those engaged in the sector are self-employed, the percentage of men being 26.4%, as opposed to 16.3% of women.

Self-employed entrepreneurship in the case of younger people working in the tourism sector amounts to 12.1%. By gender, men (15.2%) have higher self-employment levels than women (8.6%), despite the fact that, as mentioned, in employment terms tourism is a fairly gender-neutral sector.

Spain has a high-quality tourism infrastructure and a world-leading business fabric, and is particularly popular for traditional sun and sand tourism, alongside its cultural, natural and culinary heritage. The prospects for future growth in the tourism sector are encouraging. The emergence of phenomena such as low-cost, the proliferation of the Internet, the use of smartphones, social media and different technology applications to plan holidays and occasional trips, and to market, publicise and build customer loyalty, alongside the sustained increase in cruise ships visiting city ports, the diversification and internationalisation of tourism and the development of sustainability policies, will shape the sector's evolution.

The emerging activities and business niches in the Tourism sector for young people at risk of social exclusion are as follows:



The sector faces a new culture of travel consumption and new trends in the tourism sector, both from the perspective of supply and demand by consumers, indicating the following:

- New technologies have created new travellers, digital passengers. The Internet and new technologies facilitate access to a greater number of tourism products, and facilitate the customisation of the tourism offering in accordance with demand tastes and needs.

The role played by 3G technology should also be borne in mind, providing mobile network access to search for tourism products any time and any place.

Innovation in technologies in the tourism sector has served to develop particular tools or applications such as: Autobooking; Guest Management System; Augmented Reality; Geolocation and Trip Blogs.

- Dynamic packages: travel agencies and tour operators are beginning to offer more customised tourism packages, allowing the customers to decide which services to add to their trip.
- Cruises for older people.
- Emotion and experience tourism: the new consumer profile aims to incorporate emotions and experiences while satisfying needs.





- Improved passenger flight experience: development of applications and tools enabling check-in and boarding card issuance, luggage labelling, ticket changes, alerts about flights in real time via mobile devices.
- Increase in environmental awareness: tourists increasingly value sustainability as a criterion in choosing a destination.

### **The Personal Services sector reveals numerous options for young people at risk of exclusion with lower qualifications.**

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Within the context of this study, Personal Services (PS) have been defined in accordance with the definition provided by the AESP (Spanish Association of Personal Services) as those services allowing households to benefit from the “know-how” of other people. PS can be divided into three major groups.

- a) Family services:
- b) Services for quality of life at home and health.
- c) Household services.

In Spain there is no officially defined sector of the economy entitled “personal services”, covering the various activities performed in this field and for which economic variables can be quantified, such as employment and value added.

However, despite the fact that the personal services sector is undergoing dynamic evolution, it is essential to perform an estimation of the employment it generates in practice. In this regard, on the basis of the conceptualisation applied within the context of this study, it should be indicated that according to the micro-data from the Active Population Survey for the second quarter of 2015, jobs in this sector accounted for 8.2% of all employment, which means in absolute terms almost one and a half million.

In gender terms, particular mention should be made of the gap between women (15.1%) and men (2.4%) as regards the overall significance of personal services in total employment, revealing a clear feminisation of the sector.

With reference to opportunities for entrepreneurship in the personal services sector, it should be emphasised that this is a field in which self-employment is less significant than in others. In particular, out of all those engaged in Spain in this field, 11.2% are self-employed, with a notable gap between men and women, with men (22.2%) outnumbering women (9.2%) by 13 percentage points, despite the feminisation of the sector.

Turning our focus to young people aged under 35 as a group, the employment data in the personal services sector reveal 8.4% of youth employment in Spain, clearly skewed towards women: 14.9% as opposed to 2.4% of men. If we look at self-employment among young people, which amounts to 8.5%, the gender distribution is 14.9% men and 7.4% women.

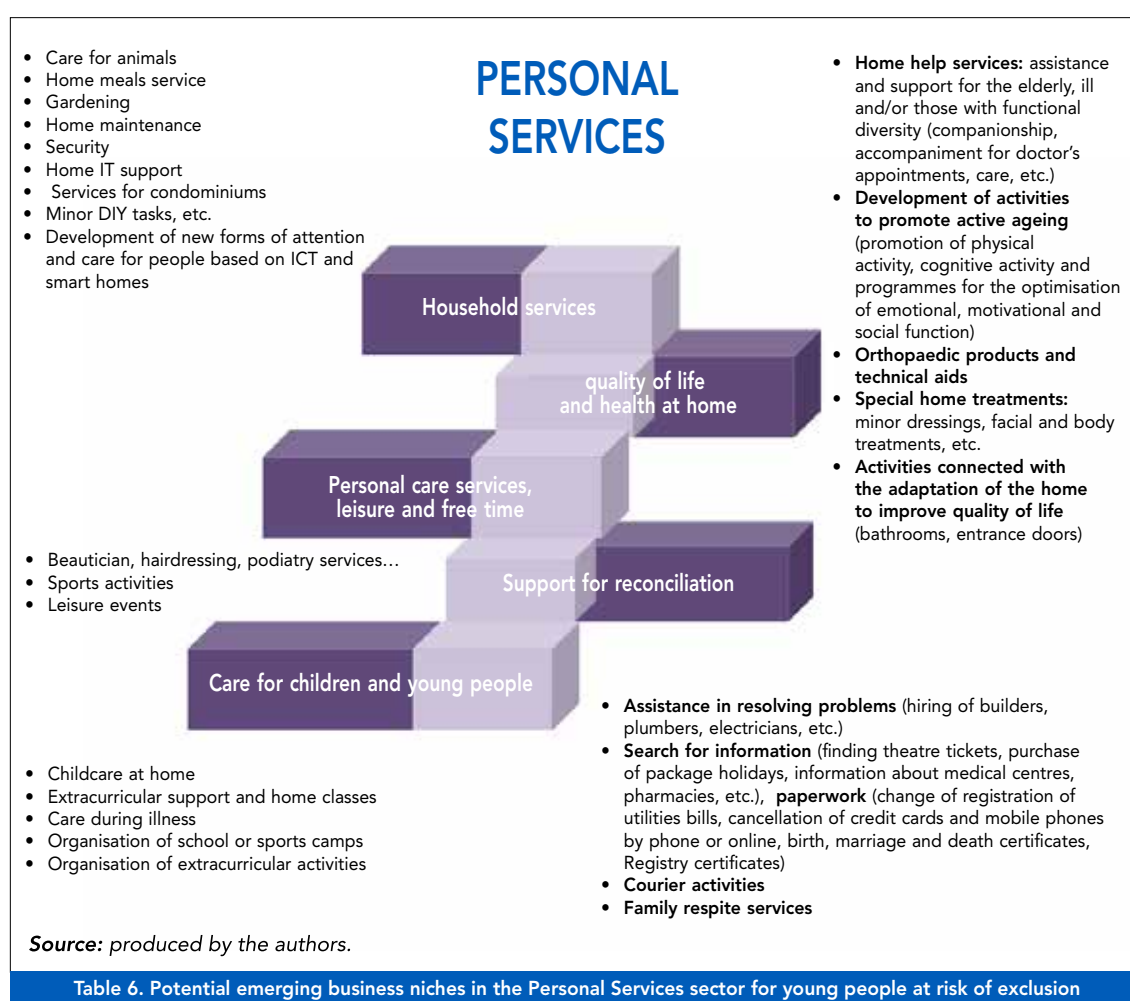


Although the Personal Services Sector has traditionally been seen as entailing low-level and in many cases short-term employment, the new reality of our society is giving such jobs an increased significance.

The development of Spanish society has brought with it numerous positive consequences, such as the improved quality of life of citizens, the huge increase in life expectancy and the definitive inclusion of women within the working world, alongside changes in family structure that have generated new priority needs that must be satisfied.

Thus, in the short and medium terms, personal services could become an important niche for new jobs and the development of entrepreneurial activity, with the characteristic that these will be local services that cannot be relocated, in other words employment will be created where the need arises, anywhere within national territory, in both urban and rural regions, creating a social and business fabric contributing to the development of particularly isolated regions, and giving many individuals the opportunity to engage in entrepreneurial activity.

The analysis to identify emerging activities and business niches focused on young people at risk of social exclusion in the field of personal services, corroborated by the individuals and experts consulted within the context of the study, is summarised in the following layout.

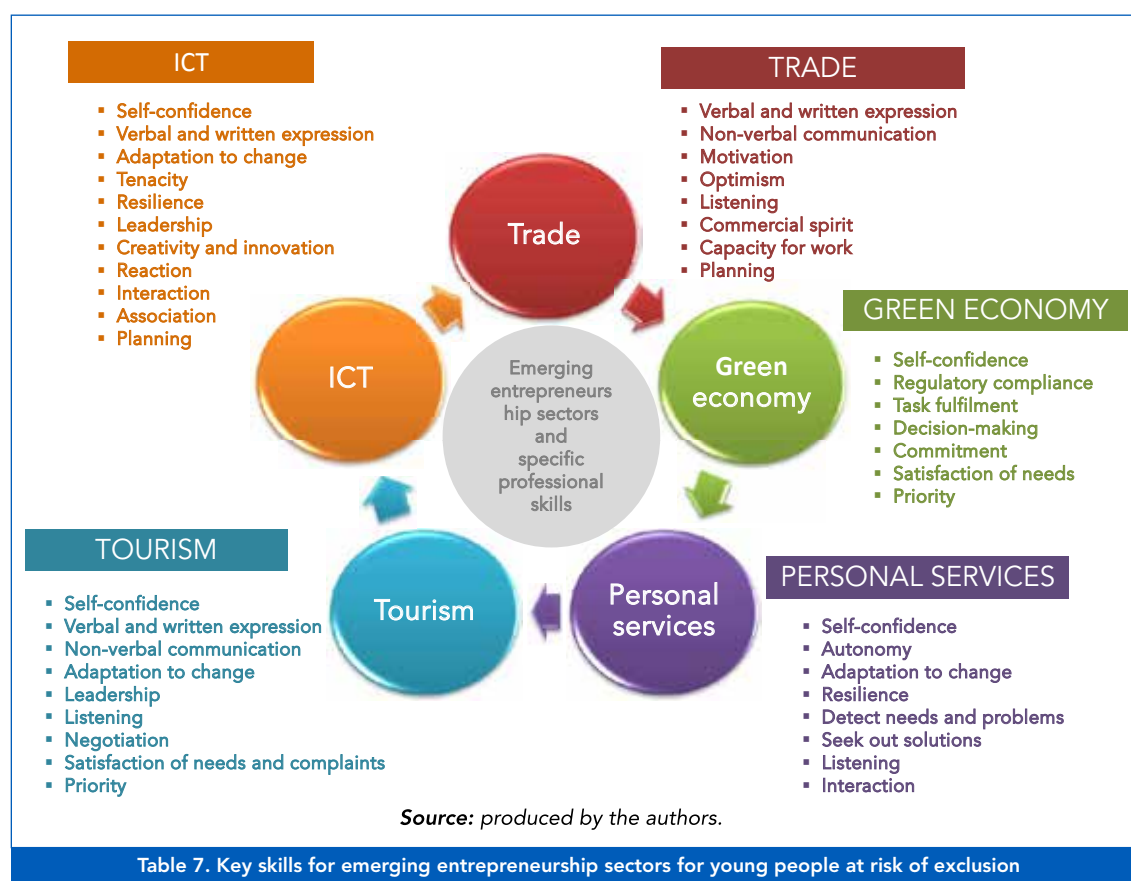


The most specific business niches would include in particular the following:

- Organisation of alternative entertainment activities.
- Services connected with personal hygiene and care.
- Activities connected with household tasks.
- Bureaucratic assistance activities.
- Family respite services
- Day and recreational centres for hourly attendance of older people.
- Development of new forms of care and attention for dependent people based on NICT and smart home advances.

### The development of professional skills is vital in entrepreneurship processes

In line with the analysis of the emerging sectors with the greatest potential for entrepreneurship and the business niches detected in each of the selected actors, an attempt has been made to identify the key professional skills that must be held or developed in order to embark on entrepreneurship processes in each of these sectors. These skills refer to:



## Conclusions

The conclusions that can be drawn from this report indicate that:

### SOCIAL EXCLUSION AND EMPLOYMENT

The year 2015 ended with 4.093.000 unemployed people, with an unemployment rate of 21,18 %. Considering young people aged 20 to 24 years old, the unemployment rate was 42,89 % (without remarkable difference between men and women). For those aged 25 to 29, this percentage was 27,84 % (almost the same for both men and women) and in ages 30 to 34, the rate was 20,21 % divided as follows: 18,97 % for men and 21,59 % for women. According to the rate of poverty and exclusion (AROPE indicator) among young people aged 18 to 34 years old, the rate was 34 % in 2014, with a peak of 40% in the case of young people under 24 years old. The lack of opportunities in the labor market, high seasonality and precarious job, coupled with pay cuts suffered in recent years and the decline in coverage of the unemployment protection system, are the consequences of this situation. The impossibility of having access to a job with certain conditions that allows you to live a dignified life, leads irredeemably to social exclusion.

The EU2020 launched a specific indicator named AROPE (At Risk Of Poverty and Exclusion). As it is harmonized at European level, it allows the comparison between countries. AROPE complements the measurement of poverty, based on a monetary matter, and considering different aspects of exclusion, combining income factors (relative poverty) with severe material deprivation and low work intensity.

According to AROPE, the population at social exclusion risk would consist of young people living in households where at least one of the following three circumstances



occurs: being at poverty risk, suffering of severe material deprivation or of low employment intensity.

The concept of "risk of exclusion", utilized in the study to identify young people with a higher grade of vulnerability that could fall over the poverty line, has been treated as a multidimensional concept. This is because the concept "risk of exclusion" means a situation that could set up different factors such as insufficient training, financial exclusion, shortage of opportunities, discrimination, precarious conditions, adversities in certain sectors of the job market and other disadvantageous situations.

With regards to the gender gap, the difference of almost three points between the unemployment rate for men and for women should be noted. Unemployment falls into an inequality which has been increasing during the last years of crisis. Women opt for more seasonal jobs, reduced and part time work days, in addition to engaging sectors which traditionally pay less than others, causing the difference in unemployment between both sexes.

The inclusive entrepreneurship is understood as the creation and business development or self-employment of people with few resources or under-represented in the entrepreneur world. Therefore, it is considered as an alternative for the young people in order to have access to a qualitative employment generating their own employment in an individual or collective form, adapting it to their context and potentiality. For this reason, it becomes necessary the presence of support mechanisms that promote the entrepreneur culture among young people, providing technical knowledge and strengthening and developing entrepreneur skills to carry out successful entrepreneurial initiatives.

Employment and access to the work world through entrepreneurship is not only configured as a source of income with a deep impact over personal development, it is also a step towards social inclusion. Precisely, considering that poverty and social exclusion are a multidimensional problem, the strategy of active inclusion put one of these focuses in employment as a vital mechanism of social inclusion. Pooling efforts for social integration of youth on social exclusion risk through this approach, contributing as well to reach the goal of social integration through proper social policies, it is not just convenient, but vital as well.

The lack of entrepreneur culture and the lack of promotion of entrepreneurship and entrepreneurial skills, together with the lack of visibility of the entrepreneurial world in the compulsory educational levels, such as secondary and university level, have as a result a loss of entrepreneurial potential among youth under 30 years old.

There are a high number of youths who do not have access to a job hired by others, but that can be inserted professionally through entrepreneurship, with the right skill and technical formation. This is a way to labor integration and, in most of the cases, social inclusion.

It becomes necessary launching actions that could promote an entrepreneurial culture based on ethical values among young people, in order to equip them with the basic skills and tools needed to get real their own entrepreneurial ideas.

It is relevant to emphasize the importance of the development of entrepreneurial skills, considering that they are key to carry out sustainable entrepreneurship based on self-confident, initiative, with a responsible decision making, as well as flexibility and customer orientation. These competences are the ones that give the person enough



motivation to identify opportunities and business ideas among market niches.

Young people have diverse entrepreneurial skills that are necessary to be encouraged. Furthermore, it is necessary to go deeper into more technical training, offering and giving space to new professional qualifications which respond to market necessities. Additionally, it is required the development of professional skills, such as those related to management, finance and marketing, especially for those youth at risk of exclusion with low qualification level.

## **EMERGING SECTORS**

Through this study we have identified five major emerging sectors in the current and future economy in which young people at risk of exclusion can find space to develop as entrepreneurs at personal and technical level. These sectors are the following:

- Trade
- Green economy
- Tourism
- Information and communication technologies
- Personal Services

They are large sectors with strong growth potential in which innovations are constantly emerging. Therefore, the gaps in the labor market generate responses to the new emerging needs in society, which can be covered with entrepreneurial initiatives of young people who, with proper training and tailored counseling, can develop them successfully, thus generating their own jobs.

The data in the report point to a potential total job creation for young people under 29 years in the five selected sectors of 202,622 jobs, of which 23,486 correspond to the model of self-employment.

- Trade: is an important sector in Spain with great future projection and brings together a large majority of SMEs and a significant number of jobs, low and medium-skilled. The areas mainly highlighted are electronic commerce, local and neighborhood trade, trade in specialized products and franchises.
- Green economy: is a sector currently in continuous growth in Spain and where self-employment is particularly relevant. The most notable areas are organic farming, reuse, recycling and waste management and sustainable construction and rehabilitation.
- Tourism: This sector has present and future projections in Spain considering that at the same time it invigorates other sectors. It has a marked tendency towards self-employment. There are new emerging activities marking its evolution, such as ecotourism, sports tourism, thematic tourism, luxurious, rural, cultural or gastronomic tourism, and establishment of creative food or street food, online tourism platforms, customized travel services, applications for reservations and blogs of tourist content.
- Information and communication technologies: in this sector, it is interesting to note the importance of self-employment and the number of young people employed. The emerging areas remarkable are digital systems, cybersecurity, Smart cities, internet of things, big data, e-commerce, e-health, 3D and 4D printing, chips, robots and

other basic digital services for social networking. It is a sector with a strong degree of constant innovation where young people have much to contribute. Access to specific training is necessary and also that all technologies reach all sectors of the population.

- Personal services: This refers to family services, for the life quality services, health, as well as household services. This sector is gaining importance and will continue growing because of the social and cultural changes that are taking place in Spain. Niche business are accompanying services for dependents, promoting active aging, special treatments at home, care for children and youth, conciliation support, home maintenance services and personal care services, leisure and free time.

In the study, emerging sectors have been structured according to the National Classification of Economic Activities (CNAE) that characterizes the sectors according to macroeconomic variables. From this classification it is obtained the certificates of professional standards, which are those that give recognition of the “professionalism” of a person to perform a specific job. Following this exercise and, as it is extracted from the study when it comes to emerging sectors, new occupations arising from the normal evolution of the labor market do not find equivalence in a structure of static formal training, as it is not updated simultaneously with a labor market alive and continually asking for new knowledge, training, adaptations and innovations.

## **GENDER GAP**

It is important to note the differences between male and female presence in the five sectors. ICT sectors and green economy are mostly dominated by men and personal services by women. In the trade sector it is observed equivalence between the two sexes and in the tourism sector both men and women are employed although, depending on the subsector, there are more feminization or masculinization. According to the 2014 GEM (Global Entrepreneurship Monitor) 6 out of 10 entrepreneurship people are men. This highlights the need for the incorporation of plans promoting employment and entrepreneurship of women in male-dominated sectors within official training systems.

## **TO END...**

Therefore, in order to make inclusive entrepreneurship among young people a reality, the following needs have been identified:

- Promote the culture of entrepreneurship among young people as a possible and viable alternative to unemployment.
- It is necessary a constant updating of official training systems in order to offer an adapted training offer, adapted to what the market demands and to the new emerging labor sites.
- Design specific and tailored programs to young people focus on entrepreneurship for the emerging sectors. These programs should include technical training, skills training and support for business creation and consolidation.
- Develop specific policies addressed to encourage the entrepreneurship of these young people. These policies should include inclusive financial systems, adapted tax regime as well as support on consolidating business in the early years.





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