

Entrepreneurship on Small Islands - Policies and Realities

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Policies – three levels

Macro-economic environment – institutional arrangements

Micro-level – location-specific factors

Entrepreneurial culture – attitudes towards entrepreneurship

Gozo in Figures

Population - 31,683

Persons employed – 11,025 (an ageing population)

Business Units – 3,742

3,642 – Micro (0-9) - 97.3%

85 – Small (10-49)

15 – Medium (50+)

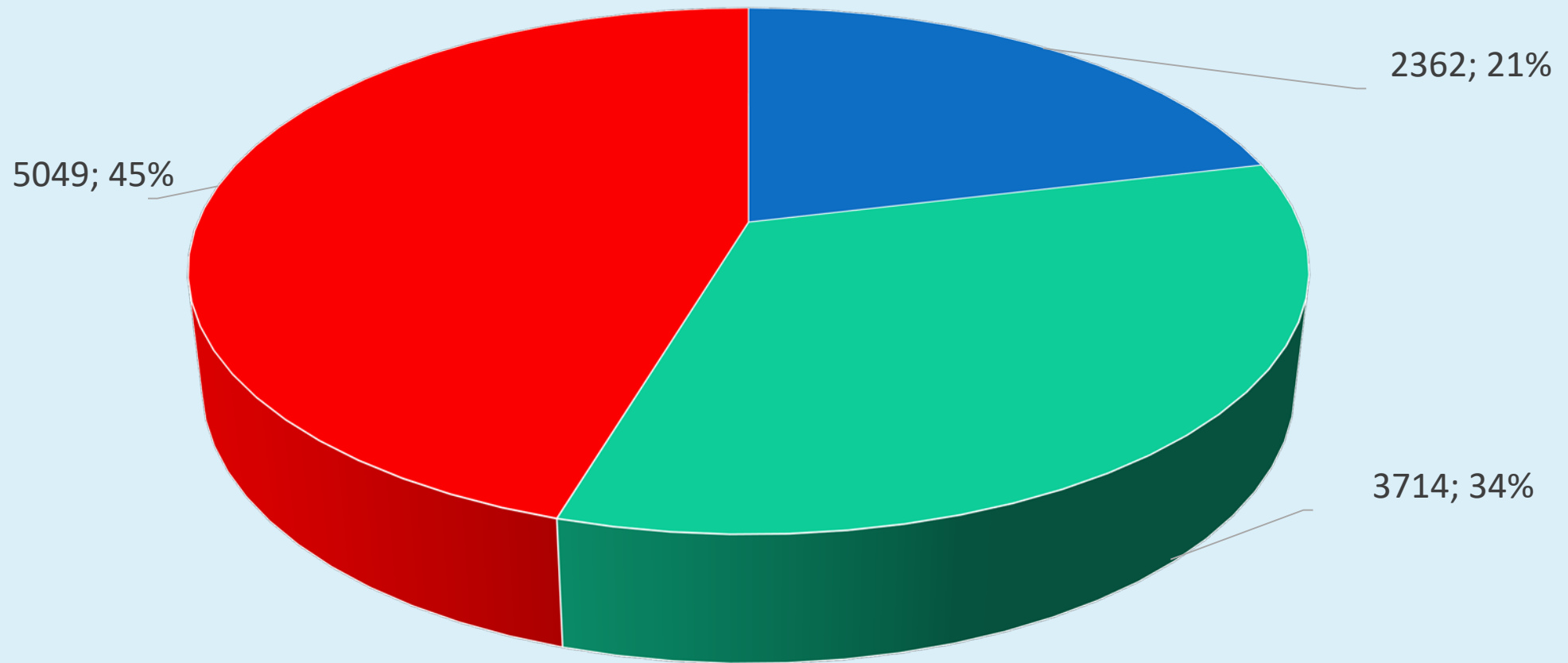
Gross Value Added - €348 million

Manufacturing €27 million (0.33% of total/3.7% of industry)

continuing to decrease

GDP per capita- 58.7% of national average

Gozo Labour Market



■ Entrepreneurs

■ Public sector employees

■ Private sector employees

Gozitan Entrepreneurs

☐ Persons in employment - 11,025 (2696 in Malta, 8329 in Gozo)

Of which self employed – **1,624** full-time

638 part-time as primary job

☐ 20.5% for Gozo (compared to 11.7% for Malta)

☐ 27.1% if we just take into consideration those actually working in Gozo

☐ 949 part-time entrepreneurs as their secondary job

Problems for islands?

- ❖ Enterprises are created but find it difficult to grow, often due to lack of support measures and inadequate infrastructure
- ❖ Brain drain, the inability to retain and attract highly educated labour
- ❖ So whilst islands do create entrepreneurs, often due to push (necessity) rather than pull (attraction) factors, the growth dimension tends to be lacking

Types of Policies?

Entrepreneurship needs a series of policies since it is a process that develops and changes:

- Support for innovative start-ups
- Commercialization of basic research
- Support for the 'entrepreneurial spirit'

Malta Enterprise Support Measures

Research and Development

Innovation Aid -

Investment Aid – Soft Loans -

Start-ups – Knowledge Transfer

Business Advisory Services

Trade Promotion

Get Qualified

Gozo Transport Grant Scheme

“The scope of this scheme is to support manufacturing undertakings operating from Gozo by reducing the additional inter-island transport costs incurred for transporting materials, goods and finished products between Malta and Gozo. This assistance serves to reduce the cost-disadvantages for manufacturers based in Gozo, rendering these businesses in a better position to compete effectively within the single market.”

Projects and initiatives

Digital accessibility

Physical accessibility

New investment – medical tourism, Barts School of Medicine, Finance and IT, ancillary clean medical technology, taking care of our cultural assets and heritage.

Infrastructure for SMEs hubs

Branding of local products

Focus has not been on manufacturing, but on services, trying not to rely too heavily on traditional tourism niches.

Conclusion

Islands need location-specific policies which cater for their special circumstances

- The lack of economies of scale
- Higher productivity per capita costs
- Higher costs due to digital and physical accessibility
- Brain drain
- Asymmetric information between capital and ideas

Macro level policies do help but are not sufficient

Thank you for your attention!

