

Inclusive Entrepreneurship Policies,
Country Assessment Notes

Czech Republic

2020

This note is part of a series of notes on country-level inclusive entrepreneurship policies and programmes prepared by the Organisation for Economic Co-operation and Development (OECD) for the European Commission. These notes provide an overview of current and planned policy actions and identify some actions that could be implemented to address gaps in the current support offering, or improve current offerings.

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Foreword

Inclusive entrepreneurship policies seek to ensure that everyone has an opportunity to create a sustainable business for those with realistic potential, regardless of their background. Business creation by people from under-represented and disadvantaged groups (e.g. women, youth, seniors, immigrants, the unemployed, people who experience disability) helps generate jobs, thereby fighting social and financial exclusion while stimulating economic growth.

These policies have become much more relevant with the COVID-19 pandemic, which has led to rapidly increasing unemployment and inactivity. Addressing this jobs crisis is one of the top policy priorities in European Union and OECD countries and inclusive entrepreneurship schemes have strong potential for moving some unemployed people back into work. Moreover, these policies can be leveraged to help re-boot economies as there is untapped growth potential among some of the target groups.

This note is the fourth country assessment note prepared by the Organisation for Economic Co-operation and Development (OECD) in collaboration with the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission on the state of inclusive entrepreneurship policies and programmes in each European Union Member State. Each note provides an overview of the entrepreneurship activities by women, youth, seniors, immigrants and the unemployed. It also provides an assessment of policies and programmes that support people from under-represented and disadvantaged groups in business creation and self-employment, and suggests policy actions to address gaps in the support system and to improve the quality of available support offers. The notes cover national-level policies and programmes and, where relevant, sub-national initiatives and actions by the non-governmental sector.

The 2020 notes include a special section on entrepreneurship support for people who experience disability. This section provides an overview of the entrepreneurship activity levels, obstacles faced and policy responses. It also contains a new section on entrepreneurship framework conditions to provide additional context for interpreting the tailored policies and programmes.

These country-specific notes are part of a wider programme of work by the OECD and the European Commission that includes “The Missing Entrepreneurs” publications, the Better Entrepreneurship Policy Tool (www.betterentrepreneurship.eu), a series of Policy Briefs on specific target groups, policies and issues, and national policy reviews of youth entrepreneurship and women entrepreneurship. This work stream examines how public policies and programmes can support inclusive entrepreneurship. This includes refining regulatory and welfare institutions, facilitating access to finance, building entrepreneurship skills through training, coaching and mentoring, strengthening entrepreneurial culture and networks for target groups, and putting strategies and actions together for inclusive entrepreneurship in a co-ordinated and targeted way. Governments are increasingly recognising the challenge of inclusive entrepreneurship, but there is still much to do to spread good practice. For more information please refer to: www.oecd.org/employment/leed/inclusive-entrepreneurship.htm.

Acknowledgements

This note is part of a series of notes on country-level inclusive entrepreneurship policies and programmes prepared by the Organisation for Economic Co-operation and Development (OECD) for the European Commission. These notes were prepared by the OECD Centre for Entrepreneurship, SMEs, Regions and Cities (CFE) led by Lamia Kamal-Chaoui, Director, as part of the programme of work of the OECD Local Economic and Employment Development (LEED) Programme, led by Karen Maguire, Head of Division. They provide an overview of current and planned policy actions and identify some actions that could be implemented to address gaps in the current support offering, or improve current offerings.

This note was prepared by Lucie Bučínová of RegioPartner. David Halabisky and Cynthia Lavisson of the OECD CFE edited the note under the direction of Dr. Jonathan Potter, also of the OECD CFE.

Finally, this note benefited from feedback and suggestions provided by Julien De Beys and Guy Lejeune of the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission.

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Key messages

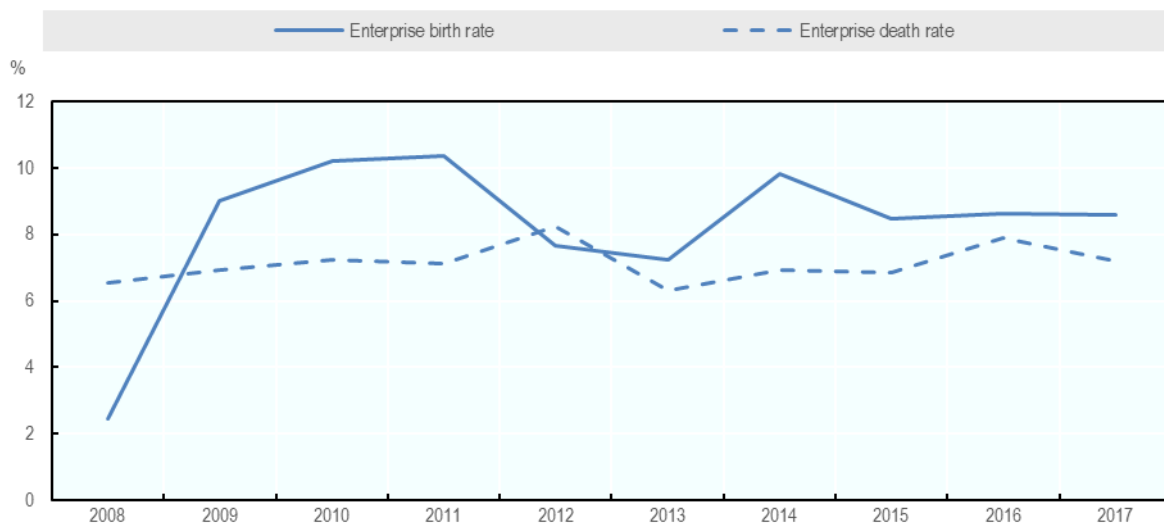
- Business entry rates have exceeded business exit rate since 2013, indicating a slow growth in the business population. Both entry and exit rates are slightly above the European Union (EU) average, indicating a higher rate of churn.
- The framework conditions for entrepreneurship are generally strong, including a business-friendly regulatory environment and an availability of financing for entrepreneurship and SMEs. However, as in many countries that moved to a market-based economy in 1989, social attitudes are, overall, less open to entrepreneurship than in countries elsewhere in the EU.
- About 15% of workers are self-employed, which is slightly above the EU average. Men are about twice as likely as women to be self-employed, which is common across the EU. However, youth are more likely than the EU average to be self-employed.
- Eliminating the differences in entrepreneurship activity rates across population groups, as measured by self-employment (i.e. applying the self-employment rate of men who are 30-49 years old to the whole population), would result in about 110 000 additional entrepreneurs. These “missing” entrepreneurs are essentially all young females (aged 20-29 years old).
- Support for the self-employment and SMEs is widely promoted, however there are no special policies and programmes to promote inclusive entrepreneurship. Nonetheless, a number of projects offer tailored training and coaching to women, youth and senior entrepreneurs. These supports appear to be of reasonable quality but could be scaled-up. There is also a need to strengthen the linkages between skills development schemes and financial support and more can be done to raise awareness about the potential of entrepreneurship among some groups (e.g. Roma, seniors and migrants).
- The most commonly used mechanisms to support access to finance for entrepreneurs include direct grants, loans and guarantees. These are typically provided through sub-programmes of the Operational Programme Enterprise and Innovation for Competitiveness or through the Employment Office, but almost none are tailored to inclusive entrepreneurship target groups.
- The following actions are suggested for strengthening inclusive entrepreneurship:
 - Identify inclusive entrepreneurship in relevant strategies to signal the policy objectives to ministries and relevant stakeholders;
 - Strengthen linkages between training offers and financial support by creating networks for entrepreneurship support organisations; and
 - Develop entrepreneurship award programmes for people with disabilities, Roma, seniors and migrants.

1 Inclusive entrepreneurship trends

Conditions for entrepreneurship

Business entry rates have exceeded business exit rate since 2013, indicating a slow growth in the business population (Figure 1.1). Both entry and exit rates have increased since 2013. Business entry rates increased from 7.2% in 2013 to 8.6% in 2017, while exit rates increased from 6.3% to 7.2% for this period. Both of these rates are about one percentage point above the median for European Union (EU) Member States. Prior to 2013, business entry rates increased rapidly between 2008 and 2011 – reaching 10.4% in 2011 – before declining for two years. Business exit rates were fairly constant at about 7%.

Figure 1.1. Business entry and exit rates



Note: Enterprise birth rate is the share enterprise births in the reference period (t) divided by the number of enterprises active in t. Enterprise death rate is the share enterprise deaths in the reference period (t) divided by the number of enterprises active in t. The construction sector is excluded from these rates.

Source: Eurostat (2020), Business demography statistics, <https://ec.europa.eu/eurostat/web/structural-business-statistics/data/main-tables>.

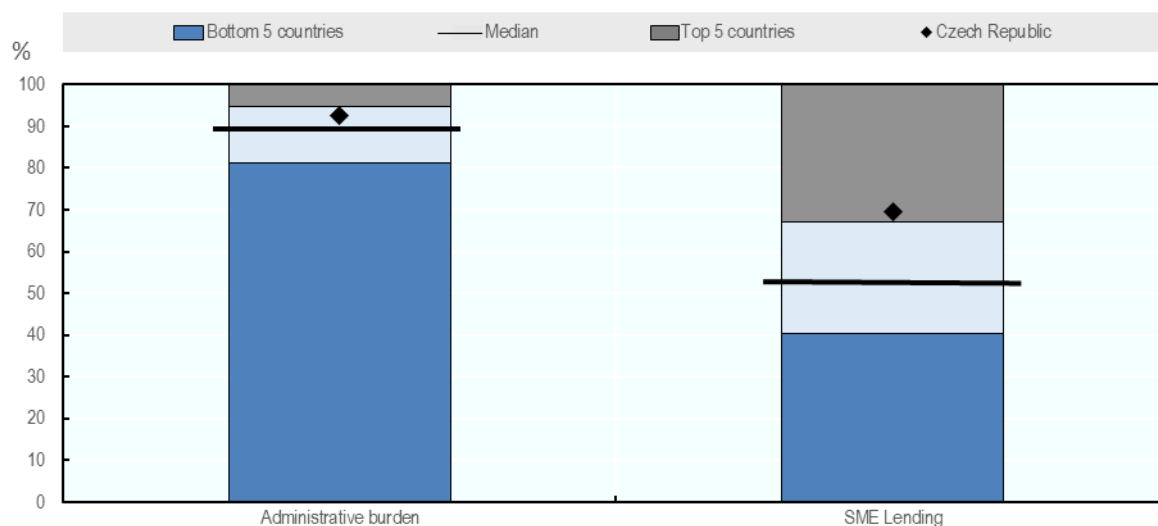
The regulatory environment is generally regarded as being supportive of entrepreneurship. For example, the level of administrative burden on new start-ups ranks above the EU median (i.e. more favourable) (Figure 1.2). The government has introduced a series of measures since 2008 to reduce the administrative burden on SMEs. However, some procedures remain complex, and the cost of enforcing contracts is one of the highest in the EU (OECD, 2019).

The financing environment for entrepreneurs and SMEs has continued to improve since the financial crisis in 2008-09. Loan rejections fell from 17.6% in 2013 to 3.2% in 2016, and SME interest rates have more

than halved since 2008 (OECD, 2019). Moreover, the share of outstanding loans to SMEs relative to all outstanding loans to businesses is among the highest in the EU (Figure 1.2). However, equity funding and venture capital (VC) investments remain under-developed. In 2017, the first programmes supporting VC were introduced in co-operation with the European Investment Fund (EIF), along with the EXPANSION programme, which provides SMEs with guarantees and preferential loans.

Figure 1.2. Conditions for business creation

Ranking relative to other European Union Member States, 2019



Note: The median score reported represents the median among EU Member States. Administrative burden is a score of 1 to 6 given to a country to reflect the relative scale of the administrative burden that new start-ups face. SME lending is share of loans to SMEs as a percentage of total outstanding business bank loans.

Source: World Bank (2019), Ease of Doing Business Survey; OECD (2020), Financing SMEs and Entrepreneurs 2020.

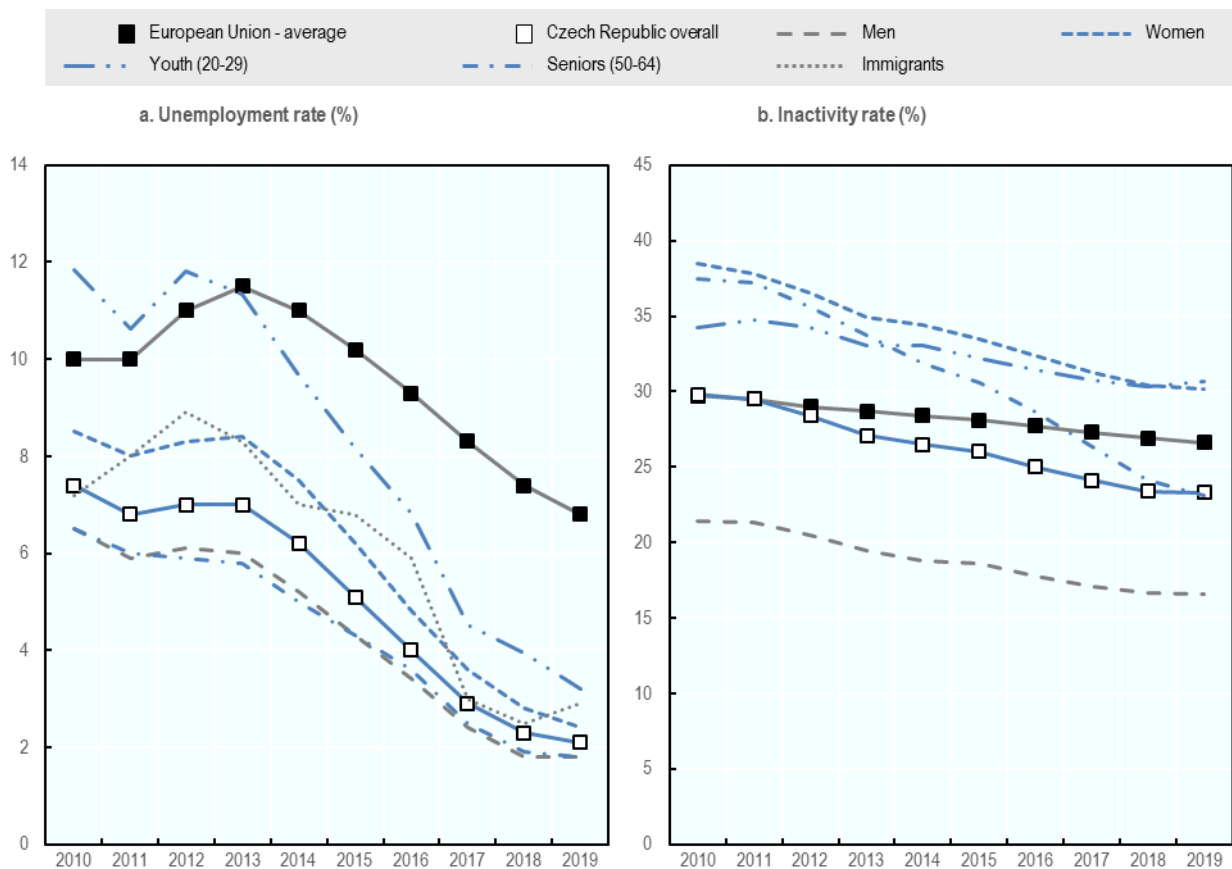
Recent labour market trends

The unemployment rate in the Czech Republic has been declining since 2012 and it has consistently been about four or five percentage points below the EU average (Figure 1.3). There is very little difference in the unemployment rate between men and women. The youth unemployment rate is also low relative to other EU countries but remains about double the overall unemployment rate.

The share of the inactive population in working age is also lower than the inactivity rate for the EU (Figure 1.3). Over the past decade, the inactivity rate declined 28.9% in 2010 to 23.3% in 2019, which was a greater decline than for the EU overall. There is now a gap between the inactivity rate for the Czech Republic and the EU average of about 3.5 percentage points. This trend is observed across the various population groups.

Figure 1.3. Unemployment and inactivity

Proportion of the labour force that is unemployed and proportion of the working age population that is inactive



Note: Break in time series for unemployment and inactivity in 2011.

Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

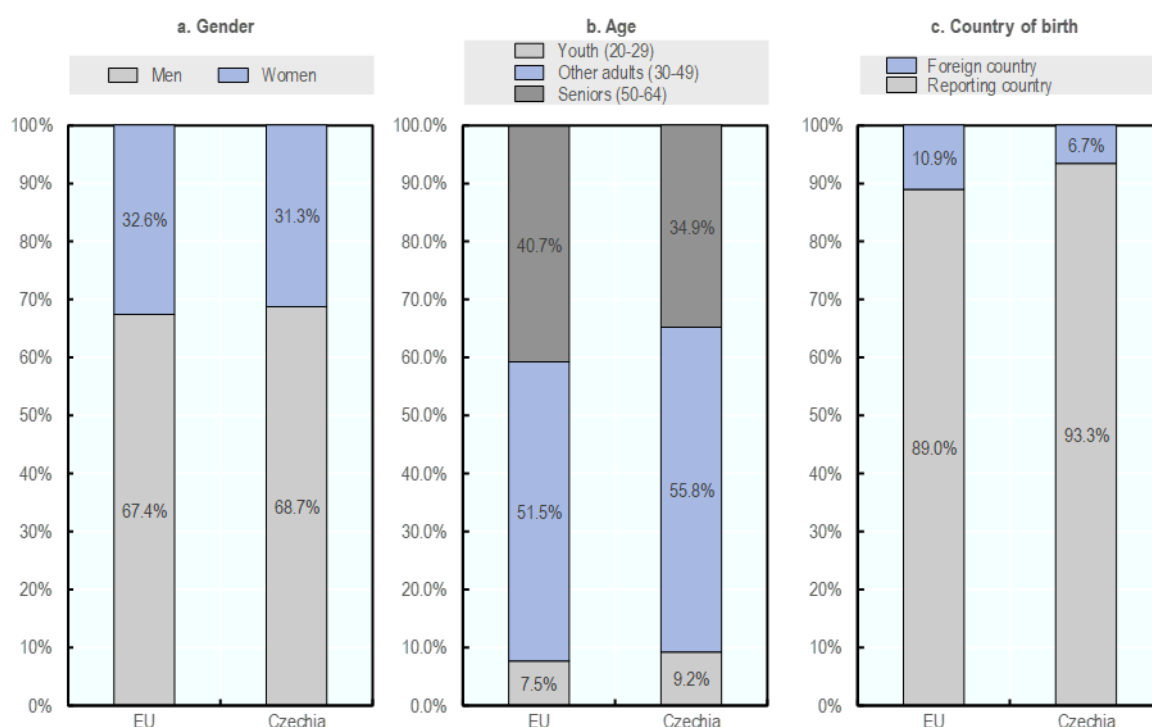
Self-employment activities

The composition of the self-employed is quite similar to that of the overall EU average (Figure 1.4). The gender distribution is essentially the same as the EU average – nearly one-third of the self-employed are women. This share has increased in recent years. The typical Czech female entrepreneurs is, on average, 45 years old (77%) and has one child.

However, the self-employed population is slightly younger than the EU average. This is common among neighbouring countries and is largely explained by the transition to a market economy, which has resulted in fewer older people being involved in self-employment and entrepreneurship because they grew up under a different economic system. Another area of difference is that there are relatively few immigrants among the self-employed. Less than 7% of the self-employed were born in another country whereas more than 10% of the self-employed in the EU were.

Figure 1.4. Composition of the self-employed

Proportion of self-employed workers, 2019

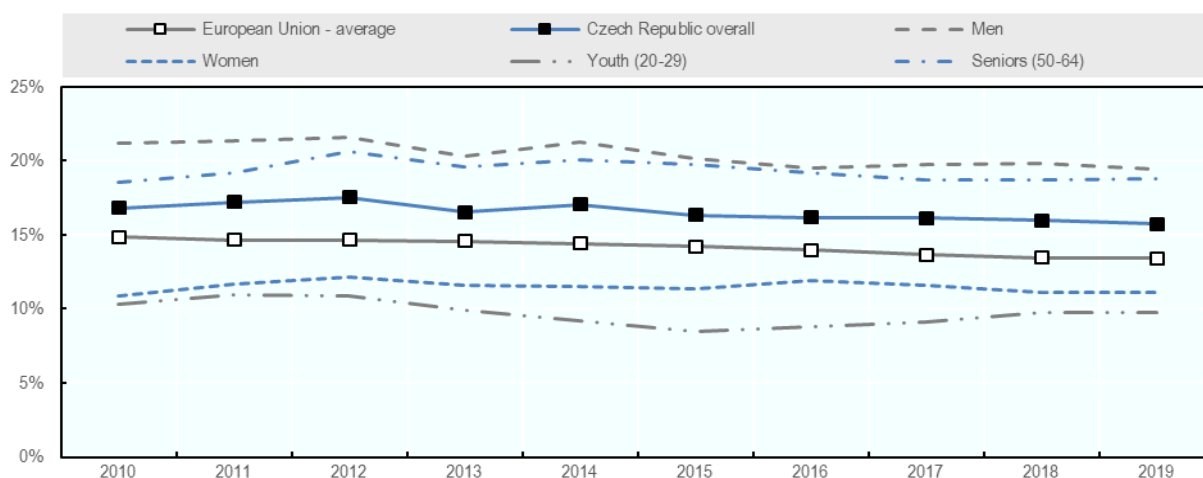


Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

The self-employment rate has been above the EU average over the past decade (Figure 1.5). Similar to other EU Member States, men were nearly twice as likely as women to be self-employed. However, the proportion of working youth who were self-employed is above the EU average. The share of working youth who are self-employed increased since 2015 after declining in the years after the financial crisis.

Figure 1.5. Self-employment rate

Proportion of employment that is self-employed



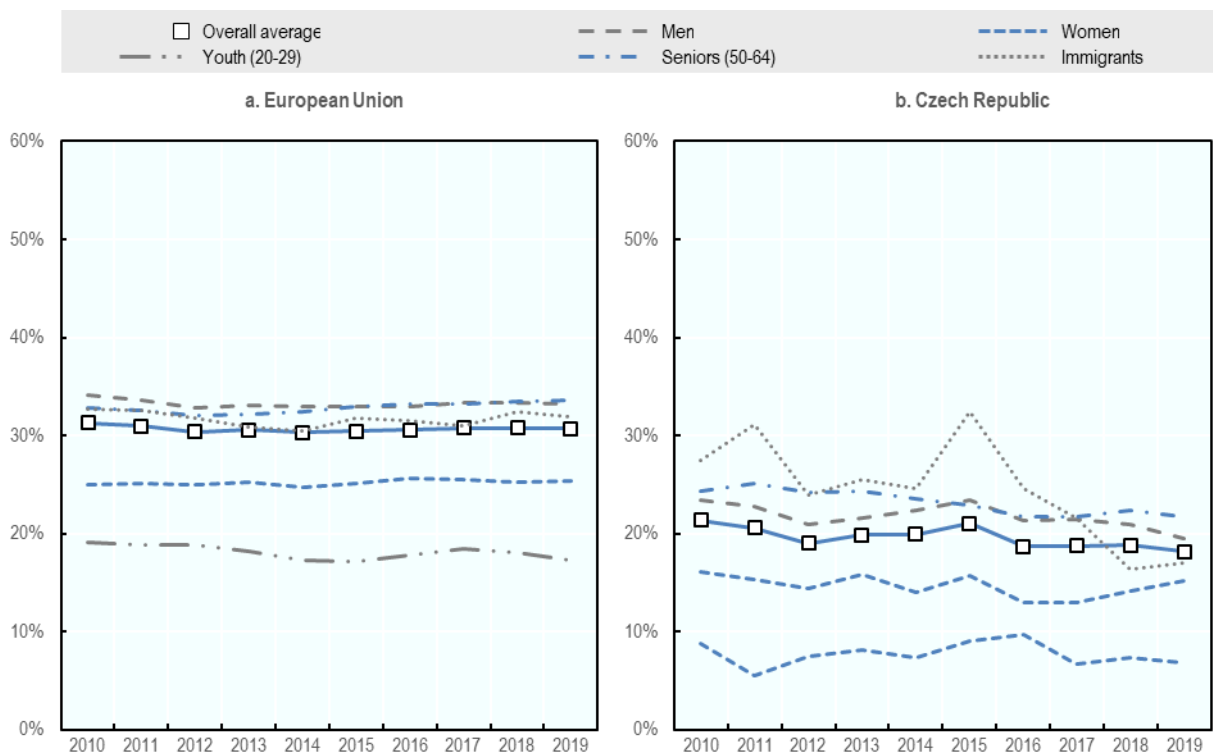
Note: Break in time series in 2011.

Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

Compared to the EU average, significantly fewer self-employed people employ other workers. About 20% of the self-employed have created jobs for others while the EU average was above 30% (Figure 1.6). The share of self-employed men with employees is about 30% higher than the share for women (15.1% for women and 19.5% for men). Very few self-employed youth have employees (7.6%), but this is greater than the EU average. The share of self-employed immigrants has declined dramatically since 2015, falling from 32.4% to 17.0% in 2019.

Figure 1.6. Self-employed as employers

Proportion of the self-employed who employ others



Note: Break in time series in 2017.

Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

How many “missing” entrepreneurs are there?

The gaps in entrepreneurship rates across population groups, as measured by the self-employment rate, suggest that there are many “missing” entrepreneurs. There are currently about 811 000 self-employed people in the Czech Republic and this number would increase by about 110 000 if the self-employment rate for core-age males (30-49 years old) was applied to the whole population.

A similar exercise can be done for each population group by applying the rate for core-age males to each group (i.e. women, youth, seniors, immigrants). This shows that virtually all of these “missing” entrepreneurs are female and about 60% are under 30 years old.

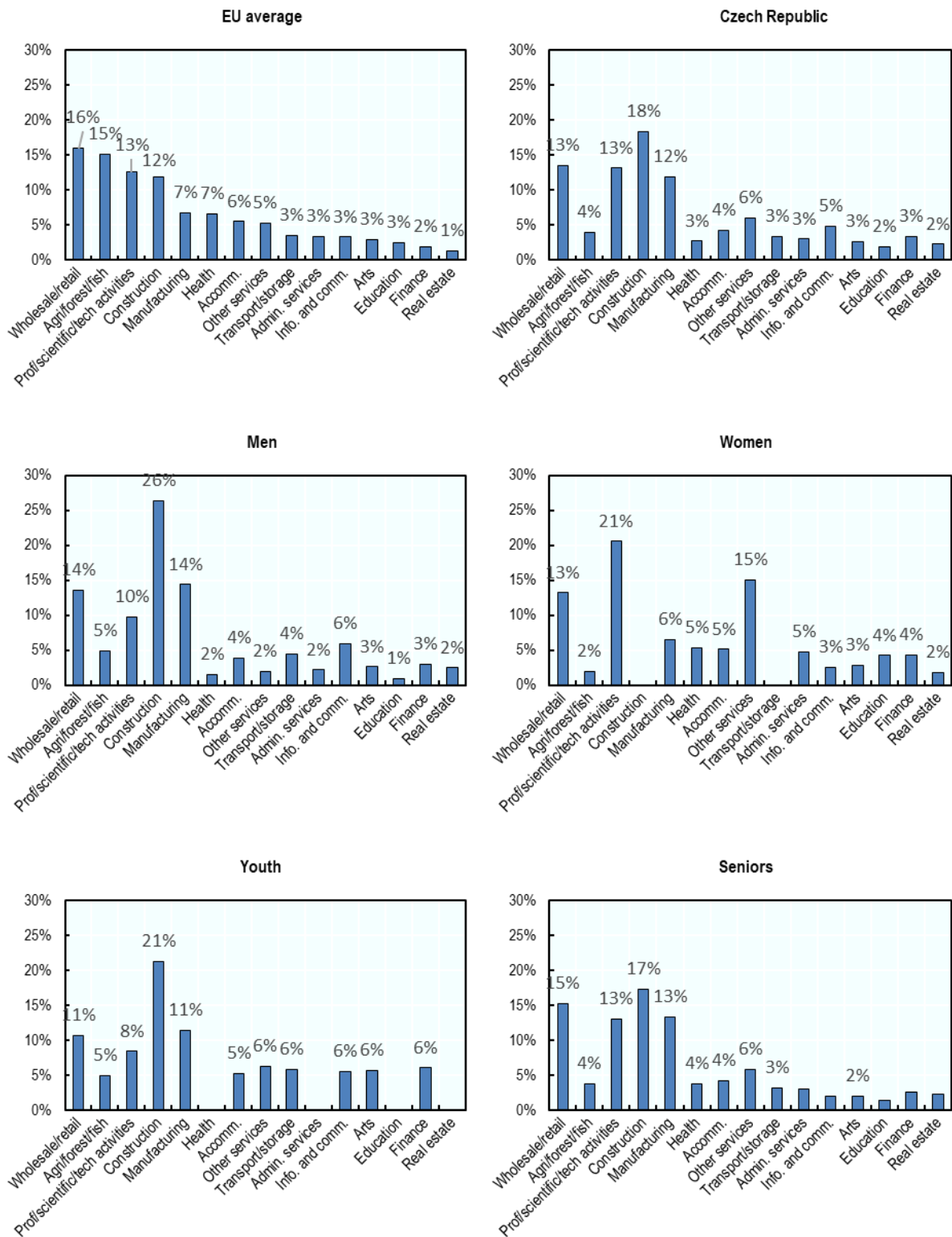
Public policy should not seek to convert all of these “missing” entrepreneurs into actual entrepreneurs. Entrepreneurship is a labour market activity that involves risk and it is not suitable for everyone. Nonetheless, the exercise of estimating the number of “missing” entrepreneurs can illustrate the scale of entrepreneurship gaps and the potential benefits if some of the gaps in activity rates were reduced.

The distribution of self-employment activities across sectors is broadly similar to the EU average, with one significant exception (Figure 1.7). Agriculture accounts for a substantial amount of self-employment in many EU countries, but less than 4% in the Czech Republic. The most significant sectors in the Czech Republic are: Wholesale and retail trade; repair of motor vehicles (16.0%); Agriculture, forestry and fishing (15.1%); Professional, scientific and technical activities (12.6%); Construction (11.9%); and Manufacturing (6.8%).

Some differences in the sector of activity can be observed by gender. As in most countries, self-employed men are concentrated in Construction and Manufacturing, while self-employed women are disproportionately working in Professional, scientific, technical activities and other service activities. Self-employed youth are heavily concentrated in Construction and Manufacturing while self-employed seniors mirror the average structure with the exception of disproportionate share working in activities in the household.

Figure 1.7. Self-employment by economic activity

Distribution of the self-employed by sector, 2019



Note: Some data for men, women, youth and seniors are suppressed due to the quality of the estimates.

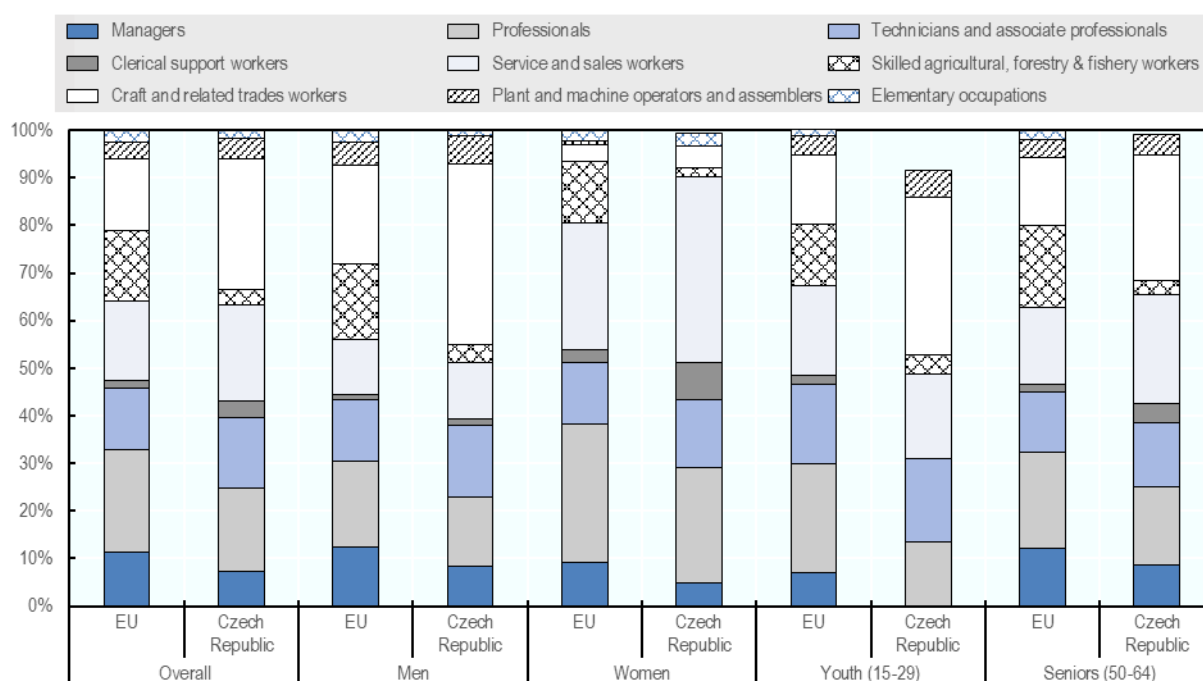
Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

There is a significant difference compared to the situation in the EU in all categories of target groups. In particular, the share of skilled agricultural, forestry and fishery workers is lower, as agricultural activities are generally low (Figure 1.8). Furthermore, a larger representation of the category of clerical support workers can be seen, especially among women.

It can be seen that the proportion of the self-employed without education or with only basic education is significantly lower than in the EU (Figure 1.9). This may be partly related to the incomparable range of activities in agriculture. On the contrary, the self-employed in the Czech Republic is completely dominated by the secondary level of education (level 3 and 4), but the share with higher education (level 5 -8) is gradually increasing.

Figure 1.8. Self-employment by occupation

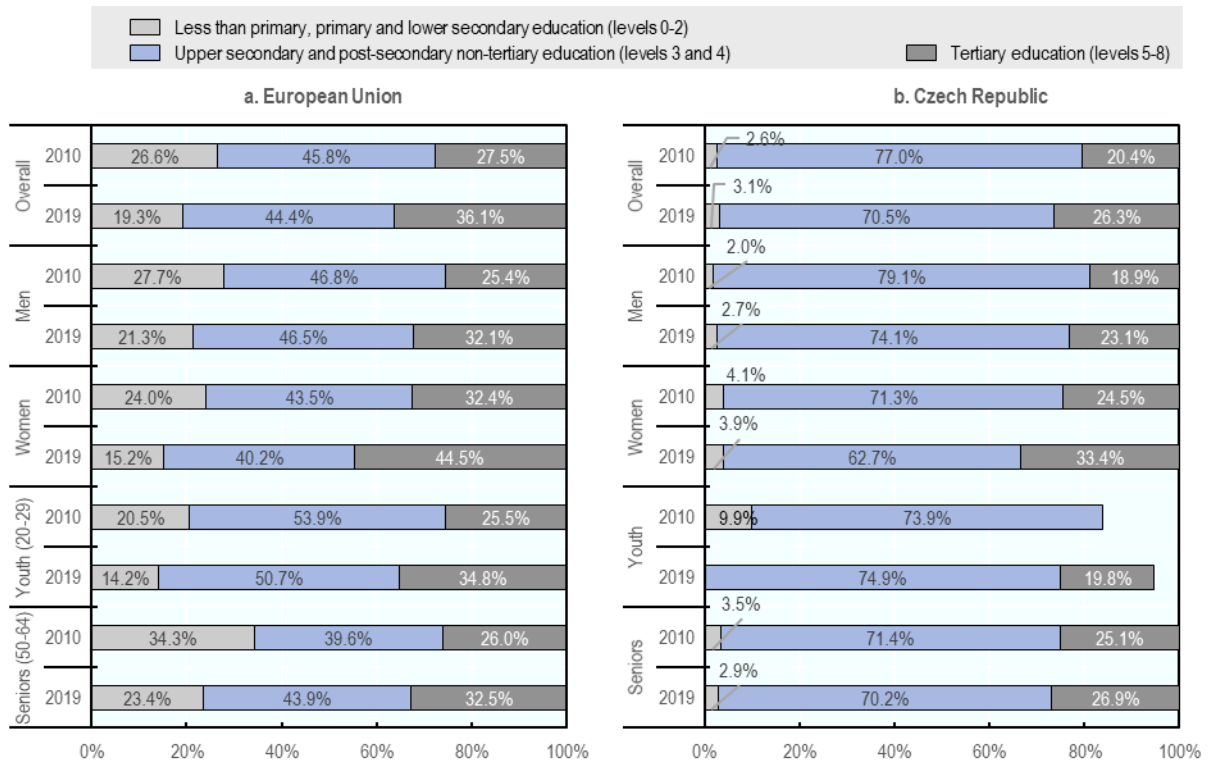
Distribution of the self-employed by occupation



Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

Figure 1.9. Self-employment by education level

Distribution of the self-employed by educational attainment



Note: Reliable data is not available for youth for levels 0-2 and 5-8. Break in time series in 2011. Break in time series in 2014
 Source: (Eurostat, 2020_[1])

2 Inclusive entrepreneurship policy framework

Overview and assessment

Table 2.1. Characterisation of the inclusive entrepreneurship policy context

		Women	Immigrants	Youth	Seniors	Unemployed
1. Entrepreneurship policies for each target group are under the responsibility of the following level(s) of government (multiple levels can be checked)	National			✓		
	Regional					
	Local					
2. A group-specific entrepreneurship strategy has been developed (either stand-alone or embedded in another strategy)		✓				
3. Clear targets and objectives for entrepreneurship policy have been developed and reported for different target groups						
4. Monitoring and evaluation practices for entrepreneurship support are strong and wide-spread						

Note: A check-mark indicates the level policy responsibility for tailored entrepreneurship policy (multiple selections are possible) and characteristics of the entrepreneurship policy framework.

Policy responsibility

Support for the self-employment and SMEs is widely promoted, however there are no special policies and programmes to promote inclusive entrepreneurship. Entrepreneurship support for disadvantaged groups represents only a marginal part of policies and programmes targeted at these groups. The main focus of the support is on the involvement of those people in the labour market predominantly as an employee.

Entrepreneurship policy is largely under the responsibility of the **Ministry of Industry and Trade**,¹ which is focused on supporting entrepreneurship and the economy in general. An entrepreneurship support is embedded in several national government documents, and in strategic documents for the allocation of EU Structural and Investment Funds (OP Enterprise and Innovation for Competitiveness, OP Employment, OP Research, Development and Education).

Several other ministries play a complementary role in designing and implementing entrepreneurship policy. The **Ministry of Labour and Social Affairs**² is responsible for the inclusion of disadvantaged population groups in the labour market as an employee or self-employed person. The **Ministry of Education, Youth**

¹ www.mpo.cz

² www.mpsv.cz

and Sports³ is responsible for the inclusion of entrepreneurship in the system of formal education at all levels of education.

In addition, the **Office of the Government of the Czech Republic**⁴ or specific councils of the Government focused on particular groups of the population (e.g. the Government Council for Equal Opportunities of Men and Women, the Government Council for Ethnic Minorities, the Government Council for the Roma Minority, the Government Board for People with Disabilities and the Government Council for Seniors and Ageing Population) also contribute with initiatives that fall within their mandate.

Specific councils are advisory government bodies responsible for social inclusion issues. They are composed of members of national bodies of the state administration, the non-profit sector, the academic community, social partners and the civil society. There is an advisory body for each target group under the Office of the Government of the Czech Republic but these bodies focus primarily on social exclusion in a comprehensive manner and on its impact on the society in accordance with the overall political framework.

Despite the number of ministries, councils and other bodies involved, there appears to be a lack of leadership in this policy area as no single entity has been tasked with overall responsibility for inclusive entrepreneurship. There is no set working mechanism for co-ordinating inclusive entrepreneurship policy actions across relevant national ministries, and with regional and local governments and civil society organisations.

Within the partnership, the non-profit sector is involved in the preparation of strategic documents and especially in their subsequent implementation. The importance of the non-profit sector in inclusive entrepreneurship support can be seen mainly as the implementer of specific projects. Non-profit organisations are recipients of subsidies and their activities focus on helping target groups. They focus mainly on soft activities (education, counselling, mentoring, coaching, etc.).

Inclusive entrepreneurship strategies and objectives

The key document concerning business support in the Czech Republic is the “**Small and Medium Enterprises Support Strategy 2014-20**” (MIT, 2012). SME policy is largely under the responsibility of the Ministry of Industry and Trade (MIT). The strategy seeks to help businesses develop and grow, notably through improvements to the business environment and direct support, including access to finance, mentoring, technology scouting, coaching, market intelligence and technology forecasting. Inclusive entrepreneurship target groups (e.g. women, youth, seniors, the unemployed, migrants, people with disabilities, etc.) are generally not explicitly mentioned in the strategy, however it highlights the long-term unemployed and persons facing social exclusion as needing additional support in accessing financing for business start-up.

A key programme that implements the objectives of the **SME Strategy is the Operational Programme Enterprise and Innovations for Competitiveness 2014-20** (MIT, 2014). The primary source of funds for this Programme is the European Regional Development Fund. However, this programme does not include special tailored support to potential entrepreneurs from under-represented and disadvantaged groups in the labour market.

A number of more specific strategies and action plans have been developed for different population groups in recent years: “Government Strategy for Equality of Women and Men in the Czech Republic for 2014-20” (The Office of the Government of CR, 2014), “Roma Integration Strategy up to 2020” (The Office of the Government of CR, 2014), Migration Policy Strategy (Ministry of Interior, 2015), Foreigner Integration Strategy (Ministry of Interior, updated 2016), Youth Support Strategy (Ministry of Education, Youth and

³ www.msmt.cz

⁴ www.vlada.cz

Sports, 2014), National Action Plan to Promote Equal Opportunities for Persons with Disabilities for 2015-20 (Office of the Government of CR, 2014). Most of these strategies mention the general importance of entrepreneurship but touch on inclusive entrepreneurship only indirectly and marginally. The majority measures targeted at disadvantaged groups aim to strengthen their labour market position as an employee.

The most significant tailored measures to support start-up and self-employment are for women, especially women caring for family members (small children, grandparents etc.). Government Strategy for Equality of Women and Men sets as one of its specific objectives “the systematic support of women's entrepreneurship, the introduction of targeted programmes to increase the number of women entrepreneurs”. This goal is implemented mainly through the Operational Programme Employment for the period 2014-20 (Ministry of Labour and Social Affairs, 2014), specifically as investment priority 1.2 Equality between women and men.

Interventions are mainly aimed at increasing the capacity of childcare facilities to enable women to return to the labour market as employee or self-employment. Interventions also provide vocational training for women and people caring for other dependent persons to improve their access to the labour market, including self-employment. However, it must be stated that there is no programme set up that primarily targets the support of women's entrepreneurship. These activities are always only part of broader interventions targeting placement in the labour market.

To implement above mentioned government strategies the ministries use, among others, primarily the European Social Fund through the Operational Programme Employment for period 2014-20 (Ministry of Labour and Social Affairs, 2014).

Monitoring and evaluation practices

Overall, **evaluation of entrepreneurship policies and strategies is not a common practice**. The implementation of the adopted measures of some strategies (e.g. Government Strategy for Equality of Women and Men, Roma Integration Strategy) is monitored in the annual reports. The typical approach is to assess the current progress in fulfilling activities and to monitor the development trend of statistical indicators. Impact evaluations are usually not implemented.

The evaluations of the OP Employment are carried out continuously. During the current implementation of the OP Employment 2014-20, approximately 20 evaluations focused on specific issues were carried out. In relation to inclusive entrepreneurship can be mentioned the evaluation of the functioning of children's groups and micro-nurseries (Ministry of Labour and Social Affairs, 2019). The support for these facilities contributes to reconciling the work-life balance of parents (especially women) and enables women to return to the labour market after maternity leave. Women are thus allowed to carry out work activities, whether in the form of self-employment or as an employee, or to start a business.

Evaluations of the calls under the Youth Employment Initiative were also carried out (Ministry of Labour and Social Affairs, 2019). The evaluation results show that 50% of the participants managed to find a job or became self-employed after the end of the project. Unfortunately, the category of self-employed and employees was monitored together, so it is not possible to evaluate the impact on starting a business of youth. The results of all partial evaluations were subsequently used in the processing of the Strategic Evaluation of OP Employment. The OP Employment monitoring indicators monitor the category “participants in employment after the end of their project participation, including the self-employment”. However, a separate figure for the self-employed is not available. However, the qualitative survey showed that the participants of projects started self-employment only in the order of units of percent.

Recent developments

Policies and strategic documents are tied to the European Structural and Investment Fund (ESIF) programming period. The reason for this is that their implementation is realised through the operational programmes with the contribution of EU financial resources. Most of the currently valid strategies and concepts have been developed for the period 2014-20.

In this period, the most significant change was the decrease of unemployment in the Czech Republic, which was the lowest in the EU. This brought lower claims for measures of Active Employment Policy. OP Employment responded to this situation by relocating the financial allocation to areas where the need for support was higher (for example, support for young people has been reduced, as interest in such support has decreased due to low unemployment).

At present, new strategies and concepts for the period 2021-27 are being prepared at individual ministries. Their completion and publication can be expected by the end of 2020.

Policy measures in response to COVID-19 to support entrepreneurs and the self-employed⁵

Since the beginning of the adoption of measures against the spread of the COVID-19 pandemic, the Government has prepared extensive financial assistance for entrepreneurs and existing self-employed persons.

For example, the following support measures can be mentioned:

- Financial support for self-employed (monthly flat rate payment for the duration of the emergency situation);
- Tax allowance for businesses (entrepreneurs are forgiven June advances on personal and corporate income tax, introduce the institute of retroactive effect of tax loss, postpone the deadline for filing a tax return for real estate acquisition tax, forgive value added tax on goods that are delivered free of charge, etc.);
- COVID Programme I. - V. (programmes for businesses from different business sectors; the support includes guarantees for loans from commercial banks, interest-free loans, subsidies for the purchase of production equipment, etc.);
- ANTIVIRUS Programme for business entities (financial compensation for employers who have been prevented by the current situation from allocating work to employees due to quarantine or child care orders);
- Forgiveness of social insurance, which is paid for the employee by the employer for a period of 3 months; and
- State participation in rental costs for SMEs (a programme designed to contribute to business to pay rents from the establishment).

Further measures will be prepared taking into account the current situation.

⁵ The text was drafted in June 2020. Policy actions implemented after this date are not covered in this report.

3 Assessment of current and planned inclusive entrepreneurship policies and programmes

Developing entrepreneurship skills

Overview and assessment of policies and programmes

Table 3.1. Characterisation of schemes for developing entrepreneurship skills

		Tailored: Are public programmes tailored for the target group (i.e. dedicated)?	Consultation: Are the targeted entrepreneurs consulted during the design of programmes?	Outreach: Are appropriate outreach methods used for different target groups?	Delivery: Are specialist organisations used to deliver programmes?	Take-up: Does the support have high take-up among target group?	Scale: Is the scale of available support sufficient?	Impact: Does evaluation evidence show a positive impact?	Integrated: Is the programme delivered linked to other related supports?	Links: Do tailored programmes link to mainstream support programmes?
Women	1. Entrepreneurship training	✓		✓	✓	✓			✓	
	2. Entrepreneurship coaching and mentoring	✓		✓	✓	✓			✓	
	3. Business consultancy, including incubators/accelerators									
Immi-grants	1. Entrepreneurship training	✓		✓	✓	✓				
	2. Entrepreneurship coaching and mentoring									
	3. Business consultancy, including incubators/accelerators									
Youth	1. Entrepreneurship training	✓		✓	✓			✓	✓	
	2. Entrepreneurship coaching and mentoring	✓		✓	✓			✓	✓	
	3. Business consultancy, including incubators/accelerators									
Seniors	1. Entrepreneurship training	✓		✓	✓					
	2. Entrepreneurship coaching and mentoring	✓		✓	✓					
	3. Business consultancy, including incubators/accelerators									
The unem-ployed	1. Entrepreneurship training	✓		✓	✓					
	2. Entrepreneurship coaching and mentoring	✓		✓	✓					
	3. Business consultancy, including incubators/accelerators									

Note: This table presents the characteristics of entrepreneurship schemes that are directly offered by national, regional and local governments, as well as those that are financed by the public sector but delivered by other actors. It considers the “typical” entrepreneur in each of the different target groups, in the “typical” region in the country. A check-mark indicates when the characteristic is typically fulfilled.

Entrepreneurship support is, in general, implemented primarily within the OP Enterprise and Innovation for Competitiveness 2014-20. However, after meeting certain conditions, this support is intended for business entities without distinction. Support from this programme is focused on counselling new entrepreneurs as well (Counselling sub-programme) but does not differentiate vulnerable groups, it is open to all.

Entrepreneurship skills development can be one of the many activities of projects realised within the OP Employment. While the individual calls of the OP Employment focus on “persons from disadvantaged groups”, they do not distinguish between subgroups (e.g. unemployed, migrants, etc.). The exceptions are youth and to some extent, women. However, the impacts of these activities on the rate of successful start-up of disadvantaged groups are not systematically monitored and evaluated. Monitoring indicators provide information on whether a project participant has succeeded in being placed on the labour market and do not distinguish between an employee and a self-employed person. It is also necessary to take into account that the implemented projects are not focused exclusively on activities leading to entrepreneurship, but offer a wider range of activities needed to place the applicant on the labour market.

Women

The support of women's participation in the labour market (as employee or entrepreneur) is mostly financed from OP Employment, support area 1.1 Access to Employment or support area 1.2 Equality of Men and Women and Good Work-Life Balance⁶ (OP Employment 2014-20, Ministry of Employment and Social Affairs, 2014). The calls in support area 1.1 have a wider range of target groups that can be combined with each other. The target groups also include women (caring for a family member, the long-term unemployed, etc.). Supported activities are, among other things, aimed at acquiring the competencies necessary to start a self-employed activity. In addition, the calls in support area 1.2 are focused on expanding the capacity of facilities for children (kindergartens, day nursery, children's groups etc.). Although a number of projects have already been supported in this area, the capacity of children's facilities is still insufficient. This limits women's return to the labour market after maternity leave.

However, none of the calls are primarily focused on supporting women's entrepreneurship. These calls are mainly aimed at expanding the capacity of facilities for children, which allows women to return to the labour market (both in the form of employees and in the form of entrepreneur). The same can be seen in calls aimed at promoting employment, as education-acquired competences (e.g. management, accounting, finance) can lead to starting their own business. In addition to education, some individual projects financed from OP Employment focus on career and business counselling for returning to the labour market. They include individual counselling in combination with group activities (consultations, workshops, mentoring, networking). They also often focus on motivational courses and seminars on how to do business.

Projects financed from ESF (OP Employment) are realised by Labour Office, non-governmental organisations, business and regional agencies, educational institutions and associations. In addition to projects financed from the ESF, these entities may implement other projects financed from other sources (regional budgets, foundations, own finances, Norwegian funds, etc.).

An example of such a project is the project of The Association of Small and Medium-Sized Enterprises and Self-Employed Persons of the Czech Republic (www.amsp.cz). This association focuses, among other things, on supporting women's entrepreneurship. The association joined forces with platform WOMEN s.r.o. (a medium based on the communication of Word of Mouth with tens of thousands of registered women, where about 10% of it is entrepreneurial women) and a specific project the “Entrepreneurial Women” was created and has been implemented since 2015. The project helps starting businesswomen prepare their own business plan or establish a company. The target groups are mainly mothers with small children and women 50+. The project activities include the Academy of Businesswomen – this is an

⁶ <http://www.dotacni.info/operacni-program-zamestnanost-2014-2020/podpora-zamestnanosti-a-adaptability-pracovni-sily/>

education initiative, covering the following topics: founding a company, how to do business, how to manage finances, what to prepare for the negotiations with authorities and customers. There are also regular networking meetings, including the transfer of experience, working round tables, personal counselling, workshops, trade fairs and conferences. With the support of private bank *Raiffeisenbank*, new start-up entrepreneurs are also provided with a small financial bonus, which is non-refundable and which serves to make their own business more convenient. A grant of CZK 100 000 (approximately EUR 3 760) for women entrepreneurs is also announced every year.

Immigrants

In general, the integration of immigrants is financed both from national sources (subsidies from relevant ministries) and from EU sources (ESIF). An important source of funding for projects integrating immigrants into the labour market is the OP Employment 2014-20. However, the suite of existing policy supports do not cover business creation and self-employment.

The non-governmental sector plays a very important role in supporting the integration of immigrants into society and labour markets. Most of these organisations are small organisations that focus on local areas and offer supports such as labour market information, counselling, education, awareness-raising or community services. Often, these organisations also offer counselling and education related to starting a business. One of the implemented projects is, for example, the project "Entrepreneurship as a way out of social exclusion". The project is aimed at supporting immigrants and asylum seekers and their integration into the labour market as self-employed. The objectives of the project include supporting the creation of a business plan and providing supporting on regulatory and administrative matters. It is generally viewed as a very successful project.

In addition, some regions and municipalities may announce subsidy programmes focused on the integration of foreigners on their territory. In Prague, where the most immigrants are registered, the city is implementing the "Programme to Support the Integration of Foreigners." One of the specific projects supported by this programme is the project "Networking meetings - exchange of experiences and mutual knowledge". The project is designed for persons from the target group of foreigners living in Prague who are considering the possibility of starting a business, or have already started a business, but need to supplement information in specific areas related to doing business in the Czech Republic.

Youth

Within the OP Employment, Young people represent the target group on which specific initiatives are focused. The Youth Employment Initiative (YEI) is used in three regions where youth unemployed is highest (Ústí nad Labem, Karlovy Vary and Moravia-Silesia). Interventions are provided in two ways:

- The programmes implemented by regional Labour Offices in each of the three regions. They are focused mainly on increasing qualifications and gaining experience to increase the possibility of employment in the labour market in general.
- The programmes implemented by the regional authority in each of the three regions. Although these programmes are smaller in scope, they also include, for example, activities supporting business creation or individual coaching. Specifically, the following programmes focused on business were implemented: the counselling programme "From School to Entrepreneurship", the programme "Entrepreneurship Education" and the programme "Start a Business".

In 2018, an evaluation of the YEI (Ministry of Labour and Social Affairs, 2018) was carried out. It covered five programmes supported by the YEI (including those implemented by Labour Offices and regional authorities), which supported 4 375 people as of the date of the evaluation. The quantitative survey on a sample of supported persons showed that a total of 80% of respondents were employed or self-employed (alone or in combination with education or internships) six months after leaving the project. In the subjective

assessment, 51% of respondents stated that they owe their employment/self-employment to participation in the YEI project. The evaluation of YEI also showed that due to the significantly better socio-economic situation of young people in recent years, especially the reduction of their unemployment, it is difficult to get participants in projects. For this reason, funds were reallocated.

In addition to the YEI, 13 projects of the "Youth Guarantee" call are being implemented. The projects are implemented by the Labour Office throughout the Czech Republic, with the exception of the capital city of Prague. The projects are aimed at supporting employment or the return to education of young people with social disadvantages. One of the activities of the projects is to support the start of self-employment, especially in the form of retraining, counselling and the provision of contributions.

Seniors

The Strategy for Preparation for the Aging of Society 2019-25 follows on from the National Action Plan supporting positive aging for the period 2013-17. In accordance with the priorities and goals of the National Action Plan, a subsidy programme "Support for publicly useful activities of senior and pro-senior organisations with nationwide competence" was announced every year.

Although the programme is not directly aimed at supporting senior entrepreneurship, the Association of SMEs and Self-Employed Persons has been implementing Silver Business project since 2018 with the help of financial resources from this programme. Silver Business focuses on supporting both seniors in self-employment and their work engagement. The main goal of the project is not the employment of seniors and the search for employees for SMEs, but their interconnection on a business basis. During several months of co-operation, self-employed seniors help smaller companies; for example with setting up internal processes (financial management, quality management, human resource development. Thus, one senior can be helpful to several smaller companies or start-ups at once. For educational institutions (primary schools, secondary schools, universities), seniors are a very valuable element from real practice and therefore the co-operation is established with them in field of vocational education.

The unemployed

The unemployed are supported through the Labour Office. The Labour Office implements a number of projects from the OP Employment, which are focused on placing job seekers on the labour market. While none of these projects are focussed on self-employment, the unemployed have the opportunity to participate in other projects financed from OP Employment which are implemented by NGOs and other institutions. The target group of these projects is broadly defined as persons at risk of social exclusion (unemployed, Roma, migrants, people with disabilities etc.). Likewise, the supported activities are broadly defined and it is not usual for projects to focus exclusively on business support. These projects provide consultancy, educational activities (also in the field of business), coaching, mentoring, etc.

The Roma

Due to the fact that the Labour Office cannot, according to Act No. 435/2004 Coll., On Employment, request information about the ethnicity of job seekers. Therefore it is not known about many Roma applying for employment mediation at the Labour Office. There are, however, systematic barriers to labour market participation for the Roma. The most common barrier for long-term unemployed jobseekers is their high indebtedness and low qualifications. Related to this is the focus of interventions, which primarily aim to increase qualifications, acquire the necessary work habits and find a job as an employee. Support is not targeted at self-employment and it can only represent a secondary effect of active employment policy instruments. It is also necessary to state that the instruments of active employment policy are not explicitly intended for the Roma, but are offered to everyone, regardless of their ethnicity.

Financing entrepreneurship

Overview and assessment of policies and programmes

Table 3.2. Characterisation of schemes for facilitating access to finance

		Tailored: Are public programmes tailored for the target group (i.e. dedicated)?	Consultation: Are the targeted entrepreneurs consulted during the design of programmes?	Outreach: Are appropriate outreach methods used for different target groups?	Delivery: Are specialist organisations used to deliver programmes?	Take-up: Does the support have high take-up among target group?	Scale: Is the scale of available support sufficient?	Impact: Does evaluation evidence show a positive impact?	Integrated: Is the programme delivered linked to other related supports?	Links: Do tailored programmes link to mainstream support programmes?
Women	1. Grants for business creation									
	2. Loan guarantees									
	3. Microfinance and loans	✓		✓					✓	
	4. Other instruments (e.g. crowdfunding, risk capital)									
Immigrants	1. Grants for business creation									
	2. Loan guarantees									
	3. Microfinance and loans									
	4. Other instruments (e.g. crowdfunding, risk capital)									
Youth	1. Grants for business creation									
	2. Loan guarantees									
	3. Microfinance and loans									
	4. Other instruments (e.g. crowdfunding, risk capital)									
Seniors	1. Grants for business creation									
	2. Loan guarantees									
	3. Microfinance and loans									
	4. Other instruments (e.g. crowdfunding, risk capital)									
The unem- ployed	1. Grants for business creation	✓		✓	✓					
	2. Loan guarantees									
	3. Microfinance and loans									
	4. Other instruments (e.g. crowdfunding, risk capital)									

Note: This table presents the characteristics of entrepreneurship schemes that are directly offered by national, regional and local governments, as well as those that are financed by the public sector but delivered by other actors. It considers the “typical” entrepreneur in each of the different target groups, in the “typical” region in the country. A check-mark indicates when the characteristic is typically fulfilled.

The most commonly used financial mechanisms to support entrepreneurs are direct grants, loans and guarantees, which are typically provided through sub-programmes of the Operational Programme Enterprise and Innovation for Competitiveness or through the Employment Office. These grants are, however, open to everyone and there are no special provisions for people from any of the key target groups.

The Czech-Moravian Guarantee and Development Bank (ČMZRB) delivers some financial support through the national programme Guarantee 2015-23, launched by the Ministry of Industry and Trade. In 2015,

ČMZRB signed the COSME Counter-guarantee Agreement with the European Investment Fund to increase the capacity of the national programme. It offers individual guarantees with financial contribution for SMEs and social entrepreneurs.

Individual regions of the Czech Republic also have a number of programmes that support the creation of new start-ups. They provide support in various forms: business vouchers, innovation vouchers, technology vouchers, start-up vouchers, acceleration programmes, preferential rentals in incubators and science and technology centres, consulting, sharing of space and technical equipment, participation in competitions, etc. This support is open to all and is not targeted at disadvantaged groups.

Business loans are provided by many banking and non-banking institutions on a commercial basis. The conditions are again the same for all applicants. The specific situation of disadvantaged groups is not taken into account.

Women

Raiffeisen Bank provides soft loans for women entrepreneurs who are members of the platform WOMEN s.r.o. (already noted in connection with project Entrepreneurial Woman). The advantage lies in the remission of entry fee for processing the loan application which is usually set at 0.5% of the required loan amount. This support is financed from the bank's own resources and does not use public funding. Otherwise, the same rules apply as for everyone else.

The unemployed

The Employment Office offers a grant to registered job seekers for setting up businesses. The amount of the grant payment varies across regions, depending on the situation in the local labour market. A bridging allowance is also offered (it can be used to pay the operating costs of the business such as rent, transport, etc.). An entrepreneurship plan must be submitted and assessed to qualify for the bridging allowance. Through this scheme, a new entrepreneur may receive support amounting to CZK 100 000 (approximately EUR 3 800). No information is available on the sustainability of businesses supported through this scheme.

Entrepreneurship culture and social capital

Overview and assessment policies and programmes

Table 3.3. Characterisation of public policy actions to promote entrepreneurship and develop networks

		Tailored: Are public programmes tailored for the target group (i.e. dedicated)?	Consultation: Are the targeted entrepreneurs consulted during the design of programmes?	Outreach: Are appropriate outreach methods used for different target groups?	Delivery: Are specialist organisations used to deliver programmes?	Take-up: Does the support have high take-up among target group?	Scale: Is the scale of available support sufficient?	Impact: Does evaluation evidence show a positive impact?	Integrated: Is the programme delivered linked to other related supports?	Links: Do tailored programmes link to mainstream support programmes?
Women	1. Entrepreneurship campaigns, including role model initiatives	✓	✓	✓	✓		✓			
	2. Networking initiatives	✓		✓	✓		✓			
Immigrants	1. Entrepreneurship campaigns, including role model initiatives									
	2. Networking initiatives									
Youth	1. Entrepreneurship campaigns, including role model initiatives	✓		✓	✓					
	2. Networking initiatives	✓			✓					
Seniors	1. Entrepreneurship campaigns, including role model initiatives									
	2. Networking initiatives									
The unemployed	1. Entrepreneurship campaigns, including role model initiatives	✓		✓	✓				✓	
	2. Networking initiatives									

Note: This table presents the characteristics of entrepreneurship schemes that are directly offered by national, regional and local governments, as well as those that are financed by the public sector but delivered by other actors. It considers the “typical” entrepreneur in each of the different target groups, in the “typical” region in the country. A check-mark indicates when the characteristic is typically fulfilled.

A number of entities are involved in building the business environment and social capital. Their goal is not only to create friendly and transparent conditions for business, but also to build a positive image of business, disseminate examples of successful entrepreneurs and promote the benefits of business. In addition to the ministries concerned, various business associations, chambers, foundations, regional institutions, as well as successful companies themselves, take part in these promotional activities. These activities are funded from national and regional public sources, as well as from EU and private sources.

Women

According to an international comparative survey by Metro Group, one in five women would like to start a new business, but only 6% of Czechs think that their business plan has a chance of success. Therefore, a number of promotional activities are implemented in the area of women's entrepreneurship support.

A number of online platforms have been created to improve access to information for self-employed women on successfully running a business. These platforms often include opportunities to network with other women entrepreneurs. Examples include www.ipodnikatelka.cz and www.podnikavazena.cz. The platform "Entrepreneurial Women" brings together almost 60 women from the Pardubice and Hradec Králové regions. This women's platform brings together businesswomen of various specializations. Entrepreneurs can use educational events, sharing experiences, networking events, connections with public institutions, mentoring and more.

There are also a number of awards for female entrepreneurs, which helps promote entrepreneurship for this group. Examples include the Female Entrepreneur of the Year Award (*Podnikatelka roku*), Award of the Female Czech Entrepreneur (*Ocenění Českých podnikatelek*), Start-ups of the Year (*Rozjezdy roku*), and TOP Czech Woman (*TOP ženy Česka*). Various competitions are also held at the regional level. E.g. The Lady Business competition is intended for women in the Moravian-Silesian Region. Its activities contribute to the support of entrepreneurship and the development of the region. The aim of the competition is to support women – entrepreneurs and managers of non-profit organisations – to highlight their work, commitment, efforts and determination in their activities. The competition also wants to highlight their business achievements and social impact and help them with promotion. To show them as a good example of how business and organisation management can be combined with the role of woman and mother.

Immigrants

There are no national programmes promoting entrepreneurship for immigrants, but some non-governmental organisations include networking activities for immigrant entrepreneurs or showcase examples of successful immigrant entrepreneurs as part of specific projects. An example is the project "Networking meetings - exchange of experiences and mutual knowledge." It is primarily intended for persons from the target group of foreigners living in Prague who are considering starting a business, or have already started a business, but need to supplement information in specific areas related to doing business in the Czech Republic.

Youth

There are ongoing efforts to promote entrepreneurship to youth. Entrepreneurship education has been slowly expanding its reach within the formal education system. It is now part of the General Education System for basic education, which specifies that upon completion of secondary education, pupils should know how to prepare a basic business plan and understand the essence, goals, and risks of entrepreneurship. To support teachers in achieving this, professional courses and seminars have been developed, along with manuals. Many of these activities are supported by the European Social Fund.

There are many competitions related to business for young people. A number of competitions are organised for high school and university students. Some competitions are aimed at beginning entrepreneurs. The organisers of these competitions are educational institutions, regional chambers of commerce, various associations of entrepreneurs, foundations, regions, etc.

There are also several projects that seek to help youth become familiar with entrepreneurship and to offer some initiative support to those interested in pursuing it. For example, there is a large project called "Do it!" (*Podnikni To!*), which help participants to start their own real business intentions. At present, these workshops take place at nine universities, several other educational institutions and have hundreds of graduates. Another example is the series of regular meetings called "Meet Up" in Prague and Brno, where

there are guest speakers, project presentations and networking. A web platform was created within the project (www.svou-cestou.cz). Planned events, stories of young entrepreneurs, information about entrepreneurship are published on this platform.

The Association of Small and Medium-Sized Enterprises and Self-employed is also active in promoting entrepreneurship to youth through its initiative “Young Business.” This project seeks to motivate young people to start a business through meetings with role model entrepreneurs. The project is organised in co-operation with *Komerční banka* and a media partner Trade News.

Seniors

There are no government programmes promoting entrepreneurship among seniors, and no significant programmes promote entrepreneurship among seniors in the non-governmental sector. However, a number of online platforms aimed at seniors have been created in recent years. In general, these platforms do not specifically focused on senior entrepreneurship, although sometimes they promote articles on entrepreneurship (e.g. www.i60.cz).

The unemployed

There are no government programmes promoting entrepreneurship among the unemployed, as the main focus is participation in the labour market as employees. However, as part of the implementation of ESF projects aimed at strengthening the competencies of the unemployed and placing them on the labour market, some organisations also present examples of good practice where someone has successfully started a business. This can increase the motivation of project participants and enable the networking of like-minded people.

Regulatory measures

Overview and assessment of regulatory environment

Table 3.4. Characterisation of regulatory measures used to support entrepreneurship

			Tailored: Are public programmes tailored for the target group (i.e. dedicated)?	Consultation: Are the targeted entrepreneurs consulted during the design of programmes?	Outreach: Are appropriate outreach methods used for different target groups?	Delivery: Are specialist organisations used to deliver programmes?	Take-up: Does the support have high take-up among target group?	Scale: Is the scale of available support sufficient?	Impact: Does evaluation evidence show a positive impact?	Integrated: Is the programme delivered linked to other related supports?	Links: Do tailored programmes link to mainstream support programmes?
Women	1. Support with understanding and complying with administrative procedures		✓		✓						
	2. Measures to address group-specific regulatory challenges	Maternity leave and benefits for the self-employed Access to childcare	✓ ✓		✓	✓	✓		✓		
Immigrants	1. Support with understanding and complying with administrative procedures		✓			✓					
	2. Measures to address group-specific regulatory challenges	Entrepreneurship visa Administrative and tax obligations can be met in several languages	✓		✓	✓					
Youth	1. Support with understanding and complying with administrative procedures		✓		✓	✓					
	2. Measures to address group-specific regulatory challenges	Student business legal form Reduced tax and/or social security contributions for new graduates	✓		✓	✓					
Seniors	1. Support with understanding and complying with administrative procedures										
	2. Measures to address group-specific regulatory challenges	Medical leave schemes for the self-employed									
The unemployed	1. Support with understanding and complying with administrative procedures										
	2. Measures to address group-specific regulatory challenges	Welfare bridge to support those moving into self-employment Mechanisms for regaining access to unemployment benefits if business is not successful	✓ ✓		✓	✓					

Note: This table presents the characteristics of entrepreneurship schemes that are directly offered by national, regional and local governments, as well as those that are financed by the public sector but delivered by other actors. It considers the “typical” entrepreneur in each of the different target groups, in the “typical” region in the country. A check-mark indicates when the characteristic is typically fulfilled.

A certain legislative ambivalence represents a weak spot in cultivating the social and cultural potential for entrepreneurship. On the one hand, conditions for entrepreneurs are tightening up to reduce the black economy but on the other hand, the intention to simplify the business environment and to reduce the administrative burden is being declared. The attitude to inclusive entrepreneurship is similarly ambivalent – it is understood as socially beneficial but at the same time there is the question of whether the spent societal cost will bring the expected effect.

Women

Support for women in business creation is implemented within educational activities as part of projects financed from OP Employment. Education is focused, among other things, on orientation in laws, legislative regulations, requirements for communication with health insurance, social security administration, tax office and more. Support with regulatory and administrative issues is offered by the Labour Office.

Women on parental leave receiving parental allowance can operate a business as a self-employed person. The conditions for doing business are the same as for other self-employed persons. The advantage is that their business is an ancillary activity in terms of premiums and, as state insured persons, they have milder conditions for health and social insurance payments than people with entrepreneurship as a main activity. In the first year of business, the women do not have to pay advance payment for health insurance. In the following years, the insurance is based on the tax base. If the set decisive amount is not exceeded, there is no need to pay pension insurance at all.

Women who have been in business for some time and go on maternity leave have the same conditions as women employees (if they have paid health insurance). This means that they receive in the first stage a maternity allowance for maximum of 28 weeks. In the second stage receive a parental allowance. The parental allowance is a maximum of CZK 300 000 (approximately EUR 11 300) and the woman chooses for which period she will use it out (but not more than four years of age).

Women receiving parental allowance can use childcare services (crèches, kindergartens, children's groups), but the child's stay in this facility must not exceed 46 hours per month. During the 2014-20 programming period, the number of places in pre-school facilities increased with the contribution of the ESIF. New kindergartens and nurseries were built, existing capacities were expanded, and nurseries and children's groups were established. Nevertheless, problems with the lack of places for children in pre-school facilities persist, especially in larger cities.

Immigrants

Immigrants with a permanent residence permit, asylum or subsidiary protection status, EU citizenship, or a residence permit for the purpose of doing business have the same rights and obligations as Czech citizens. The Act on the Residence of Foreigners allows to apply for a long-term visa for business purposes. The application can be submitted at embassies of the Czech Republic abroad. The permit is authorised by the Ministry of the Interior of the Czech Republic. From September 2019, numerical quotas for issuing long-stay visas for business purposes were introduced. Quotas are set differently for specific countries and for a specific level of work / qualification of workers.

Trade licensing authorities and other institutions also publish information in foreign languages (mostly in English, Russian, Ukrainian and Vietnamese - the most common group foreigners living in the Czech Republic). Some NGOs provide foreigners with counselling on starting a business, language courses, assistance in dealing with authorities, and more.

Youth

A student over the age of 18 who has decided to start a business must first apply to the Trade Licensing Office for a trade license. Within eight calendar days from the beginning of the business, the student must

register by the Czech Social Security Administration, the relevant health insurance company and the Tax Office. A student is a person up to the age of 26 who is constantly preparing for a future profession. After a month of reaching the age of 26, the student becomes a self-employed person with the obligation to pay minimum advance payments for health and social insurance.

A self-employed student is considered as a person whose business is a secondary activity in terms of insurance. Participation in pension insurance is voluntary up to a certain amount of the assessment basis. After exceeding the decisive amount it is already mandatory. Participation in health insurance is voluntary. From the point of view of health insurance, a self-employed student is considered to be a person for whom the state pays insurance premiums. A self-employed student can apply for tax rebates – a tax rebate for a taxpayer, a rebate for continuous training for a future profession, or other rebates to which he is entitled.

Seniors

A person who receives a retirement pension can continue to do business or can start a new one. The Pension Insurance Act does not impose any restrictive conditions for conducting business. Pensioner may engage in gainful employment, for example, on the basis of trade license. There are no restrictions specifically for seniors on obtaining a trade license. Retired people can earn a high income from self-employment and at the same time receive a state pension. Regardless of income earned, entrepreneurship is considered a secondary activity from the point of view of social and health insurance.

An entrepreneur who receives an old-age or disability pension is a person for whom the state pays insurance premiums. Participation in the pension insurance of a self-employed person, and thus also the obligation to pay premiums for this insurance arises in two cases. Either the self-employed person registers for this insurance himself or his tax base exceeds the decisive amount for ancillary activities. Regularly paid pensions are exempt from income tax, but income from self-employment must be taxed.

The unemployed

Registered job seekers face a disincentive to starting a business as they may lose their unemployed status and the associated benefits. Some unemployed people may be eligible for a start-up grant or a bridging allowance, delivered by the Employment Office. While this approach is commonly used in EU countries, the approach used in the Czech Republic is unique in that the rules for providing start-up allowances vary across regions. This has the advantage of making the measure responsive to local needs, but at the same time does not offer all unemployed people the same opportunities. The regional branches of the Labour Office decide on this bridging contribution depending on the level of unemployment in the given locality, the needs of the local labour market, etc. In connection with the very low unemployment rate in the Czech Republic in recent years, it can be assumed that this form of support is considerably subdued.

Recent policy developments

In recent years, the Ministry of Industry and Trade has been working intensively to reduce the administrative burden on entrepreneurs. Every year, the ministry submits to the Government a “Report on the Development of the Business Environment in the Czech Republic”, where it assesses the fulfilment of tasks aimed at simplifying the business environment. Within the so-called Trade Licensing Package, specific steps are being implemented. These measures affect all entrepreneurs, regardless of their affiliation with disadvantaged groups.

4 Supporting people who experience disability in entrepreneurship

Self-employment and entrepreneurship activities

Overall, there are approximately 356 000 people who are registered disabled pensioners. Out of these slightly more than one-third are working (34.7%). Thus, about 2.4% of those working experience some type of disability, i.e. 123 500 people. The majority of working people with disabilities are employed and only 17 700 are self-employed. The share of self-employed persons from the whole working disabled population is 14.3%, which is slightly below the overall self-employment rate (17.2%).

The legal and regulatory conditions for the business creation and for the start of self-employment are set without any discrimination, whether negative or positive. However, when starting a self-employed activity, it is necessary to add to the required legal competence (the citizen is not deprived by the court of legal capacity in whole or in part for selected legal acts) for some specific subjects of business also professional competence (which applies in general). The only real limitation for people with disabilities is the level of their physical health and ability to deal with the chosen business activity in the long term. This explains the relatively small differential (of about 3 p.p.) in the share of healthy and disabled entrepreneurs.

Policy framework

Table 4.1. Characterisation of the entrepreneurship policy context for people who experience disability

		People who experience disability
1. Entrepreneurship policies for each target group are under the responsibility of the following level(s) of government (multiple levels can be checked)	National	✓
	Regional	
	Local	
2. A dedicated entrepreneurship strategy has been developed (either stand-alone or embedded in another strategy)		
3. Clear targets and objectives for entrepreneurship policy have been developed and reported		

Note: A check-mark indicates the level of policy responsibility for tailored entrepreneurship policy (multiple selections are possible) and characteristics of the entrepreneurship policy framework.

The policy framework for the support of persons who experience disability, when entering the labour market, focuses almost exclusively on employment and does not support business creation in any way. Measures include incentives for entrepreneurs to hire people who experience disability as employees, as well as support for individuals who experience disability to move into employment.

The creation of plans to support the people who experience disability has a long history. The first plan was prepared in 1992 and since then it has been a continuous activity. The current National Plan for the Promotion of Equal Opportunities for Persons with Disabilities is valid for the period 2015-20. It covers labour market integration but does not aim to support the entrepreneurship of people with disabilities. The setting of specific policy activities corresponds to this approach.⁷

Support for people who experience disability has increased in recent years with the development of social entrepreneurship. However, this is typically job placements rather than supporting people who experience disability in creating their own business. Nonetheless, social enterprises receive significant support to offer training and job placements those who have the greatest barriers in the labour market.

Overall, self-employed persons with disabilities are subject to the same rules as non-disabled persons when entering a self-employed business. Their support then takes place in the field of taxation and entrepreneurs with disabilities have a number of tax benefits.

⁷ Národní plán podpory rovných příležitostí pro osoby se zdravotním postižením na období 2015 – 2020 (<http://www.vlada.cz/scripts/detail.php?pgid=179>)

Overview and assessment of policies and programmes

Table 4.2. Characterisation of entrepreneurship schemes for people who experience disability

		Tailored: Are public programmes tailored for the target group (i.e. dedicated)?	Consultation: Are the targeted entrepreneurs consulted during the design of programmes?	Outreach: Are appropriate outreach methods used for different target groups?	Delivery: Are specialist organisations used to deliver programmes?	Take-up: Does the support have high take-up among target group?	Scale: Is the scale of available support sufficient?	Impact: Does evaluation evidence show a positive impact?	Integrated: Is the programme delivered linked to other related supports?	Links: Do tailored programmes link to mainstream support programmes?
Skills	1. Entrepreneurship training									
	2. Entrepreneurship coaching and mentoring									
	3. Business consultancy, including incubators/accelerators									
Finance	1. Grants for business creation									
	2. Loan guarantees									
	3. Microfinance and loans									
	4. Other instruments (e.g. crowdfunding, risk capital)									
Culture	1. Entrepreneurship campaigns, including role models									
	2. Networking initiatives									
Regulations	1. Support with understanding and complying with administrative procedures									
	2. Measures to address group-specific regulatory challenges	Mechanisms to move back into disability benefit system if business is not successful	✓		✓	✓				
		Mechanisms to regain access to other social security supports (e.g. housing benefits) if business is not successful	✓		✓	✓				
	Medical leave schemes for the self-employed									

Note: This table presents the characteristics of entrepreneurship schemes that are directly offered by national, regional and local governments, as well as those that are financed by the public sector but delivered by other actors. It considers the “typical” entrepreneur in each of the different target groups, in the “typical” region in the country. A check-mark indicates when the characteristic is typically fulfilled.

The majority of measures to support the employment of people who experience disability are implemented through the Operational Programme Employment. Another of the specific objectives is aimed at supporting young people and the support concerns the start of self-employment of young people as a disadvantaged group. In the case of cumulative disadvantages, it therefore also applies to young people with disabilities. A typical activity mentioned here is support for starting a self-employed activity, especially in the form of retraining, counselling and the provision of contributions. This is the only case where support for self-employment of those who experience disability is explicitly mentioned.

There is essentially no tailored entrepreneurship support offered by the government. The only exceptions are a small number of tax breaks. However, if a disabled person is able to do business and with certain restrictions also from a physical point of view, then the legislative environment is positively set. In such a

case, the business is considered as a secondary activity and the invalidity pension is not affected in any way. There are no restrictions for doing business on a disability pension. In addition, disabled pensioners can receive tax rebates according to the degree of their disability.

In addition to government institutions, the issue of integration of the disabled persons is also addressed by non-governmental organisations, such as the National Council of Persons with Disabilities of the Czech Republic, the Association of Employers of Disabilities of the Czech Republic or the Endowment Fund for Supporting the Employment of Persons with Disabilities. The National Council of Persons with Disabilities of the Czech Republic is the implementer of a large number of projects to support the disabled persons, financed from the ESF (OP Employment). Projects focused on employment and the labour market deal exclusively with the improvement of conditions and competencies for obtaining job as an employee. No project is aimed at supporting the start of self-employment.

5 Policy recommendations

Support for the self-employment and SMEs is widely promoted, however there are no special policies and programmes to promote inclusive entrepreneurship. Nonetheless, a number of projects offer tailored training and coaching to women, youth and senior entrepreneurs. These supports appear to be of reasonable quality but could be scaled-up. There is also a need to strengthen the linkages between skills development schemes and financial support and more can be done to raise awareness about the potential of entrepreneurship among some groups (e.g. Roma, seniors and migrants). The following actions are suggested for strengthening inclusive entrepreneurship:

1. **Explicitly identify inclusive entrepreneurship in relevant strategies.** To further develop policies and programmes in this area, it is important to signal objectives to ministries and relevant stakeholders through strategic documents. It is also important to select priorities when developing a suite of inclusive entrepreneurship policy actions and to ensure that responsibilities are clearly given to appropriate ministries and agencies. It would be helpful to establish an inter-ministerial working group to analyse the current situation of disadvantaged groups in view of entrepreneurship and to prepare specific measures which would be included in updated SME Strategy.
2. **Strengthen linkages between training offers and financial support by creating networks for entrepreneurship support organisations.** Networks of support providers would increase awareness about other available offers, allowing them to more effectively link participants to other support programmes. This is an important first step in building a more cohesive support system.
3. **Develop entrepreneurship award programmes for people with disabilities, Roma, seniors and migrants.** An effective method of promoting entrepreneurship is to provide recognition to those who have been successful. This also helps to identify success stories that can be promoted in the media. The approach used to showcase successful women and youth entrepreneurs could be expanded to other social target groups.

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Annex A. Methodology

Each country report was prepared by a national expert in co-operation with the OECD Secretariat. Information was collected through desk research and interviews (i.e. telephone, face-to-face, email) with policy officers, entrepreneurship support organisations and other stakeholders. The information was then verified by government ministries, programme managers and other inclusive entrepreneurship stakeholders, including through the circulation of draft reports for comment and online seminars that were organised between June and September 2020.

The reports are based on a common assessment framework that was developed by the OECD Secretariat. The framework contains five pillars:

1. Policy framework
2. Entrepreneurship skills
3. Financing entrepreneurship
4. Entrepreneurial culture and social capital
5. Government regulations

The reports provide an overview of the current inclusive entrepreneurship policies and programmes. They also notes assess programmes against the following international good practice criteria, considering the “typical” entrepreneur in each of the different target groups (i.e. women, immigrants, seniors, youth, the unemployed, people who experience disability), in the “typical” region in the country. It covers schemes that are directly offered by national, regional and local governments, as well as those that are financed by the public sector but delivered by other actors. The international good practice criteria used in the assessment are:

- **Tailored:** Are public programmes tailored for the target group (i.e. dedicated)?
- **Consultation:** Are the targeted entrepreneurs consulted during the design of programmes?
- **Outreach:** Are appropriate outreach methods used for different target groups?
- **Delivery:** Are specialist organisations used to deliver programmes?
- **Take-up:** Does the support have high take-up among target group?
- **Scale:** Is the scale of available support sufficient?
- **Impact:** Does evaluation evidence show a positive impact?
- **Integrated:** Is the programme delivered linked other related supports?
- **Links:** Do tailored programmes link to mainstream support programmes?

A focus is placed on the most commonly targeted population groups, namely women, immigrants, youth, seniors and the unemployed. Other groups such as the Roma are covered by the report when relevant. A special thematic section was added on entrepreneurship support for people who experience disability (Section 4) to highlight their potential as entrepreneurs and to showcase the variety of tailored entrepreneurship schemes that are in place around the European Union.