

Inclusive Entrepreneurship Policies,
Country Assessment Notes

Slovak 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 EU 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 Anna Pilkova, Marian Letovanec, Marian Holienka, and Juraj Mikuš. David Halabisky of the OECD CFE edited the note under the direction of Dr. Jonathan Potter, also of the OECD CFE.

An online seminar was organised to review the draft note on 22 July 2020. Feedback was received from representatives of the Ministry of Economy, Ministry of the Interior and the Slovak Business Agency.

Much of the data contained in this note were prepared under the direction of Dr. Jonathan Levie of the Global Entrepreneurship Monitor.

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

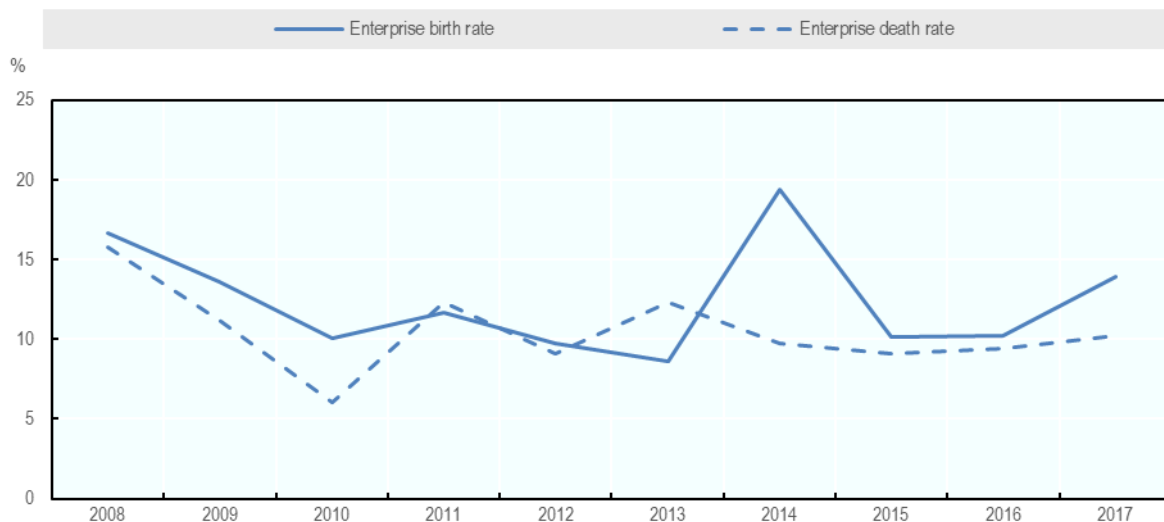
- Some of the framework conditions for entrepreneurship are quite favourable (e.g. high levels of entrepreneurship skills in the population; relatively easy access to finance) but others have a negative influence on entrepreneurship (e.g. high level of administrative burden on new start-ups).
- There were about 416 000 early-stage entrepreneurs in 2019, i.e. the number of people actively trying to start a business as well as those managing a new business that is less than 42 months old. Relative to the EU average, the entrepreneurship activity rates of women, youth and seniors are relatively high over the period 2015-19. However, these early-stage entrepreneurs were much more likely than the EU average to report that these businesses were started due to a lack of employment opportunities. Nonetheless, nearly 14% expected to create at least 19 jobs over the next five years, which was above the EU average for this time period.
- Closing the gaps in early-stage entrepreneurship activity rates across the population groups – i.e. setting the rates equal to the rate of core-age males – would result in about 200 000 additional early-stage entrepreneurs. Of these “missing” entrepreneurs, about 75% are female, 45% are 50-64 years old and 20% are youth.
- Overall, entrepreneurship policies and programmes tend to be general and open to everyone. The use of tailored schemes is limited to a few examples such as start-up financing for the unemployed and role model initiatives for women.
- The Slovak Business Agency (SBA) has been active at trying to “level the playing field” for groups such as women, youth and immigrants. It offers several products that are branded for specific groups such as women, which can be effective at drawing these groups into the support system. However, few of these products are adjusted to the specific needs of different groups.
- The SBA is active in international projects related to inclusive entrepreneurship to learn from international experience. These include EU-wide projects as well as projects across Visegrad countries (i.e. Czech Republic, Hungary, Poland, Slovak Republic).
- To further facilitate inclusion with entrepreneurship policies and programmes, the government should consider the following actions:
 - Develop a general entrepreneurship strategy that also acts as a framework for inclusive entrepreneurship policies;
 - Embed senior entrepreneurship policy into new Active Aging Strategy formulation;
 - Make practical entrepreneurship education a compulsory part of education for all students; and
 - Increase the availability of start-up financing and financial literacy training for women entrepreneurs.

1 Inclusive entrepreneurship trends

Conditions for entrepreneurship

Business entry and exit rates have been well-above the median for European Union (EU) Member States (approximately 7%) for much of the past decade. Although both rates declined following the onset of the financial crisis in 2008, they have been trending upwards since 2010 (Figure 1.1). Moreover, the entry rate has been above the exit rate since 2013, indicating a net increase in the business population.

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 for entrepreneurs and new start-ups is often viewed as “heavy”. Although starting a business is less costly than in most EU Member States (Figure 1.2), the administrative burdens on new start-ups are relatively heavy due to the numerous requirements and complexity of the rules. The government has been easing administrative requirements through new measures such as the “simplified joint stock company” that was introduced in 2017. This allows for new corporations to be registered with a minimum capital share of EUR 1 (OECD, 2019). More recently, the government adopted the Better Regulation Strategy – RIA 2020 to improve the quality of laws and eliminate redundant regulation.

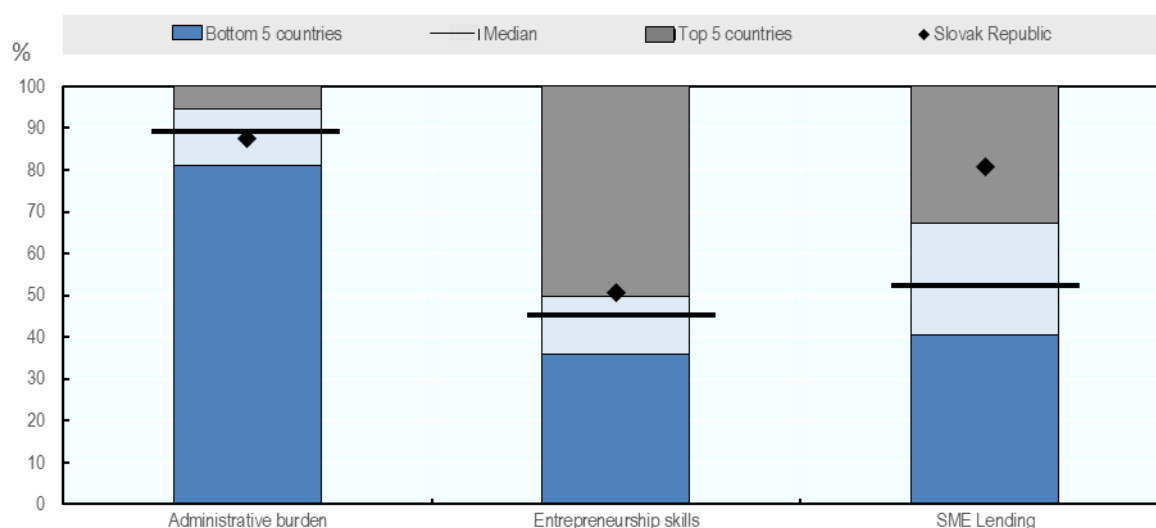
Overall, the population is among the top five EU countries in terms of the share of population that self-reports having the skills and knowledge to start a business (Figure 1.2). Therefore, it would be expected that business creation rates would be relatively high, which is consistent with the high rates of business

entry. However, this is in contrast to more broad indicators on skills levels that typically suggest that the Slovak Republic ranks relatively low in terms of adult tertiary education and core ICT skills (OECD, 2019).

Total SME lending has been on an upward trend since 2012 and credit conditions for SMEs have been gradually improving. Government policies supported this trend by providing loans and guarantees for SMEs through specialised state banks and through the Slovak Business Agency (SBA), such as with the micro-loans programme. Other financing instruments targeted at SMEs are being backed by the EU Structural and Investment Funds (ESIF), including the ESIF disbursement to support SMEs in the 2014-2020 period. As a result, the share of loans going to SMEs is high relative to other EU Member States (Figure 1.2).

Figure 1.2. Conditions for business creation, 2019

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. Entrepreneurship skills is the share of the population who report that they have the skills and knowledge to start a business. This indicator is an average of the period 2015-19. 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; GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD; OECD (2020), Financing SMEs and Entrepreneurs 2020.

Recent labour market trends

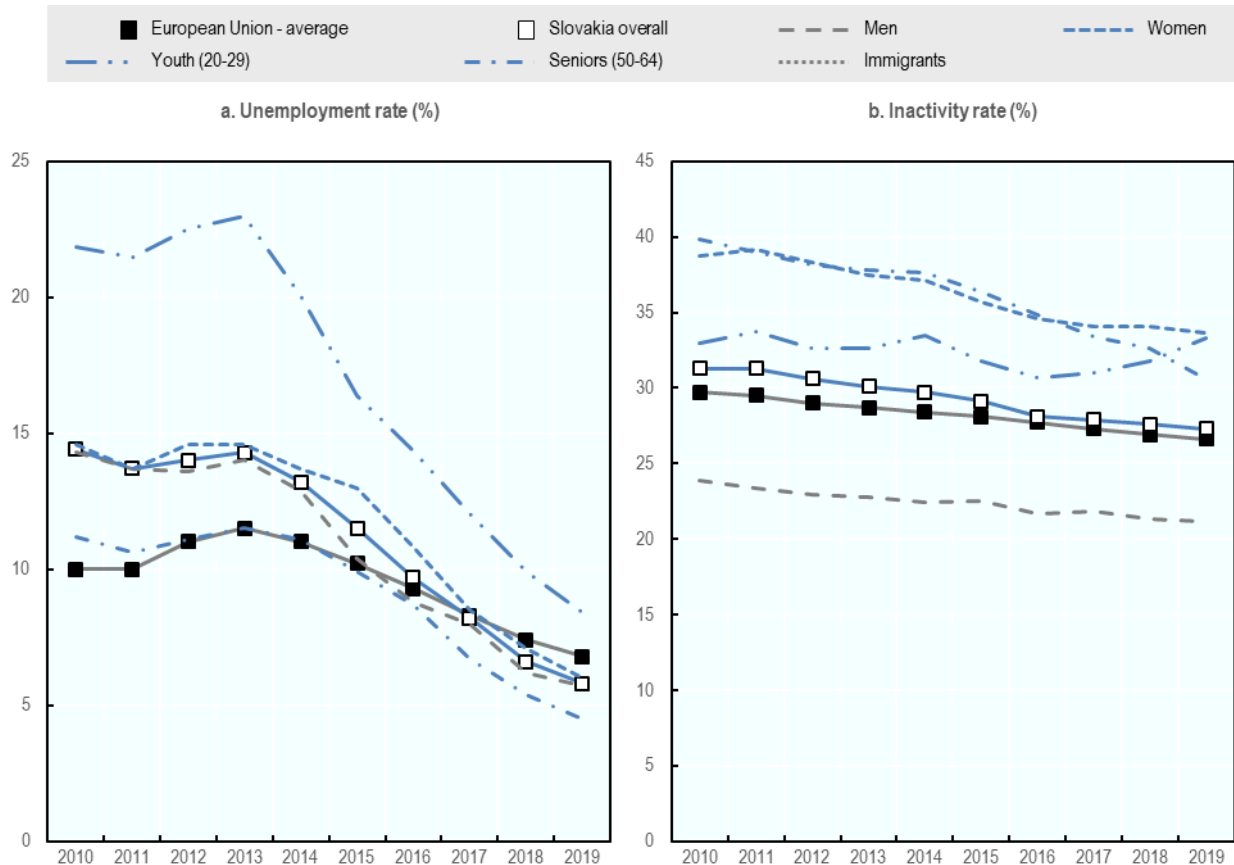
The overall unemployment rate has decreased since 2014, at a faster pace compared to EU average. Since 2017, the unemployment rate has been below the average of the EU countries (Figure 1.3). Similarly, the unemployment rates has trended downwards for most population segments over the past six years. The only exception was the youth, where there was a steep decrease in the unemployment rate between 2013 and 2018 but a slight increase in 2019. The unemployment rate for men and women was similar in 2010-11 but a gender gap appeared in 2012. However, by 2019 the gender gap had disappeared. Finally, seniors (aged 50-64) had the lowest unemployment rate among the target groups. It followed the overall unemployed trend for the past decade.

Similarly, the inactivity rate was just slightly above the EU average for the past decade and there has been virtually no difference since 2016. Youth are by far the most inactive target group, and their inactivity rate

started to increase again in 2018 to exceed the half of the population. This can be explained by the share of youth still participating in education. On the contrary, the population of seniors exhibited a continuous decline in economic inactivity, with the percentage slowly approaching the overall rate. Men are more economically active compared to women but the inactivity rates declined similarly.

Figure 1.3. Unemployment and inactivity

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



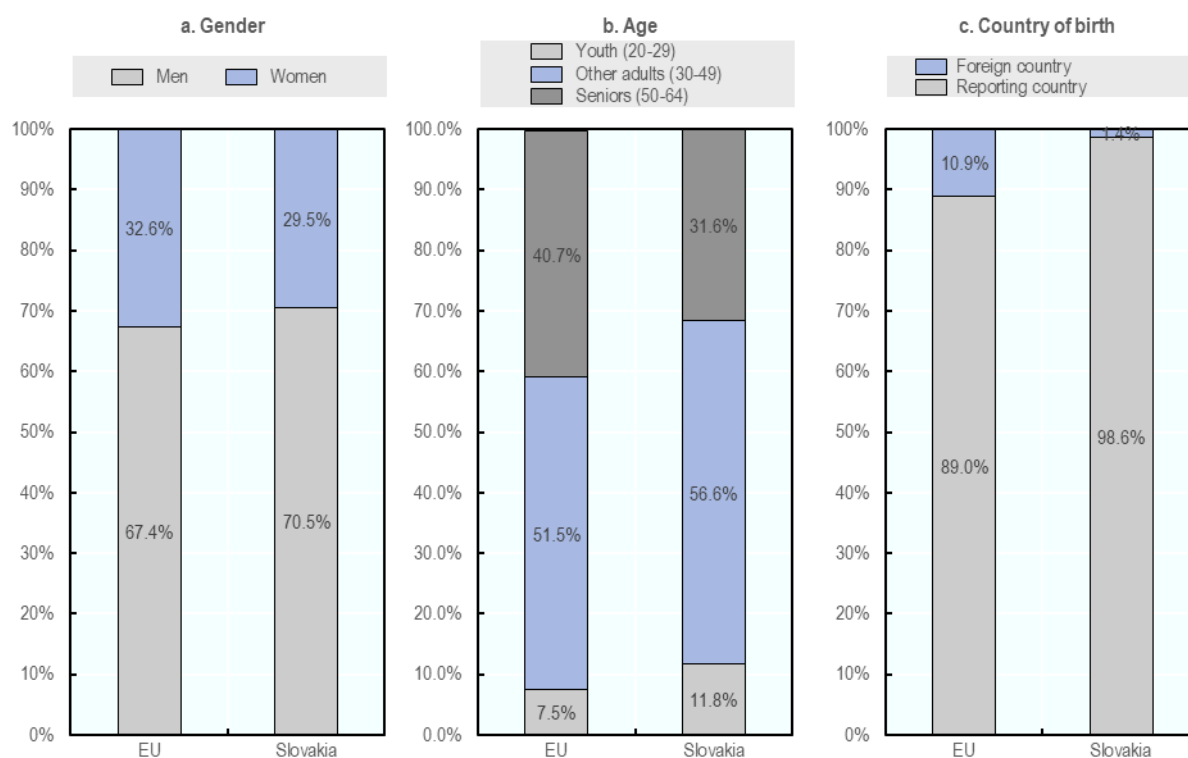
Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

Self-employment activities

The composition of the self-employed is different from the EU average in various aspects (Figure 1.4). The most visible difference is in the proportion of self-employed born in a foreign country. About one-tenth of the self-employed in the EU were born in a foreign country, the proportion in the Slovak Republic is significantly lower – only 1.4%. The age distribution of the self-employed is also different. Overall the self-employed population is younger in the Slovak Republic. As a result, there are fewer individuals aged 50-64 among the self-employed (31.8% vs. 40.7%). This age distribution can be explained by the short history of market economy, as the self-employment and entrepreneurship have only been permitted activities for about 30 years. Thus, part of the current senior population have never considered this as an acceptable activity.

Figure 1.4. Composition of the self-employed

Proportion of self-employed workers, 2019



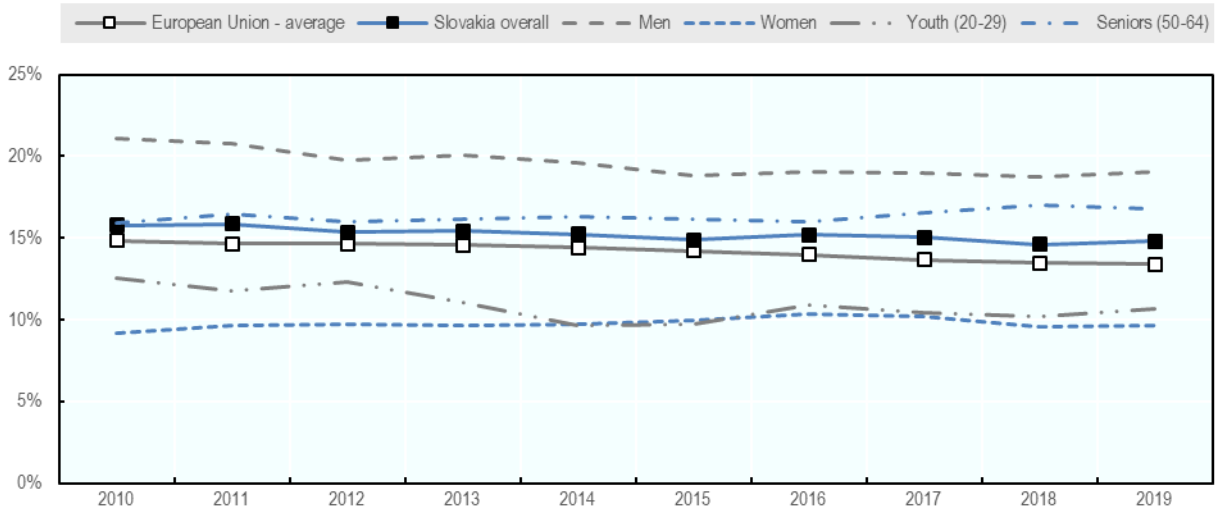
Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

The overall self-employment rate has been approximately 13-14% over the past decade, with a slight increase from 2016 onwards (Figure 1.5). This is in contrast to the self-employment rate for the EU, which has been slowly but constantly declining. In the Slovak Republic, there has been a sizable gender gap in the self-employment rate, with the proportion of men involved in self-employment being about ten percentage points higher than the share of women. Consistent with most EU Member States, youth are not likely to be active in self-employment but those aged 50 to 64 years old are quite active in self-employment.

The proportion of the self-employed who employ others is considerably below the EU average (Figure 1.6). However, the gender gap among employers is smaller than for the EU overall. Contrary to this finding, the gap in job creation between youth and seniors has been slightly higher in the Slovak Republic. While about one quarter of self-employed seniors employ others, only about 10% of self-employed youth do. Both of these proportions are below the respective EU average. This pattern is consistent with expectations since, in general, entrepreneurial activities of the seniors are more mature, while the early-stage self-employment endeavors of most of the youth cannot yet afford to employ others.

Figure 1.5. Self-employment rate

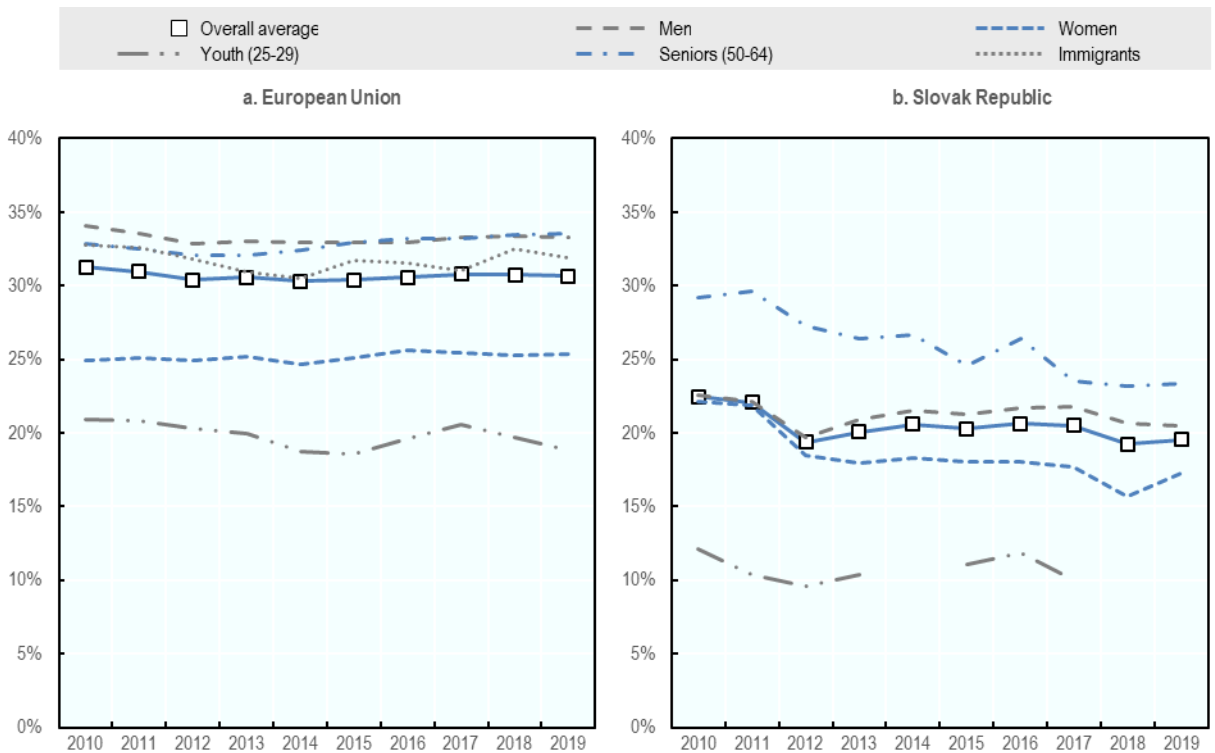
Proportion of employment that is self-employed



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

Figure 1.6. Self-employed as employers

Proportion of the self-employed who employ others



Note: There was a break in time series in 2011. Reliable data are not available for immigrants and youth; note that the definition of youth in this figure covers the ages 25 to 29 years old.

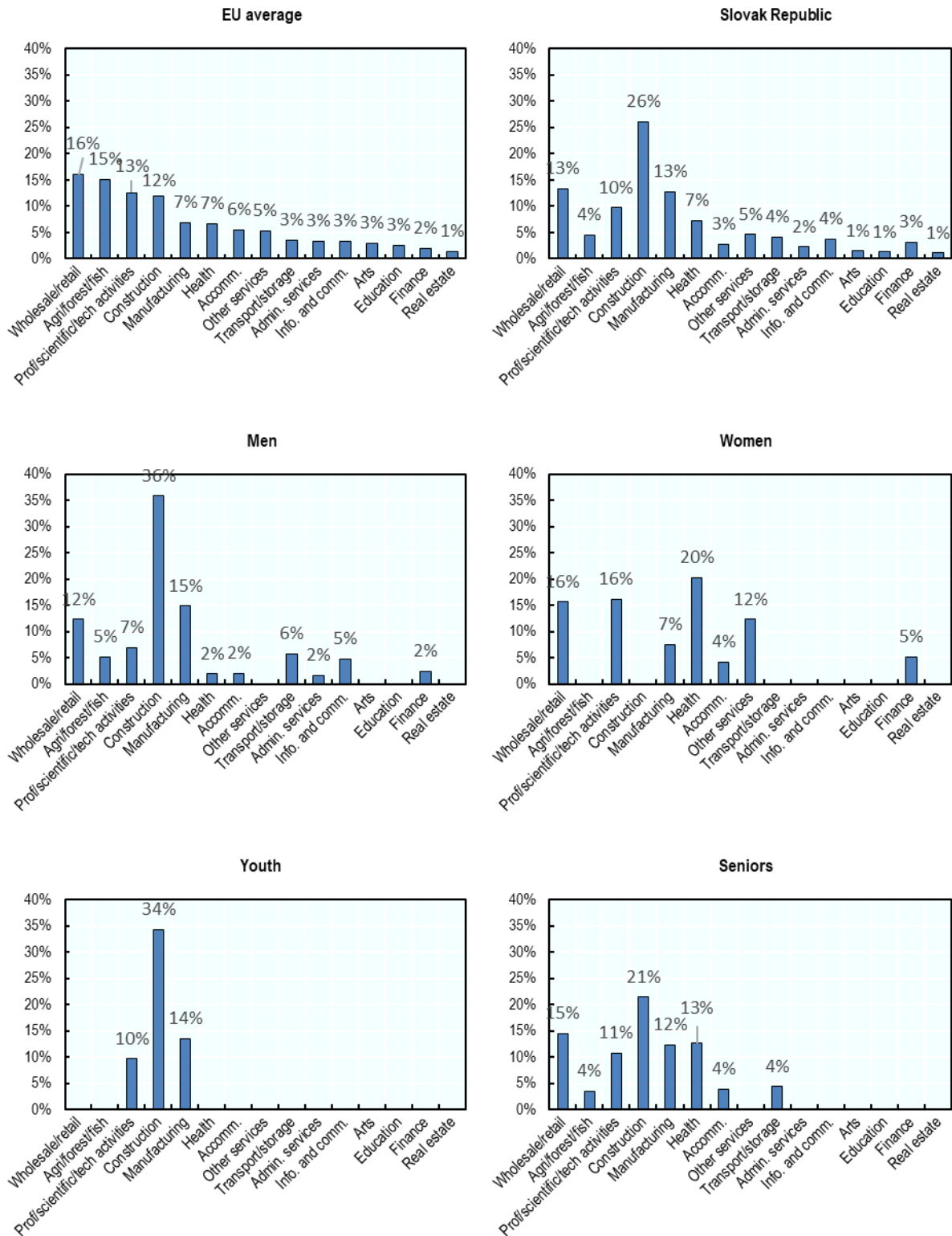
Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

The sectoral structure of the self-employed is quite different from the EU average (Figure 1.7). There is a higher share of the self-employed in construction, manufacturing and human health and social work activities. At the same time, agriculture sector that accounts for 15.1% of self-employment in the EU on average is not among the five largest sectors in the Slovak Republic. This is partially due to historical reasons, where in the former political regime, individual farmers were required to merge into agricultural co-operatives, so the agricultural tradition in many families was discontinued and even now the sector remains strongly concentrated.

These trends are generally reflected across the different population groups. For example, there is a high participation of men in construction sector (35.8% share of self-employment) and high participation of women in human health and social work activities (20.3%). It is quite frequent to see not only independent construction professionals and skilled craftsmen, but also lower-skilled construction workers operating as self-employed contractors, due to pressure from construction companies that prefer this more flexible type of relationship over regular employment. Although less frequent, this can also be observed in the manufacturing sector. Similarly, the high share of human health and social work activities among women is explained by their frequent work as nurses and/or home helpers – not only for organisations but also for individual households, and very frequently outside the Slovak Republic, especially in Austria. Next, compared to men, women are more frequently self-employed in professional, scientific and technical activities, which can be attributed mainly to their activity in accounting, financial and legal services, as well as in other service activities such as hair dressers and cosmetic services. Finally, the distribution of self-employment activities for older people is very similar to the overall situation, but with higher proportion of human health and social work activities and lower proportion of construction sector. Although data for self-employed youth are incomplete, it is clear that about one-third work in construction.

Figure 1.7. Self-employment by economic activity

Distribution of the self-employed by sector, 2019



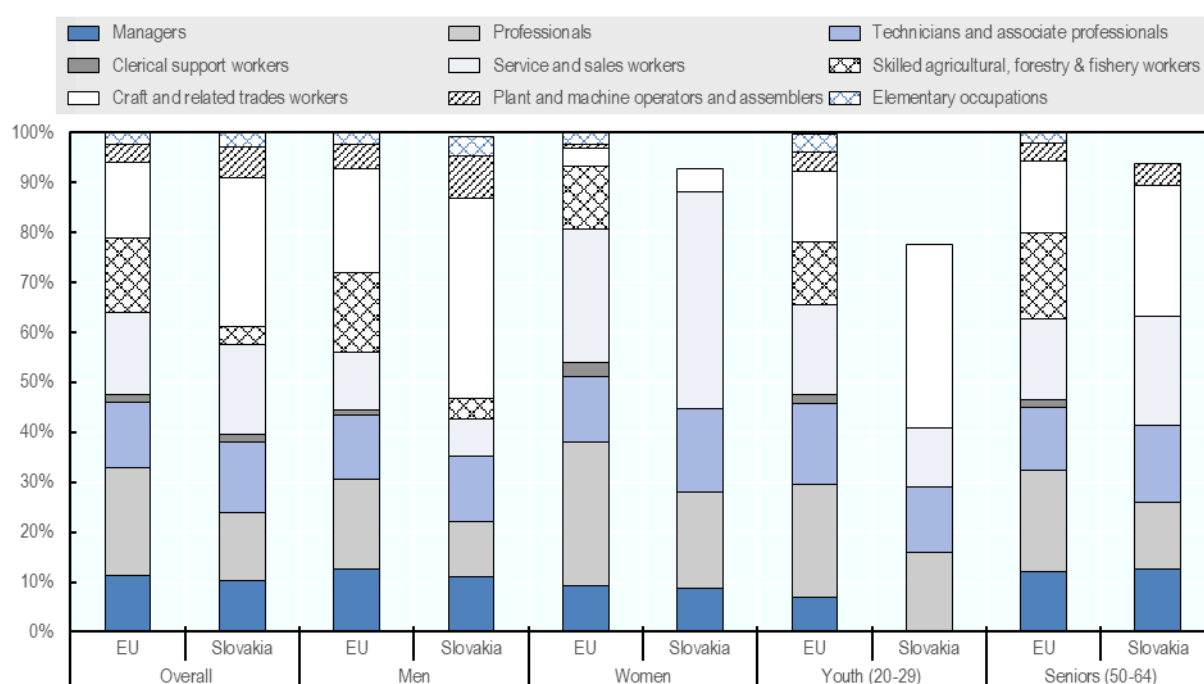
Note: Reliable data for men, women, youth and seniors are limited due to the quality of the estimates.

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

Accordingly, the overall occupational structure of the self-employed persons is also quite different from the EU average in several aspects that correspond well with the above-mentioned sectoral structure of self-employment (Figure 1.8). First, there are approximately twice as many self-employed workers who are craft and related trades workers. There is also a considerably higher proportion of operators and assemblers, both due to the large share of self-employment in the construction and manufacturing sectors. Conversely, there is a significantly lower proportion of agricultural workers among the self-employed. Self-employed men most frequently work as craft and related trade worker, which corresponds to their high involvement in constructions sector. Accordingly, the service and sales worker category, which is the most frequent occupation among female self-employed, is well in-line with their high participation in human health and social work activities and other service activities. Looking at self-employed youth and seniors, the occupations of the self-employed are fairly similar when compared with the EU average. Self-employed seniors frequently work as managers, likely due to their experience and seniority, and service and sales workers (probably an effect of senior women), while more self-employed youth frequently work as craft and related trade workers, likely due in part to the gender gap in self-employment.

Figure 1.8. Self-employment by occupation

Distribution of the self-employed by occupation



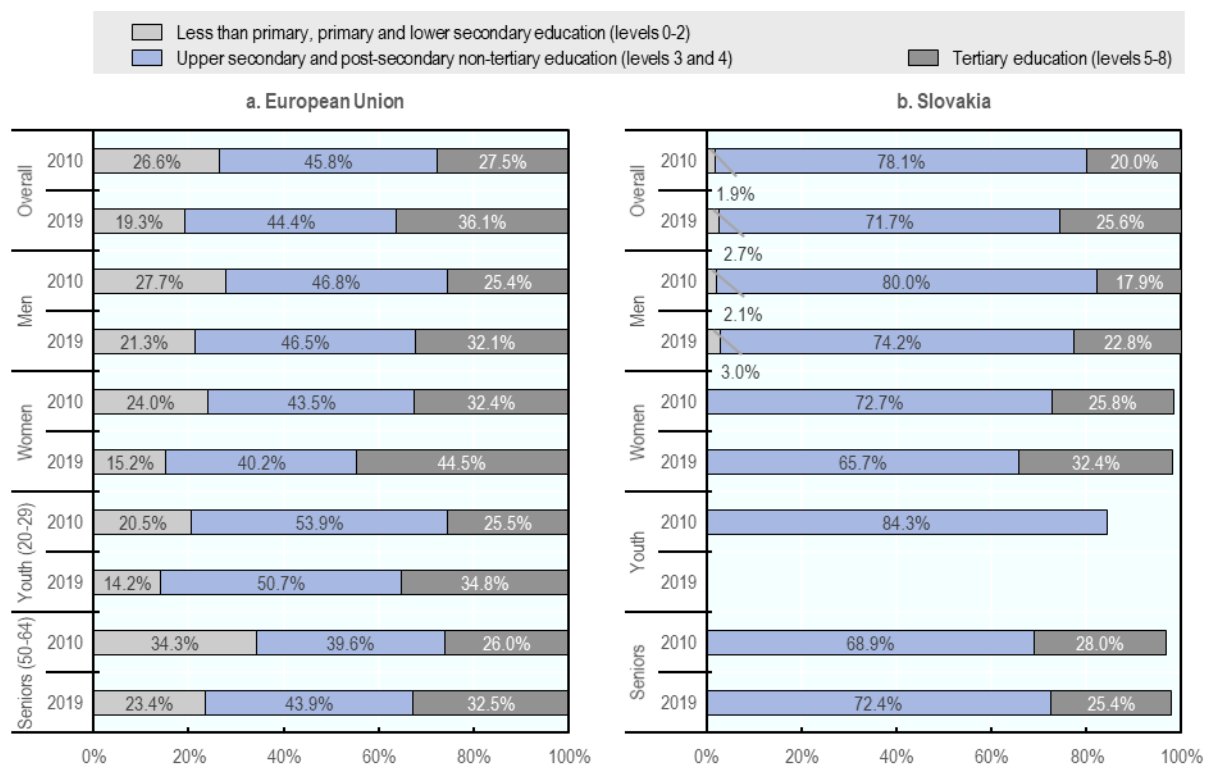
Note: Reliable data for youth is only available for 4 ISCO08 occupations out of 10. Reliable data for women is only available for 5 ISCO08 occupations out of 10. Reliable data for seniors is only available for 6 ISCO08 occupations out of 10.

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

The educational attainment of the self-employed is also different from the EU average (Figure 1.9). The self-employed have mostly achieved at least an upper secondary level in 2019 (71.7%) and another 25.6% had a tertiary-level education. Combined, these shares were significantly higher than the EU average (85.5%). The share of self-employed workers that have completed only basic education was quite low in the Slovak Republic – only 2.7%. The share of the self-employed with a tertiary education has grown since 2010 when it was only 20.0%. Among the population groups, self-employed women exhibited the highest share of tertiary-educated workers (32.4%), then seniors (25.4%) and men (22.8%) in 2019.

Figure 1.9. Self-employment by education level

Distribution of the self-employed by educational attainment



Note: Reliable data for levels 0-2 is not available for women, youth and seniors. Reliable data for youth are only available for level 3-4 for 2010.
Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

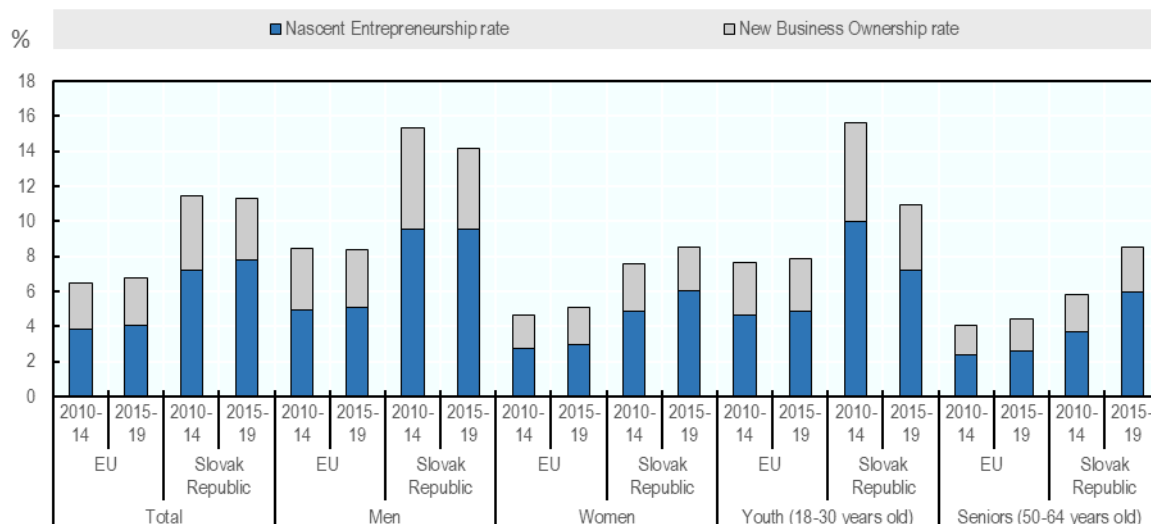
Entrepreneurship activities

The nascent entrepreneurship and new business ownership rates present two components of the well-known Total early-stage Entrepreneurial Activity (TEA) rate that is produced by the Global Entrepreneurship Monitor (GEM). Overall, this early-stage entrepreneurial activity in Slovakia was 1.7 times higher than the EU average for the period 2015-19 (Figure 1.10). Both components of this indicator – the nascent entrepreneurship rate and the new business ownership rate – were also above the EU average. Nascent entrepreneurial activity increased only slightly compared to the 2010-14 period and new business ownership on the other hand decreased by 0.8 percentage points. This suggests that fewer entrepreneurs were successful in transitioning from the start-up phase to an operating business that generates income for its owner(s).

Men were the population group that had the highest TEA rate (i.e. both nascent and new business ownership rates). Men were about 1.7 times more likely to be involved in early-stage entrepreneurship than women. This gender gap is approximately equal to the gender gap for the EU average. Youth also have high early-stage entrepreneurial activity rates, however the share of youth involved in early-stage entrepreneurship has declined relative to the 2010-14 period. Seniors are less active in early-stage entrepreneurship but the rate has increased over the past decade.

Figure 1.10. Nascent entrepreneurship and new business owners

Proportion of the population (18-64 years old) that self-report being engaged in nascent entrepreneurship activities or new business owners



Note: The nascent entrepreneurship rate is defined as the proportion of the adult population (18-64 years old) that is actively involved in setting up a business they will own or co-own; this business has not paid salaries, wages or any other payments to the owners for more than three months. The new business ownership rate measures the proportion of the population (18-64 years old) that is currently the owner-manager of a new business that has paid salaries, wages or any other payments to the owners for more than three months, but not more than 42 months. All EU countries participated in the GEM survey between 2015 and 2019 except the Czech Republic, Denmark, Lithuania and Malta. Several countries did not participate in the survey in every year (missing years noted): Austria (2015, 2017), Belgium (2016-19), Bulgaria (2014), Cyprus (2015), Denmark (2015-18), Estonia (2018-19), Finland (2017-19), France (2015, 2019), Hungary (2017-19), Latvia (2018), Lithuania (2015-18), Portugal (2017-18), Romania (2016-19).

Source: GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD.

How many “missing” entrepreneurs are there?

The gaps in early-stage entrepreneurship rates across population groups suggest that there are many “missing” entrepreneurs. There are currently about 416 000 early-stage entrepreneurs in the Slovak Republic (i.e. those starting or managing a business that is less than 42 months old) and this number would increase by about 200 000 if the early-stage entrepreneurship rate for core-age males (30-49 years old) was applied to the whole population.

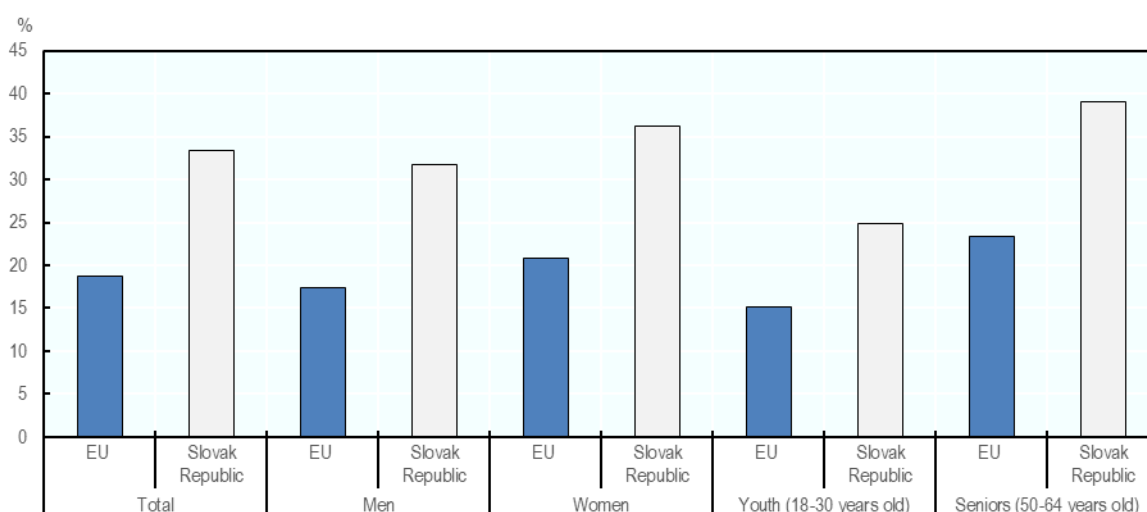
A similar exercise can be done for each population group by applying the rate for core-age males to each group (i.e. women, youth, seniors, immigrants). This shows that about three-quarters of these “missing” entrepreneurs are female and fewer than 45% are over 50 years old, which is a lower share than in most EU Member States.

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.

Motivations for early-stage entrepreneurship activities can provide insights about the quality of the new business activity. Some entrepreneurs indicate that they started their business because they could not secure employment, i.e. “necessity” entrepreneurship. Nearly one-third of early-stage Slovak entrepreneurs were necessity-driven during the period 2015-19, which was significantly higher than in the EU (18.8%) (Figure 1.11). The highest proportion of necessity-driven early-stage entrepreneurship was launched by seniors (nearly 40%) and women (36.2%). The lowest necessity figure was exhibited by youth that approximately one-quarter of early-stage entrepreneurs had been pushed to entrepreneurship out of necessity (24.9%).

Figure 1.11. Necessity entrepreneurship

Proportion of nascent entrepreneurs and new business owners (18-64 years old) that self-report that their entrepreneurship is necessity-driven, 2015-19



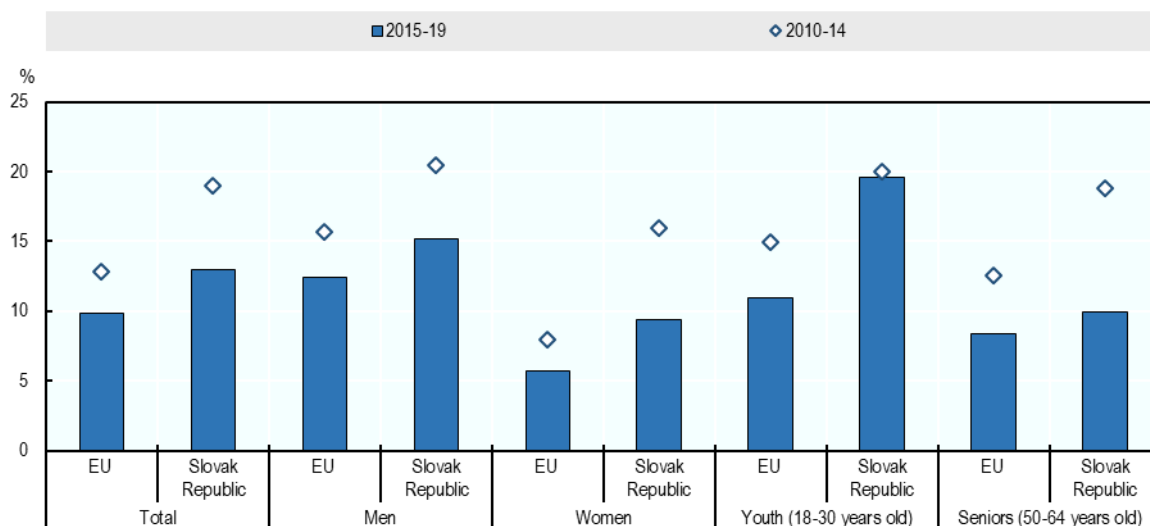
Note: Necessity entrepreneurship is defined as entrepreneurship activities that were launched because there were no other options in the labour market. All EU countries participated in the GEM survey between 2015 and 2019 except the Czech Republic, Denmark, Lithuania and Malta. Several countries did not participate in the survey in every year (missing years noted): Austria (2015, 2017), Belgium (2016-19), Bulgaria (2014), Cyprus (2015), Denmark (2015-18), Estonia (2018-19), Finland (2017-19), France (2015, 2019), Hungary (2017-19), Latvia (2018), Lithuania (2015-18), Portugal (2017-18), Romania (2016-19).

Source: GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD.

Nonetheless, early-stage Slovak entrepreneurs were optimistic about their potential for creating a substantial number of jobs. About 13% of early-stage entrepreneurs in 2015-19 expected to create more than 19 jobs in the upcoming five years (Figure 1.12), which was above the EU average. However, the share of ambitious early-stage entrepreneurs decreased relative to the 2010-14 period in both the Slovak Republic and the EU. The most optimistic early-stage entrepreneurs were youth (19.6% expected to create at least 19 jobs) and men (15.2%). Seniors (9.9%) and women (9.3%) were less optimistic. The gender gap in growth-oriented early-stage entrepreneurship was smaller than in the EU. However, the gap between youth and seniors was wider.

Figure 1.12. Growth-oriented entrepreneurship

Proportion of nascent entrepreneurs and new business owners (18-64 years old) that expect to create at least 19 new jobs over the next five years



Note: All EU countries participated in the GEM survey between 2015 and 2019 except the Czech Republic, Denmark, Lithuania and Malta. Several countries did not participate in the survey in every year (missing years noted): Austria (2015, 2017), Belgium (2016-19), Bulgaria (2014), Cyprus (2015), Denmark (2015-18), Estonia (2018-19), Finland (2017-19), France (2015, 2019), Hungary (2017-19), Latvia (2018), Lithuania (2015-18), Portugal (2017-18), Romania (2016-19).

Source: GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD.

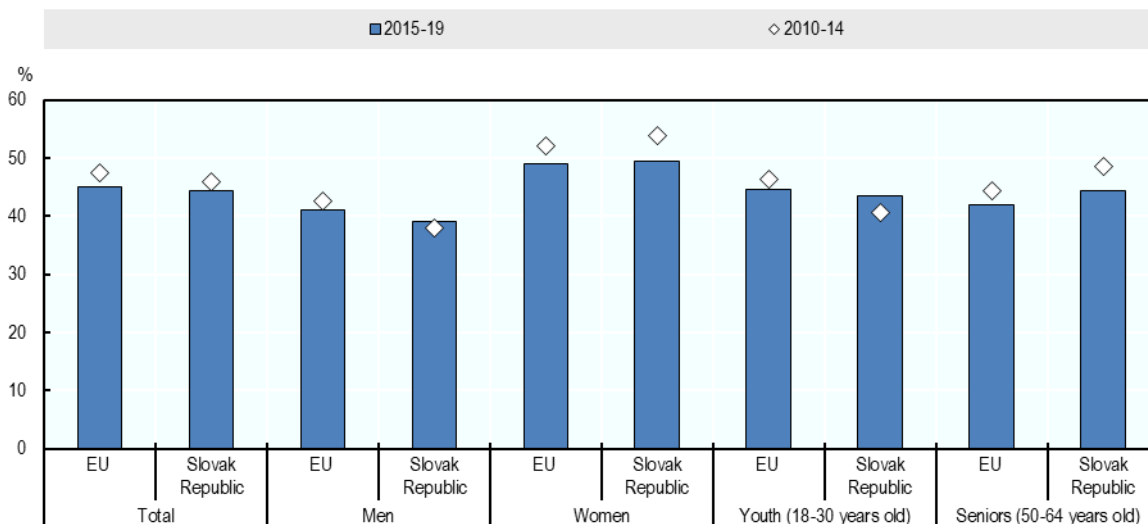
Barriers to business creation

Within the working-age population, 44.3% of individuals reported that a “fear of failure” would prevent them from starting a business which was about equal to the EU average (45.0%) during 2015-19 (Figure 1.13). Men were the least likely to report a fear of failure (39.1%), followed by seniors and youth (44.4% and 43.6%). Women were the most likely to report this barrier (49.5%). The gender gap regarding the fear of failure was wider in the Slovak Republic than at the EU level. There was, however, very little difference by age – youth and seniors were about as likely to self-report a fear of failure while at the EU-level seniors were more risk-averse than youth.

As noted earlier, Slovaks were more self-confident that the EU average about their knowledge, skills, and experience related to business creation (Figure 1.14). Approximately, half of the population self-reported (50.2%) that they have the skills and knowledge needed to successfully start a business, but this share decreased slightly relative to 2010-14. The most self-confident were men since nearly 60% believed that they have the required skillset to be entrepreneurs, followed by seniors and youth (49.0% and 46.2%). Women were the least likely to report having the skills and knowledge for entrepreneurship (42.0%). The gender gap was wider compared to the EU. Slovak seniors and youth were more likely to report having entrepreneurship skills than their counterparts in the EU by more than ten percentage points.

Figure 1.13. Fear of failure

“Does a fear of failure prevent you from starting a business?”
Percentage of population who responded “yes”, 18-64 years old

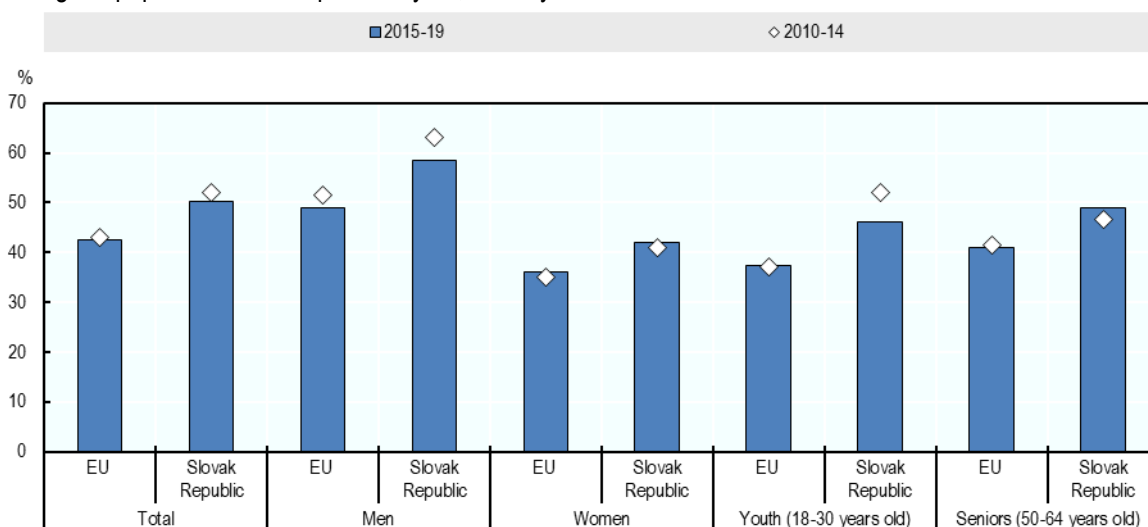


Note: All EU countries participated in the GEM survey between 2015 and 2019 except the Czech Republic, Denmark, Lithuania and Malta. Several countries did not participate in the survey in every year (missing years noted): Austria (2015, 2017), Belgium (2016-19) Bulgaria (2014), Cyprus (2015), Denmark (2015-18), Estonia (2018-19), Finland (2017-19), France (2015, 2019), Hungary (2017-19), Latvia (2018), Lithuania (2015-18), Portugal (2017-18), Romania (2016-19).

Source: GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD.

Figure 1.14. Entrepreneurship skills

“Do you have the knowledge and skills to start a business?”
Percentage of population who responded “yes”, 18-64 years old



Note: All EU countries participated in the GEM survey between 2015 and 2019 except the Czech Republic, Denmark, Lithuania and Malta. Several countries did not participate in the survey in every year (missing years noted): Austria (2015, 2017), Belgium (2016-19) Bulgaria (2014), Cyprus (2015), Denmark (2015-18), Estonia (2018-19), Finland (2017-19), France (2015, 2019), Hungary (2017-19), Latvia (2018), Lithuania (2015-18), Portugal (2017-18), Romania (2016-19).

Source: GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD.

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

Entrepreneurship policy is shared across several ministries, but the policy leadership is provided by **The Ministry of Economy of the Slovak Republic**. This Ministry is responsible for entrepreneurship and SME policy, which includes policies related to supporting with under-represented groups of the population in entrepreneurship. The Business Environment and Innovation Department of the Ministry of Economy has a central role and they work closely with several agencies. The **Slovak Innovation and Energy Agency** acts as an intermediary body and implementing agency for the EU Structural Funds and performs state tasks in the field of innovation support. In addition, the **Slovak Investment and Trade Development Agency** supports the inflow of investments and the export activities of Slovak companies and the **Slovak Business Agency**, which is a non-profit organisation, co-ordinates activities related to entrepreneurship with other ministries, including those that support under-represented and disadvantaged groups. It also implements the national project “National Business Centre” to realise support assistance to SMEs and to all under-represented groups in entrepreneurship, and help them to co-ordinate between different public, private, and third sector initiatives.

Several other ministries have important roles designing and implementing specific aspects of entrepreneurship policy. Most notably, the **Ministry of Labour, Social Affairs and Family of the Slovak Republic** has responsibilities for active labour market policies, including self-employment support for groups such as the unemployed.

The role of the **non-government sector** in entrepreneurship support is very important. Overall, two non-government organisations also have a role policy making by representing entrepreneurs in policy discussions, namely the **Entrepreneurs Association of Slovakia** and the **Slovak Association of Crafts**.

In addition, there are a range of organisations active in supporting inclusive entrepreneurship. For **women**, active civic associations include the Association of Business Women and “*E-ženy*” that provide education, professional, and networking events. Women are supported also thanks to the different projects implemented within EU or national programmes, which are often delivered by non-government organisations. Examples include a regional project “Mother in the labour market”, implemented by Business Innovation Centre *Banská Bystrica* aims to improve the position of mothers in the labour market through the development of their key competencies. Other initiatives are Enterprise Europe Network where women entrepreneurs have an opportunity to use services of an EEN Sector Group - Women Entrepreneurship, which helps to find clients and co-operation partners or CrossEUWBA focusing on the development of women business angel networks. There are also a number of other organisations that actively support other population groups in entrepreneurship. Examples include the International Organisation for Migration that provide services for **migrants** and persons who require international migration assistance and several organisations such as the Young Entrepreneurs Association of Slovakia and *CERlecon* that support the development of entrepreneurship skills and networks for **youth**.

Inclusive entrepreneurship strategies and objectives

The key framework document for entrepreneurship strategies and policies is the **Economic policy strategy of the Slovak Republic until 2030**. This sets long-term priorities and goals to increase employment for all citizens, create a strong business environment, strengthen the dynamics of research and innovation development and the sustainability of development in relation to the environment. While this document sets out the overall economic policy, it does not cover business creation or self-employment among different population groups.

Despite lacking an overall framework for inclusive entrepreneurship, there are several strategic documents that outline policy priorities for different target groups. **The National Strategy for Gender Equality** and the subsequent **Gender Equality Action Plan 2014-19** emphasise the contribution of gender equality to economic growth and sustainable development and support the implementation of the gender equality dimension in the Europe 2020 strategy. The proposed measures are consisting of the inclusion of gender equality in all policy areas and specific measures to support women.

Moreover, there are a number of important strategic policy documents that address the integration of **immigrants**, including the issuance of various permits and the possibility of employment. The **Integration Policy of the Slovak Republic**, approved in 2014, seeks to ensure the implementation of measures that help the process of integration of foreigners and the management of legal migration of a qualified labour force from third countries. The **Migration policy of the Slovak Republic with a perspective until the year 2020** and **Migration Policy Action Plan 2018-20** set up objectives in the process of issuing visas and residents permits, and establish rules for economic migration. The key change in migration policy was the development of the **Strategy for the Labour Mobility of Foreigners in the Slovak Republic**, which was adopted in 2018. Its goal is to streamline and make more flexible the system of regulation entry and residence of third-country nationals for the purpose of employment. None of these strategies, however, directly set out a policy direction for immigrant entrepreneurship.

Overall, the strategic policy objectives for **youth** policy are defined in the **Strategy of the Slovak Republic for youth for the years 2014-20**. This strategic document covers education, employment, creativity and entrepreneurship, their participation, health, well-being, and relation to nature, social inclusion, and volunteering. It tackles also global themes and defines strategic objectives within the youth work. While the strategy covers entrepreneurship, it does not define any clear targets.

The policy framework for **seniors** is outlined in the **National Program for Active Aging 2014-20**. It goes beyond employment policy, focusing on the rights of older adults, support policies, lifelong learning, social and civic rights outside of the formal labour market. However, this document does not deal specifically with senior entrepreneurship and does not address the strategy and objectives, which are so far missing at the national level.

The **National Employment Strategy of the Slovak Republic until 2020** outlines the policy for supporting the **unemployed** in moving back into work. The strategy aims to support job creation, innovation, effective solution of long-term unemployment, and more efficient use of financial resources intended to support employment. This strategy defines the areas of intervention, including entrepreneurship support, but it does not identify clear targets nor mechanisms for monitoring the implementation of the strategy.

Monitoring and evaluation practices

The national project **Monitoring of the business environment in line with principle “Think Small First”**, co-ordinated by the Slovak Business Agency, aims to provide comprehensive information about business environment. Based on the obtained data, regular and/or irregular reports on SME environment as well as special reports and studies, and other supporting documents are prepared. The Slovak Business Agency regularly creates analyses on SME support programmes' efficiency and *ad-hoc* reports on various topics including senior entrepreneurs, family businesses, high-growth enterprises, women entrepreneurship in regions, etc. However, current monitoring practices are general and do not consider the impacts and effects of different policy interventions on different groups of entrepreneurs.

Recent developments

At the beginning of 2018, the Government of the Slovak Republic adopted the **Better Regulation Strategy – RIA 2020** to improve the quality of laws and eliminate redundant regulation. The strategic material contains a series of principles, tools, analyses and measures related to the removal and prevention of gold plating, review of regulations and their creation through behavioural approaches, and one-in-one-out method (for each new regulation one should be removed).

More recently, the **National Reform Programme of the Slovak Republic 2020** was prepared by the Ministry of Finance in May 2020. It describes the structural measures that the Government of the Slovak Republic plans to implement. The Government plans to involve disadvantaged groups in the labour market, support the improvement of employment services, increase the country's competitiveness and reform the pension system. The government is also committed to improve in the area of corruption and mitigate the negative effects of the pandemic on the labour market.

This is complemented by the programme **Declaration of the Government of the Slovak Republic for years 2020-24**. It states that the government will create favourable conditions for entrepreneurs, a business environment with simple laws, a low administrative, financial, and regulatory burden for all and a fundamental simplification of the tax system. The government will increase the attractiveness of entrepreneurship, especially for young people, and make it easier to start a business. It will create more favourable conditions for the effective development of family entrepreneurship and entrepreneurship by women, youth and seniors. The Government will also work to strengthen the stability and predictability of the legal order, reduce the bureaucratic burden on the business environment as soon as possible in a shortened legislative procedure.

Outside of government, the Faculty of Management at Comenius University in Bratislava – in co-operation with Slovak Business Agency – developed a comprehensive methodology for the development of inclusive entrepreneurship. The proposed framework outlines how relevant institutions can develop strategies,

policies and programmes at the national and regional levels to make entrepreneurship more inclusive. The methodology has been designed to be processed in five phases.

Policy measures in response to COVID-19 to support entrepreneurs and the self-employed¹

In response to the COVID-19 pandemic, the government adopted numerous policies aimed at helping the self-employed that have been developed in stages. In the first stage, the government had approved of contributions that are based on the decline in sales. The type and scale of assistance offered to the self-employed depends on whether they have employees, are registered for social security, or were forced to close their operations entirely or only partially for the duration of the pandemic.

Those self-employed who are registered for social insurance, have no employees and were forced to either close their operations entirely based on the decision of the Public Health Authority or significantly reduce their operations, are eligible to receive a tax-free contribution depending on the extent of the fall in recorded sales. In April, when the restrictions were the hardest, the contributions ranged from 0 (less than 10 % decrease in sales) to EUR 540 (decrease in sales of 80 % and more) per month. Those self-employed who are not registered for social insurance, have no employees and no income from business/non-business/any other activities since the outbreak of the pandemic, are eligible for a fixed contribution of EUR 210 per month. One-person limited liability companies were also eligible for this type of assistance.

Those self-employed who have employees and avoided redundancies during the pandemic can receive a contribution of up to 80% of employees' average wages. In case of sales decreases of more than 40%, employers can defer the payment of social security contributions (both social insurance and health insurance for the month of March) and pay no social insurance for the month of April (health insurance is still due). Self-employed and businesses can also defer tax advances if their sales decrease by more than 40%. Besides tax and social security policies, the government also introduced a scheme of low-interest state-guaranteed loans for self-employed and businesses. Furthermore, self-employed and businesses can also defer monthly instalments on their outstanding loans for up to nine months. The government also extended deadlines related to tax duties and reduced administrative burden on businesses.

In the next stage, the Ministry of Finance and Slovak Investment Holding (SIH) launched a scheme of bank guarantees and interest subsidies under the name SIH anti-COVID guarantee. It is an indirect financial assistance programme to bridge the period of limited access to capital caused by the COVID-19 pandemic in order to deal with financial difficulties and maintain jobs.

Businesses affected by the COVID-19 pandemic could also apply to the Ministry of Labour for assistance in June and July 2020. The government approved a draft regulation concerning the deferral of premiums for June 2020. Parliament also approved a law on state rent allowances. The tenant will be protected for 48 months from the repayment of the amount due against rent increases. Also, if the tenant (regardless of whether they are entrepreneurs or not) in the period from 1 April 2020 to 30 June 2020 is late in paying the rent and possibly the related payments, the landlord cannot therefore unilaterally terminate tenancies.

The Export - Import Bank of the Slovak Republic has started to provide an operating loan to eliminate the negative consequences of the COVID-19 pandemic and to ensure the liquidity of Slovak companies. The loan is provided on favourable terms and is intended for companies in the small and medium-sized enterprise (SME) segment. The aim of this loan is to support the maintenance and employment of SMEs in order to overcome the difficult period of a pandemic. If the conditions of the provision are met, entrepreneurs can obtain an interest-free loan. The total amount of the loan can range from EUR 100 000 to EUR 500 000.

¹ 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						✓		✓	✓
Immigrants	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 unemployed	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.

The **Slovak Business Agency** (SBA) is the main institution that provides both generic mainstream policies and programmes and also for applicants from disadvantaged groups. The SBA manages two important projects: **National Business Centre II - Bratislava region** and **National Business Centres in the regions**. Both these projects run numerous programmes for both entrepreneurs and non-entrepreneurs. The aim of these programmes is to provide comprehensive and systemic support and professional advisory services to SMEs as well as to persons interested in starting their own business. However, only National Business Centres in the regions includes actions to support entrepreneurs from under-represented and disadvantaged groups.

The main aim to build and operate National Business Centres is to create one-stop-shop type institutions - situated in Slovak regions in which the persons interested in starting their own business or SMEs may acquire information and services. The set-up and management of these programmes:

- **Front Office** is the point of first contact and the client centre within the National Business Centre in Bratislava, providing information to both entrepreneurs and non-entrepreneurs. The client centre provides information about business support possibilities through particular financial and non-financial tools from the portfolios of Slovak Business Agency, National Business Centre, and partner organisations.
- **Acceleration programme** seeks to build interest in entrepreneurship, increase motivation for creating new business ideas, and develop basic entrepreneurial skills through professional counselling, training courses, and activities aimed at development of business potential.
- **Incubation programme** supports and develops new SMEs during the early stages of development to increase the chances of survival.
- **Internship programme** supports innovation, employment, and acquiring experience through participation in internships and foreign events. It also supports newly established companies in the form of participation in a business incubator.
- **Growth programme** supports SMEs with the potential to grow, innovate, increase their market share, expand beyond the Slovak market or strengthen their competitiveness, conclude business partnerships, and penetrate foreign markets.
- **Creative Point** offers customised advisory services to clients, including the possibility to rent the technological equipment of the Creative Point, and advisory services provided by professional technical staff when creating prototypes. The aim of such activities is to enable both entrepreneurs and individuals to acquire new experience in rapid prototyping and modelling, and thus to strengthen their potential on the market thanks to creating their own products and designs in the Slovak Republic.

One way of looking at the impact of these projects is the number of people who use this support, especially the share of disadvantaged social groups. The measurement is not separately assessing each target group. Through the mentioned programmes, about 22.2% of subjects in the Bratislava region were from disadvantaged social groups and 15.2% in the regions (other than Bratislava) were supported (from all supported subjects). The next step, would be to look at the additive value of the initiatives but this has not yet been done.

Recent policy developments

In 2018-19, **Regional Social Economy Centres** were created as a supportive network of the national project Institute of Social Economy. They provide detailed information about the social economy and the registration of social enterprises. As a part of the project's activities, support infrastructure for the development of the social economy was created. This project also includes the identification and promotion of "best practices".

Other development for the target groups are directly achieved by the upcoming two programmes realised by National Business Centres in Region, namely **Support for stimulated entrepreneurs from disadvantaged social groups** and **Support for entrepreneurs from disadvantaged social groups**. The first programme hosts events (workshops and seminars) accessible to citizens from national minorities groups, mothers on maternity or parental leave, the unemployed, the elderly, and people who experience disability. The programme is focused on group professional counselling. The condition of participation is that an individual must operate the business for more than three years. The second programme is short-term business counselling. It is therefore a quick and procedurally simpler form of support, where specific practical information, advice, and simple suggestions on procedures for solving a given problem or change will be given. As with the first example, there is a requirement that participants operate their business for more than three years.

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 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 **Slovak Business Agency** supports access to finance for entrepreneurs, including disadvantaged groups of entrepreneurs through a **microloan programme** and **venture capital funds**. Both these are financing programmes are open for all entrepreneurs, including applicants from disadvantaged groups. The microloan programme is intended for small enterprises employing fewer than 50 employees. Microloans can be used to buy movable and non-movable investment assets, to reconstruct operational areas and to purchase the necessary reserves, raw materials or goods as well as for other investment projects. The microloan amount may range from EUR 2 500 to EUR 50 000. The repayment period ranges

from six months to four years, and it is possible to postpone repayment of the principal by no more than six months.

The SBA supports growth-oriented business projects by providing venture capital (participation in the share capital of companies) through a specialised subsidiary, the **National Holding Fund**. A long-term mission of the SBA is to guide the activities of individual funds in such a manner as to stimulate the development of the SMEs sector, to increase the value of the financial means of individual funds and to use the profits made to pursue the long-term goal of supporting SMEs.

In addition to these two programmes, the **Slovak Guarantee and Development Bank** and the **Export - Import Bank of the Slovak Republic** provide other loan and guarantee products for entrepreneurs, including entrepreneurs from disadvantaged groups. Again, these products are generic so applicants from disadvantaged groups are eligible, but the products are not tailored to entrepreneurs from different population groups.

Women

The **Slovak Guarantee and Development Bank** offers targeted products for women, but they are granted under the same conditions as for the whole population, without specific adjustments. The purpose of special branding is to attract more female applicants. The loans for female entrepreneurs are provided to help them in developing their business activities. The support consists in simplifying access to loan resources for existing and beginning female entrepreneurs, in terms of relatively fast decision-making process (within three days from the submission of the application). The loan can be used to finance the purchase of movable and non-movable assets, reconstruction / modernisation of assets, financing of an investment project (up to 100% of project costs) or financing of current business needs related to business development.

Women can also benefit from general financing programmes, such as those noted above and grants for starting a business for the unemployed. In 2019, about half (50.7%) of beneficiaries of self-employment grants for the unemployed were women (UPSVaR, 2020). Further, in 2018, 27.3% of successful applicants in SBA microloan programmes were female entrepreneurs (either physical persons, or legal entities with 50%+ female ownership) (SBA, 2019a). This suggests that women have proportional access to most entrepreneurship financing schemes. Moreover, according to study by Pilkova et al. (2017), only 27.5% of female entrepreneurs indicated problems with access to finance as a barrier when starting their business compared to 40.1% of male entrepreneurs. Further, only 16.2% of female entrepreneurs and 14.8% of their male counterparts reported problematic access to finance as an obstacle in current business activity.

Youth

The **Slovak Guarantee and Development Bank** provides a loan for young entrepreneurs, which is however a branded version of a generic loan product. It supports the development of business activities of start-ups and existing young entrepreneurs and simplifies their access to loan resources. The bank also provides start-up capital to university students for the development of business activities during their studies or after graduation. The loan can be used to finance the purchase of movable and non-movable assets, reconstruction / modernisation of assets, financing of an investment project (up to 80% of project costs) or financing of current business needs related to business development. Further, the bank provides the so-called “My land loan for young farmers”, which is a long-term loan for the purchase of agricultural land for agricultural primary producers. The loan is intended for young farmers up to the age of 40 who have the appropriate professional skills and abilities and are setting up a farm for the first time.

Young farmers can also benefit from “**Grants for young farmers**” provided by the Ministry of Agriculture and Rural Development of the Slovak Republic as a support for small farmers to start their business in the field of animal and specialised crop production. Young farmers - natural or legal persons not older than

40 years are eligible for application. The grant is provided in the amount of EUR 50 000 per young farmer, with 70% of the support being paid after the signing of the agreement and 30% after the correct implementation of the business plan. Since the previous call (dated to 2017) until end of 2018, the grant was approved for 486 young farmers (APA, 2019).

In addition to these tailored instruments, youth can also benefit from general financing programmes, such as microloans from the Slovak Business Agency, loan guarantees (Slovak Guarantee and Development Bank and the Export - Import Bank of the Slovak Republic) or Grants for starting a self-employment for the unemployed. In the case of SBA microloans, 34.8% of successful applicants in 2018 were under 30 years old (SBA, 2019a). In case of self-employment grants for the unemployed, 19.5% of beneficiaries in 2019 were aged up to 29 years.

Immigrants

There are no policies or programmes aimed at financing entrepreneurship for immigrants. However, they can access to generic, mainstream financing options, such as bank loans or microloans. In case of bank loans, a bank would require some history, personal guarantee or a personal/business collateral, which might be an obstacle for migrants with short residence history in the country and/or with no personal networks with individuals established (native or immigrants). Moreover, not every commercial bank provides loans to new ventures. Microloans are provided by Slovak Business Agency in a generic scheme that is also open for immigrants. In the case of smaller loans, no collateral is needed and new entrepreneurs with no previous business history are eligible for application. Even though the staff speaks English, the forms and documentation are available in Slovak language only. This is a barrier for certain immigrants who cannot read or write in Slovak.

Seniors

There are no entrepreneurship financing policies or programmes aimed specifically at seniors. Thus, seniors rely on generic, mainstream financing options. In the case of financing products requiring a personal guarantee or personal collateral, they often have an advantage over younger applicants due to higher personal wealth. According to Pilkova et al. (2017), only 15.9% of senior entrepreneurs (aged 55+) indicate access to finance as a barrier for their business, compared to 15.2% in the overall population of entrepreneurs. As for senior participation in generic financing measures, only 13.6% of SBA microloan beneficiaries in 2018 were aged 55+ (SBA, 2019a), and only 10.8% of self-employment grant for the unemployed were provided to applicants aged 50+ years.

The unemployed

The unemployed – in particular those registered with labour offices and seeking for employment for at least three months, or for at least 12 months if they discontinued a business within six months before becoming a registered unemployed – can apply for the “**Grants for starting a self-employment for the unemployed**”. This instrument is tailored for the unemployed and is delivered through local Labour offices. If interested, the applicant can attend a business training delivered via the Labour office. The grant application has to be submitted together with a business plan, including a financial plan, which are evaluated by a dedicated commission. Also, the applicant has to pass a test of readiness for self-employment. The sum of the grant depends on the region (i.e. a county), regional costs of labour and regional rate of registered unemployment. In 2020, the maximum amount of the grant is EUR 5 754. The first payment (60%) is provided within 30 days, while the remaining 40% are paid out after the beneficiary submits the first 12-month report on self-employment and usage of the grant. After receiving this grant, the self-employed person cannot return to the unemployment registry for three years. In 2019, 1 561 people received this grant (562 less than in 2018) in a total sum of EUR 7 766 003. Out of that, 791 applicants were women (50.7%). Majority of beneficiaries were 30-49 years old (69.8%) and while

19.4% were young individuals (under 29 years old) and 10.8% beneficiaries were aged 50+ (UPSvAR, 2020).

In 2020, a similar grant for self-employment creation exists also for the unemployed who want to start a self-employment in **agricultural** production. However, its scope is limited for the least-developed regions (defined by national legislation) only. In principal, the conditions are very similar to the universal grant scheme described above, with certain nuances and difference.

Recent policy developments

There were no substantial changes in existing public policies or introductions of new policy actions in the field of financing entrepreneurship over the three years. The exception is the set of measures specifically introduced as a response to COVID-19 crisis (see Policy measures in response to COVID-19 to support entrepreneurs and the self-employed).

More generally, there have been certain developments that indirectly affect access to finance. For example, the SBA increased its operability in regions through the **regional branches of the National Business Centre** (NPC) established under the national project “NPC in Regions” starting in 2017. As “one-stop-shops” for potential and existing entrepreneurs, including individuals from disadvantaged groups, they serve as a pipeline to available financing options. Also, as a part of its other national project “**Monitoring of the Business Environment**”, Slovak Business Agency conducts impact and efficiency analyses of various entrepreneurship support measures, including the SBA microloan programme. Results provide valuable feedback for adjustments of the analysed measures.

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 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 unem-ployed	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.

Women

Women have been probably the most frequently targeted group by entrepreneurship promotion campaigns, role model and/or networking initiatives by public policy. For example, the **Business Woman of Slovakia** award has one of the longest tradition and highest impact among such initiatives. It was founded in 1999 as a competition for all business women who can also serve as an inspiration for future business women. It is organised by the SBA. The competition is looking for women who are doing business or starting a business and look at profit as something that has, among other things, benefits for society. Therefore, the aim of the competition is to highlight and appreciate the business success of beginning and established business women in the market.

The SBA also organises and/or supports inspirational and networking events. For example, as a part of its agenda on supporting successful business practice, SBA organised educational and inspirational events for existing or potential female entrepreneurs, such as “**Successful business woman**” (in Rimavska Sobota), or **Women’s entrepreneurship on a maternity leave? No problem**” (an open day in National Business Centre). Also, in 2019, through this nonfinancial service for SMEs, SBA-supported an event “**Mom’s fine**” concentrated on business and other topics.

Immigrants

Public entrepreneurship policies and programmes currently do not include any entrepreneurship campaigns or networking initiatives aimed at immigrants. Entrepreneurship is not promoted as a career opportunity for migrants. According to a survey conducted by Slovak Business Agency (Pilkova et al., 2017) among immigrant entrepreneurs coming from third countries (i.e. non-EU), the most frequent barriers when starting a business were mostly related to complicated legislation, administrative burdens and language knowledge, while the lack of networks or non-entrepreneurial culture were not among the most frequent inhibitors of entrepreneurship. This could be a result of good informal networks. According to the same survey, 36.0% immigrant entrepreneurs from third countries had chosen to come to the Slovak Republic due to a recommendation from a relative or friend, or thanks to established business contacts.

Youth

Youth are the target group that has been quite often the target of public policies on entrepreneurship culture and social capital. Since youth are often engaged in formal education structures, one stream of this agenda is **delivered through education authorities**. For example, The State Institute for Vocational Education organises an international fair of practice enterprises as well as a nationwide competition “The best business plan”, both being parts of its practice enterprise concept of entrepreneurship education at secondary vocational schools. These initiatives are disseminated through secondary schools participating in the practice enterprise concept – about 150 schools and more than 1 000 practice enterprises.

The SBA also supports youth entrepreneurship culture and social capital. For example, as a part of its agenda on supporting successful business practice, through this non-financial service for SMEs, SBA supported “**Student Business Award**” event and “**Young innovative entrepreneur**” award. Also, SBA supported the events related to youth entrepreneurship, such as the “**Skills for the unknown future**” (a conference focused on entrepreneurship education and reforming the school system) or the “**International fair of training companies 2019**” (focused on supporting entrepreneurship education, especially for young people). In supporting these events, the SBA co-operates with their organisers and seeks where its generic or tailored services can meet the needs of the participants. Finally, within its Acceleration programme, the SBA organises **roadshows** at universities that showcases inspiring role models and aspects of innovative entrepreneurship and start-ups.

Seniors

Despite a general attitude that entrepreneurship is not suitable for older people because it is risky and opportunity to generate income is very limited, there has been a favourable trend in positive awareness on entrepreneurship as an option also in senior age (SBA, 2020). Also, seniors themselves indicate slightly more favourable perceptions about entrepreneurship as a good career choice when compared to overall population, and they also attach higher status to successful entrepreneurs (Pilkova et al., 2017).

Despite this shift, there are no example of entrepreneurship campaigns or networking initiatives in public entrepreneurship policies and programmes for seniors. However, there is a slight improvement in showcasing senior entrepreneurs as a part of the family business agenda that is gaining on relevance recently. In this context, seniors are portrayed as mentors rather than entrepreneurs so more can be done to present a positive image of senior entrepreneurship.

A lack of entrepreneurship-relevant networks deserves attention from policy makers, as the senior entrepreneurs indicated the access to contacts as the second most frequent barrier when starting the business (following access to finance) (Pilkova et al., 2017). Seniors interested in entrepreneurship might still benefit from the generic, mainstream offer of networking opportunities, but no tailored measures exist in public policies and programmes.

The unemployed

Labour offices disseminate information about available support instruments for the registered unemployed to become self-employed. However, these cannot be considered as targeted “campaigns.” The situation with networking is similar – the unemployed individuals interested in entrepreneurship might benefit from the generic, mainstream offer of networking opportunities, but no tailored measures exist in public policies and programmes.

Recent policy developments

Within the recent three years, there have been no significant changes in how public entrepreneurship policies and/or programmes address the issues of promotion campaigns, role models or networking, neither for the disadvantaged groups nor in general. However, several projects have been launched to help promote entrepreneurship, including to people from under-represented and disadvantaged groups. Examples include the following:

1. The SBA is a partner in the “**V4 Network on Entrepreneurship**”, an international project that seeks to set up a pool of knowledge, experts, and researchers to form new, cross-country network about entrepreneurship and SMEs in the Visegrad countries. This network is supposed to facilitate knowledge exchange by creating tools of communication between them. In addition, the network prepares the basis for future joint entrepreneurship projects in V4 countries.
2. SBA has implemented the **CORD project**, which aims to strengthen co-operation between organisations in the field of support for potential and existing entrepreneurs, as well as the internationalisation of business. One of the outputs are the two publications “Entrepreneurship in Hungary” and “Entrepreneurship in Slovakia”. The publications contain basic information about the business environment in the given countries and provide an overview of business opportunities in the Slovak and Hungarian markets.
3. The national project **Support for Integration Enterprises** implemented by the Ministry of Labour, Social Affairs and Family, through **Regional Centres of the Social Economy**, launched a media campaign to promote social dimension in entrepreneurship. The campaign also included presenting examples of good practices that can serve as inspiring success stories.

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 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.

Women

Within the national projects “**National Business Centre II - Bratislava region**” and “**National Business Centre in Regions**” implemented by the SBA, there are special activities to provide also the disadvantaged social groups (including women). Among these, there are possibilities to utilise support with administrative procedures and another difficulties related to starting-up or running a business.

Conditions to be eligible for a **maternity leave** (lasting 34 weeks) and receive related benefits for the self-employed and the employed women are equal (i.e. being insured in social insurance scheme for at least 270 days during two years prior to childbirth). Moreover, women are not obliged to stop earning income from their business activities, and they do not have to pay social insurance contributions during the maternity leave. After the maternity leave, a woman can apply for a parental leave contribution. She can run a business in parallel with no limitation, and the parental leave benefit is paid out until the child is placed into the custody (a mother can ask for a childcare contribution instead – see paragraph below) or until it reached an age of three.

As for the access to **childcare**, a new regulation has been introduced in 2017 that extends the definition of social services and eligible parents can gain a placement for their children under the age of three – or a reimbursement for the costs associated with child care services of these children – within the available net of child care facilities. A parent is eligible for a flat-rate child care contribution when they are not able to personally take full care of the child (e.g. they are enrolled either in secondary school or at the university, actively preparing for the labour market or seeking employment or actively earning an income – this includes also self-employment or owning-managing a company). After the age of three, a child can be placed into a public kindergarten with significantly subsidised costs of childcare. However, in practice, number of places is not always sufficient, especially in large cities and their suburbs.

Immigrants

Within the national projects “**National Business Centre II - Bratislava region**” and “**National Business Centre in Regions**” implemented by the SBA, there are special activities and supports offered to those interested in starting-up or running a business advisory. This includes assistance with administrative procedures and another difficulties. Immigrants with residence permit in Slovakia are also eligible for these services.

The so-called **start-up visa for third-country nationals** (i.e. non-EU) as a part of the “**Conception for Support of Start-ups and Start up Ecosystem**” was approved by the government in 2015. Third-country nationals can apply for 12-month start-up visa (or for a temporary residence permit) by submitting, besides the other required documents, a business plan of an innovative project. The business plan will be assessed for innovativeness by a specialised commission.

An important barrier is that most administrative and tax obligations still have to be met in the Slovak language. There have been few minor improvements, such as recent tax legislation that introduced an option that, prior to agreement with the respective tax office, the tax office can accept documents in foreign language without an authorised translation. However, language is still the biggest barrier for immigrant entrepreneurs. In the recent study by SBA (2019b) that analysed the conditions for doing business and employing foreigners, third-country immigrant entrepreneurs indicated that communication with authorities and submitting documents is too complicated due to poor language skills.

Youth

The largest scheme targeted at youth in order to develop their understanding and complying with administrative procedures related to setting-up and running a business, is the practice enterprise concept of entrepreneurship education at secondary vocational schools. It is implemented and co-ordinated by the State Institute for Vocational Education and its Slovak Centre of Practice Enterprises. Within this concept,

students simulate setting up and managing a business enterprise. All simulated interactions are based on real legislation and regulations, so students get trained for real-life practice. Around 150 secondary schools and more than 1 000 practice enterprises are involved in this programme.

Within the “JA Firma” training firm concept provided by Junior Achievement Slovakia to secondary school students, participating student teams can set up their student training firms for educational purposes for one school year and sell products or services to real customers. This concept has been approved by the responsible public authorities.

There are no reduced tax and/or social security contributions for new graduates. Like for any other newly self-employed individuals, their obligation to pay social security contributions (and therefore becoming covered by social security schemes) starts from the second half of the year following the calendar year in which an individual’s income from self-employment exceeded half of the average salary in the country. So they do not need to pay social security contributions immediately, but they only pay their health insurance contributions.

Seniors

Within the national projects “**National Business Centre II - Bratislava region**” and “**National Business Centre in Regions**” implemented by the SBA, there are special activities to provide also the disadvantaged social groups (including seniors/people aged 50+) possibilities to consult administrative procedures and another difficulties related to starting-up or running a business. Thus, seniors, like anyone else, have an access to these general, mainstream support services.

The conditions for social insurance and health insurance for senior entrepreneurs depend on whether the person has reached the retirement age or not.

The unemployed

The unemployed who wish to become self-employed or start their own company can apply for a “Grant for starting a self-employment for the unemployed”, an instrument that has been tailored specifically for this target group and is delivered through local Labour Offices. More information are provided in the “Financing entrepreneurship” section above. However, when they receive the grant, they are supposed to sustain the business and not return back to unemployment register for three years. There are no other welfare bridge support measures. Like any other newly self-employed individuals, the unemployed who become self-employed are obliged to pay social security contributions from the second half of the year following the calendar year in which their income from self-employment exceeded half of the average salary in the country. So they do not need to pay social security contributions immediately, but they only pay their health insurance contributions.

As explained in the section above, formerly unemployed individuals who will not succeed in their new business are eligible to return back to the unemployment register only if they had not received the self-employment grant. Otherwise they need to wait for three years to be eligible again for unemployment benefits. To be eligible for the unemployment benefit, the formerly self-employed person must have paid voluntary unemployment insurance (as it is not part of the compulsory social insurance package for the self-employed) for at least 730 days during the last four years.

Recent policy developments

Despite no significant or principal changes in overall entrepreneurship policies (neither general nor aimed at the disadvantaged groups) took place in past three years, there are several notable regulatory developments that impact entrepreneurship by people from under-represented and disadvantaged groups.

Nearly all disadvantaged groups benefit from the recent national projects implemented by the Slovak Business Agency - **“National Business Centre II - Bratislava region”** (2017-2023) and **“National Business Centre in Regions”** (2017-2023). The projects brought services of (not only) SBA into “one-stop-shops” for existing or potential entrepreneurs. In this context, especially relevant are the services of the “Front Office” (the point of first contact and the client centre, providing information about business support possibilities through particular financial and non-financial tools from the portfolios of SBA or partner organisations) and the “Acceleration programme” (aimed at building interest in entrepreneurship, increasing motivation for creating new business ideas and developing basic entrepreneurial skills by providing professional counselling, training courses and activities aimed at development of business potential).

Another regulatory measure with a potential impact on the disadvantaged groups is the legislative definition of social economy and social enterprise (in 2018), and consequent creation of the entire support system for registered social enterprises. This agenda belongs to the Ministry of Labour, Social Affairs and Family, which has created eight regional social economy centres. According to the legislative framework, the registered social enterprises are eligible for investment financial support (which has to be combined with financing through a traditional instrument), compensation support (grants or loans), subsidised service vouchers to stimulate demand for services provided by social enterprises, income tax reliefs and lower VAT rate. These support measures are gradually being operationalised.

Another policy development with an indirect, yet important impact on entrepreneurship activities by people from disadvantaged groups, is a stronger emphasis on the agenda of better regulation. This includes the national project **“Improving the entrepreneurial environment in Slovakia and assessment of policies in the competence of the Ministry of Economy”**, which aims to reform the better regulation agenda, based especially on the better regulation strategy and its action plan for implementation. In addition, the **“Better Regulation Centre”** at SBA was created as a specialised analytical unit whose mission is the reduction of the disproportionate regulatory burden of businesses and an improvement in the business environment.

Finally, recent policy developments with general impact on all entrepreneurs (including those from disadvantaged groups) took place in tax legislation. These measures include lowering the income tax rate for entrepreneurs with annual income up to EUR 100 000 to 15% in 2020, cancelling the so-called “tax licences” - flat-rate tax companies were required to pay irrespective of their revenues and income since 2018.

4 Supporting people who experience disability in entrepreneurship

Self-employment and entrepreneurship activities

It is not possible to obtain disaggregated data about the labour market and entrepreneurship activities of people who experience disability.

There are well-known and discussed general and specific barriers related to people who experience disability in business creation and development. Among them general barriers include frequent changes in legislation and perception of a high administrative burden. Specific barriers and issues are related to social exclusion of disabled people and their lower rate of productivity and also in area of supplier-consumer relations.

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.

There are a few high level policy documents that create policy framework to support people who experience disability in entrepreneurship. The most important document for policy framework development is the **National program for development of living conditions of people with disabilities for years 2014-2022**, which presents key documents that contain general overview of the main policies and programmes of supporting people who experience disability. The main objective of the National programme is to achieve

² <https://www.employment.gov.sk/files/slovensky/rodina-socialna-pomoc/tazke-zdravotne-postihnutie/narodny-program-rozvoja-zivotnych-podmienok-osob-so-zdravotnym-postihnutim-roky-2014-2020.pdf>

progress in the standard of living and social protection of persons with disabilities. The national programmes are developed for labour market and the main target in increasing inclusion of persons with disabilities on labour market.

The main policy responsibility for people who experience disability lies with the **Ministry of Labour, Social Affairs and Family of the Slovak Republic**. This Ministry is responsible for active labour market measures and play a vital role in supporting citizens with disabilities. Within this Ministry, the Central Office of Labour, Social Affairs and Family manages, controls and co-ordinate the performance of state administration in the areas of social affairs and employment services. In addition, the Implementation Agency of the Ministry of Labour, Social Affairs and Family implements national projects from Operational Program Employment and Social Inclusion.

The integration of persons who experience disabilities in business activities is supported mainly through the following active labour market measures: a) providing a financial contribution to a citizen with a disability for self-employment (§57 of the Employment Service Act), b) providing a financial contribution for the activity of a work assistant to a self-employed person who is a citizen with a disability (§ 59 of the Employment Service Act), c) providing a financial contribution to employers for the establishment of a sheltered workshop or sheltered workplace who, for an established job in a sheltered workshop or sheltered workplace, where employers create jobs for applicant who is a citizen with a disability (§ 56 of the Employment Service Act), d) providing a contribution to cover the operating costs of a sheltered workshop or sheltered workplace and to cover the costs the transport of employees who are citizens with disabilities and employed in a sheltered workshop or sheltered workplace (§ 60 of the Employment Service Act).

Slovak legislation offers for self-employed persons, partial compensation for their disability, in sense of health contributions that are lower compared to self-employed activity for persons without disability. Moreover, compensation also depends on the decrease in the ability to perform gainful activity. To support business activity and employment of disabled persons employers have an obligation to employ 3% of disabled persons under the condition that employer employs more than 20 employees. If employers do not employ disabled persons, they can use so-called substitute performances and order services and goods in sheltered workshop or pay the stated fine to the state budget. This approach is also applied for registered social entrepreneurs that are supported through public procurement to fulfil the mandatory percentage of employment of persons with disabilities. According to Act no. 112/2018 Call on the Social Economy and Social Enterprises, the employer who is a public contracting authority or contracting authority, may fulfil the mandatory percentage of employed people with disabilities through reserved contracts.

Overview and assessment of policies and programmes

Table 4.2. Characterisation of the 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 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 move 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.

People who experience disability to develop their entrepreneurship skills can use services of **the National Business Centre in Bratislava and in Regions** (see in section 3 for further information) and other general support offered by the **SBA**.

Tailored entrepreneurship supports for people who experience disability are limited to one specific grant scheme. **Grants for business creation** are a type of grants that are offered to support people who experience disability in business creation. The grants are regulated mainly by Act no. 5/2004 Coll. Act on Employment Services and on Amendments to Certain Acts (hereinafter referred as the Employment Services Act). It is however, unclear whether this scheme is being used and whether it has led to the creation of sustainable business activities.

In addition, a number of social entrepreneurship initiatives seek to support the labour market participation of people who experience disability. The most notable development has been the network of supportive infrastructure by Regional Social Economy Centres that provides detailed information in the first steps before registration of a social enterprise according to law (Act no. 112/2018 Coll. on the Social Economy and Social Enterprises). This includes education and training for employees in public institutions and the promotion of best practices.

In addition, a small number of initiatives have been launched such as BRESE. The initiative seeks to remove obstacles for social enterprises so that marginalised groups can be supported in the labour market. It is supported by the Human Resources Operational Program, which is the main source of funding for social enterprises. The project has been implemented from 1 August 2019 to 31 January 2023 within the Interreg Europe programme

Regulatory measures in the social security system allow people who experience a disability to move back into disability benefit system if a business creation is not successful.

Recent policy developments

The government has launched a legal framework for social entrepreneurship, which should improve services and support for groups such as people who experience disability. Important achievements include the passing of Act no. 112/2018 Coll. on the Social Economy and Social Enterprises and on the amendment of certain acts (“the Social Economy and Social Enterprises Act”). As a result, people who experience disability may also be able to set up social enterprises after meeting conditions stated in the Act. The benefits includes, for example, eligibility for greater financial support and more favourable conditions on the disbursement of financial support. As of 23 April 2020, 32 social enterprises were registered (in total).

In addition, several other projects seek to jumpstart activities in the social economy. This includes the launch of the **Institute of Social Economy** by Implementation Agency of the Ministry of Labour, Social Affairs and Family within the Operational Programme Human Resources in the programming period 2014-20. This is complemented by financial aid through the project “**Investment aid for social enterprises a non-repayable component**”, which was launched in 2019. The main goal of this project is to launch a functioning investment support system for social enterprises and contribute to strengthening the employment opportunities for disadvantaged people. This National project will create conditions to offer non-repayable supports for social enterprises in combination with repayable instruments.

5 Policy recommendations

Overall, entrepreneurship policy is under-development in the Slovak Republic, which includes tailored measures for specific population groups such as women, immigrants, youth, seniors, the unemployed and immigrants. Nonetheless, important progress has been made in recent years and some small-scale initiatives are available to women and youth entrepreneurs. In order to strengthen entrepreneurship support and to ensure that everyone has an opportunity to become an entrepreneurs, policy can be advanced in several areas:

1. **Formulate general entrepreneurship strategy as a framework for inclusive entrepreneurship policies.** An entrepreneurship strategy that supports inclusion would facilitate policy development, including setting up strategic targets, policies, programmes and projects to improve inclusive entrepreneurship in country.
2. **Embed senior entrepreneurship policy into new Active Aging Strategy formulation.** Slovakia has low senior entrepreneurship rate. Senior entrepreneurship is not publicly supported and recognised as an alternative to working as an employee. The previous national Active Ageing Strategy did not consider senior entrepreneurship within its objectives. The Active Aging Strategy for the new period could help increase awareness about the potential of senior entrepreneurship by embedding it as a supported activity.
3. **Make practical entrepreneurship education a compulsory part of formal education.** In line with the recommendation of the European Commission, everyone participating in formal education should be exposed to at least one practical entrepreneurship education experience. This would increase the general understanding of entrepreneurship as a potential career option, as well as lead to greater levels of practical entrepreneurship skills among a greater share of the population.
4. **Increase the availability of start-up financing and financial literacy training for women entrepreneurs.** While financial support for women entrepreneurs is available, surveys indicate that women perceive the level of support as being insufficient. More targeted outreach and promotion could help to support women in accessing the existing financial support available.

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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.