

WP T2

Testing Social Enterprise Support Models

ACTIVITY A. T2.1.4

Joint preparation and evaluation of pilots

Summary Report on Pilot Action Template

Created by FOUNDATION FOR IMPROVEMENT OF EMPLOYMENT
POSSIBILITIES, PRIZMA

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Structure of the Summary Report on Pilot Action Template

- Accelerator of Social Change
- 1. 10. 2018 - 30. 11. 2019
- Reporting date: 31.12.2019

1. Pilot Action Synopsis

Pilot Action Title	Accelerator of Social Change
Country	Czech Republic
Region	<ul style="list-style-type: none"> • Olomouc Region • Moravian-Silesian Region • Southern Moravian Region
Name of the organisation	Institute of Social Innovations
Contact Person:	Jiří Daneš – director /project manager
Overall Objective	<p>Testing supporting models for SEs' acceleration and incubation on the case of Moravian regions / territory.</p> <p>Support rural employment through the implementation of the BEC methodology - Business and employment centres.</p>
Purpose	<p>Test methods and tools developed and designed in Toolbox as support models for the social entrepreneurship development and verify their functionality during pilot activities implementation.</p> <p>The importance of BEC methodology usage in terms of social economy and entrepreneurship is that the unemployed and vulnerable target groups do not participate in the production of products for those who have already created their concept of social business but they create it themselves.</p>
Expected Results	<ul style="list-style-type: none"> • change the situation of unemployed on the labour market, • develop the business plans and provide necessary education, mentoring and support, • provide period of approx. 6 months to test their business in real market under the guidance of the BEC, • support cooperation and networking among the new entrepreneurs, • provide supportive environment and usage of common services among paid entrepreneurs, • support participants to continue their businesses on real market as independent entrepreneurs, • support at least 10 SEs in Moravia in their acceleration or incubation stage.
Key Activities	<p>Recruitment of participants, training, support to the SEs through coaching / mentoring / counselling, testing of the methodology for SEs development, testing of the viability of the business plans prepared by the participants (to start SEs), evaluation of the pilot activities and validation of social business models developed:</p> <ul style="list-style-type: none"> • implementation of the information campaign to gather a group of people that want to change their situation on the labour market, • provision of education, mentoring and coaching to create business plans, • enabling testing and experimenting with their business on the real market under the BEC Coop for 6 months, • continuous individual and group counselling during the testing period, • support participants in the future independent self-employment.

Key Stakeholders	<ul style="list-style-type: none"> • Labour offices • Local action groups • Municipalities, public authorities and agencies • Business support organizations • Social Enterprises • SMEs • Interest groups including NGOs
Target groups	<p>Direct target groups:</p> <ul style="list-style-type: none"> • jobseekers and economically inactive people, • persons with business ideas and interested in developing and experimenting with their business idea, • start-up social entrepreneurs, • policy makers, labour offices. <p>Indirect target groups:</p> <ul style="list-style-type: none"> • labour offices from the relevant regions, • customers of BEC paid entrepreneurs.
Author of the Report	<p>Kateřina Coufalová Kristina Kodádková Petr Beneř Jiřĩ Daneř</p>

2. Executive summary

Essential information on the subject being evaluated:

The pilot action was implemented in Moravian regions of the Czech Republic.

There were 3 phases of implementing Business and Employment Co-operative methodology:

- The first stage was education, the output of which was the preparation of a business plan.
- The second phase is called a supported business where a start-up entrepreneur, for 6 to 12 months, is experimenting with his business plan but is not yet an entrepreneur. He is an employee of the BEC coop, under whose wings his business plan develops, and receives wages for that time. During all this time counselling is provided, and mainly the economy of the business plan is controlled.
- The last stage is the business itself and the creation of self-employment for the people who were unemployed initially.

The pilot action was divided into the following concrete activities:

- implementation of the information campaign to gather a group of people that want to change their situation on the labour market,
- provision of education, mentoring and coaching to create business plans and Lean Canvases,
- enabling testing and experimenting with their business on the real market under the BEC Coop for 6 months,
- continuous individual and group counselling during the testing period,
- support participants in the future independent self-employment.

Direct support was provided on the BEC methodology principle. Selected participants with the most viable business ideas / plans became employees of the BEC cooperative, they realized the activities and business activities of the company, testing, verifying the feasibility of its own business plan. During the testing period, they gain skills and verifies the practical effects and possibilities for self-support by this activity after the end of support.

The purpose and objectives of the evaluation:

- determine the relevance and fulfilment of objectives of the pilot action, its developmental efficiency, effectiveness, impact and sustainability.
- measure the success of the pilot action against the objective.
- provide recommendations, information for long-term planning and lessons for organizational growth and success of the pilot action.
- focus on outcomes, impacts and overall goal of the pilot action.
- assess the relevance, impact, sustainability, effectiveness and efficiency of the pilot action.
- check whether what the pilot action did had the impact that it intended.
- help to improve the pilot action design of future projects.
- look at the achievement of the pilot action along with both positive/negative, intended/unintended effects.

Methods applied and major limitations:

- monitoring of project participants, which was created on the basis of analysis of documents related to project participants (entry agreements, entry questionnaires, CVs, cover letters, attendance lists, lean canvas, business plans etc.),

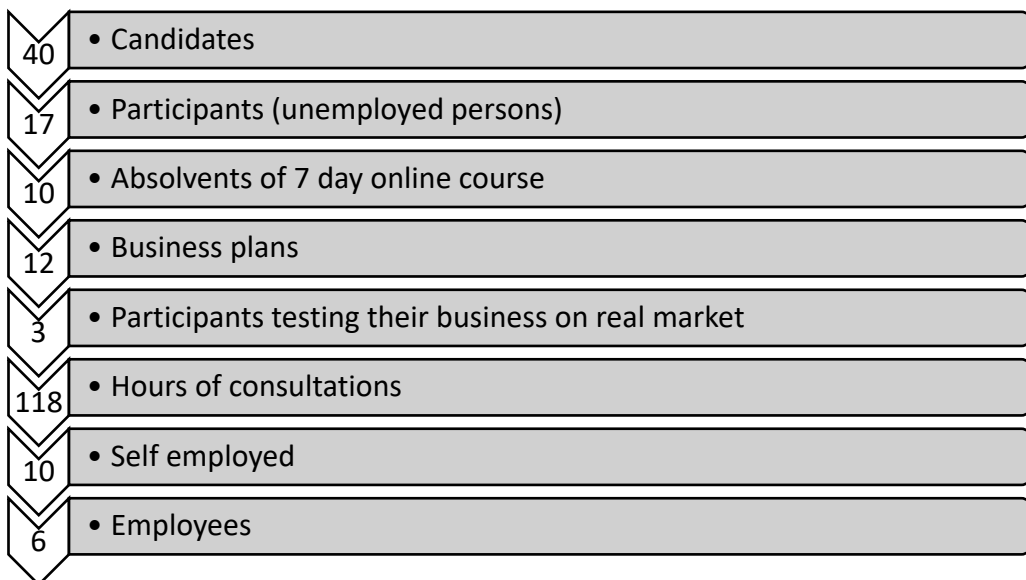
- financial analysis of project impacts (based on cash flow of business plans, excel sheets of start-up entrepreneurs, etc.).

Evaluation Criteria:

- All project participants who signed a Project Entry Agreement are eligible for advice.
- The aim of seven-day online course was to teach participants how to develop their business plan and what steps are necessary to start their business properly.
- Selected successful graduates entered into the business-employment cooperatives with the aim of supporting, testing and verifying their entrepreneurial skills for a period of 6 months - a form of support wage allowance.
- The condition for entering the testing was an online course and successful defence of the business plan.

The main outcomes of the pilot action in total:

- 40 candidates,
- 17 participants,
- 3 start-up entrepreneurs testing products and services on real market under the BEC Coop methodology,
- 10 lean canvas,
- 12 business plans - finished / completed,
- Number of successful seven-day online course "Basics of business skills" graduates - 10:
 - 7 participants attended the seven-day online course "Basics of business skills" (14 hours),
 - 3 participants attended the peer-to-peer course "Basics of business skills" (14 hours),
- 148 hours of consultation (7-day online course and peer-to-peer course "Basics of business skills"),
- 118,5 hours of consultations (individual and group counselling) provided.



Most important findings, conclusions, lessons learned and recommendations:

- 40% of the candidates entered the project (became participants),
- 18,8% of participants are testing their business,
- 62,5% of participants became entrepreneurs,
- 37,5% of participants became employees,
- 25.960 CZK is average gross income of testing participants,

- 134.000 CZK are wages of testing participants.
- 1.890.000 CZK is approved funding from the EU funds (Operational Programme Employment), creation of another 2,5 jobs within the approved project.

Participants testing their business made a gross profit from testing their business 25.960, - CZK. The expenditures on wages for testing participants till the September were CZK 241.200.

Participant	Wages	Revenues	Expenditure	Business theme	Testing time
Franzová	80.400 CZK	27.090 CZK	19.240 CZK	Art courses for adults	6 Months
Fajman	53.600 CZK	31.800 CZK	0 CZK	Multimedia - Online marketing	6 Months
Baláž	107.200 CZK	19.000 CZK	0 CZK	Local food (fruit, vegetables, herbs) processing	10 Months

3. Introduction

Short description of the pilot project: the problems that the pilot project is addressing; the aims, the scope; its key stakeholders; relation to the AF

The problems that the pilot project is addressing:

We can associate the characteristics of the target group with the impacts of insufficient social and economic integration of the target group.

These are a lack of work income and the resulting poverty, which results to:

- social insecurity
- participation in the illegal (non-official) labour market,
- dependence on income subsidies from the state,
- debts,
- non-use of self-employed persons as a variant of life situation solution.

The long unemployment is connected with phenomena such as:

- fixed thinking in relation to the exploitation of opportunities,
- loss of motivation and capacity to address an adverse life situation.

The characteristics of the target group associated with the impacts of its lack of social and economic integration can be associated with:

- insufficient development of social relations networks,
- insufficient development of working competences and habits.

The aim of the pilot action were to:

- gather a group of people that want to change their situation on the labour market,
- enable them to develop the business plans to be able to start their own business,
- provide necessary education, mentoring and support,
- provide period of 6 months to test their business in real market under the guidance of the Business Employment Cooperative methodology,

- support cooperation and networking among the new entrepreneurs (such as sharing ideas, problems, experiences),
- provide supportive environment and usage of common services among paid entrepreneurs,
- support participants to continue their businesses on real market as independent entrepreneurs.

The objectives of the Business Employment Cooperatives are to:

- create job opportunities for disadvantaged people in the labour market, collective dimension of operation, participatory management and involvement in decision-making processes,
- use the knowledge and skills of the local population,
- use the ideas of the long-term unemployed who want to change their situation and to solve their needs in the labour market,
- provide new and original solutions to help and develop entrepreneurial and self-employment potential for the unemployed,
- reduce the amount of work on black market or to help people stop being dependent on minimum social benefits,
- provide the opportunity to jobseekers to test business ideas based on fixed or indefinite employment.

Activities:

- Pilot Actions Training
- Study visit in the Czech Republic

PHASE 1 - INFORMATION CAMPAIGN AND EDUCATION

- Implementation of information campaign
- Provision of education
- Individual and group mentoring and consulting of the business plans
- Submission of final business plans
- Selection of participants for testing their business ideas

PHASE 2 - SOCIAL ECONOMY START-UP INCUBATION - START UP ENTREPRENEUR TESTING

- Support of business - start-up entrepreneurs testing products and services on real market the BEC Coop
- Individual and group mentoring and consulting in the testing period

PHASE 3 - SELF-EMPLOYMENT OF SOCIAL ECONOMY START-UP ENTREPRENEURS

- Creation of self-employment -implementing the independent business.
- Individual and group mentoring and consulting during the self-employment.

Key stakeholders

- Labour offices
- Local action groups
- Municipalities, public authorities and agencies
- Business support organizations
- Social Enterprises, SMEs

Key stakeholders are labour offices from the relevant regions. They are specifically involved during the information campaign (the target group recruitment). They are one of the information channels to jobseekers in

their evidence. Their motivation is to help their clients find the best solution for the current situation at the labour market. In this case, to start their business.

Target groups:

Direct target groups:

- jobseekers and economically inactive people,
- persons interested in developing their business idea motivated by the opportunity to become paid entrepreneurs and to experiment with their business idea under the BEC Coop,
- start-up social entrepreneurs.

Indirect target groups:

- labour offices from the relevant regions,
- customers of BEC paid entrepreneurs.

Direct target groups of BEC pilot action were primarily jobseekers and economically inactive people. They were selected according to the set criteria, the position on the labour market and the level of the entrepreneurial idea and its sophistication. Potential participants were motivated by the opportunity to become paid entrepreneurs and to experiment with their business idea under the BEC Coop.

Indirect target groups were labour offices from the relevant regions. They were specifically involved during the information campaign (the target group recruitment). They were one of the information channels to jobseekers in their evidence. Their motivation was to help their clients find the best solution for the current situation at the labour market. In this case, to start their business.

Another indirect target groups were customers of BEC paid entrepreneurs that vary based on fields of their businesses (IT, photography, seamstress, jewellery designer, writer, masseur etc.). BEC Cooperative promotes their paid entrepreneurs by a number of tools - website, facebook, this contacts etc.

Description of the evaluation purpose, objectives, and key questions; Explain the rationale for selection or non-selection of evaluation criteria.

The purpose and objectives of the evaluation:

- determine the relevance and fulfilment of objectives of the pilot action, its developmental efficiency, effectiveness, impact and sustainability.
- measure the success of the pilot action against the objective.
- provide recommendations, information for long-term planning and lessons for organizational growth and success of the pilot action.
- focus on outcomes, impacts and overall goal of the pilot action.
- assess the relevance, impact, sustainability, effectiveness and efficiency of the pilot action.
- check whether what the pilot action did had the impact that it intended.
- help to improve the pilot action design of future projects.
- look at the achievement of the pilot action along with both positive/negative, intended/unintended effects.

Evaluation Criteria:

- All project participants who signed a Project Entry Agreement are eligible for advice.

- The aim of seven-day online course was to teach participants how to develop their business plan and what steps are necessary to start their business properly.
- Selected successful graduates entered into the business-employment cooperatives with the aim of supporting, testing and verifying their entrepreneurial skills for a period of 6 months - a form of support wage allowance.
- The condition for entering the testing was an online course and successful defence of the business plan.
- The sustainability of the pilot action cannot be directly measured and evaluated in a short time period. Generally, there is a significant risk of business failure in the first 3 years of operation, so the expected results are modelled only on the basis of the pilot's experience based on a qualified estimation. The prerequisite is the stabilization of the businesses at min. 40% pilot action's participants establishing their businesses. For employed participants, the estimated effect of the pilot action is approx.. 80% of job sustainability in the next 3 years. The mentioned impacts (most of them) will be monitored and evaluated in the period of 1 year by the involved mentor regardless of future changes.

Explain the rationale for selection or non-selection of evaluation criteria:

The selected participant for the new job created:

- is a job applicant or inactive person,
- is a successful 7-day online course,
- is interested in joining BEC,
- has created and defended his / her own business plan in front of the implementation and lecturing team,
- obtains a guarantee of financial support in the form of a tax allowance for 6 months with the BEC cooperative,
- will be contractually bound, social and health insurance will be paid for them.

Description of the methodology to conduct the evaluation and its limitations (if any).

Description of the methodology:

- BEC method will provide support for disadvantaged people to target on their self-employment and integration into the labour market based on the principles of social economy and social entrepreneurship and to create better conditions for its members to enter the labour market. BEC serves primarily to support business activities of its members to promote their common interests, to protect the interests of the members and networking, mutual cooperation and assistance. BEC provides a wide range of business activities in many fields to ensure long-term sustainability of created jobs, developing and expanding business skills for disadvantaged individuals and vulnerable persons/groups on the labour market.
- There is applied the principle of cooperation and networking, i.e. that a "paid entrepreneur-employee who is testing his own business" can be involved in the operation of the cooperative as his member-partner and take advantage of positive effects of networking with other BEC's members and BECs entities such as sharing ideas, problems, experiences, but also a supportive environment and usage of common services.

Planned results before starting the implementation of the pilot action

BEC methodology:

Based on our approach and support for business development, we expect at least one third of successful participants will start their own business.

40% - 50% of training participants sort out their career plans, quit the idea of starting their own business and are supported to find employment.

Only less than 20% of people remain unemployed.

4. Indicators

	Indicator	Indicator description / comment	Starting situation / number	Ending situation / number
1.	Amount of candidates	Number of people interested in joining the project	35	40
2.	Amount of project participants	Number of people signing the project entry agreement	11	16
3.	Passing a course for start-up entrepreneurs	A 7-day course of business basics	6	10
4	Business plan	Completed business plan	5	12
5	Start-up entrepreneurs testing products and services on real market	Employment contract	1	3

5. Findings and conclusions

The degree to which the pilot action reaching the planned results:

- At the end of actual monitoring period, 100% of the participants are employees or self-employed persons. 10 persons became entrepreneurs (62.5% of project participants) and 6 persons are employed (37.5% of project participants).

Analyse the linkages between inputs, activities, outputs, outcomes and if possible, impact to the extent possible measure achievement of results in quantitative and qualitative term

- The pilot action addresses the problem of low business use in reducing unemployment. During the economic crisis in the EU and OECD countries, the attention paid to the use of AEP tools in the solution of unemployment increased significantly, specifically through the support of starting a business, resp. self-employment (start-up incentives). At the same time, experience abroad shows that the potential of self-employed in reducing unemployment, including the unemployment of low-skilled people, is significant and also economically more advantageous than alternative instruments supporting direct employment. In international comparison, the Czech Republic lags behind the more advanced countries in terms of this instrument in comparison with other forms of AEP. The importance of using already available AEP tools to support the self-employed of unemployed is also low in the Czech Republic. This deficit is recognized by regional LOs and local development actors.
- There was a high unemployment rate in the Czech Republic during the pilot project. In the Czech Republic, the active unemployment policy instruments are insufficiently implemented. The participation of unemployed persons in AEP activities is low. In the Czech Republic, there is a decrease in the self-employed in the main activity and a decrease in the overall business activity of the unemployed.
- 40 applicants showed their initial interest in joining the project. 16 candidates signed the project entry agreement and became a full-participants in the SENTINEL pilot action. 10 project participants attended a 7-day online course and 3 participants received a wage allowance for 6-12 months to test their business plan. All project participants were originally in the evidence of the Labour Office or economically inactive persons and are now active in the labour market at the end of the monitoring period. More than half of them (62,5%) became entrepreneurs active in the area of their business plan. The other participants are employed, but they have not abandoned their business plans and believe in their implementation.
- The efficiency of the invested resources is very good (in comparison with public schemes implemented mainly by the labour offices who also supports start-up entrepreneurship within the Active Labour Policy) especially due to personal approach and mentoring support to the pilot action participants (more than 60% participants has established their business and other participants have found employment on the labour market).

Factors that affected performance as well as unintended effects, both positive and negative:

- Unintended negative effects are mainly changes in business legislation and introduction of EET (online cash income registration by the Financial Offices) in the Czech Republic.
- Insufficient social and economic integration (high demands of the target group).
- Mutual Business and personal ties between the participants were supported within the pilot action's implementation. Direct real-time linkages cannot be evaluated in a short-term period. In some fields, such as marketing and PR, direct links and cooperation have been established among participants. Mentors in the framework of peer to peer interviews provided the consensus for participants, how to become sustainable and improve their market share, and of course, to strengthen the business relations and connections.

Relative contributions of stakeholders to achievement of results:

Key stakeholders are labour offices from the relevant regions. They are specifically involved during the information campaign (the target group recruitment). They are one of the information channels to jobseekers in their evidence. Their motivation is to help their clients find the best solution for the current situation at the labour market. In this case, to start their business.

Based on the evaluation of the relevant tools and indicators for the assessment of the pilot action, the following effects have been achieved:

- Risk assessment of preparedness of business plans before and after the implementation of the pilot action (criterion of the risk of the Business Plan: minimum 1 – maximum 3) - average change 2.5;
- Business diagnostic tools (criterion scale: minimum 1 – maximum 3) - average change 2.3;
- Position on the labour market - Diagnostic instrument (criterion scale: minimum 1 – maximum 5) - average change 4.7;
- Evaluation of BP and economic effects (criterion scale: minimum 1 – maximum 3) - average change 1.2;
- Evaluation of testing's success (criterion scale: minimum 1 – maximum 3) - average change 2.1;

Expected impact is to increase business generated revenues, which - at present - range between 25% and 65% in total income structure of entrepreneurs - 10 persons.

Expected outputs/ results:

- Acquired skills to implement BEC pilot action in the Czech Republic.
- The BEC pilot action introduced to Polish and German partners.

PHASE 1 - INFORMATION CAMPAIGN AND EDUCATION

- List of candidates (CVs, motivation letters)
- List of participants (participation agreements)
- Sustainable business plans prepared for testing on real market.
- Elaborated business plans fine tuned.
- Final business plans submitted.
- Final business plans submitted.
- Final list of participants of the testing period.

PHASE 2 - SOCIAL ECONOMY START-UP INCUBATION - START UP ENTREPRENEUR TESTING

- Business plans of start-up entrepreneurs tested on real market under the umbrella of BEC Coop.
- Increase revenues of start-up entrepreneurs.

PHASE 3 - SELF-EMPLOYMENT OF SOCIAL ECONOMY START-UP ENTREPRENEURS

- Independent businesses of participants are started up.
- Participants have adequate knowledge to be able to start their independent business.

PILOT LOGICAL FRAMEWORK

Action description	Indicators	Means of verification	Risks / Assumptions ¹
<p>Overall objective (Aim/Goal)²</p> <p>To increase the number of social start-up entrepreneurs among job seekers and economically inactive people.</p>	6 business licences created.	Business register.	<i>n/a</i>
<p>Specific objective (Purpose/Outcome)³</p> <p>To improve skills and competences of social start-up entrepreneurs.</p>	12 business plans created.	Submitted business plans.	Participants of the pilot action will continue with establishing their own independent business.
<p>Results (Outputs)</p> <ul style="list-style-type: none"> • 12 created business plans. • 10 improved business skills. • 3 participants testing their business ideas under BEC Coop. • 3 independent businesses initiated. 	<ul style="list-style-type: none"> • 40 candidates in the BEC pilot (CVs, motivation letters). • 17 participants of the BEC pilot (participant agreements). • 10 participants that will finalize the education part. • 12 finalized business plans. • 3 participants that will test their business idea under the BEC Coop. 	<p>Mid-term status report.</p> <p>Summary report.</p>	<ul style="list-style-type: none"> • Start-up entrepreneurs follow their business plans and continue with their business. • Start-up entrepreneurs are using the mentoring and consulting services. • Start-up entrepreneurs are using the networking opportunities with other BEC entrepreneurs.
<p>Activities</p> <ul style="list-style-type: none"> • Pilot Model elaborated. • Education, Mentoring and Consulting. • Testing of business ideas under BEC Coop. • Support of independent self- 	<i>n/a</i>	<i>n/a</i>	<ul style="list-style-type: none"> • Participants are interested in starting their business. • Adequate number of jobseekers that want to change their situation on labour market and start their business.

¹ Factors external to the pilot which are likely to influence the work of the pilot management has little control, and which need to exist to permit progress to the next level.

² The ultimate result to which your pilot is contributing – the impact of the pilot.

³ The change that occurs if the pilot outputs are achieved – the effect of the pilot.

employment / business.			
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SWOT analysis of the pilot action

STRENGTHS		WEAKNESSES	
<p>criteria examples</p> <p>Advantages of proposition?</p> <p>Capabilities?</p> <p>Competitive advantages?</p> <p>Resources, Assets, People?</p> <p>Experience, knowledge, data?</p> <p>Innovative aspects?</p> <p>Location and geographical?</p> <p>Price, value, quality?</p> <p>Cultural, attitudinal, behavioural?</p>	<ul style="list-style-type: none"> • High number of candidates • Testing in real market • Innovative BEC methodology • Experienced team of experts (combination of external and own resources) • Years of experience (with implementation) + cooperation with foreign partners who have years of experience • Good knowledge of local situation, potential to build strong relationships with the customers 	<ul style="list-style-type: none"> • Priority of employment over starting a business • Dependence on external sources • Limited accessibility to the professional training for SEs' employees (financial and time limitations) • Insufficient economic performance of BEC 	<p>criteria examples</p> <p>Disadvantages of proposition?</p> <p>Gaps in capabilities?</p> <p>Reputation, presence and reach?</p> <p>Financials?</p> <p>Own known vulnerabilities?</p> <p>Timescales, deadlines and pressures?</p>
OPPORTUNITIES		THREATS	
<p>criteria examples</p> <p>Market developments?</p> <p>Competitors' vulnerabilities?</p> <p>Technology development and innovation?</p> <p>Global influences?</p>	<ul style="list-style-type: none"> • High unemployment rate • Motivation for self-employment • Self-confidence of participants • The existence of loved ones or acquaintances who have experience in doing business • Existence of employment upon entry into the project • Promoting micro-entrepreneurship in rural areas and working with disadvantaged people • Existing instruments of active employment and local development policy • Close cooperation with regional offices of the Labour Office and the General Directorate of Labour Office 	<ul style="list-style-type: none"> • Minimum of own financial resources + lower skills of participants • Insufficient external support for business • Inappropriate system settings • Changes in business legislation • Introduction of EET in the Czech Republic • Lack (absence) of key actors for the use of AEP and local development for the BEC method • Insufficient performance of the target group in the open market • Insufficient interest of the appropriate target group in engagement • Insufficient performance of BEC workers • Lack of participants 	<p>criteria examples</p> <p>Political effects?</p> <p>Legislative effects?</p> <p>Environmental effects?</p> <p>IT developments?</p> <p>New technologies, services, ideas?</p> <p>Sustaining internal capabilities?</p> <p>Obstacles faced?</p> <p>Insurmountable weaknesses?</p>

Further steps:

- continued support for start-up entrepreneurs
- helping start-up entrepreneurs with self-employment
- persistent consultation
- subsequent individual and group counselling

After the payment of wage funds is over, the direct support ends. Each supported participant must ensure its future after the end of the support by:

- performance of employee activities as members / employees of BEC cooperative,
- development of their self-employment activities - by establishing their own self-employed,
- placement in the labour market in the case of a decision not to continue in business.

Indirect support to participants continues even after the end of direct support, in the form of consultations.

The BEC employee is therefore motivated to build his / her own business activities so that after the end of direct support of his / her activity within the project, he / she will either be self-employed without public support or continue as a member / employee of the BEC cooperative. Each of the supported participants can use advisory services (accounting, economic and other specific counselling) during their membership in BEC.

6. Lessons learned and Recommendations

The pilot action addresses the problem of low business use in reducing unemployment. During the economic crisis, the attention paid to the use of AEP tools to tackle unemployment in the EU and OECD countries increased significantly, specifically through the support of business start-ups, respectively self-employment (start-up incentives). At the same time, experience abroad shows that the potential of self-employed in reducing unemployment, including the unemployment of low-skilled people, is significant and also economically more advantageous than alternative instruments supporting direct employment. In international comparison, the Czech Republic lags behind the more advanced countries in terms of this instrument in comparison with other forms of AEP. The importance of using already available AEP tools to support the self-employed of the unemployed is also low in the Czech Republic. This deficit is recognized by regional Labour Offices and local development actors. The social significance of the innovative solution can be demonstrated by the savings from public resources that have been achieved through the innovative solution.

- The pilot action leads to the integration of the disadvantaged target group, which improves its characteristics for the Labour market (capacity, internal motivation and internal opportunity for change).
- The pilot action helps to create a sustainable AEP instrument for the development of the unemployed.
- The pilot action will promote inclusive local development by creating job opportunities and improving the quality of life of the community.

- During the pilot action, all project participants found employment in the labor market as entrepreneurs or employees.
- Participation in the project led to a change in quality, an overall change to the business plan, and also to a reduction of risks with business failure for all project participants, regardless of their business experience.