

# V4 NETWORK ON ENTREPRENEURSHIP

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## LESSONS LEARNED

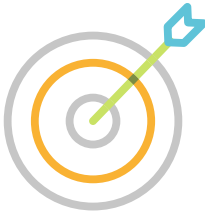
- Capitalization of project results
- Recommendations for policy-makers

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## ABOUT THE PROJECT

### AIM



The project is aiming to facilitate informationsharing in order to form new, cross-country knowledge and network about entrepreneurship and small business in the Visegrad countries.

### PARTNERS



#### **HETFA Research Institute (HU) - Coordinator**

HETFA is an independent think tank providing useful and evidence-based analyses on national and local issues for decision-makers and the policy expert community. HETFA use a multidisciplinary approach in its research covering many fields, including entrepreneurship, social enterprises, women entrepreneurs.



#### **IDEA of Development Foundation (PL)**

IDEA is an independent organization whose aim is to foster and promote socio-economic development. It provides knowledge as well as tools and instruments which foster the quality of social life and increase the potential for future development.



#### **University of Economics, Prague (CZ)**

UE Faculty of Economics has an extensive experience in research projects aimed at economic analyses of differentiating urban-rural issues, the economic relationship of SMEs with the funding of local and regional authorities.



#### **Slovak Business Agency (SK)**

SBA is the oldest and the most crucial specialized non-profit organization for the support of small and medium-sized enterprises in Slovakia. By providing financial and non-financial services it strives to be the first choice for Slovak enterprises for starting and development of their business.

## TARGET GROUP



- Academics, pracademics, researchers, analysts, whose research area covers SMEs & entrepreneurs;
- Organizations dealing with the representation of SMEs & entrepreneurs;
- Organizations focusing on SMEs and entrepreneurship

## MAIN OUTPUTS



**DATABASE:** a public database was set up for researchers, experts, stakeholders and organizations focusing on entrepreneurship from Visegrad countries.

This database allows to

- broaden the professional network,
- find potential participants for conference and workshop,
- find potential partners for a joint publication or knowledge exchange,
- find potential partners for future projects.

**POLICY RECOMMENDATIONS:** the project partners prepared a joint policy proposal aiming to better address the challenges of small businesses in the V4 region (see the subsequents chapter of this brochure).

## FINANCING



The project is co-financed by the governments of Czechia, Hungary, Poland and Slovakia th from International Visegrad Fund.

Budget: 20,455 €



## EVENTS



**Kick-off meeting,  
March 2019,  
Budapest**

**International Conference on the Challenges and  
Good Practices of SMEs in V4 Countries,  
September 2019,  
Budapest**

**International Workshop on SMEs in V4 Countries,  
January 2020,  
Bratislava**

## CONTACT



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**INTERNATIONAL CONFERENCE ON THE CHALLENGES AND  
GOODPRACTICES OF SMES IN V4 COUNTRIES  
24-25 SEPT 2019,  
BUDAPEST, HUNGARY**

**This 2-day-long international conference targeted the sharing of good practices and discussing common challenges of SMEs in the V4 countries along different aspects. Participants included academics, researchers, experts from public authorities as well as representatives of businesses and other organizations working on various aspects of entrepreneurship.**

Therefore, the event represented a special opportunity for getting involved in interactive and discursive knowledge-sharing and networking as well as for formulating messages that can be channelled into decision-making. Accordingly, the next paragraphs provide short summaries on the different sections and highlight the main messages.

**The most important points of the discussions are as follows:**

- vocational and higher educational institutions' curriculum lag behind the needs of the sector;
- creative and entrepreneurial thinking should be reinforced as early as possible and the culture of entrepreneurship should be promoted;
- the most pressing issues for SMEs are regulation and taxation;
- there are many financial schemes available for entrepreneurs and SMEs but the way and focus how they can use them should be made more efficient;
- there is a need for reinforcing regional networks through V4 countries to discuss their specific needs and better articulate their interests;
- opportunities for mentorship, knowledge sharing and networking should be further promoted;
- discussion on the specific needs of different segments of entrepreneurs and SMEs needs to involve the relevant decision-makers too.

## OVERVIEW ON THE CURRENT STATE OF COMPETITIVENESS AND INNOVATION POTENTIAL OF V4 COUNTRIES

The first plenary session was dedicated to give an **overview on the current state of competitiveness and innovation potential of V4 countries**. Invited experts from all V4 countries had significant experience in policy forming and/or evaluation. Experts agreed that ***the most pressing issues for SMEs are taxation and regulation***. It was also confirmed that through the various instruments of Cohesion Policy an important amount of subsidies or other forms of financial support are available for SMEs. However, policy-makers have to pay attention to the following factors:

- ***spend the financial assets in an efficient way,***
- ***not to distort the market in the meantime,***
- ***raise the competitiveness of special segments.***

The most important need of the sector is that SMEs should be left alone to work and only the necessary conditions for their optimal operation is expected to be secured by decision-makers.

## CURRENT TRENDS IN V4 COUNTRIES

The second plenary session touched upon **various trends in the Visegrad countries**. First, V4 SMEs' position was presented with regard to circular economy through the eco-innovation index. Accordingly, the region lags behind and there are a number of important steps to be taken to reach an advancement, e.g.:

- waste and resource management should be better connected,
- ***new business models should be launched and promoted,***
- ***costs of meeting regulations should be decreased,***
- ***companies should get access to relevant information and exchange of good practices.***

Apart from policy changes in this field, **spreading innovative and entrepreneurial thinking through education** is a must – which also represents a key asset to boost entrepreneurship among young people. Providing support for those who have entrepreneurial idea can be done not only through **making available financial assets, but providing mentorship and networking** is also of key importance. For start-ups, challenge and innovation are the key words which can be easily embraced by youngsters. Penetration of digitalization and the so-called e-cohesion is supposed to give momentum to the rise of start-ups on our region if we are able to mitigate the **problem of the lack of adequate human resources**. Related to this, the example from Poland was outstanding: regardless governmental initiatives certain cities decided to develop strategies and provide an attractive environment for start-ups: as a result, a number of accelerator and start-up centre programmes were launched.

Speakers of this session agreed that **more trust** would be needed towards people absorbing governmental/EU funds to enable them to use efficiently these funds and ensure the growth of their SMEs instead of dealing with administration and reporting. Moreover, enhanced cooperation among programme owners and beneficiaries at regional or international level could also strengthen the position of the regions, V4 economies and SMEs.

**Afterwards, four parallel sessions were held with different focuses.**



## FEMALE ENTREPRENEURSHIP

Seven speakers presented their initiatives or projects in the frame of a pitch session. Most of them provides education, training or coaching, mentorship, networking opportunities for different groups of women, either students in higher education or potential mompreneurs on maternity leave or young ladies below the age of 34 or generally women aiming to launch enterprises or already launched one. Apart from the fact that supporting female entrepreneurship can exploit an important potential of the national economies by the integration of women, it is also important that entrepreneurs can provide employment for job-seekers in the labour market. If only 4 percent of graduates aim to launch enterprise there is a huge risk of the lack of potential employees.

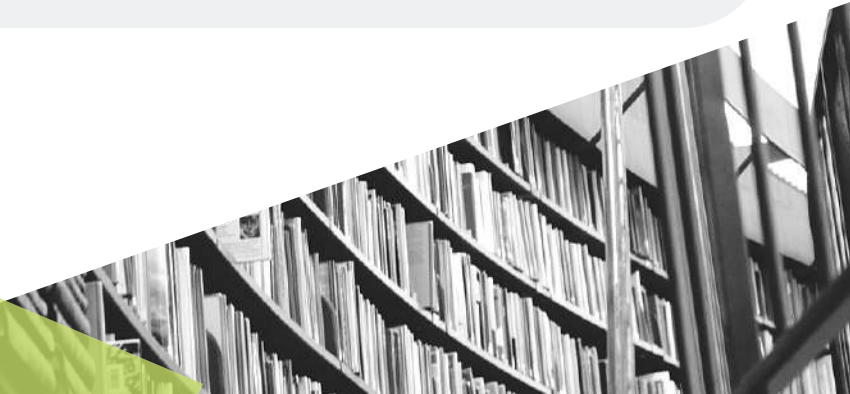
Participants agreed that ***entrepreneurial thinking and potential role models have to be promoted as early as possible***, starting in kindergartens or elementary schools. ***Entrepreneurs themselves have to be respected and supporting environment*** has to be secured for female entrepreneurs to enable their successful operation and growth. Lastly, it has to be highlighted that the discussion on female entrepreneurship should not address female experts and entrepreneurs themselves but it is important to establish a real dialogue with decision-makers and efficiently involve them into real discussion on the issue.

## SOCIAL ENTREPRENEURSHIP

The concept of social enterprise and solidarity economy remain uncertain in the V4 countries. But each of the V4 countries is an expanding sector that is very diverse. There are different legal forms and operating rules in the countries and the structures supporting these businesses are very diverse. They have ***significant added value in addressing societal challenges everywhere***.

***Funding opportunities, particularly EU funding, fundamentally determine how organizations in the sector operate***, choosing forms and activities for which grants are available. Poland has an outstanding support system that can provide good experience for the V4 states.

There has been a lively debate about the ***role of municipalities*** in social enterprises. In some countries municipalities are the owners of such organizations, which can bring economic benefits but undermine bottom-up initiatives and the self-determination of the owner individuals.



The discussion highlighted the difficulties social enterprises face and the need for additional support compared to traditional businesses.

The main message of the panel participants was that there is ***need to strengthen social enterprises and networks, to increase policies' pro-business nature of social enterprise development, and to develop long-term national social enterprise strategies***, preferably within the SME strategy.

### DIGITALIZATION & INDUSTRY 4.0

In manufacturing, disruption is slow, the years pass fast. For certain verticals, like automotive the pace is different, digitization is more advanced. In pharmaceuticals, sharks are coming in, with digitalisation 15% saving is achievable, which is significant. ***In CEE uptake is slow***, already lagging behind for example Germany.

It is challenging to estimate the costs associated with digitalisation. 9 of 10 enterprises does not feel the need to change. Implementing industry 4.0 solutions, even partial ones is expensive and skilled labour shortage is evident. First, ***companies need to understand the importance and then they should be motivated to invest in new technologies***. New models of operations need to be introduced, for this, simplified regulation is necessary. Co-ordination of the line ministries efforts is also crucial.

Similarly to other fields, neither vocational nor higher education structure addresses the industry needs, the curricula needs to be adapted and be flexible. ***Teaching coding, training for new hard and soft skills*** is more important than the current curriculum.

Beyond education, ***knowledge transfer*** is also an important element: creating industry platforms, sharing experience, inviting trade unions. Example factories should be identified, the owners could be consulted directly to share practices. Funding can represent an additional asset but spending you own money is inevitable necessitates to have successful projects and secure efficiency.



Factors to be taken into account when designing policy intervention:

- value added on production;
- size, sector, ownership: segmentation is necessary, not every segment in SME is suitable for the industry 4.0;
- role of leadership at the enterprises, visionary approach;
- technology conditions: location, rural areas, digital divide should be addressed, improve conditions;
- put a special focus on attracting and motivating young generations: organizing e.g. innovation workshops 4-6 hours for students.

### **FAMILY BUSINESSES, GENERATION CHANGE**

With regard to family businesses the generation change is the most pressing issue in all V4 countries. The fact that an important part of family enterprises came into existence during the 90s and their founders are now expected to step back reveals the focus of many related issues. The topic is even more important taking into consideration that, for instance, in Hungary one third of enterprises belong to family businesses.

The **role of external experts** was extensively debated with regard to generation changes: either remaining an external advisor during the change of leadership or taking over the leadership from the family members. **Perceptions of family members, founders and possible inheritors** can be very diverse but importantly influence the further development of the business.

Participants agreed that the generation which is supposed to take over family businesses have much broader opportunities for studying, networking, and investigating good and bad practices which should be exploited before they get engaged in the leadership of the family enterprise.



**INTERNATIONAL WORKSHOP ON SMES IN V4 COUNTRIES  
21-22 JANUARY 2020  
BRATISLAVA, SLOVAKIA**

Following the international conference 'Challenges and good practices of SMEs in V4 countries' in September 2019, in Budapest, **decision-makers and policy experts were invited from all Visegrad countries to tackle the most pressing issues in the field of Small and Medium Enterprise policies.**

The workshop also featured in-depth discussions on the **current trends in the field of SMEs**, namely social entrepreneurship, generational exchange and application of digital technologies.

During the workshop participants contributed to the preparation of this joint policy proposal aiming to better address the challenges of small businesses in the V4 region. **The main problems statements, possible areas of interventions and selected good practices are summarized below.**



*"Personal contacts with people from the same sector for 2 days were beneficial for establishing a good contact and continue cooperation in the future. Also the discussion topics were interesting and it was beneficial to hear the opinions of people from V4 countries, which often have the similar problems."*

Mike Nagorkin, IFKA



## THE BUSINESS ENVIRONMENT: TAXATION, LEGISLATION, INCENTIVES / BUSINESS SUPPORT



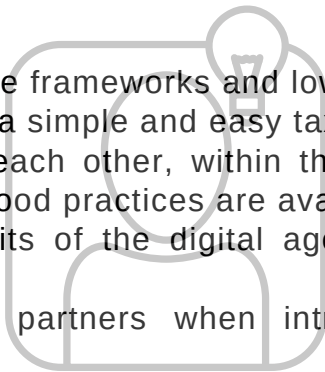
### PROBLEMS STATEMENTS

- Legislation is too complex, often overregulated, what makes the apprehension and adaptation harder for businesses.
- Taxation rules are complicated that does not facilitate law enforcement.
- Regulatory frameworks and systems are not stable as they tend to be modified often and quickly, lacking consultation with the representatives of the industry, society, etc.
- Long-term strategies rarely outlive political election cycles.
- Trust towards the private sector can be hardly touched upon and negative stereotypes towards entrepreneurship are still prevalent.

### POSSIBLE AREAS OF INTERVENTION

#### Governments

- to strive for clearer legislative frameworks and lower administrative burdens.
- to lower taxes and ensuring a simple and easy taxation process.
- to share experiences with each other, within the region, but also with Western European countries where good practices are available.
- to rely better on the benefits of the digital agendas and platforms for making administration easier.
- to involve socio-economic partners when introducing legal changes in the framework.

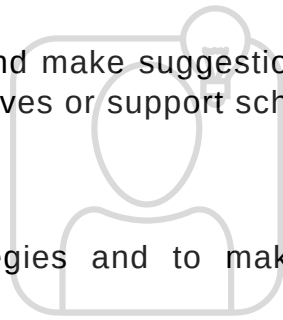


## Business support services

- to monitor grants and funds and make suggestions proactively for enterprises who are eligible to the given incentives or support schemes.

## Enterprises

- to lobby for long-term strategies and to make sure their involvement in the processes.



## BEST PRACTICES

**(EE):** Estonia is perceived as a leader in the digitization and digital agenda – they have a single web portal for public administration at one place. (HU) In Hungary, the government is planning to create one specific portal for entrepreneurs. (SK) In Slovakia, there is a web portal “podnikajte.sk” for advisory to inform entrepreneurs.

**(HUN):** the government introduced a number of positive changes in business taxation, in particular the reduction of corporate income tax, which is among the lowest in Europe and mainly simplified the tax system. However, this approach is negated by the overall tax burden, which is still very high in Hungary (e.g. social and health insurance contributions).

**(SK):** The Better Regulation Center is a specialized analytical unit established within the Slovak Business Agency. The Better Regulation Center comprises a team of specialists in the fields of legislation and regulatory impact assessment on the business sector (the so-called Business Impact Assessment), whose mission is the reduction of the disproportionate regulatory burden of businesses and an improvement in the business environment in Slovakia.

**(SK):** A Facebook group “Učíme sa podnikat” („Learning to do business”) created by Slovak entrepreneurs to help each other, share important information and experience. Entrepreneurs, as well as people interested in doing business, can ask specific questions they are currently facing. The group has over 48,500 members and continuously grows.

**(CZ):** The perception of entrepreneurs and entrepreneurship in the Czech Republic has been supported on a long-term basis at various levels by the CzechInvest agency and the Business and Innovation Agency (both are government bodies). For example, informational classes at primary and secondary schools have proved to be successful. Through education, entrepreneurship is presented as an alternative to employment. Support for business cooperation with science and research entities (e.g. innovative vouchers, internships) has also proved to be important, particularly in relation to the competitiveness of businesses.

## EFFECTS OF WAGE INCREASE ON LABOUR MARKET AND EMPLOYMENT



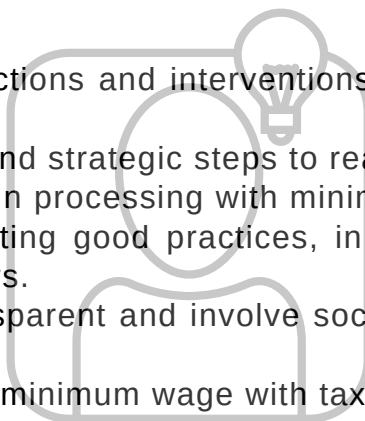
### PROBLEMS STATEMENTS

- The low wage level in V4 countries is an indisputable fact.
- There is a lack of evidence about the impacts of raising minimum wages in the region.
- The rise of minimum wage generates concerns of experts and entrepreneurs due to the potential negative influence of minimum wage change for condition of enterprises (especially SMEs).
- The process of minimum wage rise, if conducted in inappropriate manner, might constitute a burden for entrepreneurs and possible would result in shifting the production to other countries.
- At national level introduction of interventions generally lacks overall coordination: discussions on key issues for entrepreneurs, such as the minimum wage, tax burdens and social transfers to the most disadvantaged people are conducted independently of each other, by various ministries and government agencies, and while in all strategic documents, the term "coordination" is repeated like a mantra, in V4 countries the administration is still stuck in „silo thinking”.

### POSSIBLE AREAS OF INTERVENTION

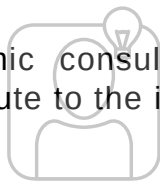
#### Governments

- to introduce systematic actions and interventions to enable the minimum wage increase.
- to dedicate enough time and strategic steps to reach the desired impact.
- to exchange experiences in processing with minimum wage increase and to rely on the adaptation of existing good practices, in order to make the processes smoother for entrepreneurs.
- to make the process transparent and involve socio-economic partners to larger extent.
- to compensate the rise of minimum wage with tax cuts.



## Enterprises

- to get engaged in socio-economic consultations to represent their concerns, problems and to effectively contribute to the improvement of the situation.



### BEST PRACTICES

**(CZ):** In terms of stability of legal framework good practice has been presented where introducing legal changes is possible only twice a year. This allows companies to be prepared for the upcoming changes.

**(HU):** gradual changes reduce the immediate shock for enterprises and enables them to gradually prepare for the changes.

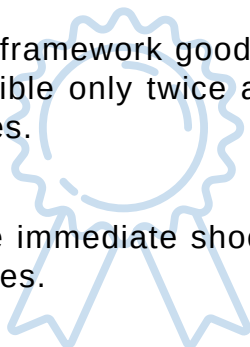


Photo credit: Ondrej Irša

## LACK OF (SKILLED) LABOUR FORCE



### PROBLEMS STATEMENTS

- The lack of skilled labour force is focused on certain economic fields that do not attract the necessary number of employees.
- The workforce does not tend to be mobile (e.g. to relocate between different regions) and flexible (e.g. to requalify themselves) in V4 countries.
- Integrating migrants to the labour force is still cumbersome (language barriers, visa acquisition process).
- Governmental actions aiming at supporting labour force demands are usually not harmonized.
- Education and training offer cannot adapt quickly to the changes in demand.
- The lack of labour force represents also a push factor for digitalization and technological development.

### POSSIBLE AREAS OF INTERVENTION

#### Governments

- to harmonize policies affecting labour force (e.g. visa policy and related social care policies).
- to encourage the participation of currently excluded groups in the labour market (e.g. young mothers through trainings, mompreneurship or part-time jobs)
- to offer benefits for people coming from long-term unemployment (e.g. financial support for commuting or mobility)
- to support SMEs in training their staff (e.g. financing on-the-job trainings)
- to give incentives for potential employees to train themselves.
- to adapt education policy to changing needs (see proposed actions at the Mismatch...topic)

## Employers

- to facilitate transition from education to employment (e.g. financed traineeships).
- to attract the labour force to stay/to move to V4 countries (e.g. higher wages, better working conditions, improve human resource policies of companies).
- to improve human resource management departments to learn and address the needs of new generations.

## Governments and employers

- to move the jobs to people in lagging or peripheral regions (e.g. supporting home-office, developing broadband internet, roads, railways).
- to deepen cooperation between vocational and technological schools and medium-sized companies.

### BEST PRACTICES

**(PL):** partnership in Katowice launched by IBM by engaged students from high-schools into traineeship and mentorship programmes into the fields which are relevant for the company. On a longer run, these students get the necessary qualifications to get employed at the company following their graduation.

”

*"I never met so many people who work for evidence-based policies at one place before. People who use similar approaches in different policy fields and different countries have a lot in common. Sharing our views, challenges and obstacles we are facing helps to come with new ideas and ways how to get forward. I think more policy-makers should have a chance to participate in events like this"*

Matousek Roman, Ministerstvo pro místní rozvoj ČR

## MISMATCH BETWEEN THE EDUCATION AND THE LABOUR MARKET NEEDS



### PROBLEMS STATEMENTS

- It is hardly possible to predict the future needs of the labour market.
- Formal education can only slowly react to present-day needs.
- Over-training is a problem on fields for which there is no demand on the labour market.
- There is a lack of skilled teachers, as their salaries are rather low therefore they tend to choose an alternative profession.
- Teachers are overloaded and not motivated to go the extra mile as their additional efforts are not rewarded.

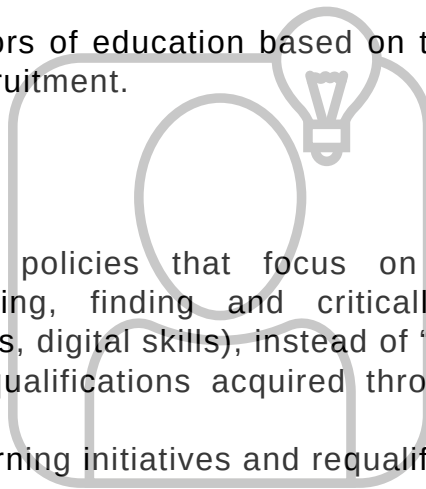
### POSSIBLE AREAS OF INTERVENTION

#### Governments/ regions

- to define priority sectors of education based on the analyses of market needs, to support them in recruitment.

#### Governments

- to design education policies that focus on raising competences (e.g. competency of learning, finding and critically treating the information, responsibility, soft skills, digital skills), instead of “teaching knowledge”.
- enable validation of qualifications acquired through informal and non-formal education.
- to support life-long learning initiatives and requalification.



### Educational institutions

- to work more closely with private companies esp. SMEs (e.g. offering traineeships, mentorship programs).
- to offer specific trainings based on labour market needs (e.g. short-term, flexible,
- informal/non-formal).

### Businesses

- to be more involved in curricular and extra-curricular activities at schools, especially in the teaching of skills what they are looking for.

## BEST PRACTICES

**(SK):** Role of clusters in the development/ adaptations of curricula. Based on an initiative of the plastic manufacturers and processors and the Slovak Plastic Cluster, the Ministry of Education of the Slovak Republic opened new fields of study for the plastics processing industry in 2020. New study programmes were developed in cooperation with the manufacturing companies struggling with the lack of skilled workers.

**(SK):** Project Teach for Slovakia is part of the international Teach for All network, which has been in operation for 25 years. They are looking for active graduates of all disciplines who have the potential to lead change for a better Slovakia. They offer them an intensive leadership program and work that has a positive impact. Graduates of the program continue their careers, where they continue to lead systemic changes from various sides - business, public and non-profit sector, and media.

They want to attract leaders who have studied any field of study to come to the most complicated areas in Slovakia to teach children from disadvantaged backgrounds, to devote to, inspire and motivate them for two years.

**(SK):** Dual education – companies educate and train young students according their needs.

**(CZ):** Through the use of EU funds, the Czech Republic has invested a significant amount of money in employee education to support their long-term professional flexibility and adaptability to new conditions related to language skills, the 4.0 challenges and intensifying digitization.

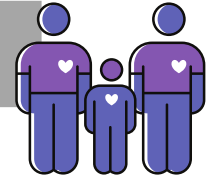
American model of colleges: Community college, sometimes called a junior college, is a two-year school that offers higher education as a pathway to a four-year degree. Many community colleges offers certificates and degrees in specialized career-oriented fields, such as engineering technology, automobile mechanics, or paralegal studies, that allow students to enter the workforce quicker than they would at a 4-year university[1].

**JAPAN:** collaboration of the Ministry of Labour, Education and Economy. Japan published a book with graphic reports of how the government helped Japanese graduates find gainful employment. There were three vertical lines marked representing the Ministry of Education, the Ministry of Labor and Ministry of Trade and Finance. The labor department provides the statistics on the need for various employees (for either blue collar jobs, rank and file employees, or professionals) all over Japan.

The education department informs the public and encourages them to take up the corresponding collegiate courses to fill up these job positions. (Filipino parents lack information on such matters so they helplessly follow the whims and caprices of their children on the choice of collegiate courses.) Meantime, the Trade and Finance department facilitates the linkage of the graduates to various companies. It is a practice for big enterprises in Japan to provide a year of apprenticeship to new employees. Company dormitories are provided. Private entrepreneurs are also encouraged to set up small businesses.

[1] <https://www.studyusa.com/en/a/1236/what-is-a-community-college-in-the-usa>

## FAMILY BUSINESSES



### PROBLEMS STATEMENTS

- Businesses founded following the regime changes in the '90s are getting now to a transitional phase, when the generational change imposes significant challenge to family businesses.
- Family businesses constitute a high share of the national economy in the Visegrad countries, therefore governmental support is needed to overcome the challenges of generational change.
- Family businesses seek help rather too late as asking for help is still considered to be shameful.
- Shadow employment is also problematic in the case of family businesses.
- The psychological impact of transition in family businesses is often underestimated as a threat to successful continuation.

### POSSIBLE AREAS OF INTERVENTION

#### Governments

- to introduce the definition for family businesses in the legislation based on societal consultation.
- to offer financial support programs to family businesses (e.g. credit programs, credit guarantee programs).

#### Business support organizations

- to offer advisory services (e.g. mentorship, coaching, psychological support, training) to family business members.
- to offer diagnostic services to detect problems in a preventive manner.
- to offer networking possibilities to share experiences and good practices.
- to collect good examples in the framework of an online "marketplace" that supports transition in family businesses.

## BEST PRACTICES

**(HUN):** the issue of generational change is touched upon in the new national SME strategy in Hungary. Specific services and supporting schemes will be made available for them to prepare them for successful transition.

**(HUN):** The Association of Family Businesses in Hungary offers consultations for family business members.

**(SK):** In the years 2018 - 2020, the SBA has been offering activities and tools for the support of family business within the framework of the Family Business Support Scheme 2017 - 2020 (de minimis aid scheme) under the responsibility of the Ministry of Economy of the Slovak Republic. Small and medium-sized enterprises that meet the definition of a family business are able to apply for the following services free of charge (without co-financing):

- Providing professional consulting services - consulting, mentoring and coaching in various areas.
- Elaboration of analyses, studies, market surveys, proposals of measures to improve the market position of family business, concepts, strategies, etc. and related advice.
- Participation in seminars, trainings, lectures, trainings etc. on family business.
- Reimbursement of costs related to participation in fairs, conferences and other international events (travel expenses, accommodation expenses, participation fees).



## SOCIAL BUSINESSES



*How can take the advantage of the upcoming financial period of 2021-2027 to support/ensure transferability of the good practices in social business?*

### PROBLEMS STATEMENTS

- Only those already involved in social businesses are interested in the issues of social entrepreneurship and its development.
- There is no widely acknowledged definition for social businesses.
- Different ministries deal with the issues of social businesses that makes coordination and cooperation difficult.
- The representation of social businesses is not ensured on all levels, there is a lack of umbrella organisation(s).
- The social impact of businesses is not acknowledged or measured properly.
- Social businesses tend to be largely dependent on EU grants that makes their sustainability problematic.
- Social businesses focus more on the social parts to the detriment of business considerations in their operation.

### POSSIBLE AREAS OF INTERVENTION

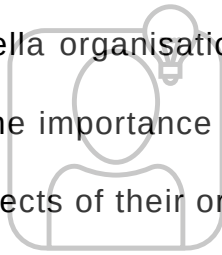
#### Governments

- to support the creation of the social business ecosystem.
- to promote social entrepreneurship in the educational agenda.
- to include social businesses in SME programs, tenders and public procurements.
- to offer tax allowances to social business in exchange to their positive social impact.



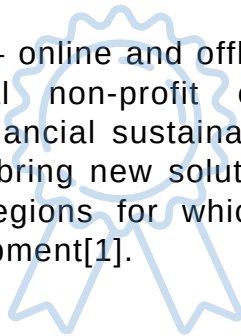
## Social businesses

- to form representative umbrella organisation(s) that can lobby in the interest of small social enterprises.
- to emphasize and promote the importance of measuring social impact in all field of businesses.
- to reinforce the business aspects of their organisation.



## BEST PRACTICES

**(SK):** Social Economy Academy – online and offline education in the field of social economy for non-governmental non-profit organizations for which social entrepreneurship is a pillar of financial sustainability or social benefit instrument, ordinary entrepreneurs who can bring new solutions that are beneficial to society and also municipalities and regions for which social entrepreneurship is an effective solution for local development[1].



[1] <https://www.akademiase.sk/>

## YOUNG ENTREPRENEURS



*How to improve innovation activity / creativity of young entrepreneurs?*

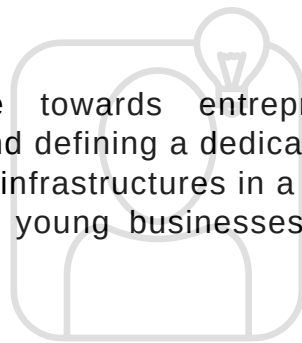
### PROBLEMS STATEMENTS

- Entrepreneurship is not regarded as an attractive career option, especially in capitals or big cities where big firms offer more beneficial and flexible working conditions.
- Being young as entrepreneur is only one factor to consider when supporting business at their early stage.
- The definition is debated whether it covers entrepreneurs who have young age or entrepreneurs whose business is at the inception phase.
- Entrepreneurship still suffers from negative stereotypes in the region.
- Supporting infrastructures are concentrated in the already developed regions of V4 countries.
- There is a lack of qualified teachers who could make students experience and learn the entrepreneurial mindset and competences in a credible way.
- Education adapts slowly to new needs emerging from the labour market.
- Traditional businesses tend to be left out from the technological transition and digitalisation.

### POSSIBLE AREAS OF INTERVENTION

#### Governments

- to raise positive attitude towards entrepreneurship through starting a communicational strategy and defining a dedicated strategy.
- to better coordinate support infrastructures in a decentralised manner.
- to support the transition of young businesses to the matured phase (prevent them from failing).



### **Educational institutions**

- to develop key entrepreneurial competences through offering diverse tools (e.g. business games, applications, platforms for cooperation).
- to support and offer interdisciplinary programs (e.g. inter-subject projects, start-up camps, hackathons).
- to be open and to invite external experts to share experiences in curriculum subjects.

### **Businesses**

- to support regional cooperation to solve specific problems (e.g. partnership with local municipalities, schools).

### **Businesses and educational institutions**

- to offer networking and mentoring opportunities (e.g. peer to peer, school-industry cooperation).

## **BEST PRACTICES**

**(HU):** The National Association of Young Entrepreneurs (FIVOSZ) is committed to provide a practical and truly lifelike education for young entrepreneurs where they can acquire entrepreneurial knowledge and not to be left behind after starting a business, but to seek advice from a more experienced entrepreneur.

Their biggest, yearly organized event is the Young Entrepreneurs Week in November. This series of event is originated from the Global Entrepreneurship Week which is a celebration of the innovator and job creators who launch startups that bring ideas to life, drive economic growth and expand human welfare. During one week each November, GEW inspires people everywhere through local, national and global activities designed to help them explore their potential as self-starters and innovators.

FIVOSZ also runs clubs, business and networking meetings that bring successful decision-makers and our other partners together, where they talk about different, business-related topics. The purpose of these FIVOSZ events is to deepen human and business relationships among our members.

**(SK):** Junior Achievement Slovakia is a non-profit educational organization that has been implementing practical training programs in elementary and secondary schools, including entrepreneurial, economic and financial education. They work with teachers, who are regularly trained in a variety of modern methods of education.

Besides a 1-year educational programme, they implement short-term projects, such as

- Innovation camp: an intensive one-day experience secondary school students test their ability to work on real practical problems. With the help of experts from companies, they seek the best solutions, develop their creative thinking, decision making, communication, and presentation skills.
- Aspire: thanks to this project, run in cooperation with AT&T Network Services Slovakia, secondary school students could develop their communication and presentation skills, manage their small projects, experience a career day full of job opportunities, or various other workshops.
- Entrepreneurial Skills Pass – ESP: an internationally recognized certificate, which certifies the entrepreneurial skills of students from 15 to 20 years of age. Through a real business experience, students acquire the necessary knowledge, skills, and competences to manage the start of their own business or how to employ themselves successfully.
- The entrepreneurial school: Its main outcome is a Virtual guide ([www.tesguide.eu](http://www.tesguide.eu)), which includes many business tools and techniques. It is a practical and useful tool for primary and secondary school teachers who want to integrate entrepreneurship education into the curriculum, across different subjects.



