



## ENTERPRISE START-UP SUPPORT, SWEDEN

### What?

Enterprise Start-Up Support (*Starta eget, stöd till start av näringsverksamhet*) offers financial support, business advice and mentoring to early stage entrepreneurs who are unemployed, at risk of becoming unemployed or are people with disabilities. The scheme focuses on business ideas with potential to provide long-term income. It is operated by the Swedish Public Employment Service.

### Why?

The Enterprise Start-Up Support programme was introduced as part of a larger suite of programmes supporting the labour market integration of those who are unemployed and people with disabilities. The programme was created to mitigate the financial burden of starting up that can constitute a barrier to entry for entrepreneurs with viable ideas.

### Key Activities

The Enterprise Start-Up Support programme provides a grant to cover living expenses during the start-up phase of business development. To be eligible for the programme, participants must be registered at the Swedish Public Employment Service and fit a series of criteria, including being unemployed or at risk of becoming unemployed (exceptions apply for those who live in certain rural municipalities); being pre-start-up when applying for the grant; and not being a business owner.

Applicants to the Enterprise Start-Up Support meet with the Swedish Public Employment Service for an initial review of their business idea and business plan. This initial consultation assesses the project's readiness, and applicants are offered training in the case they need further support in developing a business plan, setting a budget and acquiring other entrepreneurial skills. The business plan is assessed by an independent external consultant, and acceptance is based on the professional experience of the applicant, the labour market, and the location of the intended business among other factors. Once accepted into the programme, the start-up grant can be up to SEK 60 000 (EUR 5 830) paid monthly over a period of 6 months. Mentorship services are also

made available to successful candidates. The right to unemployment benefits ceases once the participant starts their own businesses. In the case of business closure or the business is sold within the first 3 years of the grant being paid, the start-up support must be repaid. However, the person may be entitled to receive unemployment benefits again if the business is not profitable or if the business closes.

The Enterprise Start-Up Support can be combined with an additional start-up grant, Contribution to start-up costs at the start of business activities (*Bidrag till uppstartskostnader vid start av näringsverksamhet*) which covers start-up costs, such as acquiring new equipment, for businesses that will be created in the next 3 years.

#### How did the programme adapt to the pandemic?

Following the COVID-19 pandemic, the 6-month support period for the Enterprise Start-Up Support was extended to 12 months.

## Impact

In 2019, approximately 7 400 people participated in the Enterprise Start-Up Support programme, down from 8 700 in 2018. In 2019, women accounted for about 43% of participants, up from 39% in 2018. Participation rates across other groups remained stable from 2018 to 2019: 2% of participants were youth (under 25 years old), 10% were seniors (over 55 years old), 22% were immigrants and 9% were people with disabilities. Following the completion of the program (i.e. 180 days), around 80% of participants continue their business or have a job. In 2019, the total cost of the programme was SEK 172 million (EUR 16.6 million), which was a SEK 3 million decrease from 2018. 90% of the costs cover the grants allocated to participants, while the remaining 10% included costs for hired experts.

## Source

- Jan Norberg (2020), *Arbetsförmedlingens åiterrapportering 2019: Arbetsmarknadspolitiska program Årsrapport 2019*, Swedish Public Employment Service, <https://arbetsformedlingen.se/statistik/analyser-och-prognoser/analys-och-utvardering/arbetsmarknadspolitiska-program-2019> [1] (Accessed on 15 April 2022).
- Swedish Public Employment Service (2022), *Starta eget, stöd till start av näringsverksamhet*, <https://arbetsformedlingen.se/other-languages/english-engelska/extra-stod/stod-a-o/starta-eget-stod-till-start-av-naringsverksamhet> [2] (Accessed on 15 April 2022).

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[1] <https://arbetsformedlingen.se/statistik/analyser-och-prognoser/analys-och-utvardering/arbetsmarknadspolitiska-program-2019> [2] <https://arbetsformedlingen.se/other-languages/english-engelska/extra-stod/stod-a-o/starta-eget-stod-till-start-av-naringsverksamhet>