

# THE BETTER ENTREPRENEURSHIP POLICY TOOL

## INCLUSIVE ENTREPRENEURSHIP

### SUPPORTING THE UNEMPLOYED IN ENTREPRENEURSHIP



**Fostering an inclusive entrepreneurial culture**



**Strengthening the design and delivery of inclusive entrepreneurship support**



**Building a supportive regulatory environment**



**Building entrepreneurship skills and capacities for inclusive entrepreneurship**

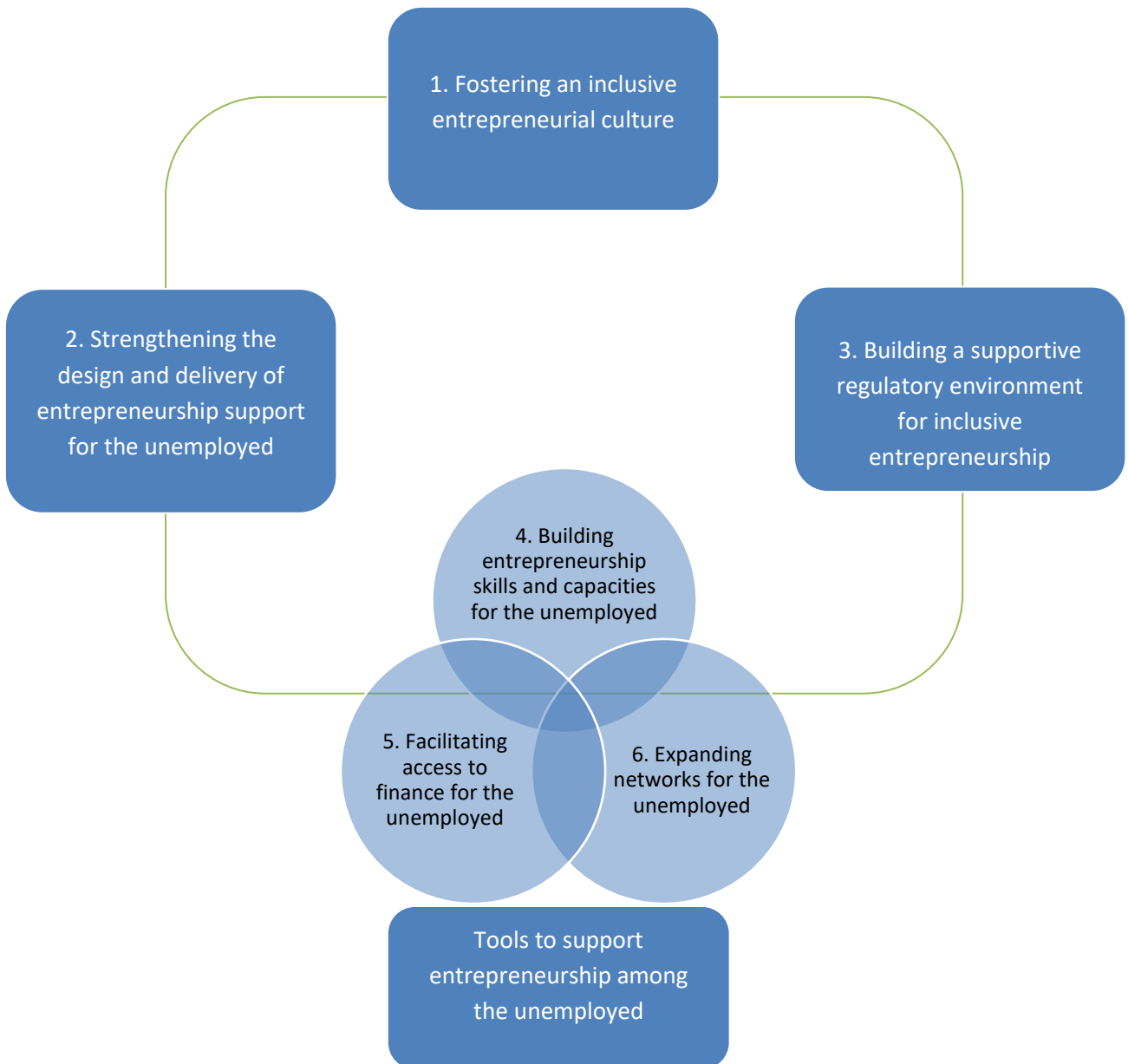


**Facilitating access to business finance for inclusive entrepreneurship**



**Expanding networks for inclusive entrepreneurship**

*Inclusive Entrepreneurship Policy: Supporting the unemployed in entrepreneurship*



\* Each statement is assessed on a scale from 0 to 10. You also have the option to “No answer” if you do not have an answer or the question is not relevant to your context. This leaves the response out of the average calculation. Visit [www.betterentrepreneurship.eu](http://www.betterentrepreneurship.eu) to carry out the online self-assessment.



## Action Area 1: Fostering an Inclusive Entrepreneurial Culture

*Increasing awareness about the potential of entrepreneurship as an alternative to dependent employment is the first step to opening up entrepreneurship to all. This module covers promotion methods such as targeted awareness campaigns, education and the use of role models.*



### 1.1. Entrepreneurship for the unemployed is promoted widely in society.

#### A high score includes:

- Entrepreneurship is promoted as a viable activity for the unemployed.
- A positive image of the entrepreneurial potential among the unemployed is created.
- The economic impact of entrepreneurship driven by the unemployed is communicated.
- Success stories, role models and entrepreneurship awards are used to showcase entrepreneurs from a wide variety of backgrounds, including those who had been unemployed.
- Active labour market measures include business creation support measures for the unemployed.



### 1.2. A Entrepreneurship is promoted to different profiles of the unemployed.

#### A high score includes:

- Campaigns, success stories, role models and entrepreneurship awards are used to inspire the unemployed and showcase entrepreneurs from a wide variety of backgrounds, including those who had been unemployed.
- Messages are tailored for different profiles of the unemployed, for example, graduates and school drop-outs.
- Appropriate messages are used to inform about the role of risk in entrepreneurship.
- Appropriate media and online channels are used to reach the unemployed.



### **1.3. Targeted campaigns promote entrepreneurship by the unemployed to key role models.**

#### **A high score includes:**

- Targeted campaigns inform career counsellors, public employment services and unions about the potential of entrepreneurship.
- A positive image of entrepreneurship by the unemployed is created.
- Appropriate media and online channels are used to reach key role models for potential entrepreneurs from diverse groups of the unemployed.



### **1.4. Formal education builds positive attitudes towards entrepreneurship.**

#### **A high score includes:**

- Entrepreneurship is presented positively in the mandatory curricula in schooling.
- Entrepreneurship education covers a wide variety of entrepreneurship activities and models, e.g. part-time entrepreneurship, social entrepreneurship.
- Teachers receive training on delivering the entrepreneurship curricula.
- Students are encouraged to consider entrepreneurship as a career path



### **1.5. Monitoring and evaluation are used to assess the impact of entrepreneurship promotion activities on the unemployed.**

#### **A high score includes:**

- Monitoring and mid-term evaluations are undertaken to ensure that promotional activities are on-track to reach their targets and objectives.
  - Promotional activities are adjusted to account for monitoring and mid-term evaluation results.
  - *Ex post* evaluations are undertaken to measure the impact of entrepreneurship promotion activities aimed at the unemployed, and results are reported widely.
  - Monitoring and evaluation results are reported widely and used to improve awareness campaigns.
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## **Action Area 2: Strengthening the design and delivery of inclusive entrepreneurship support**

*The successful delivery of inclusive entrepreneurship schemes often depends on effective partnerships across public actors, and with non-government organisations. It is also important to engage with the targeted entrepreneurs that stand to benefit from public support measures. This module covers different approaches to designing and delivering inclusive entrepreneurship programmes and outreach methods.*



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### **2.1. Policy objectives and targets for promoting and supporting entrepreneurship for the unemployed have been defined.**

#### **A high score includes:**

- A strategic plan is available publicly, either as a stand-alone document or as part of a broader policy strategy, e.g. self-employment strategy for the unemployed.
- Entrepreneurship policy objectives are linked to broader employment, economic and social policy objectives.
- Key stakeholders were engaged early in the development of policy objectives and targets for promoting and supporting entrepreneurship for the unemployed.
- Indicators of success and data collection processes have been defined.
- A public sector actor is responsible for achieving entrepreneurship policy objectives for the unemployed.



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### **2.2. There is an action plan to mobilise public sector actors and other relevant stakeholders to achieve entrepreneurship policy objectives for the unemployed.**

#### **A high score includes:**

- Concrete actions to achieve the entrepreneurship policy objectives for the unemployed are identified.
  - There is a clear leader in the public sector for entrepreneurship support targeted at the unemployed.
  - Responsibility for actions is specified.
  - Timelines for the concrete actions are identified.
  - An action plan is available publicly.
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### **2.3. Appropriate financial resources have been allocated to implement entrepreneurship support for the unemployed**

#### **A high score includes:**

- Sufficient financial resources have been earmarked to implement entrepreneurship support for the unemployed.
- Funding sources have been identified.
- A tracking system is in place to manage and report on public expenditures related to entrepreneurship support for the unemployed.
- There is an appropriate balance between investment in policy and programme development and operational expenditures.
- There is budget for the monitoring and evaluation.



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### **2.4. Effective co-ordination mechanisms are in-place to facilitate collaboration among public sector actors involved in designing and delivering entrepreneurship policies and programmes for the unemployed.**

#### **A high score includes:**

- Horizontal co-ordination mechanisms are in-place, e.g. inter-ministerial working group.
- Vertical co-ordination mechanisms are in-place, e.g. working groups with policy makers and delivery agencies.
- Information on entrepreneurship schemes for the unemployed is shared regularly across public sector actors, and with other relevant stakeholders.
- Data and statistics on the take-up and impact of entrepreneurship schemes targeting the unemployed are shared regularly across public sector actors, and with other relevant stakeholders.
- Informal communication is regular and ongoing between all relevant actors.



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### **2.5. Outreach methods are tailored to different profiles of the unemployed to inform them about the range of available entrepreneurship support offers.**

#### **A high score includes:**

- Promotion is done through appropriate media (e.g. magazines, television, social media platforms).
  - Organisations that work with the unemployed are used to promote support offers.
  - Role models from various communities are used in outreach.
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## 2.6. Entrepreneurship support providers are equipped to work with different profiles of the unemployed.

### A high score includes:

- Support providers have experience in working with the unemployed from different backgrounds and with diverse experiences and objectives.
- Front line staff understands the unique challenges faced by different profiles of the unemployed, e.g. small or irrelevant professional and business networks, benefits trap.
- Front line staff receives communication training to effectively work with different profiles of the unemployed.



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## 2.7. Monitoring and evaluation are used to measure progress against the strategic objectives and targets for supporting the unemployed in entrepreneurship.

### A high score includes:

- *Ex ante* evaluations are used to identify areas where policy action is needed, assess the consistency of proposed policy actions with ongoing interventions, identify linkages with other policy actions, and ensure that proposed actions are coherent with strategic objectives.
  - Monitoring and mid-term evaluations are undertaken to ensure that entrepreneurship schemes for the unemployed are on-track to reach their targets and objectives.
  - *Ex post* evaluations are undertaken to measure the impact of entrepreneurship policies for the unemployed and the results are reported publicly.
  - Results of monitoring and evaluation are reported publicly and fed back into the policy development process.
  - Schemes are adjusted to account for monitoring and evaluation results.
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### **Action Area 3: Building a supportive regulatory environment**

*Lengthy and costly administrative procedures can be a barrier to business creation. This is especially true for those from under-represented and disadvantaged groups who have greater difficulty navigating the institutional environment and understanding regulatory obligations. This module covers actions to improve the regulatory environment, including simplifying administrative requirements for business creation, as well as other regulatory incentives for entrepreneurship, such as temporary relief from social security contributions, and measures to address challenges like childcare and eldercare.*



#### **3.1. Business start-up regulations and procedures do not pose undue difficulties for the unemployed aspiring to enter entrepreneurship.**

##### **A high score includes:**

- The business registration process requires few procedures.
- Regulations have been checked to ensure that potential entrepreneurs who had been unemployed are treated positively.
- Electronic business registration and other business-related e-services exist.
- Information on administrative procedures is available in clear language and accessible for different profiles of the unemployed.
- Licensing and certification schemes do not impede entrepreneurship by the unemployed.
- People who have been unemployed can easily obtain individual assistance when dealing with administrative regulations and start-up procedures, e.g. by telephone, in-person or online.



#### **3.2. Tailored information on business creation is available and accessible for different profiles of the unemployed.**

##### **A high score includes:**

- Different profiles of the unemployed have been considered in the development of information products (e.g. websites, brochures) on business creation.
- Guidance material on business creation uses easily understood language and is relevant for the types of businesses that the unemployed aspire to create.
- The unemployed can access information related to business creation through relevant channels, e.g. community organisations, online platforms.
- Relevant stakeholders were consulted in the development of guidance material and help disseminate it.





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### 3.3. Social security systems contain incentives for entrepreneurship among the unemployed.

#### A high score includes:

- Entrepreneurs are eligible for coverage in all social security schemes, e.g. health insurance, pension schemes, maternity pay, unemployment insurance.
- Welfare bridges and other similar measures are promoted directly to the unemployed to encourage business creation.
- There are incentives for business creation to potential entrepreneurs starting from unemployment, e.g. tax credits, temporary reductions in social security contributions.
- Temporary incentives are phased-out rather than ending abruptly.
- Entrepreneurs can access social security benefits after a business exit.



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### 3.4. Monitoring and evaluation are used to assess problems in the regulatory environment for entrepreneurship among the unemployed.

#### A high score includes:

- *Ex ante* evaluations are used to identify areas where policy action is needed, assess the consistency of proposed policy actions with ongoing interventions, identify linkages with other policy actions, and ensure that proposed actions are coherent with strategic objectives.
  - Monitoring and mid-term evaluations are undertaken to ensure that regulatory measures that support potential entrepreneurs who had been unemployed are on-track to reach their targets and objectives.
  - Regulatory measures are adjusted to account for monitoring and mid-term evaluation results.
  - *Ex post* evaluations are undertaken to measure the impact of regulatory measures on entrepreneurship among the unemployed, and results are reported widely.
  - Results of monitoring and evaluation are reported publicly.
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#### **Action Area 4: Building entrepreneurship skills and capacities for inclusive entrepreneurship**

*Evidence suggests that businesses that access professional business support and guidance are more likely to be sustainable than those who do not. Business support is particularly important for entrepreneurs from under-represented and disadvantaged groups since they typically have lower levels of human and social capital. This module covers public policy approaches to supporting the acquisition of entrepreneurship skills, including entrepreneurship training, coaching and mentoring, and business consultancy and advisory services.*



#### **4.1. Needs assessments are used to identify the policy supports needed to strengthen entrepreneurship skills for various profiles of the unemployed.**

##### **A high score includes:**

- Needs assessments are used in the design of policies and programmes that support the development of entrepreneurship skills for the unemployed.
- The unemployed, and community organisations supporting the unemployed, are consulted to identify how policy can support the development of entrepreneurship skills.
- The needs of different profiles of the unemployed are considered when designing and implementing policies and programmes that develop entrepreneurship skills.
- Background research is conducted to provide a solid evidence-base for policy interventions.
- Benchmarking and meta-evaluations are used when designing initiatives that aim to develop entrepreneurship skills.



#### **4.2. Entrepreneurship training is offered to the unemployed.**

##### **A high score includes:**

- Dedicated entrepreneurship training is available for the unemployed.
- Training covers the needs at different points of business development, i.e. pre start-up, start-up.
- Risk management and financial literacy are included in training programmes.
- Hands-on and interactive methods are used in training, e.g. role playing, simulations.
- Trainers are trained to work with diverse profiles of the unemployed.
- Entrepreneurship training for the unemployed has linkages with other entrepreneurship supports, e.g. coaching, mentoring and business financing programmes.
- The scale of dedicated entrepreneurship training for the unemployed is appropriate.



### **4.3. Entrepreneurship coaching and mentoring are offered for the unemployed**

#### **A high score includes:**

- Dedicated entrepreneurship coaching and mentoring programmes for the unemployed are available.
- Objectives for coaching and mentoring relationships are defined by the potential entrepreneur and their coach and mentor.
- There is a matching mechanism to ensure that there is a “good fit” between the entrepreneur and their coach or mentor.
- Entrepreneurship coaches and mentors receive training on working with diverse profiles of the unemployed.
- Coaching and mentoring relationships are established for a limited time period to avoid creating dependence.
- The scale of tailored entrepreneurship coaching and mentoring for the unemployed is appropriate.



### **4.4. Business development services are offered for the unemployed.**

#### **A high score includes:**

- Tailored business consultancy and advisory services are available for the unemployed from diverse backgrounds.
  - Business consultancy and advisory services are integrated with other entrepreneurship supports for the unemployed, e.g. start-up financing.
  - There is a system of allocating business consultancy and advisory services to the unemployed with the greatest potential.
  - Business incubators and accelerators are accessible for the unemployed.
  - Business trainers and counsellors are trained to work with the unemployed.
  - The scale of tailored business development services for the unemployed is appropriate.
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**4.5. Entrepreneurship skills development initiatives for the unemployed have strong linkages with business financing supports.**

**A high score includes:**

- Tailored entrepreneurship support for the unemployed is offered in integrated packages.
- Different profiles of the unemployed are informed about the range of options for receiving financing and other supports.
- Entrepreneurship training, coaching and mentoring initiatives refer potential entrepreneurs to appropriate sources of finance.



**4.6. Entrepreneurship skills development initiatives for the unemployed are delivered through appropriate channels.**

**A high score includes:**

- Entrepreneurship training, coaching and mentoring, and business development services for the unemployed are delivered by agencies or organisations that have appropriate experience and expertise in working with the unemployed.
- Support is provided in a flexible manner, including different formats, locations and schedules.



**4.7. Entrepreneurship skills development initiatives are tailored for different profiles of the unemployed.**

**A high score includes:**

- Entrepreneurship training, coaching and mentoring, and business development services are developed to meet the needs of different profiles of the unemployed, e.g. older people, people with disabilities, people in disadvantaged areas, school drop-outs.
  - Outreach methods are adapted to different profiles of the unemployed.
  - Different service delivery models are used to effectively support diverse profiles of the unemployed.
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**4.8. Monitoring and evaluation are used to measure the impact, effectiveness and efficiency of dedicated entrepreneurship training, coaching and mentoring, and business development services for the unemployed.**

**A high score includes:**

- *Ex ante* evaluations are used to identify areas where policy action is needed, assess the consistency of proposed policy actions with ongoing interventions, identify linkages with other policy actions, and ensure that proposed actions are coherent with strategic objectives.
  - Monitoring and mid-term evaluations are undertaken to ensure that entrepreneurship schemes for the unemployed are on-track to reach their targets and objectives.
  - Schemes are adjusted to account for monitoring and mid-term evaluation results.
  - *Ex post* evaluations are undertaken to measure the impact of entrepreneurship policies targeting the unemployed, and the results are reported widely.
  - Deadweight loss and displacement effects are measured and reported.
  - Results of monitoring and evaluation are reported publicly and used to improve entrepreneurship training, coaching and mentoring and business development services.
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## Action Area 5: Facilitating Access to Business Finance for the Unemployed

*Accessing start-up finance poses a major challenge to all entrepreneurs, but entrepreneurs from under-represented and disadvantaged groups face even greater barriers as they typically have lower levels of savings and collateral, and can face discrimination in financial markets. This module covers both demand and supply issues. Its scope includes public instruments such as grants, credit guarantees, microfinance and non-bank financing instruments, as well as schemes that improve financial literacy.*



### 5.1. Needs assessments are used to identify how policy can address gaps in the availability and accessibility of business financing for the unemployed.

#### A high score includes:

- Needs assessments are used to design policies and programmes that facilitate access to business finance for the unemployed.
- The unemployed, and community organisations supporting the unemployed, are consulted to identify how policy support can address gaps in the availability and accessibility of business finance.
- The needs of different profiles of the unemployed are considered when designing and implementing policies and programmes that facilitate access to business finance.
- Background research is conducted to provide a solid evidence-base for policy interventions.
- Benchmarking and meta-evaluations are used when designing finance measures.



### 5.2. The current suite of business start-up financing offers is appropriate for various profiles of the unemployed.

#### A high score includes:

- A range of financial instruments is used to support the unemployed in business start-up, e.g. loan guarantees, microfinance, risk capital.
- Different profiles of the unemployed can access to start-up financing offers.
- The private sector is involved in the selection of business ideas that receive financing.
- Crowdfunding and peer-to-peer lending platforms for the unemployed are promoted and supported.
- Only business ideas with a reasonable chance of success are supported.
- Innovative business ideas (but not necessarily technology-related ideas) are favoured for support.
- The scale of financing support offered is appropriate.



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**5.3. The current suite of business development and growth financing offers is appropriate for various profiles of entrepreneurs starting from unemployment.**

**A high score includes:**

- A range of financial instruments is available to support the development and growth of businesses started by the unemployed, e.g. loan guarantees, microfinance, risk capital.
- Different profiles of entrepreneurs can access financing for business development and growth.
- Lending laws and financial sector regulations ensure sufficient investor protection and transparency on business projects.
- The private sector is involved in the design or management of financing mechanisms. The scale of business development and *growth* financing support offered to diverse profiles of entrepreneurs is appropriate.



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**5.4. The current suite of business financing offers for *high-growth potential firms* is appropriate for entrepreneurs starting from unemployment.**

**A high score includes:**

- Business angel networks dedicated to investing in entrepreneurs starting from unemployment are supported and encouraged, e.g. tax incentives, subsidised operating costs, public co-investment.
- The private sector is involved in the design or management of financing mechanisms.
- Training is offered to investors to teach them about the potential of entrepreneurs starting from unemployment, and to address potential biases in lending and investing decisions.
- Training is offered to entrepreneurs starting from unemployment to improve investor readiness.
- Public infrastructure to improve matchmaking between entrepreneurs and investors exists.
- The scale of support for risk capital measures and business angel networks is appropriate.



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**5.5. Business financing initiatives for the unemployed have strong linkages with non-financial supports.**

**A high score includes:**

- Tailored entrepreneurship support for the unemployed is offered in integrated packages.
  - Entrepreneurs receiving financial support are informed about the range of options for developing entrepreneurship, financial, and management skills.
  - There is an effective referral system to refer the unemployed supported through business financing initiatives to non-financial supports, e.g. training, coaching and mentoring.
  - Financing measures also refer entrepreneurs to appropriate training, coaching and mentoring and business counselling.
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**5.6. Business financing support for different profiles of the unemployed is delivered through appropriate channels.**

**A high score includes:**

- Business financing offers for the unemployed are delivered by agencies or organisations that have appropriate experience or expertise in working with the target groups.
- Support measures are accessible to the unemployed.
- A database of financing programmes and opportunities is available to entrepreneurs starting from unemployment.



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**5.7. Monitoring and evaluation are used to measure the impact, effectiveness and efficiency of business financing schemes for different profiles of the unemployed.**

**A high score includes:**

- *Ex ante* evaluations are used to identify areas where policy action is needed, assess the consistency of proposed policy actions with ongoing interventions, identify linkages with other policy actions, and ensure that proposed actions are coherent with strategic objectives.
  - Monitoring and mid-term evaluations are undertaken to ensure that entrepreneurship schemes for the unemployed are on-track to reach their targets and objectives.
  - Schemes are adjusted to account for monitoring and mid-term evaluation results.
  - *Ex post* evaluations are undertaken to measure the impact of entrepreneurship policies targeting the unemployed, and the results are reported widely.
  - Deadweight loss and displacement effects are measured and reported.
  - Results of monitoring and evaluation are reported publicly and used to improve start-up financing offers.
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## Action Area 6: Expanding Business Networks for the Unemployed

*Entrepreneurship networks can have a profound impact on the development of individual entrepreneurial intentions and play a major role in the ability of individuals to identify business opportunities and access resources (e.g. finance, entrepreneurship skills). Public policy can support the development of entrepreneurial networks with targeted initiatives that link entrepreneurs from under-represented and disadvantaged groups with each other and with mainstream business organisations and support programmes. This module covers different approaches to building entrepreneurial networks for the key target groups and key success factors.*



### 6.1. Needs assessments are used to identify how policy can address gaps in business networks for potential entrepreneurs who had been unemployed.

#### A high score includes:

- Needs assessments are used to design policies and programmes that support the development of entrepreneurship networks for the unemployed.
- Aspiring entrepreneurs starting businesses from unemployment, and community organisations supporting the unemployed, are consulted to identify how policy support can address gaps in business networks for this group.
- The needs of different profiles of the unemployed are considered when designing and implementing policies and programmes that build entrepreneurship networks.
- Background research is conducted to provide a solid evidence-base for policy initiatives.
- Benchmarking and meta-evaluations are used when designing networking initiatives for entrepreneurs who start out of unemployment.



### 6.2. Public networking initiatives are promoted to build connections between aspiring entrepreneurs starting out of unemployment and existing entrepreneurs and mainstream business networks.

#### A high score includes:

- There is awareness about entrepreneurs starting from unemployment among mainstream business networks.
- There are public initiatives that link potential entrepreneurs starting from unemployment with relevant mainstream business networks, organisations and associations to expand their networks.
- Referrals to networks consider the needs, objectives and profile of the unemployed from diverse backgrounds.



**6.3. Public entrepreneurship networking initiatives for the unemployed who aspire to create a business build connections with entrepreneurship support organisations.**

**A high score includes:**

- Publicly-supported entrepreneurship networks for the unemployed who aspire to create a business raise awareness about available entrepreneurship supports.
- Networks members are referred to a wide range of entrepreneurship support services.



**6.4. Public networks for entrepreneurs starting from unemployment are actively animated.**

**A high score includes:**

- A person responsible for engaging network members.
- Network members feel a sense of ownership over the network and actively contribute to network activities.
- There are regular opportunities for face-to-face and online interactions.
- Newsletters are used to maintain regular contact with network members.



**6.5. Public networking initiatives offer opportunities for entrepreneurs starting from unemployment to interact with other entrepreneurs through online platforms.**

**A high score includes:**

- Online platforms are used to expand the reach of the entrepreneurship networks for the unemployed.
  - Online platforms and communities connect experienced entrepreneurs with potential entrepreneurs from similar backgrounds.
  - Appropriate matching mechanisms are used to connect the entrepreneurs starting from unemployment with more experience entrepreneurs.
  - Use of online networking platforms is monitored to verify take-up among the unemployed who aspire to create a business.
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**6.6. Monitoring and evaluation are used to measure the impact, effectiveness and efficiency of public entrepreneurship networking initiatives for different profiles of the unemployed.**

**A high score includes:**

- *Ex ante* evaluations are used to identify areas where policy action is needed, assess the consistency of proposed policy actions with ongoing interventions, identify linkages with other policy actions, and ensure that proposed actions are coherent with strategic objectives.
  - Monitoring and mid-term evaluations are undertaken to ensure that entrepreneurship schemes for the unemployed are on-track to reach their targets and objectives.
  - Schemes are adjusted to account for monitoring and mid-term evaluation results.
  - *Ex post* evaluations are undertaken to measure the impact of entrepreneurship policies targeting the unemployed, and the results are reported widely.
  - Results of monitoring and evaluation are reported publicly and use to improve networking initiatives.
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