

Inclusive entrepreneurship trends and policies in the Czech Republic

This profile on inclusive entrepreneurship in the Czech Republic benchmarks entrepreneurship activities by women, youth and seniors against European Union averages, and notes recent inclusive entrepreneurship policy developments such as the new loan guarantee scheme GUARANTEE 2015-2023.

Key trends: The self-employment rate was slightly above the average self-employment rate for the European Union in 2016 (16.2% vs. 14.0% for the EU). As with most EU Member States, men were almost twice as likely as women to be self-employed (19.5% and 11.5% for women) and youth who were working were not likely to be self-employed (6.5%). Similarly, the Total early-stage Entrepreneurial Activities (TEA) rate for 2012-16 indicates that adults in the Czech Republic were slightly more likely to be active in starting a business or operating a new business (less than 42 months old) than adults across the European Union (8.2% vs 6.7% for the EU). This result also holds for men and youth, but the TEA rate for women and seniors was essentially the same as EU average. New business activities in the Czech Republic were as likely as the European Union average to be driven by a lack of better opportunities for work (21.5% vs. 22.1% for the EU). There is, however, a slight variation across the key social target groups, in particular youth were less likely to be driven by necessity (13.0% vs. 18.5% for adults).

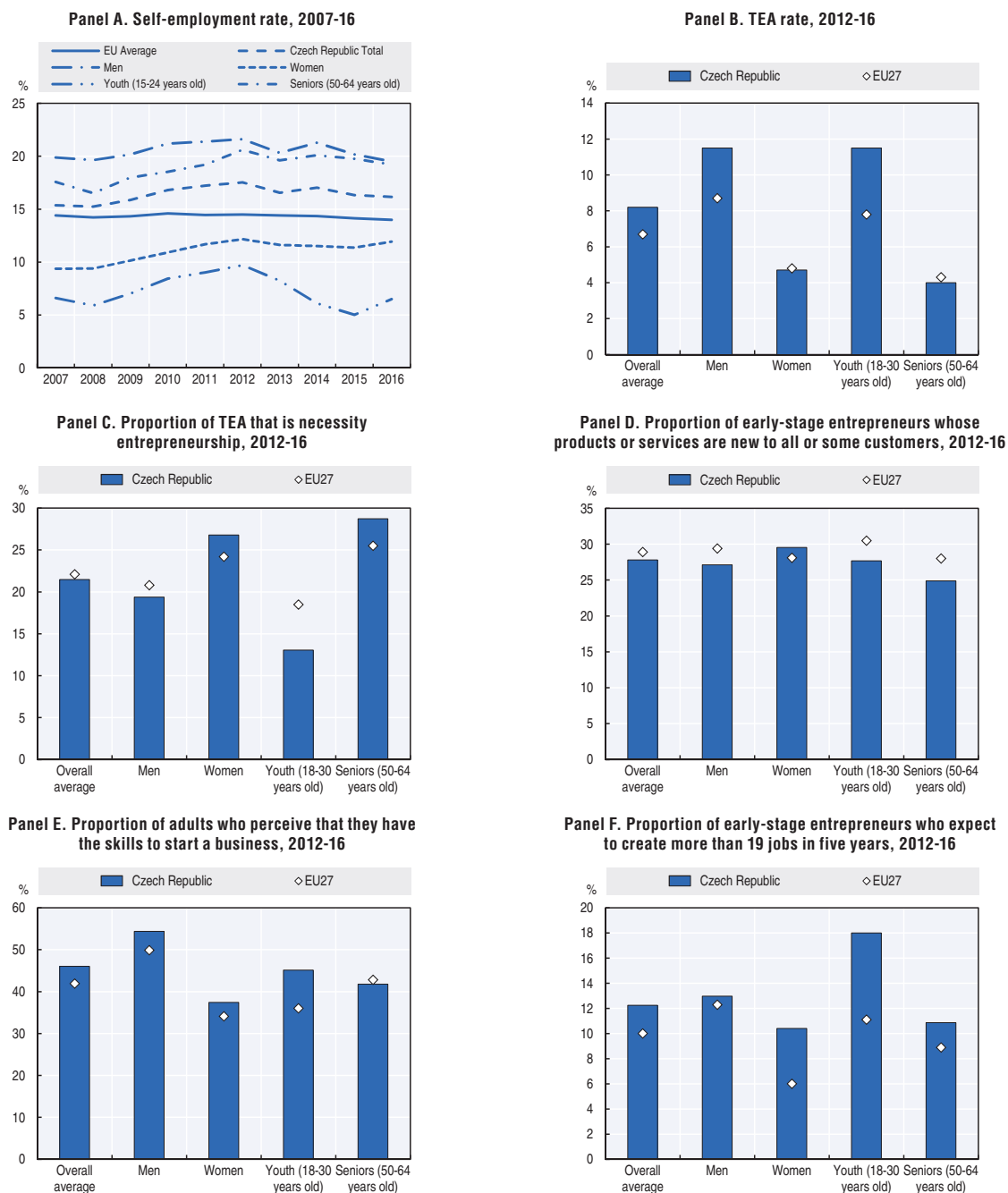
Hot issue: Although women in the Czech Republic are more likely to expect to create a business than the average across the European Union, they are much less likely to operate innovative businesses. There is therefore a need to do more to prepare women for careers in innovative fields and instil the confidence that they can operate successful innovative businesses. There is currently a policy discussion about tailored measures that could be introduced to support women in entrepreneurship.

Recent policy developments: Access to finance is seen as a major barrier to inclusive entrepreneurship. The Czech-Moravian Guarantee and Development Bank (ČMZRB) delivers a national programme GUARANTEE 2015-2023, launched by the Ministry of Industry and Trade in 2015. It includes the offer of individual guarantees with financial contribution for SMEs and social entrepreneurs. The eligibility criteria include: i) employment of persons disadvantaged on a labour market; ii) reinvestment of more than 50% of the profit back to the development of business; and iii) development of corporate social responsibility plan. In 2015, ČMZRB signed the COSME Counter-guarantee Agreement with the European Investment Fund to increase the capacity of the national programme. ČMZRB's activities are expected to continue through the new programming period and new calls were launched at the end of 2016.

The full Country Assessment Note can be found at: www.oecd.org/cfe/leed/inclusive-entrepreneurship.htm.

Key inclusive entrepreneurship data

Figure 14.1. **Entrepreneurship and self-employment data for the Czech Republic**



Notes: 1. The self-employment rate is defined as the number of self-employed people (15-64 years old) divided by the number of people in employment. 2. The TEA rate is the proportion of adults (18-64 years old) involved in setting up a business or managing a business that is less than 42 months old. 3. Necessity entrepreneurship is defined as entrepreneurship activities that were launched because the individual did not have other options in the labour market. 4. Early-stage entrepreneurs are those who are in the process of setting up a business or manage a business that is less than 42 months old. 5. In Panels B, C, D, E and F, the population covered are those 18-64 years old.

Sources: Panel A: Eurostat (2017), Labour Force Survey, available at: <http://ec.europa.eu/eurostat/web/lfs/data/database>; Panels B, C, D, E, and F: GEM (2017), Special tabulations of the Global Entrepreneurship Monitor adult population survey, 2012-16.

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Reader's guide to the country profiles

This section of the book provides a short overview of inclusive entrepreneurship trends and recent policy actions in each European Union Member State. Each Country Profile highlights recent trends for key inclusive entrepreneurship indicators, focusing on activity rates, quality and barriers to business creation for people in under-represented and disadvantaged groups, drawing on a set of charts (see below). In addition, the Country Profiles briefly describe a current policy issue relevant for inclusive entrepreneurship policy development. Finally, each Country Profile describes a recent policy action that was introduced to support the unemployed, women, youth or seniors in business creation and self-employment.

The country overviews are complemented with a common set of country-specific data that benchmark key inclusive entrepreneurship indicators against the European Union average and over time. Data are presented for men, women, youth, seniors and the overall population total. These data help to show the scale of the challenge and its recent evolution. All Country Profiles contain six figures (except for the Malta profile, which does not participate in the Global Entrepreneurship Monitor survey):

Panel A: Self-employment rate, 2007-16. This presents the proportion of those in employment who are self-employed.

Panel B: Total Early-stage Entrepreneurship Activity (TEA) rate, 2012-16. This presents the proportion of the population who is actively involved in starting a business or who is the owner-operator of a business that is less than 42 months old.

Panel C: Proportion of TEA that is necessity entrepreneurship, 2012-16. This presents the proportion of early-stage entrepreneurship that was launched due to a lack of other opportunities in the labour market.

Panel D: Proportion of early-stage entrepreneurs whose products or services are new to all or some customers, 2012-16. This presents the proportion of early-stage entrepreneurs who self-report that they offer products and/or services that are new to potential customers.

Panel E: Proportion of adults who perceive that they have the skills to start a business, 2012-16. This presents the proportion of the population who believe that they have the knowledge and skills needed to start a business.

Panel F: Proportion of early-stage entrepreneurs who expect to create more than 19 jobs in five years, 2012-16. This presents the proportion of early-stage entrepreneurs who anticipate the creation of at least 19 additional new jobs over the next five years.



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