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**Guidance and Counselling for Self-
employment. "SELF-EMPLOYMENT"**

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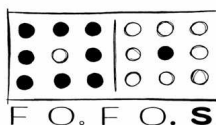
The Best Practices within Self-Employment Guidance and Career Counselling Services. Handbook

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1. Introduction

The present report is developed within the framework of Self-Employment project, i.e. "Guidance and counselling for self-employment", financed under EU Leonardo da Vinci Programme.

The aim of this project is to identify the location and the value of guidance and counselling services addressed to people already self-employed or considering self-employment. The project conducted a survey of existing guidance and counselling services in different location addressed to self-employed persons for maximum 1 year, finding out how they were assisted and provided necessary guidance. The project partners are from Austria, Poland, Romania and Finland. In the whole project *self-employment is defined as a one-person company* (see appendix 1).

The five-member consortium of highly professional and experienced organisations, coming from four EU countries is conducting „Self-employment”. This complementary partnership represents background of counselling and guidance, academic and education, research and analysis fields strengthen by small business orientation and experience in self-employment project. They represent environments of different level of national awareness, policies and educational offer.

Developing support services to provide real help for growing entrepreneur begins with improvements in the core advice and information services of support agencies. Increasingly, advice should be provided on the basis of a more systematic and consistent approach that aims to help entrepreneur to continuously strengthen their own capacity. The next step is to ensure that entrepreneurship development can be supported by appropriate training and that access to finance is facilitated on the right terms. Finally, effective support of growing entrepreneurs increasingly requires recognition of the beneficial interdependence of entrepreneurs, in supply chain relationships, for instance, or in activity clusters. By developing services for groups of entrepreneurs, support agencies are making an increasing contribution to general economic development, particularly at a regional level.

The aim of this report is to present good practice and encourage an exchange of experiences in Europe. The good practice cases highlighted here aim to draw attention to the amount of good practice in this area, and to provide a sample of the different successful ways in which entrepreneurship and self-employment are supported in Austria, Finland, Poland, and Romania. The examples of good practice presented below illustrate a wide range of support measures, from micro to macro initiatives.

The report was initially divided in two parts, Best practice in 2003-2004 and Best practice in 2005-2006, as it was planned and compiled at different stages of the project, but refined later on in the present form.

For further project information and downloads please see www.self-employment.org.

2. European Context

In the international context of rapid economic growth in much of the developing world and sustained economic growth in the US, the EU seems to be delayed in economic difficulties. This is why, at their 2005 Spring summit, Heads of State and Government have put employment and growth as the two main objectives of the renewed Lisbon strategy, in order to raise the living standards and the quality of life of EU citizens. As set out by the new Integrated Guidelines for Growth and Jobs (2005-2008), the Strategy implies raising growth performance of the EU on a sustainable basis and striving for full employment, improved quality and productivity at work, and greater social and territorial cohesion. Indeed, linking economic and social progress is at the heart of the European Social Model. Recent progress towards the overall 2010 Lisbon employment rate target has continued to be slow, but general progress towards the female and older people's targets is encouraging.

Compared to 2004, economic growth in the EU decelerated in 2005. Despite the deceleration in economic growth, employment growth in the EU continued to recover gradually from the low in 2003, but remains well down on the levels observed in the late 1990s and 2000. Employment growth averaged 0.9% for the year 2005 as a whole, up on the previous year's level of 0.5%. However, although moderate, there was a generalised decline in labour productivity growth in 2005, and the EU continues to underperform relative to the US, both in terms of employment and productivity growth. Employment performance in the EU appears to be picking up. The employment growth prospects for 2006 and 2007 are similar to 2005. Employment growth is forecast to increase only marginally in 2006, remaining below the 1% level, and to stabilise at around 0.8% in 2007. The unemployment rate is foreseen to fall gradually to 8.5% in 2006 and to decline further to 8.2% in 2007.

The 2006 Annual Progress Report has called on Member States to seek a convergence of views on a set of common principles on the combinations of flexibility and employment security in the labour market (i.e. "flexicurity"). Flexicurity is a response to the need to improve the adaptability of both workers and firms to a rapidly changing labour market and to labour market segmentation. A segmented labour market implies risks of increasing the precariousness of jobs, damaging sustainable integration in employment and limiting human capital accumulation.

In the context of the current "flexicurity" debate and according to the conclusions of the Spring 2006 Council, effective active labour market policies (ALMPs) – supporting transitions between jobs as well as from unemployment and inactivity to jobs – is one of the ingredients essential to achieve a good balance between flexibility and employment security while reducing the risk of labour market segmentation.

Both the European employment strategy (EES) and the OECD Jobs Strategy have recommended the following actions. Firstly, to shift resources from passive LMPs (i.e. those concentrating in providing income support) to active LMPs (i.e. those attempting to improve the labour market prospects of participants); and secondly, to take better account of the interactions between ALMPs and tax and benefit systems, preferably in the framework of activation strategies, in order to increase the effectiveness of ALMPs.

Despite further progress in the employment situation in the EU, reaching the Lisbon target remains a challenge. Member States need to identify and implement comprehensive reform packages aimed at enhancing the flexibility and security of their labour markets in order to

progress toward fulfilling the EES objectives within the framework of the renewed Lisbon Agenda.

3. Self-employment

In early 2000s self-employment has become a significant source of job growth in many countries. Self-employment is also an important source of entrepreneurship and small business growth, bringing with it a potential for longer-term employment growth. On the other hand, concerns have been expressed over the working conditions, training, security, and incomes of some self-employed.

A number of overlapping reasons have been put forward for these signs of renaissance in self-employment. First, there have been suggestions that it might be a reaction to overly-rigid labour and product markets and high levels of taxation. Second, some analysts have pointed to changes in industrial organisation. A greater stress on outsourcing of non-core activities may have increased the amount of work sub-contracted to the self-employed. Some networks or "clusters" of small, self-employment businesses have shown greater flexibility and speed of response than traditional firms. Third, it has been argued that the increase in the numbers of self-employed is best understood as the response by individuals to the new opportunities becoming available in economies.

In addition, over recent years, many governments have increased their efforts to foster self-employment. Barriers to entry, such as overly-complex or expensive procedures for setting up companies, have been addressed. Potential shortfalls in various types of capital have been tackled through policies to provide easier access to finance, training, and networks of contacts. Special attention has been given to groups under-represented in self-employment, including young people and women.

According to "Employment in Europe", 2005 report, for the EU as a whole some 29 million people were self-employed (i.e. working in their own business, professional practice or farm for the purpose of earning a profit) in 2004, compared to around 161 million employees. This puts self-employment's share of total employment at around 16% in 2004, up slightly (by 0.2 percentage points) on the year before. However, at EU level the share has remained more or less stable around 16% since the late 1990s, and has remained essentially unchanged compared to 2000. However, even though the share of total employment has remained quite stable in the EU, in terms of overall employment levels the number of self-employed has been increasing.

In 2005, according to Eurostat¹, within the EU-25, self-employment accounted for about 16.0% of total employment across the non-financial business economy. Among the eight NACE sections that make-up the non-financial business economy, the highest rates of self-employment in 2005 were recorded for construction (24.5%), real estate, renting and other business activities (Section K, 22.6%), distributive trades (19.8%) and hotels and restaurants (19.4%). These were, perhaps unsurprisingly, the same four activities that recorded the highest proportion of their total employment among SMEs and also showed the highest rates of net job gains during the period 2001 to 2003.

Among the Member States, the highest rates of self-employment were registered in Greece (31.9%), Italy (28.7%), Cyprus (24.0%) and Portugal (20.9%). It is interesting to note, however, that within each of these Member States the enthusiasm to be self-employed was among the lowest in the EU-25. This may suggest that labour markets do not provide sufficient opportunities to be paid employees, forcing some people into self-employment

¹ Eurostat, Statistics in Focus, Industry, trade and services 24/2006 "SMEs and Entrepreneurship in the EU"

when they would prefer to work for an employer. The lowest rates of self-employment were recorded in the Baltic Member States (7% to 9%).

According to an Eurobarometer survey held within the European Economic Area and the United States in April 2004, a relatively high proportion of EU-25 citizens declared a preference for being an employee; with 50 % aspiring to be employees compared with 45% who would prefer to be self-employed (5 % 'do not know'). This contrasted with the United States, where Americans were much more inclined to have a preference for being self-employed (61%). There were fairly strong differences among the Member States concerning self-employment preferences. The highest preference for self-employment was declared in Finland (68%), followed by the Netherlands (66%) and Sweden (61%), with the lowest shares in Spain (34%), Portugal and Cyprus (each 32%).

The same survey concludes that the financial risks seem to be the leading concern with regard to setting up a business. Among the risks facing potential entrepreneurs, the fear of losing one's property declined however in 2004, while the fear of being required to devote too much energy or time increased. Finally, it is worth emphasising that setting up a business seems to be more difficult in the eyes of Europeans than Americans. Compared with the results obtained during the previous surveys, it is notable that although the lack of financial support continues to be seen as a key obstacle to entrepreneurship, it is less important than before. If administrative complexity is also seen as less of a constraint in 2004, it seems that the fear of failure has increased.

Public policy can help entrepreneurship in several ways, although success in business creation must always depend on individual entrepreneurs. Self-employment depends on "conditions" (e.g. access to finance; administrative burdens; taxation; social policies like health, social insurance and pensions), "skills" (human capital, managerial skills) and "spirit" (or personal choice). Policy intervention should take all these dimensions into account. However, whereas governments can intervene to shape the general framework formed by the "conditions" and the "skills" in order to increase opportunities, the "spirit" rests on personal choices, vision, determination and willingness to take risks. These are conditioned by the culture, and by family and local traditions, and are not easy to modify. In fact, self-employment is also an imitative phenomenon. Since a culture that supports risk-taking and individual reward associated to effort plays an important role in supporting entrepreneurial activities, several governments have recently tried to promote a culture of entrepreneurship.

4. AUSTRIA

a) NEWAY

Point of contact

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Brief description of NEWAY

NEWAY is orientated on the needs of female entrepreneurs. The programme offers necessary support services in the period of starting in self-employment as well as during the first three years of running an own business, addressing lacks of knowledge in practical experience in leadership, entrepreneurial background and issues related to business capital. The programme also offers networking and exchange of experience between female founders concerning necessary information and uncertainties during the period of starting an own business.

NEWAY services and platforms address to women interested in becoming self-employed as well as female entrepreneurs in their first three years of running a business. The programme is unique in Austria and contains various offerings in counseling, workshops, conferences and networking.

Phase 1) foundation guidance addresses personal and business related requirements considering self-employment. This period contains support in initial decision making regarding ideas of becoming self-employed and the development of an own business concept.

Phase 2) coaching during the first three years of running a business optimizes business strategies and operating processes. Based on the increase of competences and experiences due to the practice in self-employment of the entrepreneur, permanent settlements of actual state and set condition in operating processes lead to adjustments and improvements in the business concept.

NEWAY is offered by VFQ Gesellschaft für Frauen und Qualifikation mbH (Corporation for Women and Qualification) which is supported by the County of Upper Austria and the Austrian Federal Ministry for Health and Women.

Issues and Improvement Opportunities addressed

Most of the one-person-companies are in trouble to survive the first three years after having started to run an own business. Thus, most of foundation programmes and support services in Austria only address the phase of foundation counselling and end at the point, where the entrepreneur starts his/her self-employment. As soon as entrepreneurs operate in their business practices, they neither have a claim on counselling nor appropriate services offered in order to handle with their specific problems.

NEWAY enhances the counselling for becoming self-employed and succeed as a one-person-company on basic level due to combining foundation counselling with coaching during the first three years in self-employment.

The Main Benefits Derived From Implementing NEWAY

With the support of NEWAY female founders permanently work on settlements of actual state and set condition in operating processes in order to control and enhance their economical success in self-employment. This process is a basis to work out sustainable solutions for real and often unique matters of the respective one-person-company.

As counsellors of NEWAY are familiar with their one-person-companies already from the phase of developing a business plan, competence in counselling and guidance for enhancing the success of business operations of the entrepreneurs is given.

An important added value of NEWAY is the network of entrepreneurs that is open for all participants in order to exchange experiences and establish business connections.

Problems /Issues Associated with the Best Practice

According to information from the management of NEWAY many efforts had to be taken on establishing the programme as a necessary and worthy completion in Upper Austria as NEWAY never has had the attitude of establishing itself as a competitor to existing initiatives. A special attention has been and is still given on designing NEWAY in a way that it is accepted by women.

The importance of the project often had to be underlined in order to secure financial support for NEWAY.

Operating Experience to Demonstrate the Success of NEWAY

The number of counselling sessions is permanently rising. On the average, 10 women attend each workshop offered (as a maximum workshops are open to 12 participants). Networking mornings are visited on the average by 8 women (again there is a maximum for 12 persons). Increase of successful foundations of one-person-companies by women.

b) build! ENTREPRENEURSHIP CERTIFICATE

Additional qualification for students of all faculties

Point of contact

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Brief description of build!

build! aims to develop entrepreneurial thinking and skills with students of all faculties at the University of Klagenfurt. Self-employment is presented as a possible perspective for building up an own professional career.

A central content of build! Are entrepreneurial problems that are handled with case studies as well as real existing foundation projects? Besides to basically economical knowledge, the programme aims to support creative and innovative skills that are important in order to develop ideas to a successful implementation.

build! Is orientated on the needs of all students of the University of Klagenfurt who

- are in secondary phase of their studies,
- are interested in self-employment,
- want to realize ideas and
- are willing in learning basically economical knowledge.

References are provided to the students for each part of the programme that is completed successfully. Following the European Credit Transfer System – ECTS, the three half-modules of build! Altogether contain a number 18 ECTS points.

build! Contains the following modules:

- foundation-orientated introduction to business administration economics
- basics in finance and accounting for young enterprises
- success in self-employment (part I)
- success in self-employment (part II)
- business plan – from the business idea to a financial plan
- women and men in self-employment
- case studies for starting a business and self-employment
- creativity techniques to develop ideas for businesses
- role models for start-ups

Issues and Improvement Opportunities addressed

Entrepreneurial thinking and acting become more and more important due to the changes on the demand of work. Innovative and entrepreneurial talents are asked in today's working world more than ever.

Self-employment as a key qualification is getting more relevant for students and academics. Due to outsourcing of companies, staff is getting reduced increasingly, leading to former employees who carry out their work for their company in self-employment.

Additional efforts are undertaken to enhance the framework for self-employment and to create starting opportunities that are attractive for students to choose self-employment as a professional alternative.

The programme build! is open for students of all faculties and helps to fill a gap of missing economical and entrepreneurial know-how of students in other education than economical studies. Furthermore the programme contains ECTS points.

Main Benefits Derived From Implementing build!

- additional qualification in self-employment and entrepreneurship for students of all faculties
- building up competences and skills in the field of self-employment

- development of understanding economical basics
- experience of foundation practices
- establishment of know-how about institutions that is relevant to prepare own self-employment
- interdisciplinary team work
- getting familiar with founders and their projects
- learning creativity techniques for individual resources
- getting ECTS points

Problems /Issues Associated with the Best Practice

Due to the orientation of build! on all different faculties of the university, the early begin of a stakeholder management has been an important success factor.

Besides to individual persons who have been most important to support this programme on the side of their faculties, a clear formulation of partnership contracts, integrating supportive organisations as the Austrian Chamber of Commerce as well, has shown up as an important basis for the project.

In order to establish the issue self-employment in non economical faculties as well, information work had to be done for a sustainable integration of this additional programme.

Operating Experience to Demonstrate the Success of build!

The programme build! has changed the perception of self-employment as an alternative for professional careers of academics completely. At the whole university, awareness of this issue rose immensely.

Hundreds of applications from participants of all faculties demonstrate the success of build! from its beginning on.

As first qualitative feedback from the side of participants is very positive, the whole success of the programme has exceeded the expectations of all persons responsible for establishing build!.

⌘ “SCHRAUBENFABRIK” – ENTREPRENEURSHIP CENTRE IN CREATIVE INDUSTRIES

Point of Contact

Schraubenfabrik
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Brief Description of Best Practice:

Schraubenfabrik is a multifunctional entrepreneurship centre in the field of creative industries. Around 30 one-person-companies, freelancers and micro-enterprises offering services in marketing, advertisement, public relations, design, architecture, IT and consulting

share their working places in an inspiring atmosphere of a renewed loft in a former screw manufacture. Close to the city centre of Vienna, Schraubenfabrik is based in the neighbourhoods of the traditional Karmelitenmarkt. Similar to the district Prenzlauer Berg in Berlin, this quarter is developing to an alternative place for arts, fashion and other creative undertakings. The philosophy of Schraubenfabrik is not only providing technical infrastructure but enabling a working place in a creative network of entrepreneurs sharing ideas and contacts, co-operating in projects and enabling the common “trade mark” Schraubenfabrik as marketing for its entrepreneurs.

The idea of changing one's home-office into an “office-home” is realized by a common coffee bar, couches and a terrace for relaxing and meeting after work. In an extra room for events also public events take place such as discussion rounds with multipliers organized by entrepreneurs of Schraubenfabrik. Last but not least the entrepreneurs undertake common activities of socializing such as an annual works outing of Schraubenfabrik once a year and Christmas celebration.

Issues and Improvement Opportunities addressed

Schraubenfabrik has been founded in 2002 and immediately became a success story. Meanwhile it has extended its rooms in the same building and also opened up a second entrepreneurship centre following the same business model. This further project “Hutfabrik” in the charming neighbourhoods of the sixth district of Vienna has been established successfully and a third project in town is already planned. The two young founders of Schraubenfabrik and its further entrepreneurship centres got their idea by chance when they have searched an own office for their market research agency. As it wasn't possible for their micro-enterprise to rent the huge facilities of Schraubenfabrik alone, they decided to overtake the financial risk and responsibility to realize their business model of a creative entrepreneurship centre. Meanwhile the new model become very popular in the creative industries in Vienna and also important national media pay significant attention to Schraubenfabrik. The founders themselves work together with a media and public relation agency based in Schraubenfabrik for realizing innovative marketing activities to promote their entrepreneurship centre models as well as the members of their communities.

The costs of renting a working place in Schraubenfabrik and the other creative centres are between 300 to 450 Euros per month.

The Main Benefits

- Changing from one's home-office into an “office-home” in an inspiring atmosphere of a loft office shared by entrepreneurs in creative industries with the character and professional advantages of a business community
- Using professional office infrastructure, meeting rooms, coffee bar and a summer terrace including cleaning services and office insurance
- Being integrated into a creative business network and able to use an appreciated common trade mark whilst working as an one-person-company or micro-enterprise
- Having the opportunity of socialising with other entrepreneurs including reduced membership fees in a fitness centre that can be offered to own business partners as well
- Sharing ideas and synergies as well as co-operating in projects and new business with entrepreneurs specialised in different disciplines of creative industries which can enable to enlarge the own service portfolio on demand of the customers

Problems /Issues Associated with the Best Practice

Since its foundation in 2002 until now there is no one-person-company or micro-enterprise in the Viennese entrepreneurship centre Schraubenfabrik that hasn't performed successfully and survived on the market. Nevertheless founding this centre has been a financially risky undertaking for the both entrepreneurs being responsible for the project. Fortunately it has shown up in the first days of their undertaking that their business idea is a success on the market based on a remarkable demand of creative self-employed persons interested in a common working place and network in a professional and social way. As the successful philosophy of openness and creativity of Schraubenfabrik goes hand in hand with its working places in a large loft room of a former screw manufacture it is significant that the main support centre for self-employment and business start-ups in Vienna – WWFF Wiener Wirtschaftsförderungsfonds – doesn't promote the idea because of its missing closed working places.

Problems showing up and being a reason for entrepreneurs to leave the business community are mainly when a micro-enterprise grows by its number of employees and therefore needs larger facilities. Furthermore due to missing external support for taking part at the business community not every interested company founder and self-employed person can afford renting a working place at Schraubenfabrik and its further creative centres that followed because of the market demand on the side of micro-enterprises in the field of creative industries.

Operating Experience to Demonstrate the Success

The entrepreneurship centre and business community Schraubenfabrik has realized around 30 working places for self-employed persons and micro-enterprises in the field of creative industries. This takes place in a unique inspiring atmosphere of a business loft close to the city centre of Vienna. Most of the entrepreneurs working in Schraubenfabrik since its opening in 2002 are still members of the community and every company that is or has been based there is still successfully operating on the market.

Because of the success of the business model and the demand of self-employed persons willing to change their home-office into a network of business partners whilst taking part on the socializing and advantages of the common networking and branding of Schraubenfabrik, the founders of the centre have opened a second office centre in 2004 following the same model and are recently planning a third project. Schraubenfabrik not only provides a common place for creativity, sharing ideas and co-operations but also offers a presentation platform for all members at the website www.schraubenfabrik.at as well as common marketing activities and business events supporting its one-person-companies and micro-enterprises to get known and establishing themselves better in the Austrian creative industries.

XL" CHANCE" – START-UP CENTRE FOR HANDICAPPED PERSONS

Point of Contact

Gründerzentrum für Menschen mit Handicap
Parkring 2
A-8074 Grambach-Graz
www.chance.at
phone: +43-316-40 67 24

Brief Description of Best Practice:

The foundation centre Chance is specially designed for supporting handicapped persons in becoming self-employed and starting their own business. The centre, established in the year 2000, has its model character in the field of integration of disabled persons and is supported by the government of Austria as well as the Styrian Business Development Agency, the labour market service and the accident insurance organisation AUVA. Each concept of supporting handicapped persons at Chance is tailor-made and orientated on the special needs of the founder.

Issues and Improvement Opportunities addressed

Orientated on the individual needs of handicapped persons, Chance offers support for company founders and persons in self-employment through the following measures:

- Process orientated support
 - Regularly meetings
 - Foundation relevant workshops
 - Exchange of experiences
 - Initiation of co-operations
 - Contact point for individual questions and problems
- Counselling
 - Career counselling
 - Counselling in the field of financial support
 - Counselling in the field of company start-ups
 - Management and tax counselling
 - Coaching
- Internships
 - In case of necessary professional experience as well as supporting professional re-integration on demand, Chance also helps handicapped persons in finding the right company or organisation for an internship.
- Infrastructure
 - Chance offers rooms and technical infrastructure for project-orientated work
- Coaching after the start-up phase
 - Chance supports its founders in new business due to co-operations with the Styrian Business Development Agency. Chance also offers a network of its founders and provides them a platform for their own company presentation at the website www.chance.at

The Main Benefits

Participation in working life and society supports the integration of handicapped persons. As Chance supports persons with a handicap in their professional self-employment, the project creates a source of meaning and confirmation for its participants. Barriers experienced by disabled persons reduce their opportunities to show their strengths and qualifications. Adaptations necessary for handicapped founders in order to use their qualifications efficiently are provided by comprehensive and special needs orientated support through the

experienced experts of Chance and the strong business and social network behind the start-up centre.

As characteristics of a quality treatment of handicapped people are intensive communication with them, praises, support services, requests for discipline and realistic achievements, it is obvious that support services for company founders with a handicap cannot end with the foundation of an enterprise. The project Chance has one of its main strengths in continuing coaching and marketing as well as networking and business infrastructure in the phase after becoming self-employed. In the best case the project supports the handicapped persons not only in creating their own place of work but also in developing their personalities in the sense of individuality and authenticity, making the individual and its work unique, important and maybe even irreplaceable.

Problems /Issues Associated with the Best Practice

Following the fact that a handicapped person is handicapped only in a situation where there is no solution provided for his special needs (i.e. a wheelchair user is handicapped in a public building only if there is no elevator), being handicapped is not only a challenge for a disabled person but as well for society in general. In order to broaden the understanding of being handicapped one can look at another example of everybody's life: Every newborn is helpless and needs support. In contrast to the disabled person this does not lead to disregard or exclusion from social life. In the opposite, people are showing love, support, assistance for self-help and are opening chances for the child within its own possibilities. High quality support for handicapped persons should be lived exactly in this manner.

As the start-up centre Chance is a exemplary initiative to face the problems described above, the centre itself is quite cost-intensive because of necessary infrastructure and design for all solutions as well as the necessity of specialized experts for intensive consultancy.

Operating Experience to Demonstrate the Success

A number of 11 company founders with a handicap present themselves at the online business to business market place available at the founder centre's website www.chance.at. The range of businesses ran by handicapped self-employed persons, shows a main focus on the service sector. Besides to some personal service offerings in the business to consumer area, businesses of the handicapped persons of the start-up centre Chance mainly take place in the business to business sector and often impress with their innovative approach. A two person founder team in example runs an agency offering design for all solutions in the field of communication and event management. Others run a one-person-company in the field of social counselling, mental training, tax accounting services for small and medium-sized enterprises or public relations and media management consulting.

Besides to the successful companies founded with the support of the start-up centre Chance, the centre itself is a growing undertaking as well and has till now created working places for 7 employees and network partners.

5. FINLAND

a) ESTABLISHING YOUR OWN BUSINESS SEMINAR DAYS

Point of Contact :

Business Training Database <http://www.tekeskus.fi/koulutuspankki>.

Brief Description of Best Practice:

Establishing Your Own Business seminar days offered by the T&E Centres are aimed at people starting their own business: If you are considering setting up your own business and feel you need basic information on how to do this, you can participate in an Establishing Your Own Business seminar. The objective of the seminar is to provide the participant with an overall view of the fundamental issues any founder of a business should know and take into account. Most seminars last one day and are organized over the weekend. If necessary, seminars may also be held in English.

T&E Centres offer a variety of courses in how to establish a company or to improve the competitiveness of existing small and medium-sized enterprises. The supply of training services of the Business Training Database comprises guidance in how to establish a company, courses focusing on different activities of a company or on combating problems of different kind and courses in management training. Enterprises are also offered training in business analysis and in identifying development needs.

Issues and Improvement Opportunities addressed

T&E Centres are available all through Finland and their services are highly appreciated.

The Main Benefits

The availability of knowledge and information for everyone wanting to start up a business at a very low cost.

Problems /Issues Associated with the Best Practice

The knowledge and information offered in a seminar is not so targeted to a specific need; so there might be a lack of that. However, this is just the starting point; the targeted information is available later on.

Operating Experience to Demonstrate the Success

No such data available.

b) THE WOMEN'S ENTERPRISE AGENCY

Point of Contact

<http://www.naisyrittajyyskeskus.fi/index.php?k=5547> and
Ritva Nyberg, Managing Director,

Tel. +358 9 5422 4466,
email: ritva.nyberg@nyek.fi

Brief Description of Best Practice:

The Women's Enterprise Agency (Naisyrittäjyyskeskus)² works to promote entrepreneurship and networking among newly started entrepreneurs. It is one of the Finnish Jobs and Society Enterprise Agencies, and it is financed by the European Social Fund, the Finnish Ministry of Trade and Industry, and the Finnish Ministry of Education as well as by private enterprises and business organizations.

They offer e.g. co-operation and interaction between an experienced and a new entrepreneur. This is called entrepreneurial mentoring. They promote enterprise operations and networking of new and freshly started women entrepreneurs by means of training and personal expert advice. The tutors and experts are experienced women entrepreneurs.

The Women's Enterprise Agency was founded in 1996, so it has been active also in 2003 and 2004.

Issues and Improvement Opportunities addressed

The European Commission has selected the operations of the Women's Enterprise Agency as one of the top projects in the field in Europe.

The Main Benefits

Very highly valued networking between women entrepreneurs.

Problems /Issues Associated with the Best Practice

No big problems identified.

Operating Experience to Demonstrate the Success

No such data available.

c) ENTERPRISE FINLAND WEB PAGES**Point of Contact**

<http://www.enterprisefinland.fi/> web pages (available in English, in Swedish and in Finnish)

Brief Description of Best Practice:

The Enterprise Finland is a very extensive online service for companies and people establishing a business. It provides information on the obligations towards public authorities that need to be taken into account when setting up an enterprise and acting as an employer. The online service also provides information on public funding for enterprises and other potential sources of special funding. Enterprise Finland contains information on the following: establishing a business, public special funding accounting, taxation and audit, and employer obligations and the rules of working life. The Enterprise portal offers also answers to questions such as what notifications and permits are required when setting up a business and how are the different company types taxed.

² <http://www.naisyrittajyyskeskus.fi/index.php?k=2049>

The online service is produced by the Ministry of Trade and Industry and managed by the SME Foundation (PKT-säätiö). They are continuously developing the services of Enterprise Finland to better meet the expectations of its users. They are open for improvement and other feedback.

The aim of the Internet service is to be and become the no. one source of information to entrepreneurs.,

Issues and Improvement Opportunities addressed

It is an excellent example of the power and commonness of the Internet.

The Main Benefits

The availability of knowledge and information for everyone wanting to start up a business at a very low contact cost. Internet is very common in Finland so people generally have really good access to this service.

Problems /Issues Associated with the Best Practice

No problems identified.

Operating Experience to Demonstrate the Success

No such available.

d) THE Y4 PROJECT

Point of Contact

<http://www.y4.fi/> web pages (available in Finnish, only a small section in English).

Also: Mr. Jorma Nokkala, Tel. +358-400 640 510

Brief Description of Best Practice:

Y4 Project is organized in Central Finland. The whole name is *Y4 entrepreneurship ideology* –project. The main aim is to make *Central Finland a more entrepreneur-friendly region*. It is based on massive cooperation and new ideas of entrepreneurship and networking.

In *Y4 business perspective* is taken into account in all decisions-making and *people are encouraged to be entrepreneurs* whilst adopting *ethically sustainable values*. Involved in Y4 are around 100 public organizations and roughly 450 entrepreneurs and company managers.

Thousands of people have already participated in a variety of Y4 events. During the Y4 process the net increase in enterprises in Central Finland has been 265%.

The project emphasises that entrepreneurship based on ethically sustainable values is the key force by which future society can adapt sufficiently quickly to the challenges of globalization.

Issues and Improvement Opportunities addressed

Y4 entrepreneurship ideology was awarded the *grand prize* in the Entrepreneurial Trailblazer Awards category of European Enterprise Awards in Brussels was won by Central Finland's *Y4 entrepreneurship ideology* –project. (The aim of the competition was to give recognition to regional and local authorities for innovative and creative initiatives which support entrepreneurship in different parts of Europe.) The jury of the award considered the Y4 the *most creative and inspiring entrepreneurship initiative in Europe* because of its success in changing the culture and mindsets of people in the region. (http://ec.europa.eu/enterprise/entrepreneurship/smes/awards/index_en.htm)

The Main Benefits

It has developed Central Finland to be one of the world's most entrepreneur-proactive regions. It has also networked different organizations and entrepreneurs. Additionally, ethical values are strong in it.

Problems /Issues Associated with the Best Practice

No problems identified.

Operating Experience to Demonstrate the Success

No such data available yet.

6. POLAND

a) ACADEMIC ENTERPRISE INCUBATORS (Akademickie Inkubatory Przedsiębiorczości)

Point of Contact

Brief Description of Academic Enterprise Incubators

Self-reliance is not a feature of young people only. However, it is commonly believed that youth possesses some attributes which make it easier to accomplish difficult aims and make dreams of creative achievements come true. There are various forms of support offered that strive to meet young people's expectations by helping to develop their potential and latent capabilities. One such initiative is Academic Enterprise Incubator, a project carried out by students, who gather knowledge and experience under the tutelage of business professionals. The project idea is based on the conviction that an individual's development may be accomplished through professional career development. The Incubators are a form of individual career planning, which can be briefly defined as a way to determine the vocational objective that the individual in question wishes to achieve. To an employee, career is not just a reward; it's primarily a way of vocational (professional) development. These days, in order to be a professional in one's chosen field, having a university degree is not enough; one needs practice and experience, as well as the ability to consciously follow one's career path. Gathering job experience, developing the ability to take responsible decisions, and providing the requisite technical base: that's what Academic Enterprise Incubators are for.

The project is aimed to all young people up to the age of thirty, in particular to full-time, evening and external students. The project's objective is to encourage young people to develop creative entrepreneurial attitudes. The project creators' intention is to supply young entrepreneurs with practical knowledge and good practices. The Incubator provides an opportunity to establish one's own, first business without considerable financial investments.

The Project Initiation took place in October 2004. The main organisers of the project are: Business Centre Club Student Forum and the Foundation of Enterprise above Divisions (Fundacja Przedsiębiorczości Ponad Podziałami). They are also cooperating with students' organisations, youth associations and clubs from 12 Polish institutions of higher education.

A condition to participate in the contest is to prepare a business plan on several A4 pages, which the applicants must send together with the completed form by email to konkurs@inkubatory.pl. The contest is comprised of two stages. The first one is evaluation by the members of the Incubators Council: incubator directors, school representatives, and businessmen. Their opinion is then presented to the Committee of the contest which selects about 100 authors of the best projects. The contest winners are authors of the top business plans of the most promising enterprises.

Issues and Improvement Opportunities addressed

Assistance with creating, organising and running a business, and in particular:

- offering the possibility to use the AEI office rooms and infrastructure (computer, fax, printer, basic media, etc.);
- providing access to the online countrywide AEI platform at www.inkubatory.pl, possibility to exchange information and use the server disc space allotted to maintain the website of each Beneficiary;
- AEI facilitates acquisition of orders by the end Beneficiaries by: obtaining orders, arranging business meetings, giving access to the Foundation's database of entrepreneurs;
- organising trainings concerning acquisition of support means and conferences with the participation of entrepreneurs from individual industries;
- providing the Beneficiary with basic office services (both technical services and support in preparation of documents, dispatch and collection of mail);
- offering legal and economic counselling
- assisting with bookkeeping
- supporting in the acquisition of funds (sponsors, subsidies, subventions) for financing of Beneficiary's undertakings.
- arranging meetings between Beneficiary and government, self-government and non-governmental organisations and institutions.

The Main Benefits

- Assistance with promotion and advertising.
- Assistance with collaboration with regional BCC lodges.
- Providing office materials, letterheads, and business cards.
- Beneficiaries of the project can be both students and graduates who run their own business as well as those who don't (in that case they function on the Foundation's account).
- AEI support is granted for 24 months at the maximum (it's the so-called incubation period).

Academic Enterprise Incubators have been created at the following institutions of higher education:

1. Warsaw University (Uniwersytet Warszawski)
2. Warsaw School of Information Technology in Warsaw (Wyższa Szkoła Informatyki Stosowanej i Zarządzania)
3. Warsaw Agricultural University (Szkoła Główna Gospodarstwa Wiejskiego)
4. Academy of Management in Łódź (Społeczna Wyższa Szkoła Przedsiębiorczości i Zarządzania)
5. Wrocław University of Economics (Akademia Ekonomiczna)
6. College of Communications and Management in Poznań (Wyższa Szkoła Komunikacji i Zarządzania)
7. Silesian Higher School of Management in Katowice (Śląska Wyższa Szkoła Zarządzania im. gen. J. Ziętka)
8. University of Gdańsk (Uniwersytet Gdański)
9. School of Banking and Management in Kraków (Wyższa Szkoła Zarządzania i Bankowości)
10. Toruń School of Banking (Wyższa Szkoła Bankowa)

11. School of Economics and Computer Science in Kraków (Wyższa Szkoła Ekonomii i Informatyki)
12. Częstochowa University of Technology (Politechnika Częstochowska)

Problems /Issues Associated with the Best Practice

The biggest problem with the realisation of the project seems to be its limited accessibility. Not all – not even most – Polish institutions of higher education joined the project by creating an AEI. As the idea of the project is to use the office space, technical and factual base of the AEIs at their headquarters, joining the project requires the participant to be ready to move to the city where that particular Incubator is located. It's a challenge for students from smaller towns, but it can also teach them to be flexible, a vital quality in today's professional world.

Operating Experience to Demonstrate the Success

In the first edition of the contest (the deadline for submitting the papers was the 31 May 2005) the prize-winners were persons from 11 academic centres, and the projects rewarded so far concerned business start-up, e.g. advisory services, IT services, and online shops. Thanks to the support from AEI, in the Silesian voivodship such businesses as Quality Consulting, Silesia Consulting Group, Euroguide service, and the store "Zapach Orientu" were established.

The second edition of the contest has just been completed, and the award ceremony will take place in early December 2005. The best five business plans will be rewarded. The author of the best work will receive a Virtual Office, a notebook and wireless Internet access, funded by Plus GSM.

b) Samozatrudnienie – SOFTWARE FOR ONE PERSON COMPANIES

Point of contact

The manufacturer of the program is Biuro Informatyki Stosowanej FORMAT (the name can be translated as Applied Information Technologies Office FORMAT), which has been developing computer software since 1991, mostly in the field of accounting. The company is ISO 9001:2000 certified and in 2003 obtained the title of "Solidna Firma" ("Reliable Company") awarded in the nationwide White List Programme.

Division in Wrocław
ul. Św. Antoniego 23
tel./fax. (+48) 71 781 89 48

Division in Legnica
ul. Gwiezdna 8
tel. (+48) 76 854 79 58

e-mail: sam@format.wroc.pl



Brief Description of Samozatrudnienie software

SAMOZATRUDNIENIE ("Self-employment") is a computer program designed for keeping financial documentation of a one-person company. The software user is given the possibility to keep records in a Revenue and Expense Ledger (REL) or use Lump-Sum Tax option. The program also includes a specification for both VAT-registered traders and persons who are not registered for VAT.

With the use of this program, the users can manage accounting, bookkeeping, and finances all by themselves. The program gives the possibility to calculate the taxes, PIT, VAT, and ZUS (Social Insurance Institution) social and health insurance fees, and make out declaration documents. The software also includes invoicing, money transfers, settlement of business car, payment control, and many other functions required when running a business. The program ensures constant updating according to the valid regulations, and its update for 2006 is free of charge. As it is a commercial product, its distribution is payable. However, the producer has set a price that is affordable to one-person entrepreneurs. In 2005 this price is 170 PLN³.

Issues and Improvement Opportunities addressed

The program was developed in 2003 on the basis of another computer software designed for PIT and VAT bookkeeping. It was inspired by the opinions and comments from users of earlier versions of software designed for companies that employed workers. There was a demand for a product aimed specifically at the self-employed (one-person companies), corresponding to the specific management of such business, without human resources and worker employment costs. The price of the program is also adapted for persons starting their business activity and having little financial means.

The Main Benefits

The program provides the following functions:

- Settlement of income tax: revenue and expense ledger; income registry (for lump-sum tax); income deductions and tax deductions; PIT-5 or PIT-28/A/B declaration form; linear tax and PIT-5L declaration form.
- VAT tax posting: VAT registry, VAT-7, VAT-7K, VAT-12 declaration forms; using various methods of tax settlement (monthly, quarterly, ledger); intra-community transactions; VAT-8, VAT-9, VAT-10, VAT-11 declaration forms; VAT-UE/A/B information
- social and health insurance settlement: calculating the owner's contributions; ZUS (Social Insurance Institution) settlement declarations: DRA and RSA; compatibility with another accounting program: *Platnik*
- Possibility of keeping additional registers, such as: equipment; mileage rate (drives register, costs, note).

Furthermore, the program facilitates:

- Creating one's own plan of accounts: formulating the types of costs, sales, activities, location, etc.
- Payment management: registration of payments and part payments; payment deadlines control; control of debtors.
- Keeping files of customers and accounts (turnover and balance).

³ 42 EUR according to the exchange rate of 10 November 2005

- Creating charts and passwords.
- Aiding with invoicing, by providing samples of invoices, bills, transport documents, receipts, correcting documents, as well as by means of (price) lists of goods and services in several prices and currencies with the option to use discounts, surcharges and comments, and making it possible to keep records of invoices with the possibility to view, print and correct them.

A self-employed user of the program will have various forms for money transfer and remittance, internal receipts and notes, cash desk receipts, as well as addresses and account numbers of tax offices.

The user can start to use the program at any time of the year and enter the accounting data in any chronological order. The program also allows for trial bookkeeping.

The authors assure that the program is easy and satisfying to work with, and is constantly updated to keep up with the changes in regulations.

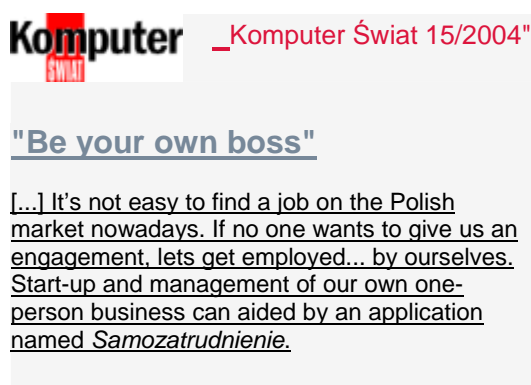
Problems /Issues Associated with the Best Practice

In case of such product there can hardly be any problems. It seems that the only problems may concern the lack of required parameters of the potential customers' hardware, too high price of the software, or lack of computer skills.

Operating Experience to Demonstrate the Success

Although we do not have exact data concerning sales and use of this software, we have gathered from a conversation with the producer that there is a considerable interest in this product among the self-employed.* This probably results from the fact that it makes one's own company management definitely easier, especially for inexperienced persons.

It is also worth mentioning that there are some very favourable reviews in renowned computer magazines on the Polish market, such as: *CHIP*, *KOMPUTER ŚWIAT*, *PROGRAMY dla Twojej firmy*, *ENTER*, *PC FORMAT*.



* information will be supplemented as soon as the software manufacturer supplies the data

c) THE PROGRAMME “FIRST JOB – FIRST BUSINESS” (“PIERWSZA PRACA – PIERWSZY BIZNES”)

Point of Contact

The Ministry of Labour and Social Policy
ul. Nowogrodzka 1/3/5
00-507 Warsaw
www.mpips.gov.pl
phone: +48 22 661 10 00

Brief Description of Best Practice:

Since 2002 The Ministry of Labour and Social Policy has been realising the ministerial programme “First Job” which is intended to activate on the labour market those who graduated from secondary schools or have university degrees. During three years of programme lifetime 183 000 of people under 25 years old and those with higher education up to 27 years found a full-time job. Among them only 1 299 persons decided to become self-employed. Taking into consideration those data the Ministry came to a decision to broaden the programme “First Job”. It was decided to include the promotion of self-employment and to simplify the procedure of establishing one’s own business. That was the beginning of “First Business” programme which is complementary to the “First Job”. The programme “First Business” has started on July 2005.

The programme “First Business” is aimed at promotion of entrepreneurship and the idea of self-employment among unemployed persons up to 25 years old and those with university degree up to the 27. The statistics show that there is a higher rate of unemployment in that group of young people than among others. The actions which are taken in the “First Business” programme should provide persons interested in the self-employment with indispensable knowledge as well as facilitate establishing own business.

Issues and Improvement Opportunities addressed

The programme “First Business” is carried out by the departments of The Ministry of Labour and Social Policy and by the labour offices. It is conducted with the cooperation of, for example, academic and non-profit organisations.

It is financed from three sources:

- the reserves of Labour Fund,
- the loans from Bank Gospodarstwa Krajowego (The Bank of National Economy),
- The European Social Fund.

The Main Benefits

The purpose of “First Job – First Business” programme is to provide the participants with theoretical and practical skills connected with managing own business and information about possible rules and sources of financing own economy ideas.

The support which is offered includes:

- *theoretical trainings*

The potential entrepreneurs are being sent to theoretical trainings by labour offices. There are the cycles of trainings which last in total 80 hours. They refer to: building up the creative

attitudes, evaluation and strengthening of psychological predispositions, knowledge of law and financial conditions connected with starting up, managing and developing one's own business. The theoretical trainings' participants also get some publications and documents (for example an electronic package of documents needed to start own business and the software that simulates managing a firm and giving advices how to write a business plan).

- *practical trainings*

After the theoretical trainings young people who decided to become self-employed are sent (by the labour offices) to practical trainings in external companies. Those trainings last few months and are conducted in the firms which have similar business profiles to the interests of the participants.

- *subsidies and loans*

The participants of "First Business" programme can get the non-repayable subsidies for starting own business. The subsidies are granted by the labour offices.

Bank Gospodarstwa Krajowego (The Bank of National Economy) may grant the participants of "First Business" programme the loan up to the 40 000 PLN (around 10 000 Euro). The motto of the programme is: "Take the future in your hands – become an entrepreneur". The money can be spend on: purchasing necessary equipment for managing own business, the adaptation or purchasing of the premises.

The fosterage of creativity and entrepreneurship as well as provision of better conditions for setting up one's own business seems to be a good way of encouraging to the self-employment. It helps to propagate knowledge about the mechanisms of labour market and increase the activity among young people. Moreover, the self-employment may favourably influence on situation on labour market.

In July 2005 the "First Job – First Business. The vademecum of enterprise" was published. It contains directions and advices which refer to running own business, for example: evaluation of one's predisposition for managing a company, terms of running and financing own business, methods of calculating insurance premiums and taxes, information concerning leverage of subsidies.

Problems /Issues Associated with the Best Practice

Still there is a low rate of self-employed in Poland among people from 18 up to 25 years old. Not much has changed despite the dissemination of self-employment idea and changes in regulations, which were introduced in order to facilitate the procedures of establishing and running one's own business. Young people declare their interest in self-employment, but they do not take any activities towards development of this idea. This may be the hint to broaden the "First Business" programme by including also people older than 27.

There are a lot of possible reasons for low interest in self-employment. Some of them were shown in the research conducted by "Public Profits" (survey was commissioned by Polish Agency of Enterprise Development). They mentioned among others: lack of abilities and courage for running own business, lack of ideas and high risk of performance, lack of practical knowledge about managing a company, some problems with business registration (for example obligatory registration fees), anxiety about lack of support during carrying out formalities for establishing own business. Actions taken in "First Business" programme are oriented for those problems which refer to lack of knowledge and skills connected with managing own business. However, it appears that if the law regulations will not change soon, the programme would not be very successful. The risk connected with establishing own

business, complicated procedures of registration and financial costs of such decision seems to be higher for young people than possible advantages of being self-employed.

Operating Experience to Demonstrate the Success

There are not many available data which refer to “First Business” programme’s results. After a year of running its effectiveness was evaluated on 90 % (the information taken from www.prywatni.pl).

d) TV SERIAL “THE OPPORTUNITIES – THE FINANCES” (SZANSE FINANSE)

Point of Contact

The Arlekin Studio
ul. Wieniawskiego 58
31-436 Krakow
www.arlekin.net.pl
phone: +48 12 413 50 09

The Ministry of Regional Development
ul. Wspólna 2/4
00-926 Warszawa
www.mrr.gov.pl
phone: +48 22 461 30 00

Brief Description of Best Practice:

“The Arlekin Studio” got the grant from The Ministry of Regional Development to produce the serial which promotes the activity on the labour market and encourage people to use available funds from European Union. The scenario was written by Lukasz Rybarski (also the serial’s director) and Joanna Operek. First series consist of 8 episodes, the second – of 4 episodes.

Issues and Improvement Opportunities addressed

“The Opportunities – The Finances” is a kind of entrepreneurship initiative’s lesson, but given in an entertaining manner. The serial is a comedy with informational component and shows an optimistic view on the reality, which can be unpredictable and full of curious coincidences. Each episode has the main theme, which was chosen in consultation with The Ministry of Regional Development and reflects The Ministry’s priorities. The serial’s aim is to inform that financial help from European Union is common and diverse and show how it can be used.

The characters in the film are inhabitants of a small city. They are different regarding to their age, educational status, financial status and professions. Thanks to the creativity and stubbornness they can face the life problems, help each other and achieve goals which are important not only for them, but also for the whole region. Such attitude to life among serial’s characters allows them to find work, get new ideas for the local entrepreneurs and contribute to the city’s development. In spite of some financial difficulties those people are able to see the chance for themselves on the labour market. The solutions of those problems are often connected with the European Union’s funds. The possibilities given for Poland by The

European Union are shown in “The Possibilities – The Finances” from the individual point of view.

The episodes of the serial last about 25 minutes each and were broadcasted on TVP2 (public channel). The continuation of existed eight episodes was the opportunity to show how the projects which had been established in earlier episodes have developed and what kind of effects they've brought. Among those local projects were for example the modernisation of pains and varnishes factory and the project of building up the regeneration centre next to the swimming-poll. New episodes also allow presenting next projects that are planned according to the priorities of The Ministry of Regional Development.

The serial shows how the life of ordinary people may change and how they dream may come true. It is aimed to influence people's emotions and create the positive view on European Union's funds.

Each episode ends with informational part given by lector and then the viewers are directed to the website address: www.fundusze-strukturalne.gov.pl.

The Main Benefits

The main aims of the serial “The Opportunities – The Finances” are: education, information and promotion. The form is understanding and attractive.

“The Opportunities – The Finances” promotes being active, creative and optimistic even under such circumstances as the unemployment. It strengthens the motivation to act, make an effort and achieve goals. The most important is that it suggests concrete ideas and solutions for starting own business and developing it. Thus “The Opportunities – The Finances” entertains, but also teaches by modelling the behaviours.

Serial's spectators can learn how to use the structural funds, get necessary information about implementing the project and about possible risk. Thus, viewers may see the whole procedure starting from the idea, through writing and putting in the application form, to the project's implementation.

Problems /Issues Associated with the Best Practice

Unfortunately, not many people have seen “The Opportunities – The Finances” so far. One of the reasons may be that it wasn't widely advertised and the information about it couldn't reach the whole possible audience. There are not also many episodes of “The Opportunities – The Finances” (only 12). It seems to be not enough to successfully teach how to be active on the labour market. The time of broadcasting also wasn't the best one – in 2005 (8 episodes) the serial was broadcasted on Wednesdays after 4 p.m. and in 2006 (4 episodes) on Saturdays around 9 a.m.

Operating Experience to Demonstrate the Success

There are some quantity data that refer to the serial's rating. It was watched on average by 624 thousands people that represents 1,7% of people who watched television in the time when the serial was broadcasted. The first episode of the serial was the most popular (it was watched by 835 thousands people). On average the first seria (8 episodes) was watched by larger audience (664 thousands of people) than the second seria (4 episodes) which was

watched on average by 577 thousands of people. As it was mentioned before the reasons of low serial ratings may be both: time of broadcasting and not many advertisements.

It is hard to estimate how many people found “The Opportunities – The Finances” helpful and thanks to its ideas became more active on the labour market.

7. ROMANIA

a) EMPRETEC ROMANIA

Point of contact

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Brief Description of Best Practice

The Empretec Programme is UNCTAD's integrated capacity-building programme promoting the creation of sustainable support structures that help promising entrepreneurs build innovative and internationally competitive small and medium enterprises (SMEs).

Romania is the first country in Europe where the programme is put into place. In Romania the programme is co-ordinated with the Ministry of SMEs and Co-operatives (MSMEC).

The target audience for the program includes potential and existing entrepreneurs, and professionals in public or private sector organisations who are expected to act in an entrepreneurial manner. The program is open also for new graduates from universities and other categories the basic condition being their entrepreneurial potential, which will be identified through the selection methodology and developed by the interactive workshops.

Issues and Improvement Opportunities addressed

The programme is aimed to: identifying potential entrepreneurs, developing their abilities and business potential, providing support and quality consulting services for increasing productivity and growth, development of modern business methods, encouraging exchange of experience and developing business relationships both locally and internationally, establishing partnerships with foreign companies, export development.

The programme starts by focusing on the **entrepreneur as an individual**. On the basis of written applications and focused interviews, a given number of participants (25-30 participants per workshop) enter the programme through an initial two-week achievement motivation workshop. The **Entrepreneurship Training Workshop (ETW)** is an opportunity for the participants to become more familiar with the behavioural competencies of successful entrepreneurs, strengthen and enhance those behaviours in themselves and, finally be able to apply the behaviours in their own businesses. Next step after the workshop is providing the participants consulting services for business development.

The Romanian Empretec Programme envisages:

- To identify potential entrepreneurs
- To develop their traits and business skills
- To provide support and state-of-the-art advisory services to enhance productivity and competitiveness
- To develop modern business practices

- To encourage the exchanges of experiences and networking locally and internationally
- To help the arrangement of mutual beneficial partnerships with foreign companies. Exports development
- To assist and support the entrepreneurs in accessing finance.

Empretec Romania target beneficiaries are:

- Private micro, small and medium enterprises
- Private entrepreneurs
- Public sector, civil servants
- Start-ups
- Women' business initiatives
- Experts, consultants, consulting firms, universities.

The Main Benefits

It is an opportunity for participants to become more familiar with the behavioural competencies of successful entrepreneurs. The participants will be motivated to look for, recognise and 'code' those behaviours in themselves and in others ; to apply these behaviours in their own businesses. Participants prepare a business plan and have the opportunity to present their business plan and have the opportunity to present their business ideas to a banker panel for possible funding.

Problems /Issues Associated with the Best Practice

The programme targets the training of 120 persons/ year. Therefore, even the services are highly appreciated are not so easy accessible due to limited number of places available.

Operating Experience to Demonstrate the Success

In 2003, the programme has been focused mainly on the following components:

Business Development – 32 actual and potential entrepreneurs benefited by consulting services in fields such as: financial management, quality, market opportunities, human resources, market studies, and information technology.

Financing - 21 of EMPRETEC trainees have been supported in acceding the financing sources. 12 of them have finally obtained the necessary funds for their businesses development (8 trainees) and for starting up a new business (4 trainees).

Export – the Lombardia Region – Italia, has financed the courses. They were developed in partnership with the Italian company Co. Export and the Foreign Trade Promotion Centre of the National Association of Romanian Exporters and Importers (ANEIR).

b) START

Programme for the development of the entrepreneurial abilities among young people and for facilitating the access of these to financing – Youth and business –

Point of Contact

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Brief Description of Best Practice:

The programme objective is the promotion of a training system which will facilitate the mobility of the young between the educational system and the labour market, as well as the development of the entrepreneurial skills of the young in order to get the young people in contact with the private economic organizations, which represents a priority of the National Action Plan for Youth in Romania.

Target group of the programme consists of:

- Young people between 18 – less than 35 years old;
- Authorised natural persons and families associations less than 1 year old;
- Firms less than 2 years old

Issues and Improvement Opportunities addressed

The Programme has 2 phases:

- Phase I – organization and development of entrepreneurial training courses for the Programme beneficiaries;
- Phase II – financing the first selected *100 business plans*, through granting microcredits in very good conditions, by the Romanian Commercial Bank, according to the credit conditions specified.

Phase II used the following financing scheme: minimum 45% of the investment value provided in the business plan, (exclusively VAT) as microcredit under advantageous conditions, but not more than 10.000 euro; - 40% of the investment value as grant, within the limit of 200 ROL and 15% of the investment value as personal co-financing.

The programme was launched in September 2004. The entrepreneurial training courses took place in: *Bucharest, Brasov, Constanta, Craiova, Iasi and Timisoara*. These entrepreneurial training courses were organized on modulus.

These courses resulted in elaborating a business plan by each eligible beneficiary, in a period of 10 days from the end of the course.

The Main Benefits

“Youth and business – START” is developing entrepreneurial abilities among young people and facilitating their access to financing. Its objective is to promote a training system which will facilitate the mobility of young people between the educational system and the labour market and the development of their entrepreneurial skills.

The practice already exists. It is user-friendly and accessible for young people. The financial scheme contains advantageous credit, personal contribution and grant; NASMEC chooses a bank willing to finance the young entrepreneur.

Problems /Issues Associated with the Best Practice

One of the main limitation is the geographical coverage since the programme was available only in 5 cities. At the time of the launching of the programme were not very clear the bank's conditions for micro-credits.

Operating Experience to Demonstrate the Success

Not available at the time of the report. But the expected impact was: Entrepreneurial formation: 500 young people - New business companies started: 55.

c) SOCIAL FINANCE FOR SUPPORT TO SELF-EMPLOYMENT IN BULGARIA, ROMANIA, SERBIA”.

Point of Contact

<http://www.oit.org/public/english/region/eurpro/budapest/employ/socfin.htm>

Brief Description of Best Practice:

[Social Finance for Support to Self-Employment 2004-2005](#) it is a project of International Labour Organization (ILO) and it is funded by the French Government.

Together with the Social Finance Programme from the ILO, the ILO Subregional Office for Central and Eastern Europe is implementing a two-year project (2004 - 2005) on Social Finance for support to self-employment. The project, funded by the French government, targets three countries of South Eastern Europe - Bulgaria, Romania and Serbia.

The project seeks to prepare the ground for national schemes that will provide start-up capital to prospective entrepreneurs coming out of unemployment. The base is represented by successful experiences in France, other western European countries, the United States, and Canada, where microfinance is just one of several tools that governments use to combat unemployment.

Under the ILO project, a task force has been set up in each country, with the participation of the relevant public authorities - usually including representatives of the ministries of labour, economy, and finance; central banks; and other state agencies such as labour offices or agencies for the development of small and medium-sized enterprises (SMEs). The social partners are also involved in the work of the task force, as well as microfinance institutions (MFIs) and the banking sector wherever possible.

Issues and Improvement Opportunities addressed

This French-funded project aims at taking forward the Decent Work agenda of the ILO by advocating the **potentials of micro finance as a strategy for self-employment** creation by the unemployed. It will prepare the ground for the implementation of a programme implementing the recommendations that will have been made during these two years.

The main goal is to create a genuine sense of ownership of the proposed schemes, and facilitate alliances between institutions which would otherwise not necessarily work together. These stakeholders meet regularly, once every three months.

Benefits

As the economic growth gains pace and it is likely to continue in Romania for the years to come, at an even higher pace than the average for the last years, it is important that as many individuals as possible should be integrated into the mainstream economy and thereby feel the benefits of the economic growth and of the future integration into the European Union, which is due for the 1st of January 2007. As a result, micro-finance and micro-credit can and have to bridge several gaps that are left in between the mainstream society and economy and groups, communities and individuals which otherwise, can be left aside, with the danger of becoming socially excluded.

Romania has had significant positive experience with microfinance, and once a programme is in place, local MFIs will be ready to use their expertise in the framework of new active labour market programmes sponsored by the Ministry of Labour.

This form of access to un-expensive, easy to get credit, will do lot for an improvement of the productivity in the rural areas and mostly for the diversification of employment in the rural areas, away from the purely subsistence type farming. Thereby, micro-finance and its gradual spread could help in mitigating the effects of the gradual decrease in “pure” agricultural employment, which will result from the continuation of the economic growth and conditions of stable, predictable and ever-lowering inflation, by transferring those released from rural-agricultural employment into a rural-small industry or services employment rather than in urban unemployment. Thereby, the persons, the context and the projects that will be put into practice will determine the success of the program, which will require the genuine and long-standing commitment of all stakeholders in the field, with social partners playing a special role from the ILO’s perspective.

Problems /Issues Associated with the Best Practice

Main issues identified as core problems for micro-finance in Romania, during the conference “Social Finance for Support to Self-employment in Romania” Bucharest July 6th 2004:

- Legislative and regulatory environment for micro finance activities, including issues of status of micro finance institutions, tax system, performance monitoring indicators;
- Coordination public/ private programme, and respective roles to be played by the different actors;
- Importance of support of the rural sector;
- Information sharing and dissemination about programmes in place for support to entrepreneurship;
- Informal economy and related issues: social protection for self-employed, fiscal issues

Operating Experience to Demonstrate the Success

Conclusions and recommendations or details on the micro-financed proposed schemes under Social Finance for Support to Self-employment in Romania were not available at the time of this report. Nevertheless, in Romania there are several micro-finance programmes targeting small entrepreneurs, such as: "START" programme –to develop the entrepreneurial know-how of the young people and to facilitate their access to finance, Alpha Bank SMEs financing facility, Romanian Commercial Bank SMEs financing facility, Saving Bank SMEs Credits, a.s.o and many of the credits programmes are supported by European Bank for Reconstruction and Development.

d) THE NATIONAL MULTIANNUAL PROGRAMME (2005-2008) TO DEVELOP THE ENTREPRENEURIAL CULTURE AMONG MANAGER WOMEN FROM THE SMES SECTOR

Point of Contact

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Brief Description of Best Practice:

In July 2005, the National Agency for SMEs and Co-operation (NASMEC) launched the 2005-2008 National Programme to Develop an Entrepreneurial Culture among Women Managers in SMEs. This new programme intends to support the development of the entrepreneurial skills women and their mobility on the labour market and help them to get involved in private economic structures and also maintain the balance between family and work.

It aims to stimulate self-employment and entrepreneurial abilities among women in order to optimise the use of human capital and increase the number of innovative SMEs. For 2005, the programme's budget amounts to approximately EUR 200,000, most of which (EUR 186,000) will be used to for programme funding. The remaining EUR 14,000 cover NASMEC's administrative expenditure linked to the programme.

Issues and Improvement Opportunities addressed

Main tasks of the programme are:

- ✓ to stimulate self employment
- ✓ to develop the entrepreneurial spirit among women
- ✓ to raise the level of information about women entrepreneurship
- ✓ to raise the number of women entrepreneurs within the business community
- ✓ to create new start ups
- ✓ equal access to the knowledge based economy

The Main Benefits

The programme had four phases in 2005:

1. The first one consisted in an information campaign, called "Women entrepreneur days". It had several seminars where women could see the presentation of business women clusters, associations of women entrepreneurs, financing sources for SMEs, success stories of women entrepreneurs and the most important they could have information regarding the next phases of the programme, which were very important for them.
2. The second phase consisted in organizing free courses about entrepreneurship for Romanian women above 18 years old and primary education. Women were taught how to start up a business, how to elaborate a business plan, how to keep basic accountancy of a SME, how to manage a business and about useful information related to best run an enterprise. At the end of these courses, each participant received a diploma.
3. The third phase consisted in elaborating and publishing guides and brochures that described not only this programme but also business management, Romanian legislation regarding the SMEs sector, marketing and business development, small business ideas and a guide called "Women associations from Romania and international practice".
4. The fourth phase consisted in running a survey about women entrepreneurship in Romania, using the phone assisted by the computer and its results will be published soon.

Problems /Issues Associated with the Best Practice

No particular problems known at this time of implementation of the programme.

Operating Experience to Demonstrate the Success

The information campaign was organized in 7 cities located in all parts of Romania: Baia Mare, Constanta, Galati, Ramnicu Valcea, Timisoara, Brasov and Iasi.

The free courses were held in 5 locations: Bucharest and Bihor, Constanta, Brasov, Neamt counties. Each location hosted 25 participants and the course lasted 4 days.

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Appendix 1: The LdV project “SELF-EMPLOYMENT - Guidance and Counseling for Self-Employment”

Entrepreneurship is often considered to be the engine of economic welfare. The project will benefit a great number of well-educated, high-performing, self-employed people.

The main target groups of the project are:

1. students that have just graduated (and will soon graduate) who are seeking their first job
2. unemployed people
3. people that are working somewhere else at the moment, but consider self-employment as a future option
4. those currently self-employed

The project will identify the location and the value of various support services for self-employed in Europe. It includes a study of entrepreneurship level in four countries (Austria, Finland, Poland and Romania) and a survey of existing services which support establishment or development of one-person enterprises.

The aim of the project is widely meant promotion of self-employment. Researches are to describe the condition of one-person-enterprises and help in developing suitable support service system addressed to people being self-employed or considering it.

High unemployment rate in European countries requires efficacious modes of action. Self-employment, laden with lower risk than waged/salaried employment, is one of the still underappreciated solutions. Results of the whole project will be potentially used by decision-makers from different bodies (at EU level, national and regional level) for improving conditions conducive to self-employment, as well as by career counselors for creating advanced and effective tools for guidance, counseling and other support services.

More information can be found in: <http://www.self-employment.org/>.



**LEONARDO DA VINCI
Community Vocational
Training Action Programme**

Second phase: 2000-2006



**Guidance and Counselling for Self-
employment. "SELF-EMPLOYMENT"**

Agreement No 2004-2242 / 001-001 LE2-510REF

ΟΕΠΠΟΨΑΕ

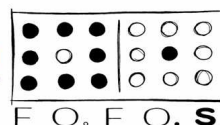
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1. INTRODUCTION

The present report is developed within the framework of Self-Employment project, i.e. “Guidance and Counselling for Self-employment”, financed under EU Leonardo da Vinci Programme. This report suggests recommendation of the most efficient assistance schemes for entrepreneurs (milestone on WP3 i.e. work package 3).

One of the main challenges facing the European Union Member States is the need to boost entrepreneurship. That is one of the ambitious objectives set by the Lisbon European Council in March 2000, and reinforced later in 2005 in the “Partnership for growth and Jobs” with a view to improving performances in terms of employment, economic reform and social cohesion within the European Union.

For the EU as a whole some 29 million people were self-employed (i.e. working in their own business, professional practice or farm for the purpose of earning a profit) *in 2004*, compared to around 161 million employees. This puts self-employment’s share of total employment at around 16% in 2004, up slightly (by 0.2 percentage points) on the year before. However, at EU level the share has remained more or less stable around 16% since the late 1990s, and has remained essentially unchanged compared to 2000. Excluding agricultural employment, the self-employed population in the EU totalled 24 million in 2004, equivalent to a share of around 13% of total non-agricultural employment.¹ Within the *EU-25*, self-employment accounted for about 16.0 % of total employment across the non-financial business economy² in 2005, with over three times as many male self-employed workers as women³.

According to a Euro-barometer survey held within the European Economic Area and the United States in April 2004, a relatively high proportion of EU-25 citizens declared a preference for being an employee; with 50 % aspiring to be employees compared with 45 % who would prefer to be self-employed (5 % ‘do not know’).

Among those EU-25 citizens that declared a preference for ideally being self-employed, the main reason given was that self-employment was perceived as providing independence and

¹ European Commission Directorate-General for Employment, Social Affairs and Equal Opportunities Unit A.1, Manuscript completed in September 2005 Employment in Europe 2005, Recent Trends and Prospects

² The non-financial business economy excludes agriculture, public administration and other non-market services, as well as the financial services sector.

³ Eurostat, Statistics in focus — Industry, trade and services — 24/2006

self-fulfilment. Other overlapping reasons were an interest in the tasks accomplished (77 % of respondents), as well as the possibility of creating their own working environment (16 %)⁴.

The five-member consortium of highly professional and experienced organisations, coming from four EU and ACC, is conducting „Self-employment”. This complementary partnership represents background of counselling and guidance, academic and education, research and analysis fields strengthen by small business orientation and experience in self-employment project. They represent environments of different level of national awareness, policies and educational offer.

The aim of the whole project is to identify the location and the value of guidance and counselling services addressed to people considering self-employment. The project conducted a survey of existing guidance and counselling services in different location addressed to self-employed for maximum 1 year and who considered such occupation as the main employment and how they were assisted and provided necessary guidance. The project partners are from Austria, Poland, Romania and Finland. In the whole project self-employment is defined as a one-person company.

A standardized questionnaire was used to investigate the needs of people interested in self-employment to improve their ability to succeed. Sample for each country was defined as 400 persons who are already self-employed for maximum 1 year.

Additionally, a total of 40 in-depth interviews (10 per country) with experts from training field as business psychology and career counselling were provided. The aim of qualitative research was to identify and examine the efficiency of existing support services and counselling addressed to people considering self-employment from institutional point of view.

The present report is based on the findings of the field study, aiming to identify:

- the real needs of the self-employed and of the people considering self-employment;
- if supporting services available are suited to their needs;
- good solutions in guidance and career counselling to suit the self-employed needs.

⁴ European Commission Flash Eurobarometer 160, 'Entrepreneurship' Directorate General Enterprise and Directorate General Press & Communication

The report was drawn-up having in mind that focusing self-employment at the governmental and regional programmes could have significant influence on the unemployment level and other economical factors. Special measures addressed to self-employed are not wide spread into development plans, even measures connected with fostering entrepreneurship are included.

One-person-enterprises are creatively and dynamically managed. Counselling on high quality level addressed to them could bring a synergy effect and reinforce this companies their doubtless strengths significantly.

This D3.5 recommendation report is based on the following sources:

1. Deliverable D3.5 from each country i.e. the Romanian, Polish, Finland and Austria Recommendation Reports on needs investigation, resulting from analysing survey results.

The survey was carried out by each of the partners in their respective country during spring -summer 2006, as follows:

- in Austria by FO.FO.S – Forum for Supporting Self-Employment on a group of 337 participants all over the country, with the support in dissemination of various organisations and multipliers in the field of one-person-companies. Austria also included in target group self-employed, who are longer self-employed as one year. More than half of the respondents are self-employed as an one-person company for over one year, around one fourth between 1 and 3 years and less than one fifth under one year;
- in Finland by SBI, Small Business Institute at Turku School of Economics on a group of 400 participants. The survey was conducted through Internet, using Webropol (www.webropol.com);
- in Poland by ASM on a group of 400 participants using face-to-face interviews all over country;
- in Romania by Dunarea de Jos University of Galati (DJUG) on a group of 400 persons, with the support in dissemination all over the country of Galati County Employment Agency .

Targeted respondents were selected at random according to the projects possibilities. Because no previous database with studies about self-employment was available, *the survey did not have a probability sample character.*

2. Evaluation – comments, suggestions and recommendations given by external experts in counselling, training as well as decision makers. The interviews were carried out in 2006, following a predetermined list of topics, questions prepared for this purpose by Self-Employment project.
3. Other information gathered in Work Packages 2 and 3 of the Self-Employment project and also available studies on self-employment in Romania, Poland, Finland and Austria, and other European countries.

2. SITUATION OF BEING SELF-EMPLOYED

Background data on self-employment

Generally, statistics on self-employment distinguish three main sub-categories: self-employed without employees, or “own-account workers”; self-employed with employees, or “employers”; and unpaid family workers.

Self-employed is defined in the project as **one-person company**. In each of the participating countries the legal or statistical definition of self-employment is more or less close to the one in the present project.

Austria – One can find two types of self-employed: one-person-companies, sole proprietorship or limited company, with trading licence (members of Chamber of Commerce) and having no employees and also “new self-employed”, persons who can conclude work or service contracts without holding a trading licence, under which they are paid for a specific job or service. Freelance workers, such as journalists, artists, veterinarians and dentists, also form part of the group of new self-employed people.

In Finland the preconditions for entrepreneurship are estimated favourable. Self-employed person is a person with no employees, the same definition as in the project.

Polish law does not offer an unequivocal, universal definition of self-employment, although the phenomenon itself has been existing for many years⁵. This concept is used mainly in the context of activities performed for businesses on a basis other than an employment contract. In practice it essentially means “being employed by oneself”. An existing non-legal definition of self-employment is the one used by Central Statistical Office (GUS): “A self-employed person is a person performing independent business activity or activity in the form of a sole proprietorship enterprise of a natural person, not having employees”.

Romanian legislation defines self-employed as a person who conducts his/her activity at his/her own headquarters (authorised individuals/ natural independent persons) or runs an individual business without employing other persons, with the possibility of assistance from unremunerated family members (family associations). The same applies for the statistical

⁵ An accelerated growth of enterprising, including self-employment, occurred particularly during the years of the so called “government and economic transformation”, i.e. after 1989.

data available in Romania, self-employed data includes both authorised individuals and family association.

In order to have a unitary view on dimensions of self-employment in the four participating countries, we collected data on population, employment and self-employment from EUROSTAT website, Population and social conditions, Labour market, Labour Force survey, LFS main indicators and LFS series-Self-employed.

2006-Q4 (thousands)	EU 27	AT	PL	RO	FI
Total Population*	485884 ^p	8168.7	37398.6	21570.2	5254.8
Active Population*	232811.1	4151.9	16987	9880.1	2614.3
Total employees*	215178.5 ^p	3952.3	14911.3	9080.9	2437.8
Total unemployed* (seasonally adjusted data)	17692.6	188.5	2092.3	730.8	195.7
Self-employment by economic activity (1000)					
<i>Employers and self- employed - all NACE branches</i>	32624.1	489	2911	1913.7	296.5
<i>Self-employed - all NACE branches</i>	22790.7	283.1	2326.9	1776.8	198.3

*LSF -adjusted series

^p= provisional values

where,

Employed persons are persons aged 15 and over who during the reference week performed work, even for just one hour per week, for pay, profit or family gain or were not at work but had a job or business from which they were temporarily absent because of, e.g., illness, holidays, industrial dispute and education or training.

Unemployed persons are persons aged 15-74 who were without work during the reference week, were currently available for work and were either actively seeking work in the past four weeks or had already found a job to start within the next three months.

The economically active population (labour force) comprises employed and unemployed persons.

Self-employed are persons who work in their own business, farm or professional practice. A self-employed person is considered to be working if she/he meets one of the following criteria: works for the purpose of earning profit, spends time on the operation of a business or is in the process of setting up its business.

Employees are defined as persons who work for a public or private employer and who receive compensation in the form of wages, salaries, payment by results or payment in kind; non-conscript members of the armed forces are also included.

According to an OECD study⁶, an examination of the countries where self-employment has grown fastest during the 1990s, including Canada, Germany and the United Kingdom, suggests there is no unique set of causes. Some of the growth in self-employment may have been generated by the opportunities it offers to pay fewer taxes; some stems from changes in industrial organisation, such as the increase in outsourcing; and some is no doubt simply

⁶ OECD, Employment Outlook 2000, chapter 5, The Partial Renaissance of Self-Employment

a response to the new opportunities offered by OECD economies. Policy may also have played a role, as governments in an increasing number of countries have sought to use self-employment both to reduce unemployment and foster entrepreneurship.

Common characteristics

Self-employment may be seen either as a survival strategy for those who cannot find any other means of earning an income or as evidence of entrepreneurship and a desire to be one's own boss. Entrepreneurship of opportunity, number of persons who establish their own business as an option out of other possible and wanted options, is specific for economies with high incomes like Finland and Austria, while entrepreneurship of necessity, number of persons who establish their own business because of lack of employment opportunities or unsatisfying character of jobs available, is specific for low income economies, like Romania. The survey showed that in general, respondents chose self-employment because they either seen it as a chance to enter/re-enter labour market or as a more beneficial form of work which allowed them to better use their knowledge and experience.

People managing a one-person enterprises do not form a homogenous group. On the contrary, people managing one-person companies represent very different social environments and professions. Among them one can meet craftsmen, shop-owners, sales representatives, couriers in courier companies, employees of taxi corporations along with lawyers, medicine doctors, architects, journalists, people working in show-business, athletes, interpreters, computer programmers, analysts and many others. This diversity causes that it is impossible to create recommendations that would refers to the needs of all these people at the same time.

Main characteristics according to the survey:

- Self-employed persons participating in the survey are more active in services sector than trade. They address both private persons and institutional clients. It is interesting to mention that in Austria and Finland, more developed economies, the percentage of respondents working in services was higher (88.10% and 87.5%) than in Romania and Poland (67% and 60.8%)

- The respondents most often work home or at clients' premises. Others location indicated by respondents as place of work were: in the field in country and abroad, an own external premise built next to house, building site or customers plot, car, taxi, van, film location, outdoor, in nature, in the field, exhibitions, fairs, and seminar locations.
- Almost half of the interviewees work 41-60 hours per week, more than a regular employee. This is valid for almost all the countries where the survey took place. In Romania, Austria and Poland average working hours per week for an employee is 40, in Finland the average is 36.5 hours. The self-employed more often worked over 60 hours (12.5%) than less than 20 hours (7.5%) in a week.
- In spite of the long working hours only 29.8% considered the income obtained as sufficient, and almost half as rather sufficient;
- Close to 60% of respondents are using external help in their current activities and mostly for financial issues and tax purposes; again rather similar answers are obtained on one hand in Austria and Finland, more developed economies, and on the other hand in Romania and Poland;
- The greatest advantages of being self-employed are considered to be: being one's own boss followed by facing new challenges;

Challenges and recommendations

Since self-employed are a heterogeneous group, covering a large range of professions and activities further research might be done to identify the specific needs of self-employed working in different domains. *Support services could be tailored to the specific situations of different fields of activities.*

Innovation often comes up in "one's" head. In our knowledge society, one-person-companies are able to develop innovation that can be used in the value creation and supply chains of larger enterprises. Therefore *measures supporting innovative one-person-companies could be offered.* The fact that important recent and future questions and problems make social innovations necessary could be a *driver to support one-person-companies strategically their developments of solutions to social problematic.*

Many self-employed work at home. Of course, this can provide needed flexibility and economic benefits, but many of the respondents found it difficult to balance between

professional and private life. One problem all one-person-enterprises but especially those working at home is being alone with all decisions and also isolation. The situation in home-offices is reflected in a positive, as well as negative way. Negative answers mainly are articulated on the side of disturbed private and business environments. *An easy solution would be availability of business meeting rooms at short notice as well as financially affordable micro-offices. Against the socially isolated situation of many one-person-companies, shared office places could also be supported. Guidance and counselling could also be strengthened in the field of more and better co-operations between one-person-companies. In order to realize as an one-person-company common projects through flexible and dynamic co-operations with other (one-person-)companies, practical support would be needed to show how partnerships function and should be structured.*

Self-employment is associated with an irregular working schedule and with long working hours which vary each day. The working conditions of the self-employed differ from those of employees in a number of ways. Self-employed people tend to report poorer working conditions, including longer hours of work, and less training, less use of computers, and feelings of lower job security. While the self-employed claim that they are more able to adjust instruments and equipment for their own comfort, they are nevertheless less likely to report wearing protective equipment and more likely to work in painful positions. They are more likely to report working at night and at weekends. *Further steps should be consider to improve the working conditions for self-employed.*

By contrast to contractual jobs, self-employment does not always grant the possibility of obtaining regular constant income, social security is weaker, and uncertainty is higher. A person managing a one-person business enterprise is threatened by the instability of economic market circumstances even more than small and medium-size companies. Almost half 47.7% of the interviewees considered that is rather possible to make a living out of self-employment, only 29.8% said that they really can make a living, while 17.7% said that cannot really make a living and 3.4% not at all. *While most governments encourage SMEs in hiring new employees by reducing social contributions though a range of different programmes, there is no or little direct such help specifically to the self-employed. There should also be consider these kind of programmes targeting self-employed and the proper importance and support should be given to the person creating his/hers own job.*

3. SYSTEM OF SUPPORT SERVICES (TRAINING, COUNSELLING)

It seems that support services tailor-made for one-person-enterprises are still very rare, although this group of entrepreneurs are a significant part of the active business operators. Most services are addressing start-ups or SMEs, without enough differentiation concerning company size, history and developments, business to business or business to consumer sectors and branches. In each participating country, the attention paid to self-employment is different. Recently the situation in Austria is changing, as one-person-companies are realized more and more at the side of media, lobbies and politics and some research has been done on this specific field of enterprises.

Furthermore training and consulting mostly do not differentiate enough between persons working in productions or services, an office or at home (i.e. regarding financial aspects), in the business-to-business or business-to-consumer sector (i.e. regarding marketing strategies).

Main findings according to the survey:

- When planning to start their business, 35.8% of the respondents were not interested in finding information regarding support measures available, more than half (51.4%) looked for information superficially. Only 12.3% searched extensively information on training and guidance for self-employment;
- Less than half of the respondents took advantage of the support measures available for self-employment. The most common reason indicated is that the support available was not tailored for their needs. They rather preferred to use self-study or help from friends;
- On the other hand, many of the self-employed that attended training or career counselling sessions evaluated them as positive and useful experiences;

Low level of use of support services

A large part of the one-person-companies participating in the survey is not informed about existing support offerings. This missing awareness regarding institutions that offer support for self-employed persons shows a remarkable potential for support services for one-person-

companies – provided that they are communicated specifically for different target groups. As only 12.3% of self-employed interviewed is informed very actively, it can be supposed that knowledge about available institutions and the range of their support services can be broadened even by the most known institutions in this field.

Lack of offer responding to self-employed needs

Most trainings and information material available cover all important aspects of a company foundation comprehensively. Thus information offered for free is mainly concentrated on “hard” facts like legal forms of a company, taxes or insurances but doesn’t necessarily include the development of “soft” skills, which is provided in cost-intensive seminars mainly. In the field of *marketing skills* i.e. most training offerings are structured relatively theoretical and academically and therefore neglect very practical, efficient and simple solutions suited for immediate implementation in a one-person-company.

The respondents participating in the survey, who informed themselves about the existent support measures were also asked if the offers covered and to what extent several domains. The interviewees indicated *Dealing with risk, failures, isolation in decision making, feeling alone and Networking* as less covered areas with 55.4% and respective 53.10% answers of Rare offers and No offer. Next domains named as insufficient covered or not at all covered were: *Self-organisation/time-management; Selling, negotiations (talking to customers, suppliers, cooperation partners); Marketing, PR, advertising; Entrepreneurial acting & thinking; Set up of a computer (hardware, software, maintenance)*, all indicated with 40 to 50%. *It seems therefore that there is a market demand for training of this sort (although whether the self-employed would avail themselves of any such offer would depend on a number of factors such as price, place and time of a course).*

There is lack of one stop places in which the self-employed person could access information and advices and counselling on his or her business and business development. There are plenty of support and guidance organization, but there are too little of those that concentrate only to the self-employed people. *There needs to be more emphasise to create user friendly one stop services for the self-employed to save their resources and also the services providers’ resources.*

Because of their isolation, the self-employed people need a lot of psychological support. Many of the interviewed experts indicated the psychological support as a key form of support. *Mentoring-like and other psychological support tools need to be offered more. The*

advice related to the ways of dealing with stress, failure, self-reliance and the necessity to make all decisions would be particularly useful.

Financial support

In general, financial programs vary in the participating countries by their focus on industry sectors, duration and target groups, according to each country specific development plan. They mostly address to small and medium-sized companies rather than to persons in self-employment. One-person-enterprises often are very little informed about possible economical support and are not able to get support due to their little company size. *It could be an aim to adjust economical support measures regarding the differences in size of small and medium-sized enterprises as well as for persons in self-employment without any employee. The access to micro-credits for founders and one-person-companies can be a significant factor regarding the motivation for a foundation and the economical security as well as the growth of a company. A better use of the EU resources, a more specialized and individualized help including not only the preliminary stage and the stage of a one-person company establishment, but also the phase of monitoring and supporting within the existing funds the first 12-18 months of the company functioning (the most crucial period for its future existence).*

Institutional support vs. informal support

As “important source of information” as well as “alternative to training and counselling” the informal way is often used by self-employed. They do consult friend, family members and other self-employed. In a way a “semi-expert” can explain a subject easier than an expert who sometimes knows “too much” and sometimes overwhelm a beginner. *It seems to be a good idea to combine the institutional help with the informal support by means of the so-called coaching (mentoring) conducted by the self-employed people themselves, acting already on the market for a few years and offering their first-hand knowledge and experience to the new adepts of the business world (peer groups). As self-employed do have not a lot of time to be mentor for other self-employed their time should be monetary compensated.*

4. FRAMEWORK

Main findings according to the survey:

- ✓ The main obstacles for being self-employed are considered to be: legal framework, bureaucratic barriers and lack of financing, all these answers registering over 50% answers, and they were close followed by long periods with hardly any income in the beginning with 45.2%;
- ✓ When it comes to the organisations representing interests of self-employed only 36.3% of the respondents believed there were some forces, institutions or organisations in their country that represented the interests of people running one-person businesses;
- ✓ When compare themselves with employees, self-employed interviewed consider that that they earn more money, pay more taxes, work more hours, their work receives more recognition from the society, overtake more responsibilities, have to have a better knowledge of legal framework and have more financial risks. But when they compare themselves with small companies' owners they think the opposite: self-employed are less recognised by society, earn less money, pay less taxes, have fewer law knowledge, carries less financial risks, and overtake less responsibilities but have to work more hours.

The respondents of the survey have talked about problems regarding their self-employment status in detail. Generally, one-person-companies have the wish for a better recognition from society and a lobbying institution that represents their interests and is orientated on their specific needs.

Definition of one-person-enterprises

A possible step in order to enhance the situation of one-person-companies could be to structurally show up the differences between self-employed persons without employees and those small and medium-sized companies having employees. Similarly to the differences in laws and regulations concerning employees and unemployed persons, it would support one-person-companies to take into account their individual situation also in the field of legal framework, i.e. their age, qualification, care responsibilities etc.

To work out the differences between a one-person-company and an enterprise with employees in more differentiated ways would be necessary for a better understanding of the general framework and needs referring to self-employment and to realise one-person-companies as an economic and social phenomenon.

Self-employed might be covered in the European SME Definition of European Commission as well as administered on national levels of the European Union as a separate group of SMEs/micro-enterprises.

Lack of statistics

There is significant lack of statistics referring to the group of self-employed. Actually, they rarely exist as a separate subject. They are treated mostly like the micro-entrepreneurs. Having such a poor background there is no possibility to estimate the impact of one-person companies on local, regional and national economy. Without knowing problems and needs of this group of entrepreneurs implementation and promotion of this kind of employment among graduates and unemployed is pointless.

Red tape

Considering authorities and legal documentation (tax declaration etc.) adjustments could also help to improve the every day work of an one-person-company. Laws and regulations in the field of taxes and social insurance that are much too complicated for a one-person-company that is doing all work without any employee. *Considering this fact could lead to a reduction of documents and formulas needed for social matters, tax etc. helping both sides, one-person-companies and authorities, to work more transparent and faster. It could be seen as an aim to simplify regulations for duties and taxes in a way that one-person-companies could easily comprehend and utilize them. Interfaces in public institutions were self-employed get in contact with public administration could be more "customer"-friendly. Civil servants could be more sensitive to the situation and needs of self-employed. The attitude towards one-person-entrepreneur could be changes, as they do have definitive have another working situation as an Entrepreneur with employees, which main function is managing.*

In many European countries, the registration of the activity can be performed on-line via the Internet or by hand in all the necessary forms at “one-stop shops”. Unfortunately in Poland such possibility still does not exist.

Lack of representative of self-employed interests

The self-employed despite that they are a big social group do not have their own representation capable of joining the dialogue with the authorities and to represent the interests of this group of entrepreneurs. Only one third of the questioned one-person company owners indicated that they felt their interests were well-attended to. Still, there exist many issues linked to the binding laws and legislation the change of which might in a significant way act to improve the functioning of one-person enterprises and in a wider perspective - to help to improve the development of entrepreneurship. *The obvious solution might be to form an association grouping self-employed people and representing the interests of the self-employed*

Plans to grow

More than half of respondents indicated that they don't have any plans of expanding business and hiring extra help, and about 17% were undecided. In Austria, one third (29%) believe in making the step from a one-person-company to a micro-entrepreneur. 71% of the self-employed asked don't plan to hire an employee. In Finland, 44% of the respondents planned to grow their business whereas 55,3% did not. In Poland, a half of the interviewees (50.5%) stated that within the next three years they do not intend to expand their business and hire employees. 18.3% of the respondents found it hard to say whether they will decide to develop their companies. In Romania, close to half of the persons asked found it hard to say whether they will decide or not to develop their business, 13.2% have no intentions of expanding business, and 43% think they are going to grow their business in the next 3 years. *Therefore, it is recommendable to differentiate support services for one-person-companies in regard to their plans to grow or their plans to work on without employees, and accept that the large majority of one-person-enterprises are not able or willing to generate jobs for others. For the one-person-enterprises planning to grow special support services should be offered to facilitate the employment of the first employees, in sense of simplify bureaucracy at the beginning and running administrative, but also measures of guidance for leadership.*

“False” self-employment

Several countries, at different times, have seen growing numbers of self-employed people who work for just one company, and whose self-employment status may be little more than a device to reduce total taxes paid by the firms and workers involved – the phenomenon of so-called “false” self-employment. While the main policy instruments involved are fiscal ones, labour market policies are also important, because incentives for “false” self-employment may also stem from overly strict labour protection laws.

5. Final remarks

Self-employment depends on various factors such as access to finance; administrative burdens; taxation; social policies like health, social insurance and pensions), “skills” (human capital, managerial skills) and “spirit” (or personal choice). Policy intervention should take all these dimensions into account. However, whereas governments can intervene to shape the general framework formed by the “conditions” and the “skills” in order to increase opportunities, the “spirit” rests on personal choices, vision, determination and willingness to take risks. These are conditioned by the culture, and by family and local traditions, and are not easy to modify.

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