



Social Experimentation for Active Aging

Evaluation Report

THE CZECH REPUBLIC: Social Experimentation: Supporting People 50+ in Entrepreneurship

Authors of the text: Ondřej Hora, Tomáš Soukup and
Miroslav Suchanec

This study was carried out in cooperation with the following members of
the Local Action Research Group (LARG):

Tomáš Soukup (RILSA), CR local coordinator
Ondřej Hora (RILSA), CR local evaluator
Miroslav Suchanec (RILSA), CR local evaluator
Ivan Loukota (Public Employment Service in České Budějovice)
Helena Halabíková (Chamber of Commerce in South Bohemia)
Jiří Stránský (Chamber of Commerce in South Bohemia)
Jan Voběrek (the self-employed who participated in previous
programme)

*Lead partner:
Edinburgh
Chamber of
Commerce
(UK)*

*PISCES WM
(UK)*

*Research
Institute for
Labor and
Social Affairs
(CZ)*

*Economic
Institute
Maribor (SL)*

*The
Association of
Societies for
Social
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of the
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Slovenia (SL)*

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Trainees of the first business-promotion training programme during their business plan defence

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1. Executive Summary

This report is an Evaluation Report of the Czech part of the project “Social Experimentation for Active Ageing” (VS/2010/0045) focusing on the target group of people aged 50+. The aim of the Czech project is to pilot a programme that supports the target group in doing a small, private business, including its evaluation, all in framework of action research. This approach is innovative in many respects: first, entrepreneurship-promotion measures are not often targeted at the category of 50+, second, the entrepreneurship-promotion programmes in the Czech Republic are not often evaluated and third, the method of the action research is rarely applied for implementation and evaluation of such programmes.

We set the following basic evaluation targets:

- a) Evaluation of anticipated effects of the implemented programme (degree of programme target accomplishment) and assessment of side and unexpected results.
- b) Evaluation to what extent constituent components of the programme or other factors contributed to success, or failure of the programme implementation.
- c) Evaluation to what extent the enterprise-promotion programme is the right form of intervention for the target group of people aged 50+.
- d) Evaluation to what extent (or which components) the selected form of the programme evaluation is adequate for evaluation of similar forms of intervention.

Action research is primarily understood as a process, a continuous sequence of events and activities (see Rosenfeld and Chaskin 2008, Rothwell and Sullivan 2010). The programme is evaluated continuously in the whole process of programme planning, realisation as well as after the end of the programme. The key in this type of programme is cooperation among stakeholders during the programme implementation and evaluation. To evaluate the “actual” effect of the programme and to maximize internal validity and credibility, we used an approximation of the non-equivalent groups design. Research methods and methods of data collection used in the research were interviews, observations, questionnaires, documentation study and secondary analysis of statistics.

Results of the study

This section covers components of the action research and is based on acquired knowledge and opinions of the evaluator and other LARG members.

Method of addressing the target population: In the course of the programme we have gradually tested several methods of addressing the target population. To inform the target population in the future, the LARG members recommend to use collective meetings with participants or individual action plans where the start of entrepreneurship might be one of the methods of intervention.

Programme targeting: After finding applicants for the programme, the self-selection (willingness of the unemployed to take part in the programme) was followed by targeting the programme for the unemployed with tertiary or secondary education and for people who had had experience in business in the past (about a half of participants). A number of the



unemployed also mentioned a state of health as a cause preventing them from participation in the programme.

Motivation: During the programme implementation, motivation (or perhaps rather courage to enter the programme and start a business) turned out to be a key aspect in this process. We can infer from that that motivation is important as early as at the time of entering the programme. Motivation seems to be important also at the training stage, when someone was needed who could motivate participants serving as a good example.

Training programme: The training programme was evaluated by participants highly positively, especially that part which related to a transfer of practical knowledge (accounting, information on social security). Participants of the programme gave a positive evaluation especially to the opportunity in the programme to get ready for certain situations which may occur in the business environment and to acquire contacts that are useful in the business sphere (whom to contact) including the possibility to utilise one-to-one consulting.

Employment effect: The outcome of the programme in terms of employment can be viewed from several perspectives (see section 5). In comparison with the previous programme (results in the base-line study) in terms of the total number of participants who as a consequence of their participation in the programme started a business, the outcome of the programme is rather unfavourable (6 of 23). If the quantitative comparison is made between the experiment and the control group inside the programme, the only effect of the programme is on starting business (6 from 23 participants – 2 of 51 non-participants), while the employment after nine months is similar in both groups. We see reasons why the number of people conducting business is low primarily in low motivation to start a business and in participants' preferring employment over self-employment. The result on starting business is positive from the point of view of LARG members.

Psychological and social effects of the programme: According to LARG members markedly evident are "social" effects of the programme which consist primarily in reducing the risk of loneliness, increasing optimism, improving participants' own life perspective (including self-assessment of employment possibility and establishment of new social contacts – people kept in touch after the end of the programme too, which improved their social capital).

General recommendation: A wider offer of activities for people aged 50+. Among those who attended motivational and informational meetings (but also among participants of the programme) there were many people who are not suitable candidates for conducting business but their situation as being unemployed is serious. Other types of activities need to be selected in order to help these people.

Recommendations for changes in "promoting business" programme:

REC1: To ensure recruitment to the programme through collective informational and motivational meetings, or through application of Individual Action Plans.

REC2: To launch the programme immediately after these meetings.

REC3: Participation in the training programme itself should not be compulsory.



REC4: To inquire more into motivation of applicants before they enter the programme

REC5: Extended duration of the programme, matching the timing to participants' needs.

REC6: More practical experience to the programme.

REC7: Design courses specifically for the generation of 50+, or for a mix of multiple generations?

REC8: To add members to the LARG according to the current needs of the programme



2. Introduction

This report is an Evaluation Report of the Czech part of the project titled “Social Experimentation for Active Ageing” (VS/2010/0045) focusing on the target group of people aged 50+. The overall aim of this project is to improve social policy in relation to social and economic activation of older people who are not being reached by current policy measures. The following partners took part in the project: QeC-ERAN (BE), Edinburgh Chamber of Commerce (UK), Research Institute for Labour and Social Affairs (CZ), Economic Institute of Maribor (SI) and PISCESwm Partnerships in Social and Community Enterprise in Social care (UK). The Programme focused on a situation of people aged 50+ on the labour market and in society. The purpose of the project was to pilot innovative, small-scale actions, evaluate these innovative actions and make results of these actions public (dissemination). Such activities are significant in terms of improving the situation of groups having specific problems in employment on the labour market. With respect to the group of people aged 50+, this problem is considered highly significant regarding expected aging of the European population, including the population in our country, in the Czech Republic.

Each participating country selected a different form of intervention to be piloted this way. The project in the Czech Republic was coordinated, implemented and evaluated under the management of the Research Institute for Labour and Social Affairs (Výzkumný ústav práce a sociálních věcí, v.v.i.). The aim of the project was to pilot a programme of support for doing a small, private business for the target group of people aged 50+. This approach is innovative in many respects: first, entrepreneurship-promotion measures are not often targeted at the category of 50+ and the entrepreneurship-promotion programmes in the Czech Republic are not often evaluated and the method of the action research is rarely applied for implementation and evaluation of such programmes.

Training and support programmes for conducting a petty business have many years of tradition in the Czech Republic. The years of experience of our programme implementers enabled us at the development of our social experiment to work on a proven programme which has been achieving good results in the long run. We have expanded this programme, in all of its sections and in many respects, adding new, innovative elements. Preparations for the programme implementation and evaluation also included a base-line study (the study was published as a separate output of the project – compare Hora, Suchanec, Soukup 2010).

The structure of this Evaluation Report is as follows: after this introduction we present the structure (plan) of our pilot action, followed by the methodology applied at the programme evaluation, major results of the programme and related findings, the most important findings (lessons learned) and recommendations.



3. Local pilot action

In this section of the Evaluation Report we describe a plan of our pilot action. The plan had been developed before the project implementation itself. The project was designed by the Main Project Coordinator (who can be considered the Project Manager in the Czech Republic). Component parts of the project had been discussed before their implementation at meetings with all the LARG members (for roles of individual LARG members see the section Findings and Conclusions and the section Lessons Learned). At incorporating the project into this Evaluation Report, the original text was naturally slightly modified.

Problem addressed by the pilot action

In the part of the “Social Experimentation for Active Aging” programme implemented in the Czech Republic we focused on the implementation and evaluation of the entrepreneurship-promotion programme for people over the age of fifty. The social problem we were focusing on was unemployment of people aged 50+ in one particular region – České Budějovice.

Target population: The unemployed at the age of 50+ in the České Budějovice district (county).

Criteria for selecting the target population:

- a) People who have at least 2.5 years before their retirement age (The pre-requisite for being given a grant from the labour office is to carry on business for at least 2 years);
- b) To have a clean criminal record; and
- c) To come from the city of České Budějovice or its vicinity.

Elderly unemployed people in the Czech Republic are a specific group of the unemployed because of prevalence of some specific characteristics. The problem is not their number but their very limited ways to get back to the labour market. Most of the dismissed elderly workers opted for a total withdrawal from the labour market to the economic inactivity if they were eligible for pension benefits (early retirement, old age pension after reaching statutory retirement age, disability pension). If an elderly person becomes unemployed, it is usually for rather a long time and it is extremely difficult to bring him/her back. Reasons for it are barriers on the employers' side as well on the side of elderly workers. According to experience of labour office employees, most of the elderly unemployed people are lacking motivation to further education. Elderly people who lost their job often suffer from deteriorating psychological wellbeing in terms of decreasing self-confidence.

But in case of the elderly unemployed doubts can also exist with regard to using self-employment schemes. First, statistics show that only 5% of self-employers were 50-59 years old when they founded a new business. The proportion of this age cohort is almost 20% in the population. Second, programmes that help potential self-employers to found and run a



new business had been already available with the participation of elderly workers being relatively scarce.

The programme we were both implementing and evaluating was our adapted version of the enterprise promotion programme that has been used in the Czech Republic in the long run for one thing to develop trainees' human capital (acquisition of new skills needed for conducting a business) and for another to support the start-up (e.g. via a financial support). One of our initial findings was that people at the age of 50+ participate in the programme in unusually small numbers. In this context we raised a question whether to start a business is a potentially useful solution for people over fifty.

Target group: 20 unemployed people aged 50+ (trainees of the programme) complying with the target population criteria, LARG (the staff whose work includes assistance to these people).

Defining aims and a scope of the project

Based on the evaluation of the findings of the base-line study, discussions of LARG members and when taking into consideration the overall aims of the social experiment, the Project Coordinator set the following aims for the project implementation. Aims for the project evaluation are specified in the chapter on methodology below.

Project aims:

- Independent conduct of business by people from the target group;
- Improvement of trainees' human and social capital;
- Enhancement of quality of their lives.

In order to achieve the aforementioned aims, the Project Coordinator has set specific operational objectives for each project stage and also measurable success indicators for achieving these objectives (also see the chapter on methodology of social experiment evaluations carried out).

Operational objective 1: To build up interest in entrepreneurship in the target group (August 2010-October 2010)

The first stage of the project is connected with the objective "to build up interest in entrepreneurship". During the base-line study we have found out that the current programme promoting entrepreneurship has been attended by approx. 2 trainees per year (0.13% applicants of the target population of job applicants aged 50+). The aim is thus to employ different methods to promote the social experiment implementation, and in that way to provide people from the target group with information on the opportunity to start up a business with a public support provided by various entities cooperating at the social experiment implementation. Moreover, this stage includes identifying reasons leading to interest, or a lack of interest in entrepreneurship and encouraging positive or negative motivation for taking part in the project, while taking into account individual conditions of particular unemployed people aged 50+. For the programme to be successful, a prerequisite



has been set that the programme stage 2 (training attendance) must be joined by at least 20 people who will be divided into the aforementioned two groups.

- Indicator A1: To get at least 40 people interested in the training course “Business Knowledge” (we anticipate that 50% of those interested will refuse to take part in eventually)
- Indicator A2: To fill the capacity of training courses (2x10 people)

Operational objective 2: Assistance at setting up a business (September 2010 – June 2011)

The second stage of the project aims at “setting up a business“. At this stage the unemployed who had shown interest in doing a business took part in several-months stage of preparations for a business start-up. With respect to the project stakeholders’ capacities available for the programme and its implementation, the project participants were divided during the research design into two groups. Participants were offered a training programme containing practical knowledge necessary to start up and run a business and a development of a specific business plan in cooperation with an experienced lecturer. If they show interest (while meeting requirements) they are given or mediated financial grants from the public funds of the Czech Republic (within the state ALMP) to start up a business. In the course of the training programme as well as after its completion the trainees can utilise one-to-one consulting and support at dealing with problems related to the business launch rendered by one of the lecturers /project implementers.

- Indicator B1: Percentage of trainees who were given a grant (at least 50%)
- Indicator B2: Percentage of trainees in self-employment/employment versus percentage of non-trainees with similar characteristics

Operational objective 3: Assistance at retaining business (November 2010 – September 2011)

The third stage of the project aims at “business retention” for a period of several months in the situations when a business has been started. At that process we have to take into account that the project implementation is time-limited, and therefore it will not be possible to support the trainees in the subsequent years, and also the project evaluation is limited to a short period of time (several months) from the potential date of the business start. At this stage the form of intervention consists primarily in one-to-one consulting which helps deal with specific problems and also in collective meetings of the project participants at which the project participants and implementers can mutually exchange experience in the existing implementation of business plans.

- Indicator C1: Percentage of the subsidized (at least 70%), who after 6 months keep running their business
- Indicator C2: Subjective feeling of good prospects
- Indicator C3: Subjectively perceived increase in human capital



- Indicator C4: Subjectively perceived increase in social capital
- Indicator C5: Subjectively perceived increase in quality of life

To define quantifiable indicators of each objective achievement it was necessary to define (based on the evaluation of the situation and the project resources) a research design of our social experiment (for details see the methodological chapter of this report).

Actions planed in the pilot:

- **Information and motivation phase** – we see this phase as very important. Therefore this phase will test which information and motivation ways are the most optimal. It will be done in consecutive but separate steps (each monitored and evaluated separately):
 - **information on the bulletin board in the labour office** (this is a quite widespread way now)
 - the **advisor informs** about the possibility of participation in our pilot action
 - collective **motivational and informational meetings** of programme implementers with project participants
- **Small survey** between the target group in the purpose of find out how many of the unemployed are willing to become a self-employer, profession or education is more willing to become a self-employer and motivators and barriers.
- **Pre-project interviews** – own business requires special competencies. We will organize short meetings of programme implementers and future trainees, which should enable them to learn whether doing a business is the right thing for them.
- **Training of business knowledge** – participants will take part in intensive training (about 160 hours). Topics will include: registration, marketing, management, trade, human resources, accounting, business plan, etc.
- **Individual and group consultancy about the business plan** – this consultancy will run simultaneously with the training.
- **Financial support** – a local labour office promised to give a financial support for 10 successful participants.
- **Group sessions** – 4 group sessions after founding own business. There are two purposes of the sessions: 1) to discuss and consult together problems of running a business 2) to contribute to evaluation the pilot action.



Model of change

Objective	Anticipated problem	Causes of the problem	Intervention	Sub-objectives
1) Build up interest in running a business	<ul style="list-style-type: none"> - Little interest in entrepreneurship in the target group of the unemployed at the age of 50+ 	<ul style="list-style-type: none"> - Low self-confidence - Not aware of possibilities - No idea what kind of business to do - Not suitable for entrepreneurship - No knowledge in the field in which they want to run a business - Lack of finance 	<ul style="list-style-type: none"> - Impulse for change - Giving information - Motivating - Discussing possibilities (feasibility of plans) 	<ul style="list-style-type: none"> - To find out main motives and barriers for carrying on business - To build up / capture interest in running a business - To have enough participants in the programme
2) Assistance at setting up a business	<ul style="list-style-type: none"> - The business plan is not good. - The person does not know how to arrange paperwork with authorities. - Lack of finance 	<ul style="list-style-type: none"> - No clear vision in what field and how to do business - The person lacks information about real duties of an entrepreneur. - The person does not know how to get funds. 	<ul style="list-style-type: none"> - “Business Knowledge” training - Granting a subsidy - Helping with the business plan 	<ul style="list-style-type: none"> - Feasibility of the plan - Justification of the grant to the self-employed
3) Assistance to retaining the business	<ul style="list-style-type: none"> - Disillusion with business - The person does not know how to improve the business. - The person does not know how to increase profitability. 	<ul style="list-style-type: none"> - Lack of funds for a consultant - No idea whom to ask for advice - Failure to fulfil tasks resulting from the business plan 	<ul style="list-style-type: none"> - Continuous consulting after the end of the training course - Meeting the other trainees 	<ul style="list-style-type: none"> - Business development - Winning customers



4. Evaluation Methodology

The purpose of this chapter is to introduce aims of this Evaluation Report and an evaluation methodology. We will outline conceptual and theoretical grounds of the evaluation; we will discuss the selected type of the evaluation process and applied methods and techniques of evaluation.

Evaluation purpose, objectives, and key questions

The research aim of this Evaluation Report (what we want to research...) is to evaluate activities of the Czech part of the project titled “Social experimentation for active ageing”. It is an “evaluation for development” (Chelimsky 1997), since the application aim of the evaluation (what are the results of the study good for...) is to provide evaluation assistance to strengthen the existing institutions (in our case self-employed people aged 50+). The reason for the evaluation is thus to check whether the programme works for the particular target group and to innovate/improve the existing policy (see Rossi and Freeman 1998). We set the following basic evaluation targets:

- e) Evaluation of anticipated effects of the implemented programme (degree of programme target accomplishment) and assessment of side and unexpected results.
- f) Evaluation to what extent constituent components of the programme or other factors contributed to success, or failure of the programme implementation.
- g) Evaluation to what extent the enterprise-promotion programme is the right form of intervention for the target group of people aged 50+.
- h) Evaluation to what extent (or which components) the selected form of the programme evaluation is adequate for evaluation of similar forms of intervention.

The project is implemented in the form of action research. The project is concurrently both implemented and evaluated continuously.

Rationale for selection or non-selection of evaluation criteria

In order to be able to judge well whether the implemented programme was successful, specific comparative criteria need to be defined. At the programme evaluation we employ the following evaluation criteria.

- Comparison with fixed criteria of programme success in connection with the programme aims (e.g. assessment of operational objective accomplishment, effect on trainees’ work activity).
- Comparison of success of this programme and the previous one.
- Comparison with a control group of non-participants in a comparable period.
- Review of the situation by the programme participants and LARG members (discussion)
- Feedback from evaluation report’s audience (LARG members, research community...)



Description of the methodology

Action research, which was first employed by Kurt Lewin in the nineteen forties, is primarily understood as a process, a continuous sequence of events and activities (see Rosenfeld and Chaskin 2008, Rothwell and Sullivan 2010). The programme is evaluated continuously in the whole process of programme planning, realisation as well as after the end of the programme. The key in this type of programme is cooperation among stakeholders during the programme implementation and evaluation. In the process of action research the evaluator is one of the agents of change, i.e. he takes part in activities directly and contributes personally to the development and evaluation of each stage of the programme. Every single stakeholder (LARG members, programme trainees and the others) is an active source of knowledge about a progress and effects of the programme. The action research is formulated e.g. for the following stages – in the left column we describe each stage, in the right column basic activities in our enterprise-promotion programme. In many cases constituent parts of the action research model overlap or some of their sections run in parallel.

In order to introduce and present the problem easily, the programme implementation is divided into three, gradually overlapping stages: STRUCTURE, PROCESS and OUTCOME. At the preparatory stage (STRUCTURE), main activities include a clear-cut definition of aims and a draft procedure of the programme implementation (what needs to be done, who will do it, how it will be done). After that in the “implementation stage” (PROCESS), it can be monitored whether the real action does not divert from the above-mentioned plans, whether everything is running as it should, so that we could observe a change at the “result” stage (OUTCOME). At the evaluation outcomes of the programme must be described for each stage. Besides the employment effect, it is also about hands-on experience of all stakeholders participating in the programme implementation. If we do not observe a positive change at the outcome stage, we can go step by step, assessing success of each single step.



Traditional Action Research Model

		General description	Concrete activities
STRUCTURE (NEEDS, PLANS)	PROCESS (ACTIVITY)	Entry – It is based on the definition of a particular social problem.	Writing a project application, winning the project
		Start-Up – Key stakeholders are defined.	Appointing LARG members and defining their roles, the first setting of programme aims
		Assessment and Feedback – Information is gathered and assessed which results in setting a positive aim for the future. Intervention possibilities are considered. Key stakeholders receive a feedback leading to the development of intervention design.	Preparing a base-line study and discussing it within the LARG, utilising the base-line study to design a project
		Action Planning – Planning of project aims, project designs and evaluation demands.	Setting a research design by the main coordinator, setting aims of the project, drawing up an evaluation plan
		Intervention – The action is implemented, monitored and kept updated as needed.	Implementing measures: Motivational stage, training programme, one-to-one consulting, workshops
		Evaluation – The evaluator helps programme implementers (LARG) evaluate programme implementation stages.	Discussing results continuously with LARG members, final Evaluation Report
		Adoption – Positive results (experience) are identified and utilised, each stakeholder makes effort to maintain positive changes.	Discussing results in LARG (focus group), benefit for individual stakeholders, collective wording of recommendations, dissemination of results.
		Separation – Finishing the programme.	Transfer of results to individual stakeholders, finishing the programme.
	OUTCOME (RESULTS)		

Rothwell and Sullivan (2010)

Research design for impact (effect) evaluation

To evaluate the “actual” effect of the programme and to maximize internal validity and credibility, we used an approximation of the non-equivalent groups design. The design works with two groups, where we assign an intervention to one of them (experimental group) unlike to the other (control group), while we test both groups before and after the intervention. Although at the design we work with two groups in order to prevent the most frequent threats of internal validity occurring at the testing of a single group, i.e. the experimental group (e.g. maturation, history), but they are not “equivalent groups”, either randomly sampled or subsequently randomly or systematically formed in the process of random assignment (randomization). The programme participants were selected on the ground of participants’ interest. Those who expressed their interest in the programme at the motivational meeting were then contacted and those whose interest was continuing were admitted to the programme. A control group was formed from the remaining members of the target group who had left



their contact at the motivational meeting. For that reason we cannot speak about a coverage of “multi-group threats”, namely threats as a consequence of a selection interaction and ordinary single-group threats – single-group threats can be specific (distinctive) in experimental and control groups (Cook 1979, Campbell 1966).

Despite the aforementioned drawbacks, this design is probably the most common in the social-science research (Trochim 2006), particularly because of practical incompatibility of random sampling or random grouping. The said drawbacks are also markedly more significant at the statistical data processing, whereas here it is a triangulated evaluation with a higher stress put on the qualitative aspect of the research.

In our case we have been motivated by multiple reasons to opt for this design. First, the research does not attempt on a statistical generalisation of results outside the groups under review. Second, in this case we consider experimental design neither ethical, nor feasible (applicants who are interested in the programme cannot be rejected as well as the others forced, everything under the pretence of an experiment), nor efficient (applicants’ interest as a precondition for success of the programme). Third, existence of a control group and continuous monitoring of both groups (pre-test and post-test) enable us particularly to:

- a) Monitor development on the labour market for members of both groups (experimental and control), who are from the same age group of the unemployed and at the informational stage of the programme implementation expressed interest in taking part in the programme;
- b) Identify individual differences and stories of people from both groups and potentially to compare them;
- c) Find out whether applicants from the control group got a job or started a business also without the programme;
- d) Identify reasons why some applicants did not join the programme despite their interest shown.

At the final stage these findings will contribute to a potential re-formulation of the programme (see Final recommendations) and its efficiency improvement.

Research techniques used in our research

Researchers in the Czech part of the project Active Ageing utilise a combination of the following research techniques:

A) Questionnaires – Questionnaires were used for screening opinions of the unemployed attendees of the informational and motivational meetings (for details see Annex no. 1). The questionnaire was developed in cooperation of programme evaluators and the main coordinator. We evaluated more than 200 questionnaires which enabled us to get a relatively clear picture of entrepreneurship-related opinions of the target population of the unemployed at the age of 50+.

B) Non-partaking (or depending on situation also partaking) observation. Evaluators participated personally in all key stages of the programme implementation (e.g. LARG meetings, informational and motivational meetings, training programme, workshops...). Benefits of the partaking observation were that already at this stage programme participants



got acquainted with programme evaluators, therefore it was easier not to disturb the programme in its course and establish contact for potential later arrangement of interviews.

C) Interviews with programme participants and non-participants, interviews with LARG members and with some other programme implementers:

- a) At each meeting with the programme participants (e.g. workshops) in which evaluators took part events and opinions of individual participants were recorded, subsequently also utilised as a complement to information from semi-standardized interviews.
- b) During the programme non-structured, short face-to-face interviews with implementers took place as needed.
- c) The key part of the research consisted in semi-structured face-to-face or telephone interviews at the end of the programme. (You will find the scenario of a semi-structured interview in Annex no. 5). Twelve programme participants were interviewed face-to-face or by phone, five participants could not or did not want to give an interview or interviewing would not have been sensible (primarily because they left the programme at the beginning of its implementation), but we received at least basic information from them by phone (mini-interview), we did not reach four participants even by e-mail or phone and two participants refused to give an interview¹. Ten short telephone interviews with non-participants were conducted to illuminate the quantitative data about the control group.
- d) Records from discussions on LARG meetings, final focus-group with LARG members.

D) Documentation study and secondary analysis of statistics. This method is employed both at the development of the base-line study, but also in the course of the programme implementation in order to obtain information that we could not learn directly (e.g. quantitative data provided by the Public Employment Office).

In the course of the programme we decided to change the methodology from the predominantly quantitative (questionnaires for respective participants) to the predominantly qualitative one (interviews with individual participants). There were several reasons for that. It turned out in the course of the programme that in our situation questionnaires were not the right evaluation technique. Willingness of programme participants to fill in the questionnaire was low; consequently the questionnaire return rate was low already at the beginning of the programme. Reservations to the questionnaire use included that *“the questionnaire is too personal for the fact that I don’t know the interviewer“* or *“the questionnaire is too long to be completed free of charge“*. In combination with the total, relatively low number of the programme participants, results of the questionnaire survey would not likely be conclusive. For that reason we decided not to use questionnaires, replacing them by interviews.

Structure of the Evaluation Report

Last but not least, we had to decide on a specific method of presenting the results of the study. We were hesitating between a type of report where constituent components of the research

¹ Information about each participant is numbered according to the summary table 5.1 anonymously monitoring each participant. This approach facilitates an easy review of life situations and opinions of individual participants of the programme.



will be presented separately and a research in which we will combine components depending on the time sequence within the programme implementation and on their factual relevance (i.e. information from interviews are presented at the place where their content is most relevant). With regard to the fact that we have been employing the methodology of action research, we opted for the second alternative. Evaluation of the entire programme implementation has been thus based on a sequential evaluation of each stage of the programme (i.e. informational and motivational stage of the programme, educational stage of the programme and the supporting stage of the programme) and on assessment of factors which had a key impact on the implementation at particular stages of the implementation.



5. Findings and conclusions

The text in the section Findings and conclusions is divided to four basic stages: Preparatory stage of the programme (identifying key stakeholders, base-line study), informational and motivational stage of the programme, training stage of the programme, support after the completion of the training programme and evaluation of employment effects of the programme.

I) Preparatory stage of the programme

As early as prior to the start of the project implementation three significant activities took place: a) Key stakeholders of the programme were identified and a LARG (Local Action Research Group) established, b) a “base-line” study was drawn up and subsequently c) a pilot action project was developed, as we presented it above.

Identifying key stakeholders

The programme was implemented via a social experiment with an active participation of multiple cooperating parties. That is why Tomáš Soukup (Project Implementer) contacted potential partners to the project, offering them participation in this social experiment. Based on these negotiations a partnership has been established with the Labour Office in České Budějovice (the main city in the South-Bohemian region)². Subsequently, a Local Action Research Group (LARG) has been successfully formed, with members from the city and micro-region of České Budějovice and its vicinity³. LARG members were addressed and selected for their professions related to the programme implementation and experience from the labour market and primarily from the business sphere. The LARG has combined stakeholders with rather academical experience (e.g. programme evaluators) and stakeholders who experience issues of unemployment and business start-up in their daily routine. After an initial meeting a need had arisen to expand the LARG by a person over fifty with direct experience from the previous enterprise-promotion programme, which was accomplished. Later, during the selection procedure for appointing an implementer of the training section of the programme (South-Bohemian Chamber of Commerce), the member of this organization became also a member of the LARG.

The purpose of the LARG was to cooperate at the development, implementation and evaluation of the above-mentioned social experiment. The project was managed by the Main Coordinator who was a LARG member. LARG meetings were summoned as needed, approximately once a month or once in two months by the Main Coordinator of the programme. The purpose of the meetings was to keep oneself mutually informed on the progress of the programme implementation and to resolve pending problems or to select methods of implementation that were important for the following stage of the programme implementation. LARG worked primarily on the basis of partnership and in a friendly atmosphere. The programme involved also many implementers who were not LARG

² Participation of one of the labour offices was viewed by the project implementer as a prerequisite for project success for multiple reasons (e.g. knowledge of the local labour market situation, possibility to contact the unemployed from the target group).

³ For more information about the region compare the base-line study.



members, therefore LARG members also played a role of representatives of partnership institutions.

LARG members in the Czech part of the project and their roles

Name	Institution	Role	Most important activities
Tomáš Soukup	RILSA Prague	Local Coordinator	Project steering, coordination and implementation
Ondřej Hora	RILSA Brno	Local Evaluator	Evaluation, LARG consulting
Miroslav Suchanec	RILSA Brno	Local Evaluator	Evaluation, LARG consulting
Ivan Loukota	Labour Office in České Budějovice	Project Manager - partner, consultant	Selection of programme participants, methodological support, financial support of the programme participants, LARG consulting
Vilém Kahoun	Social Security Office in České Budějovice	Consultant	LARG Consultant
Helena Halabicová	Chamber of Commerce in South Bohemia	Implementer, Consultant	Project implementation, LARG Consultant
Jiří Stránský	Chamber of Commerce in South Bohemia	Project Manager - partner, Consultant	LARG Consultant
Jan Voběrek	Self-employed	Consultant	LARG Consultant

Base-line study

Before the very beginning of the programme evaluators of the programme have drawn up a “base-line” study (see Hora, Suchanec, Soukup 2010)⁴. The purpose of the base-line study was to:

- Identify key trends related to the labour-market situation of people at the age of 50+;
- Identify existing services related to addressing these people’s situation;
- Identify confrontational stress between the current state of the solution and a potential improvement of this solution.

⁴ Base-line study is available on the websites of our international project.



The baseline study showed that elderly people are usually not the group ALMP focuses on in the Czech Republic (the situation in the respective region is slightly different). In spite of that, some surveys proved that ALMP programmes can be useful for workers aged 50+. For social experiment within the active aging project a region was selected where the problem of the unemployment rate is currently rather minor (it can be convenient if we want to carry out the experiment in “standard” conditions), but where a danger of unemployment of elderly workers will grow in the future. Effects of the previous enterprise-promotion programme are partially known from official statistics and from the base-line study⁵.

A practical benefit of the study can be primarily seen in the estimate of benefits and risks associated with the implementation of our social experiment:

Strengths: Social experiment should work on the previous successful implementation of the business support and bring knowledge about the potential for supporting elderly workers in this way. Utilisation of the existing programme seems to be a significant strength of the social experiment, since thanks to previous experience of the implementing entities risks of creating a greenfield programme can be thus partially eliminated. Another strong aspect of the programme via social experiment is a participative form of the programme which facilitates a continuous discussion of methods and outcomes of the implementation.

Weaknesses: Limits of the existing participation of people aged 50+ in the programme, low experience in the programme implementation for this target group and a need to introduce new evaluation methods for the programme which will enable to uncover the “black box“ of the implementation process of ALMP programmes more than in the past

Threads: The successful programme implementation can be endangered by low interest of the target group in participation in the programme and unknown needs of the programme modification for the target group and adverse economic conditions and the business start.

Opportunities: An opportunity to implement the programme via a social experiment allows modifications according to the needs of the target group. Sufficient funds as well as the state support of enterprise enable creating relatively favourable financial conditions for a business start.

II) Informational and motivational stage of the programme

The aim of the first stage of the programme implementation was to build up interest in entrepreneurship (see also Chapter 3). With respect to the project aims, at least 40 interested people should have been attracted and a business knowledge training posts filled. This stage of the programme was running in two successive parts. First, in parallel we employed methods of posting up a leaflet in the labour-office information centre, short briefings for people newly interested in the programme and a distribution of the leaflet at the face-to-face meeting with the intermediary (labour office consultant). The target population of the programme at this stage was approx. 1,500 currently unemployed people at the age of 50+ in the region of České Budějovice.

⁵ At the same time we point out that some significant information about the situation of the target group and the implementation of the previous project have been detailed in the aforementioned base-line study, therefore such details are not repeated here. If you fail to find some information needed, please consult the base-line study.



Posting up a leaflet in the information centre

This method was employed first. A leaflet was posted up in the “information centre” of the Labour Office in České Budějovice⁶. The leaflet which was used is appended to this Evaluation Report (see Annex no. 3). The leaflet contained information about a possibility of individual assessment of applicants’ entrepreneurial suitability, upcoming activities and a contact address to the responsible person who will provide more information about the project. One of the programme participants (10) stated that she had learnt about the programme from the informational leaflet.

Information about the programme at informational meetings for people newly interested in the programme

Information about the programme was also provided at collective informational meetings for new job applicants which are organized by the labour office about once a month. At the meetings information was provided by the labour office staff. As a rule, meetings for people aged 50+ are organized separately from those for people below the age of 50. According to the responsible person from the labour office, the reason for that is that the unemployed at the age of 50+ often need more time and more involvement of the responsible person to become well informed about the job search issues. In the period under review only one informational meeting for job applicants aged 50+ took place. At that meeting applicants were informed in a several-minute presentation about the opportunity to take part in the programme. It is not known that any of the programme participants would have learnt about the programme by this channel.

Distribution of information about the programme at face-to-face meetings with the labour office staff

The leaflet containing information about the programme was distributed at the personal contact of the unemployed aged 50+ and the labour office staff at their regular meeting. Together with the leaflet the unemployed learnt very brief information that the programme exists and were asked to complete a questionnaire regarding their motivation to do business. The problem was that due to their enormous workload the personnel of the labour office could not attend more to the unemployed. About 200–300 informational leaflets were distributed this way. Reasons of the low number of distributed leaflets (information) compared to the original expectation of more than 1,000 distributed leaflets could be a low frequency of contacts between the unemployed and the labour office (only once in 2–3 months by estimate) and also the fact that this stage was running during summer holiday months. Completed questionnaires together with the contact data for the labour office staff could have been dropped in the box prepared in the labour office. Therefore it can be assumed that the questionnaire had been completed and the contact data handed over only by the applicants who were really interested in the programme. However, later interviews with the programme

⁶ It is a contact point where newly registered job applicants or long-term unemployed people collect information (e.g. how to proceed in compliance with law). The information centre contains information boards mentioning details of job offers and programmes of the active labour market policy. The leaflet was posted up there and at the same time information about the programme was supplied to the unemployed during the face-to-face conversation with the labour office consultant.



participants revealed at least in seven cases (2, 3, 4, 7, 8, 11, 12) that programme participants had learnt about the programme for the first time from their consultant/intermediary in the labour office or had consulted this opportunity with him/her.

Evaluation of the first part of the motivational stage

The initial stage addressing the unemployed aged 50+ resulted in attracting ten people interested in entrepreneurship (and obtaining their contact addresses) and three applicants who came in person to the labour office to learn more information about the programme. Generally, it was thus obvious that the programme aims had not been achieved by the afore-mentioned methods and another method had to be employed. Although a substantial number of the programme participants mentioned later that as early as before the informational and motivational meeting they had learnt about the programme from their labour office consultant, however, it was not a sufficient impulse for them to apply for the programme. Because of the so-far low interest in the programme, the aforementioned methods of addressing the unemployed were abandoned and at the second stage the method of “informational and motivational meetings” was employed.

Motivational and informational meetings with members of the Chamber of Commerce

Informational meetings were approx. 1.5-to-2-hour collective meetings of members of the Chamber of Commerce and the unemployed aged 50+⁷. The meetings took place in the rooms of the Labour Office and were lectured by two members of the Chamber of Commerce. The original plan was to organize 12 informational and motivational meetings (4 meetings were held per day). Two days with four meetings each were planned for October and one day with four meetings for early November. In the end, for reasons stated below, only October meetings took place, attended by 217 unemployed people (91 women and 126 men).

Number of participants of informational and motivational meetings

Date	from	to	Women	Men	Total	
1 2 3 4	4.10.2010	8 a.m.	10 a.m.	12	16	28
		10 a.m.	12 o'clock	8	18	26
		1 p.m.	3 p.m.	13	13	26
		3 p.m.	5 p.m.	6	20	26
5 6 7 8	5.10.2010	8 a.m.	10 a.m.	12	10	22
		10 a.m.	12 o'clock	11	18	29
		1 p.m.	3 p.m.	18	14	32
		3 p.m.	5 p.m.	11	17	28
The addressed in total			91	126	217	

Source: South-Bohemian Chamber of Commerce

⁷ At the time when informational and motivational meetings were in progress, the main programme implementer (Chamber of Commerce in České Budějovice) was selected in a tender. The members of the Chamber were thus engaged in addressing the unemployed at the informational and motivational meetings.



Informational and motivational meetings were compulsory for the unemployed⁸ who were invited to them by the labour office staff. In that process, the labour office staff tried to proceed in compliance with selection criteria set by the programme implementer – that means, they did not invite e.g. applicants who were less than two years before their regular retirement age, applicants whose criminal record is not clean (in CZ a clean criminal record is a pre-requisite for doing business), applicants who are not directly from České Budějovice or applicants who, for various reasons, could not take part in the programme potentially (ill or otherwise currently unavailable job applicants). The informational meetings were largely attended by the short-term unemployed.

Meetings were organized and grouped depending on the level of education, since from experience of the members of the Chamber of Commerce (lecturers) *“people with a different level of education usually need a different form of communication and presentation of information”*, *“...people with primary education hinder people with a university degree who consequently get bored”*. Each motivational and informational meeting was thus unique, although they were carried out according to a common scenario. Evaluators took part in two informational and motivational meetings. One of lecturers focused more on the motivational part component of the programme (increasing self-confidence of the applicants via becoming self-aware of their own value *“...employers do not know what kind of experience you have...”*, correction of their view of the current stage of life and assumption of responsibility for it *“...you have the second half of your life ahead, what will you do with it?...”*, *“...the best you can do for your children is to show them you are able to stand on your own feet”*). The second lecturer presented details of the training offer.

The meeting focused on the following aspects: a) Evaluation of the current situation, b) Considering the opportunity (highlighting strengths of people aged 50+), c) Offer of entrepreneurship as one of the work possibilities, including an introduction of the programme, d) Discussion of business opportunities among participants of the meeting, e) Participants completed a questionnaire on their interest in entrepreneurship and f) They could leave their contact data without any commitment for the member of the Chamber of Commerce for the purpose of a future face-to-face meeting regarding participation in the programme.

All the programme participants we talked to said they had been to one of these informational and motivational meetings. Some of them received a written invitation, some learnt about it from their LO consultant. In several cases programme participants pointed out in interviews that informational and motivational meetings had been compulsory for them. At least once the consultant used the informational and motivational meeting to demonstrate an unemployed person's activity: *“My personal intermediary (consultant) in the LO told me: I have to send you somewhere, so I send you to this meeting (2)”*. In case of informational and motivational meetings, it was the only compulsory aspect of the programme, which did not burden the unemployed markedly (a mere visit of the labour office and a two-hour meeting). This process is entirely standard in the other programmes of the active labour market policy in the Czech Republic. The unemployed were told with emphasis that their participation in the other parts of the enterprise-related programme is not compulsory and is not associated with any

⁸ This aspect of the programme was extensively discussed in LARG. Eventually, the prevailing view at this stage of the implementation was that one compulsory meeting is not a huge intrusion into life of the unemployed (although not every member of the LARG agreed) – see also Recommendations.



sanctions for them (in other ALMP programmes in the Czech Republic participation in the programme can be compulsory and abandoning it without reason can be sanctioned). Nevertheless, the fact that informational and motivational meetings were compulsory could be confusing in this respect for some of the unemployed.

Evaluation of informational and motivational meetings

Interest in entrepreneurship shown at informational and motivational meetings differed markedly depending on the level of education attained (being very low at meetings for people with primary education). In general, the unemployed conveyed rather worries about starting a business (state of health, old age, personal and family problems,...). These findings were confirmed also by the questionnaire on entrepreneurial motivation which we had distributed at the end of motivational meetings and which had been answered by more than 200 unemployed people (the questionnaire findings are extensively presented in Annex no. 1 to this Evaluation Report). What could have a negative impact on informational and motivational meetings was that attendance of the meetings was not voluntary and that they were held in the labour office. Also exceptional situations occurred when the unemployed were in a negative mood and disturbed the course of the informational and motivational meeting. *“Perhaps maybe the only reservation is that you could hear a sentence there when it was said that – if you don’t come to the meeting, it may be considered an offence and we will remove you from the register, which made the people arriving to motivational meetings angry”* (LARG member – Chamber of Commerce). It has also been shown at the meetings that they were attended by people who did not succeed in doing business in the past. It was interesting that several people who had already run a business showed interest in the programme (previous experience in business did not thus discourage them)⁹. The outcome of informational and motivational meetings was 78 contacts for applicants interested in entrepreneurship. With regard to circumstances and the focus of the programme, this number can be regarded as very high. However, it must be added that it concerns people who showed just preliminary interest.

Confirming contact data and joining the programme

Within several days after the end of motivational meetings the member of the Chamber of Commerce contacted each applicant separately by phone. They either agreed with a face-to-face meeting or the conversation was carried out by phone. At this point some participants who had given their contact data at the informational meeting refused their further participation in the project.

Meetings took about 30 minutes up to one hour, as needed. The purpose of the meeting was primarily to inform applicants about the project and content (syllabus) of the training course, or supply of course documentation. In addition to that, applicants’ interest in the programme was looked into, or their business plans were consulted. Also those applicants who did not have a clear business plan were recommended to join the programme and to make efforts to draw up a business plan. The programme implementer herself was surprised at high interest in taking part in the programme, since in previous years the number of applicants of

⁹ These unemployed people were informed that they can enter the programme. If in the past they had drawn a financial support from the labour office for setting up a business, to get a support again they would have to focus their business on a different line of business.



entrepreneurial projects from the age bracket of 50+ was minimal. The outcome from the interviews carried out was a finding that of the job applicants who had given their contact data at the informational and motivational meeting 24 were not interested in a face-to-face meeting, 18 decided not to take part in the course after the meeting and 35 continued being interested in the programme after the face-to-face meeting.

The applicants who continued being interested in the project were divided into two groups of the programme participants. The first group consisted of 14 participants who entered the first run of the training programme. The second group consisted of 21 people who showed their interest in the second run of the training course or who said to think over their participation in the programme until the start of the next run of the programme. Based on the sufficient number of participants in the second course it was decided that November meetings would not take place. The reason for the decision was that programme implementers thought the programme had been fulfilled and to execute the motivational stage without a real offer of the programme (because of several vacancies as a maximum) seemed to them inadequate. The second group was contacted again one week before the start of the second run of the programme. Of these applicants 9 people entered the second run of the programme. There was a delay of about one month long between the first and second run of the programme, since both runs of the programme were implemented successively. At the review of interest in the programme immediately before its start it turned out that some of the original applicants had lost their interest in the programme.

Participants of both runs of the programme were selected via self-selection (depending when they had time and wanted to start, which can also substantiate a lower number of trainees and lower success of the second run of the programme). Although we do not know real reasons why they changed their mind, we may declare a hypothesis that the relatively long time between the motivational meeting and the start of the programme had a negative impact on interest in participating in the programme (only one of them have found a job before the start of the programme). Alternatively, it may have happened that more motivated applicants entered the first run, whereas the second group consisted of slightly less motivated trainees. According to some of the LARG members, the original interest in the programme was overestimated. It was a consequence of the fact that motivational meetings were compulsory and people expressed their interest in applying to the programme since they were afraid of sanctions (in spite of the fact they were told at the motivational meeting that the programme is completely voluntary – however, it may not have been heard or understood by them). Another explanation of the decline in the number of participants at the first stage of the programme implementation is their review of initial interest after considering all circumstances. After a more careful consideration, people may abandon their original plan (especially when their family has a negative impact on them in this regard). Although initially many people applied for the programme, it was probably a mistake to cancel additional motivational meetings. Generally, aims of the programme for the motivational stage have been accomplished, since there were more than 40 applicants in the programme and the course was entered by 23 trainees (the project aim counted on at least 20 trainees).

Participants of the programme were mostly university degree and secondary school certificate holders (of course all of them aged 50+) with years of job experience (often with one employer). Some participants were beneficiaries of a partial disability pension (with health handicap). Some participants did business in the past (partially in another line of business than they plan for the future, or in another region) (1, 3, 4, 10, 18). Some participants stated that



they had closed the previous business for other reasons than a business failure (family reasons, employment in the business field). The paradox, however, is that the fact that people had done business in the past did not motivate them to set up a business, rather on the contrary, some of them referred to their negative experience. It is important to emphasize that all participants of the programme were unemployed before the start of the programme (some of them were drawing a partial disability pension). This had an impact on their life situation, peace of mind and motivation to enter the programme. In a number of cases (e.g. 9, 11, 12) we found out that the programme participants had been unemployed in the long term (not less than a year) already before the programme started. The economic crisis also left its marks on, culminating in the Czech Republic exactly at the time we were launching our programme. Therefore, it is important to stress that despite a relatively high social capital (mostly university degree holders) many participants of the programme were coping with serious problems of finding a job in the labour market. Some of the unemployed were coping with their life situation with difficulty (in their fifties being unemployed for the first time, unfair dismissal from their point of view ...).

Motivation of participants to take part in the programme was, in their own words, highly diverse.

- A frequent motive for participation was interest of programme participants in learning new things, acquiring particular knowledge and information (1, 3, 4, 5, 6, 8, 10, 13). This motive is identically important both for the respondents who have never been in business and for the respondents who want to renew or update their knowledge. Generally, we can view this motive as the strongest among respondents and also later this interest in information had been reflected in a positive evaluation of the training part of the programme (see below).
- Other respondents were motivated by the expected outcome, i.e. by the chance to do business. This has been shown in case of the programme participant who in the past did business occasionally in specific cases under the “contract for work” (5) and also a programme participant who had been motivated to take part in, among other things, by the business-related financial subsidy from the labour office (10).
- Another motive to take part in the programme was in clarifying possibilities for doing business, search for a business plan, etc. (6, 11).
- Motivation for several respondents consisted in filling in the unemployment time with a meaningful activity (6, 8, 9).
- One of the respondents said to enter the course since she regarded doing business as an extreme (the least desired) solution of her situation, but she did not see any other possibility for finding a job (3). In that process, her negative experience from her doing business in the past may have impacted her. In case of some participants of the programme it is also linked with the fact that due to health or other reasons they could not pursue their original occupation (7, 12). A similar motive (entrepreneurship as a solution of the situation, entrepreneurship as an escape from unemployment) showed also in case of other respondents in relation to the fact that they wanted to work (also



due to a lack of money)¹⁰ or they did not want to remain registered in the labour office (4, 8, 9, 11, 12)¹¹.

- For one respondent the important motive is that as a partial disability pensioner he need not pay health and social insurance, so entrepreneurship represents a lower risk for him. Without the disability pension, he would have had more doubts about setting up a business (4).
- One of the programme participants, according to his own words, was also influenced by information he had learnt at the informational and motivational meeting (8).
- In some cases we may not entirely ruled out because of respondents' statements and opinions of some of the LARG members that respondents feared not to enter the programme.

A positive aspect of respondents' motivation can be seen in the respondents' enormous interest in new knowledge. Nevertheless, some participants of the programme have told us that at the beginning of the programme their motivation to set up a business was not extremely strong. „...so I could see that many people do not have that plan at all, that they come there for no reason or were forced to go there or I can't imagine how they got there, but they were not interested in it, you see. There were about three people in all who simply came there with that expectation that they may start up a business" (10).

Individual participants showed both instrumental motivation (solution of an adverse situation), and intrinsic motivation (self-realization, doing business is also a hobby) or the programme was a challenge for them (what they can achieve, setting up a new career). However, a significant number of participants showed, according to the LARG member coming from the Chamber of Commerce, a view of life oriented at the end of their career, retirement, etc... This perspective has also been proven by interviews with programme participants (see below). Last but not least, some of the programme participants may, according to one of the LARG members, have misunderstood the voluntary nature of the programme (they considered participating in the programme compulsory or required by the labour office).

III) Training programme “Business Knowledge“

The major part of the enterprise-promotion programme was its training section. Two runs of the training programme were carried out (one at the beginning of October and the other in November) with a maximum agreed capacity of 15 trainees. Duration of one programme was 20 days (i.e. 120 training lessons). The Chamber of Commerce have been using a programme which is proven by long-term experience¹². Constituent training segments were not mostly implemented by the staff of the Chamber of Commerce, but by external lecturers – experts in the given field.

¹⁰ Motivation based on “ethics of work”, when work is perceived as a natural part of life and also a person's obligation to society.

¹¹ Unemployment is a burden for respondents not only financially but also due to mental impacts, personal discomfort and stigmatisation.

¹² The programme is accredited by the Ministry of Education, Youths and Sport of the Czech Republic. The Chamber of Commerce has been implementing it since 2002. In recent years the programme was carried out depending on interest of the labour office twice or four times a year (the course has been carried out for the labour office by multiple providers, not only by the Chamber of Commerce).



Training for doing business – trainees' human capital development

The training course consisted of a theoretical part and a practical part (see also schedule of the second run of the programme specified in Annex no. 2). The theoretical part included a collective training in the following fields: legislation, marketing and management, ABC of PC work, economics and accounting. Trainees had a textbook (training documentation) available at the training course, 56 pages long. The programme which was implemented by the Chamber of Commerce in the Active Aging programme had, unlike the standard programme carried out in previous years, an increased allocation of marketing lessons at the expense of lessons on social security legislation. In the opinion of the member of the Chamber of Commerce trainees described the lessons on social security law as having an insufficient time allocation (they would need more information).

At the end of the programme trainees' knowledge was tested in a written test consisting of 24 questions (for test questions see Annex no. 3). All the trainees passed the test with an excellent mark (1) except for one who received a good mark (3). Testing competencies in a written test is a standard part of the programme. In the opinion of the member of the Chamber of Commerce a defence of the business plan (see below) is more significant for the evaluation.

The practical part included primarily teaching and one-to-one consulting focusing on the "business plan" production. Here it is evident that trainees need also an individual approach. A LARG member from the Chamber of Commerce comments upon that: *"During one-to-one consulting they have an opportunity to stay longer any time, even beyond the time allocation which is available for the course, so that we could, so that together with them we could work on that, and it happens very often. So, it's not only the time allocation, these 120 hours that are available for the training course, but it's by far more work for example for the lecturer"* (LARG member – Chamber of Commerce).

The plan included entrepreneurial motivation, presentation of the line of business, a review of opportunities and risks, including competitors' evaluation and economic balance sheet for three years. Trainees worked out their business plans in such a way to meet requirements of the labour office regarding the form of the business plan (this is a general requirement applicable also to the training programmes of the national ALMP, not only to the Active Aging project). The practical part also included information on which steps must be taken and tasks accomplished by the participants in order to register a trade and set up a business. Business plans were prepared by trainees as homework and consulted individually during training lessons. A rather low number of trainees enables members of the Chamber of Commerce to answer trainees' questions individually and help them with drawing up a business plan in a "tailor-made" fashion. Unfortunately, we were not given a permission to attach an example of a business plan to this report.

The role of activation and mutual assistance at the programme implementation

At later interviews with programme participants one aspect of the programme was discussed much more widely, we will call it "activation"¹³. In our case it concerns those aspects of

¹³ The term "activation" is understood in technical literature in multiple meanings. Here we generally use the term in its definition by Bonoli (2010), who distinguishes four types of activation programmes: a) subsidized jobs; b) sanctioning measures against the unemployed; c) measures of human capital development and d)



activation which show at individual meetings of programme participants and implementers. Therefore, what we are discussing here is not activation as a type of programme/measure, but as a process of individual and group work with programme participants.

At the beginning of the programme a team of unknown people is formed, who are not in a favourable life situation (they lost their jobs, some of them are unemployed in the long term). They are reserved, not knowing one another. The critical aspect of the programme was strain (or even pressure according to some participants) of some programme implementers on people to open up¹⁴, which was disliked by some participants who could not cope with it (for this reason one participant even left the programme). With hindsight, however, some participants of the programme regard this approach as beneficial, because participants become closer faster, it prompted discussions and motivated them to think over their life situation and a solution to it (6, 8, 7) or it even helped them “get on their own feet” (2). Other participants of the programme viewed this approach even as encouragement. Despite, some ethical questions may, however, arise related to e.g. excessive intrusion into participants’ private life.

The two following quotations from interviews illustrate how useful this method of the programme implementation is for participants:

“...in the morning we had something like a discussion, so in my opinion this was excellent in the entire training course, and those lecturers too...and as we’ve become a member of a community, so we...somehow were forced to start thinking, and I’d say it was a huge benefit, when you stopped being down and started also use your head and got into another ...not dimension but ...I’d say you started thinking””They are, and little details of this and that if the meeting had taken place once, it would not had happened, we would have had little time, if the meeting had not been so informal, it would not have happened either, but the combination of the meeting repeated several times, also that the moderator was present, I’d put it like that ...And so.. and so thanks to the fact that it gets off the ground, then those things can be added, those things are additional. They can tell us about marketing, they can tell us about everything, but this all here, as it gets off the ground, well, that’s fantastic” (7).

“Well, that’s strange, it’s in mentality of people when ...here all around us there are people all unknown, nobody does anything for anybody, nobody says hi, as soon as you get to a place where you must spend several hours together, some kind of friendship develops there, a team or how to name it, I don’t know, a community or simply some kind of atmosphere appears, frank, when barriers disappear suddenly, no matter whether we know one another or not, whether we are on first-name terms or not, whether men or women, it does not matter, how old, etc., everything disappears immediately and after a couple of minutes, hours you suddenly feel you have known one another for ages ...and that is why you are, you are speaking in unison, I would say, anyway, then thanks to the lecturers...It gets into your mind or over here, it makes you say a sentence you would not normally say, as she [discussion

measures to achieve matching on the labour market. In our programme we can meet, in a certain form, all the four types of activation, e.g. in the following forms a) financial support; b) informational and motivational meetings; c) training programme; d) alignment of trainees’ plans with legislative requirements. The process described here can be understood as a virtual fifth type: i.e. individual or collective mental support and motivation to set up a business or become employed.

¹⁴ This is shown e.g. in requests for information supplying of which is not pleasant for trainees in the group, in keeping on topics unpleasant for trainees.



moderator] makes you say it and thanks to that she was able to goad us without, that's it, yes, she goaded the people" (8).

In the interviews with programme participants we have often hear the opinion that a very good atmosphere had been developed over the time, based on mutual understanding and cooperation, and people were bringing impulses for the others (both particular ideas and mental support) (1, 2, 3, 7, 9). It is possible that such good atmosphere developed also because programme participants were from one generation and one region¹⁵. Some participants of the programme became friends, meeting also now after the end of the programme. *"...I liked at the training course that good team spirit has evolved, with solidarity there, people in a similar situation were supporting one another. It is good that people from the Chamber are trying to help other people" (11).* One of the programme participants e.g. decided to continue and complete the programme because of its atmosphere in spite of the fact that in the course of the programme he made a decision not to set up a business. The programme also ensured a provision of mutual feedback (negative too) among its participants (e.g. on topics of business plans), some participants mentioned it as a great help for them. One of the programme participants said that evaluation of business plans should be critical to prevent excessive optimism and then e.g. potential bankruptcy.

Generally, it appears that some respondents were boosted mentally in the training course, which improved quality of their life. One of the trainees commented upon that: *"The training gave me a great mental boost at the given time – it helped me up on my feet again after I had been dismissed. I realized that setting up a business is the only way out of unemployment. The training course raised my self-confidence, it helped me not be afraid and realize my own value" (2).* In the interviews the participants of the programme appreciated that someone (lecturers, peers in the programme) paid attention to them, had understanding for them. According to one of the members of the Chamber of Commerce who had been working with trainees regularly, the benefit of the programme is that *"participants became optimistic and self-confident, whereas before the training they had been depressed; now they are OK"*. She says:

"To evaluate it again, I would give weight not only to the information, but also to the fact that those people, as we could watch their development, came to the training somehow angry, depressed – oh my god, I'm 50, I've just lost my job. This generation was growing up under socialism, they simply thought they would keep working in one company for their lifetime and suddenly they were fired from that company. So they were pretty angry, somehow distrustful, you see? They were so... and they have developed in the training course, OK? And they value the information, why not, but the way they, their personality has strengthened, that they left the course with higher self-confidence, so even though they may not decide to set up a business, I think that based on that it matters whether they go to apply for a job before or after the training course, a completely different person goes there. And it happened to all of them." (LARG member – Chamber of Commerce).

Another of the programme participants who set up a business thanks to the training course says: *"Well, the benefit [of the training course] as we talked about it, I am not going to repeat it, is absolutely evident, because without that I would not be where I am, I don't mean*

¹⁵ It seems to be important whether future enterprise-promotion programmes should be more differentiated in terms of age (see LARG members' opinions below).



materially or financially or something like that, but I mean the feeling I'm not with the jobcentre anymore, this is extremely important to me, that I'm not I don't want to be a freeloader, because you can always get some money, but the thing that I have them legally, it's also a good feeling, all right, etc. etc., so it's clear"(8). The programme implementers also perceive positive effects of the programme on participants' mental peace, when the programme participants "recovered from the initial stress caused by employment and became more content".

Effects of the enterprise-promotion programme on participants' social capital

At the individual level participants' social capital has been developed as they were given support by programme implementers whom they could contact any time (and they did so when it was needed). The positive outcome in terms of participants' social capital development was that in the course of the programme participants were prepared by their lecturers to succeed in particular situations associated with entrepreneurship and received contacts for responsible persons. In some cases it turned out that trainees' participation in the programme had resulted in a more forthcoming approach (open door) e.g. on the part of the labour office and other authorities. According to one of the programme participants it was of a great benefit to him to learn that the Chamber of Commerce can help him in many things, which he had not known formerly (1).

The programme participants' social capital was further developed as a consequence of getting familiar with other participants. This type of social capital showed particularly in discussions with other participants of the project, in sharing ideas and backing up mutually. Besides that, participation in the project helped trainees in establishing many friendly relationships (they keep meeting after the end of the programme). In some cases to share an unfavourable situation with other participants of the programme was a mental boost for the unemployed (encouragement in their uneasy situation).

Business plan defence

Each of the training courses was completed by defences of business plans, taking place in the offices of the South-Bohemian Chamber of Commerce participated by three members of this institution, the Director of the Labour Office and evaluators. In total, training courses were completed by 10 of 14 participants (the first run) and 4 of 9 participants (the second run). Participants of the programme submitted a business plan drawn up on approx. 15 pages. One defence of a business plan lasted about 15–30 minutes. As a part of the defence the trainee presented his or her business plan and discussed its strengths and weaknesses primarily with members of the Chamber of Commerce who asked questions and made suggestions. We asked one LARG member from the Chamber of Commerce about the method of business plan evaluation. She commented the evaluation of business plans as follows:

"Basically, the most important thing was that they had a business plan ready with all its particulars in the form it should look like. In this case it's a simplified version, and we follow instructions of the labour office, so that they could be given the subsidy. It is not necessary to have a business plan as if you ask for a bank loan, these things are more complicated, of course. However, for people who somehow complete this course and set up a business, the production of a business plan, in my opinion, is pretty difficult anyway. So this was the main



critterion. And another critterion is that they must have all economic matters well-considered, including financial outlooks, this must be done, I think, for 3 years, in this business plan. And they must be able to talk about it, how well they considered it, what kind of marketing they plan, what they want, whether they carried out a market survey and so on. But the most important critterion was to have that business plan ready with all particulars that are required, it actually, it cannot happen that they would not have it done, because from the very beginning of this course, throughout the month we have been together with them working on that plan” (LARG member – Chamber of Commerce).

E.g. the following business plans were presented and defended:

- Part-time teaching of mathematics and English
- Cosmetician and visagiste
- Heraldry
- Production of CD and DVD presentations
- Restaurant sector, meals for senior citizens
- Decorative items production
- Computer administration and support
- Massage, recovery and keep-fit services
- Growers’ distilled brandy¹⁶
- Quality management consulting
- Watter supply equipment management

Except for one participant, all seriously considered setting up a business after completing the training course (eight participants from both runs failed to complete it). At the defence of business plans participants were given a feedback and were reminded of insufficiently elaborated or difficult sections of their business plans. Also defences were evaluated by marks, when all participants received excellent or very good marks.

The business plan defence plays a key role in the programme, which is illustrated by the opinion of a LARG member from the Chamber of Commerce: *“I think the most important thing is the defence of the business plan itself, when they had to [pass] that test... without that test I don’t think it could have any effect. More important for me is that they had to sit in front of that commission, feeling seriousness of the situation and had to make themselves present that business plan of theirs there. You see? It made them get prepared for that somehow, take it seriously, do it in a high quality and made them raise their profile at the personal level and present themselves publicly, which perhaps they had never done before. I must say that when people enter this course they consider preparing this several-page business plan, which they call an elaborate paper, an absolutely useless thing, you know? But then... it’s different to think I have considered it well, but when I start putting down the ideas on a sheet of paper and start thinking over it in detail, than I figure out – whoops, I did not think it over properly, I forgot about details here. And it forces them, so they actually during the production of that business plan are made to put it down, therefore they are dissecting ideas in their mind much*

¹⁶ The core of this business is an offer of services of professional alcohol distillation for domestic use of small-scale fruit growers. The region of South Bohemia is traditionally one of the rural regions known for distilling small quantities of alcohol for personal use, usually a fruit brandy – e.g. slivovitz (plum brandy).



more in detail, finding out what they may not think completely out or where they went overboard and so on.” (LARG member – Chamber of Commerce).

Evaluating training programme benefits from participants’ perspective

We asked each participant about benefits of the completed programme during their business plan defences and also with hindsight at the final interviews. In this section we summarize findings of these two groups of interviews. Participants’ positive evaluation prevailed.

Positive aspects of the programme:

- Composition, concept of the programme (1, 12)
- Information was interesting (new, useful, applicable in practice) (3, 5, 4, 6, 9, 23)
- The course included individual meetings with lecturers (2, 5). Individual solutions could be thus searched for each participant.
- Getting familiar with new people (12)
- The way of the programme implementation promoted possibilities for participants to discuss issues, support one another and think over business and other ideas (7, 12)
- Increase in motivation (support of decision) to run a business (5, 8, 12)

Negative aspects of the programme:

- Composition of the programme – too much marketing (3, 4, 6), more accounting needed (6)
- The training course was too fast, its duration should be extended (2, 5)
- The course supplied basic information (orientation in the problem), but it is insufficient for running a business (2)
- The programme was too demanding for trainees. According to some participants (1) and also some LARG members (coordinator, member of Chamber of Commerce) participation in the programme was demanding since a lot of information was new and at the same time the programme had to be implemented in a time-limited horizon (during the programme implementation e.g. there were no free days available for home preparation).
- More room for practical matters (1, 5, 9, 11). According to one of the participants the real practice cannot be incorporated in the programme. In the opinion of another participant it would be good if the programme came closer to reality (e.g. the marketing issues more practically, participation of a real entrepreneur). This participant considered the programme too theoretical.
- The second run of the programme was not filled with a sufficient number of participants, which had an impact on atmosphere and quality of discussions in this group (8).

The most heavily discussed issue among LARG members related to the theoretical or practical nature of the programme. Discussion went on that despite individual meetings of programme implementers with participants it was not always possible to get prepared for some circumstances, since they will arise only after the start of business.

“Maybe, to comment on what has been discussed here, the discussion whether more theory, or more practice, it may not be the point how to do it practically, such as explaining how to



calculate social insurance, it cannot perhaps be done practically. Maybe what the participants rather meant was an example, some paragon of entrepreneur, his personal experience, what he was coping with, problems, what he really went through ...” (LARG member – RILSA).

LARG members inclined to the opinion that some of the existing entrepreneurs could be more involved in the programme implementation in the future, they might be a paragon for setting-up entrepreneurs in the positive way and in some aspects also in the negative way (in the context of what should be rather prevented when running a business). *“I talked about negative experience too. Because besides positive experience, there is also the negative one leading to a deadlock and in my opinion it would enrich the content of this course.”* (LARG member – Labour Office). The involvement of the entrepreneur (a former participant of the programme) in the LARG turned out to be a good move and in the future it should be maintained or even expanded.

LARG members also agree with the need to extend time allocated for the programme implementation. A LARG member comments upon it: *“In my opinion certainly yes, what I mind a lot was the time... I don’t mean allocation, timetabling of the training. We had to learn things for two courses within a short period of time and I think that for people in this age category it’s double, I noticed it, they would need much more time. They would simply need...the training course is difficult, after a long time they suddenly have to be sitting for 6 hours somewhere, with something being poured in their heads. It is terribly exhausting, even for us, you know. They were at school perhaps 30 years ago, and suddenly they are almost like at school.”*

Benefits of the programme for participants and evaluation by LARG members

Particular benefits of the programme for participants can be summarized in the following categories:

- Acquisition of new knowledge or knowledge update (for those formerly in business) (1, 3, 4, 7, 9, 11) (e.g. definition of a trade in the Czech legislation, paperwork, marketing, insurance, accounting). Almost all participants of the programme evaluated this part of the programme as high-quality and useful. Several participants said that they have been using information acquired in the programme in practice when running a business or being employed.
- Possibility to get ready for setting up a business via one-to-one consulting and by producing a business plan (1, 2, 5, 12). To draw up a business plan was something new for most participants of the programme. Information in the programme was worded in the way to call attention to some problems which may arise in entrepreneurship, so that it helped participants of the programme to prepare for dealing with certain situations in the future (e.g. registering a trade) (5, 8, 9). These findings were useful for it saved participants’ time and enabled them to avoid some mistakes.
- Promoting further motivation for running a business (It promoted their decision to set up a business, to re-start a business, etc.)
- The training course lead them to set up a business (8) (see effects of the programme below)
- Social effects (communication possibilities, learning new people). Some of the unemployed were coping with their life situation with difficulty (in his/her fifties)



unemployed for the first time, an unfair dismissal from their point of view...). In this regard the programme provided them with important mental and social support. According to one of the participants the training course helped her “*overcome fear and realize her own value*”. Another participant realized that completing the course had helped him in terms of giving time to resolve his bad life situation (state of health).

In the opinion of a member of the Chamber of Commerce (LARG member) who was implementing the programme, participants of this programme differed from participants of previous programmes primarily in their primary motivation which was to resolve their situation, and on the contrary, preference of the self-employment as a work style was largely missing (if it were possible, they would prefer to be employed). Therefore, it was more difficult even in the training part of the programme to overcome their uncertainty on whether to start a business. Moreover, some participants of the programme were also under a “negative” influence of their family, who had been deterring the participant of the programme from starting a business (in particular, family members were probably afraid of indebtedness). Especially in the second run of the programme it became evident that there is a lack of “willing horses” that are interested in running a business and could motivate the others in this regard. Participants often experienced similar problems, which resulted in negative atmosphere.

A heavily discussed issue in the LARG was whether programmes of the active policy (and particularly our enterprise-promotion programme) should be targeted at the age bracket of 50+, or whether participants of the programme should be from all age groups. LARG members did not reach agreement in this regard. One group of LARG members held opinion that programmes should be heterogeneous in terms of age as the group heterogeneity helps in overcoming deficiencies of particular age categories. *“Talking specifically about the implementation, when they meet in the courses, then it is about mutual inspiration, about mutual experience. When graduates and school-leavers meet there with older people, with the generation of fifty plus, then there is always something they can exchange. When we separate the target group of fifty plus, they will be tend their problems, that they are old, with health problems arrived, retirement and blah blah blah. They, they get bogged down to their problem and do not give mutual inspiration for another target groups, e.g. for graduates. So at least at this stage I would not separate them. This experience of mine from the training courses we organize. At the motivational stage perhaps yes, but then during the implementation, there I think it’s good when generations meet”* (LARG member – Chamber of Commerce).

The other group of LARG members argued for programmes focusing on homogenous age groups. The reason consisted primarily in different training needs and time span needed for each activity by different age groups. Therefore, programmes should be adapted for elderly people. Moreover, one of the LARG members pointed out that at the same chance to enter the programme the self-selected are rather younger unemployed people. Accord in the LARG has not been reached also on whether group heterogeneity strengthens, or disturbs dynamics of the group and whether supporting atmosphere is created. This issue seems to be interesting in terms of further research.



IV) Assistance after the completion of the training programme

The fourth part of the programme was assistance which had been provided by the staff of the Chamber of Commerce and Labour Office to individual participants after the completion of the training part. Assistance to participants at the time of starting up a business was related to three basic types of activities: provision of a financial grant, one-to-one consulting and group workshops intended for further education and experience sharing.

Provision of a financial grant

Programme participants learnt about the possibility of a financial support for running a business as early as at motivational and informational meetings, some of them had learnt it even before from informational materials or from the labour office staff. During defences of participants' business plans, Mr Loukota, Director of the Labour Office (LARG member) discussed with participants the possibility of a grant up to CZK 50,000 (self-employment support) and a possibility of self-employment support by a new tool of overbridging contribution (adopted since 2011) which is intended for payment of operating costs at the beginning of business. It is interesting that already at the time of business plan defences about a half of participants were not interested in the self-employment support or asked for a small amount only. In this regard programme participants said that they did not need the grant since their business requires no start-up investment or they had already had necessary tools or funds. Another possible reason was a fear of risk to pay back the grant if their business failed.

Mrs Št'astná from the Labour Office took part in the first workshop for setting-up entrepreneurs (see below). She presented to workshop participants that they can already apply for a support, namely for 50 thousand korunas of a specific grant for setting up a business and three times three thousand korunas for renting business premises in accordance with legislation in force till 2011. The Labour Office in České Budějovice provides thus a lower grant than it is permitted by law, which is a consequence of the total volume of funds and anticipated interest in this measure. New or updated information about the financial support was sent by email to participants to keep them informed.

In interviews nine months after the end of the training part of the programme we asked the programme participants whether they utilised any form of financial support, or why they did not use any financial support. The first group of the programme participants consists of people who have started a business. Some of these people utilised a financial support. One of the participants used it for buying a printer and a laptop (4), another participant purchased office equipment, a data projector and a laptop (5). The third participant already in business did not use a financial support, because he refuses loans on principle, nevertheless, he got another type of enterprise-promotion grant from the labour office, namely a financial support in the amount of six to eight thousand CZK for a six-month period, which he himself considers a great help (8). The second group of programme participants is a group of people who for various reasons (got a job, became ill) did not start a business, nevertheless, they consider it for the future (see below). In this group one participant is still considering a utilisation of the financial support (9) and three said they are not interested in it, since *"50 thousand isn't so much to be committed"* (1), *"Perhaps I would say, I would say not, I have never had any debts or loans and I purchased only what I earned money for. And well, I don't know, I have always kept distance from loans and all of those options, such as mortgages and such things,*



maybe if I had to, with no option left for me, then I would think about it, any type of loan, but otherwise I haven't needed it so far, anyway – no loans at all (7), *“I have got everything”* (6). Several participants of the programme encountered a problem also at the time of the programme completion. In order to run a business they needed other training courses (certificates) or things (legal standards) the value of which is not permanent (6) and therefore the financial support cannot be granted for them. Others said that in their opinion they had already missed the opportunity to draw the grant (at the time of the interview) or they could not receive the grant because they did not plan to do business as their main activity, only as an extra earning next to their employment. However, the most numerous group of programme participants could not receive the grant because after the completion of the programme they backed off the business (stopped being interested in it).

Utilisation of one-to-one consulting

During the time following the training programme it turned out that programme participants did not use one-to-one consulting after the programme to a large extent. Consultations thus took place particularly during the training part of the programme (see participants' evaluation of the training part of the programme). According to the contact person of the Chamber of Commerce (LARG member) consulting activities were utilised after the end of the programme by no more than 30–40 percent of trainees. Some participants inquired about possibilities for getting funds from the labour office, came to update their business plan, or ask specific questions (e.g. copyright protection), or to get a contact for a particular institution. To establish a business (register a trade) was not a problem for participants of the programme¹⁷. Only a narrow group utilised consulting repeatedly. According to the member of the Chamber of Commerce the low interest in one-to-one consulting was influenced by the fact that only a small group of programme participants did start a business (naturally only those are interested in consulting who run a business). In the course of the programme, based on the finding that consulting is not being much utilised, the Main Coordinator of the programme initiated a telephone conversation with programme participants where consulting was offered. However, neither this offer resulted in increased interest in consulting.

Opinions by programme participants only proved the information we had been given by a member of the Chamber of Commerce. The programme participants who had started a business usually utilised or were utilising consulting and in their opinion it helped them (4, 5, 8). One of the programme participants wished to utilise consulting, but due to health reasons he did not start a business (7). In case of one-to-one consulting interest of the small number of participants was explained by low interest in starting a business. On the contrary, the programme participants who had started a business utilised one-to-one consulting to resolve particular situations successfully. We may thus conclude that one-to-one consulting is a good instrument of enterprise promotion for those setting-up entrepreneurs who are interested in using it (it applied to most of those who had started a business or were still considering it) and it should be kept in the programme in the future.

¹⁷ Information on how to establish a business was given to participants as early as in the training programme. The company establishment itself was carried out by every individual separately (according to the member of the Chamber of Commerce it is not difficult).



Workshops for setting-up entrepreneurs

Four workshops for setting-up entrepreneurs have been organized. The purpose of workshops should be to provide practical information, to deal with participants' common topics or individual situations, and last but not least also to promote their entrepreneurial motivation. An interesting aspect of the programme was that at workshops both groups of the training programme merged into one, so in the beginning people from both groups did not know one another and therefore they were not informed about one another's situation. This problem was overcome at subsequent workshops. Workshops were always attended by members of the Chamber of Commerce, sometimes by the labour office personnel and by invited experts in particular fields, e.g. an officer from the Czech Social Security Administration, a tax advisor or the main coordinator of the programme.

The aim of the first workshop (24.1.2011) was primarily to inform participants about current changes in legislation and to assist practically at meeting obligations related to entrepreneurship and inform about new instruments of enterprise promotion (mostly such findings that have changed only after the completion of the training course)¹⁸. During a lecture participants asked questions individually. The first workshop also included a discussion led by a moderator with participants about their current situation and motivation to set up a business. This discussion revealed participants' hesitation over starting a business. Some participants were deciding between employment and self-employment. Some participants showed a positive impact the programme had on their motivation to run a business, but after its end their concern to start a business appeared extensively. Their concern was connected primarily with uncertainty, with their own capabilities (retain business, not to fall ill), with business competitors and the unfavourable economic situation. Some respondents mentioned a lack of funds as an obstacle in business or found out other operating obstacles. Save for exceptions participants did not much progress in their business preparation. Therefore, it seems that despite manifested interest there is certain hesitation (they would like to, but...) and danger of passivity after the completion of the programme when people stay alone with their problem whether to start a business. This finding is unexpected especially at persons who had been in business before. According to some indications a negative impact could result from respondents' learning about real business conditions and requirements which will be put on them (they learnt it in the training programme). When looking into real conditions, some respondents may have found out that their business plan had not been drawn up well. Despite, some participants of the first workshop kept showing relatively intense interest in starting a business (however, some have rather abandoned the idea of doing business). These findings were also proven at the later stages of the implementation.

The next workshop (21.3.2011) focused on time management. The purpose of the workshop was to discuss with participants their current situation and promote their capability to make a timetable for future activities. The discussion went on time perception in different periods of life. The main topic of the third workshop (6.6.2011) was marketing. It included an interactive discussion about marketing strategies of individual participants of the workshop. This topic was detailed and deepened at the fourth workshop (12.9.2011). The lecturer presented a theory and practical examples from the marketing sphere. Furthermore, individual participants of the programme presented their marketing strategy. The workshop included presentations of

¹⁸ Frequent sudden changes in the Czech legislative environment make it impossible to anticipate development in validity of respective legislative measures.



websites representing business specialisations of each participants and a discussion over qualities and shortcomings of each web presentation.

The first workshop was attended by 11 participants of the programme. The second workshop was attended by mere six participants of the training programme. The third workshop was attended by five participants of the training programme, primarily by people who at that time had already had their business started. The last workshop was attended by four programme participants, three of whom had been in business at that time and the fourth one planning to set up a business in the future.

Motivation of participants to attend the workshop was not identical for the first workshop and for subsequent workshops. The positive motivation of participants to attend the first workshop was, in their opinion, primarily related to maintaining positive experience from the previous programme. Participants responded e.g.: *“You forced me to think”*, *“when one stays alone, he stops developing”*, *“I like the workshops, they are useful”*, *“after the defence I caught myself wishing to get up and go to school”*, *“I missed you as human beings, I would not enjoy staying at home alone”*, *“the training course was an impulse for me that I want to do it and that I should start”*, *“I missed you as people, we have already been together at a wine bar”*, *“I will learn new ideas”*. Based on the statements their reasons can be described as an opportunity for self-development, being among people and not being alone, being with friends, acquiring work-related information, confirming their plan to set up a business.

Some participants of the programme were no longer interested in subsequent workshop (2–4) due to a lack of time (start of employment, in some cases, as a paradox, setting up a business which prevented their participation at the specific time). According to the member of the Chamber of Commerce, the decline of interest in workshops was caused by a decline in interest of already self-employed or employed participants and also those participants who still unemployed definitely lost interest to run a business. It is interesting that the biggest decline of interest in workshops occurred at the time between the first and second workshops. The second, third and fourth workshops were attended primarily by those who had enough time and at the same time started a business or were still interested in it.

This has been proven by programme participants' responses. Some of the programme participants described workshops as of little use: *“Workshops are not much useful”* (1), *“I didn't attend workshops, because I didn't need it”* (12), which is also related to the fact that some participants found a job and did not have time for workshops (2, 3, 9) – interest of these participants did not always decline due a lack of interest, but for a lack of time. The second group of respondents attended workshops and valued them as highly useful (5, 6, 7, 8). All of four respondents who attended all workshops were men. Similarly to the whole training part of the programme, workshops were considered useful by their participants for collective evaluation of individual situations (feedback), for searching new ideas and an opportunity to develop thinking.

“I enjoyed going there ... you suddenly find out, well – how to put it, normally, you are down, how can I earn some money, what can I do for living, and after that I've got an idea that money is lying on the street, that there are so many ideas that you are short of hands and feet, you can get this, sell that, this can be done, this can be overhauled, so thanks to that I've started, how to put it, I was a big fan of meeting as often as possible, even though it's only blithering, maybe, but if out of a hundred of silly things one good thing appeared, then it's



better than sitting on the sofa at homeso the same were these workshops, we were always leaving them, well, I don't know about the others, but I was always leaving them in a positive mood, not positive – the word is so overused, full of new ideas” (8).

V) Evaluation of employment effect of the programme

In this chapter we present effects of the programme on economic activity of participants of the programme. The programme had in total 23 official participants (14 participants of the first run of the programme, 9 participants of the second run of the programme). The programme outcome is specified in Table 5.1 below. The period for which we review results of the programme is mid-September 2011 i.e. about 9–10 months after the completion of the training stage of the programme. Of 23 programme participants six people were doing business in the period under review (one of the participants has been running a business although he did not complete the programme and one started a business, interrupted it and re-started), ten participants found employment and six were still registered by the labour office in the period under review. It is probable that some of the participants gave preference to employment over running a business (see the text below). It also turned out that some of the programme participants started a business (or considered it) as so-called non-freelance entrepreneurs and they also mentioned in the interviews that they were employees, though working under the trade licence¹⁹. One participant of the programme also started a business as a member of a limited liability company (employee), a contribution for a social-purpose job was drawn on behalf of him (another ALMP programme); however, in this case it is de facto a business.

When evaluating the programme, in the interviews with programme participants we focused primarily on the question why the aforementioned results occurred at respective participants of the programme. From this point of view we try to read outcomes of the programme as twenty-three individual stories which we attempt to capture in the following text and table.

The first group of participants consists of people who have started a business and still running it nine months after the end of the training programme (4, 5, 8, 12, 15, 19). Except for one participant (15), all the others who started a business also completed the training – they usually attended workshops and utilised one-to-one consulting as well. In these cases the training course has been helpful; we can talk about its optimal going. In these situations participants always started a business in the field where formerly they had been self-employed, employed, or which has been their hobby. One of the respondents commented upon that: “...man can get at least the business paper [trade certificate necessary for starting a business] and gives it a try, otherwise if someone has no job experience, he can't succeed in these days.” (9) In the opinion of some LARG members hobbies from the past are another possible source of business specialisation for future entrepreneurs: “...that they more use their hobbies [in business]. There is such an important moment there not to look at what the person does or studied, but to try extracting information from him what he does in his spare time.” (LARG member – Labour Office).

¹⁹ It is a situation when people work for a single person or company, but at the same time they are not employees. They work under the trade licence and render services to them. This method of work is primarily used for evading costs of social security payments and transferring risks associated with work of the person rendering services.



Generally, the group of freelancers evaluated their own situation as favourable. In multiple cases, however, business in its scale has been still occasional or small-scale. Similarly as in other researches, our respondents' modesty shows here connected with e.g. their habit not to complain, but also with lower demands and a rather modest life style.

Another finding is also important that there is a certain potential in promoting several people's business, specifically in our project four participants agreed with younger people (e.g. family members) to set up a business together (8, 9, 10, 11). This common business can be understood as a generation partnership. Primarily in combination with findings of programme implementers who have long-term experience in enterprise promotion, to promote generation partnerships in business seems to be relatively promising. Among other things, it is a solution of a significant problem of low substitutability which individual freelancers usually face.

Nevertheless, further attention should be primarily paid to reasons why the group of those who started a business is relatively small. In this context it must be said that two participants of the programme started a business and later closed it, (i) because their business was unsuccessful (6, 19), but one of them re-started the business in the meantime. All the other participants of the programme (more than a half) did not even start a business. Some participants of the programme (8 in total) did not finish even the training part, other participants completed the programme successfully, nevertheless, it did not result in starting a business.

Some participants of the programme viewed the existing economic environment as unfavourable for starting a business (3, 10). Business obstacles were also mentioned by those who had started a business or those who were still considering it (7, 8, 9). As rather unfavourable were regarded, in the respondents' view, especially the statutory legislative, administrative, tax and other requirements, for example:

"...I'd say that the state doesn't promote trade much, moreover, it seems to me that first the state doesn't promote it and second costs of this method of business...I'd have to check it for the whole project because in my opinion the costs may have gone higher than I may find acceptable..." (7)

"Perhaps I'd make both ends meet [by doing business] but to be prosperous – probably not. Because I know when I myself pay rent and make all payments that are required, and I'm a single mother, then in fact I'll have to earn money for my household and so on, so certainty of earnings, profit – it's simply too small, I'd be afraid to start it alone (10).

Some problems are also caused by little practical experience of new entrepreneurs. In this regard, however, the participants currently in business evaluate the programme positively, since it has helped them get ready for many situations of this kind. A significant role in many participants' decision-making on starting a business was played by their state of health (4, 7, 9, 10). Unlike limitations which state of health puts temporarily or permanently on entrepreneurial activity, there is also an advantage of secure financial provision which enables people to run some risk and start a business.

Some participants of the programme continued looking for a job and simultaneously taking part in the programme, and if they got a job offer, they took advantage of it. Similarly, some participants of the programme got a job offer after the completion of the training course and



accepted it (2, 3, 9, 11) and even in case of an already started business it was terminated it or can be terminated and substituted by employment, but also vice versa (5, 6). A significant reason why some participants of the programme did not start a business or lost their interest in business consists in preference of employment over business activity (see quotations and also the discussion of programme implementers presented below).

“I’d definitely prefer employment, naturally. I tried both and at present time I’d prefer employment, because dressmaking is perhaps nothing special nowadays, it’s not the right line for the time being, and I have no idea in which other line to start a business.” (10)

In the opinion of a member of the Chamber of Commerce (LARG member) who was in contact with programme participants regularly, participants of this programme differed from participants of previous programmes primarily in their motivation or interest which was not positive for business (they did not want to carry on business, they wanted to resolve their situation). Moreover, in some cases participants’ families played a role deterring the participant of the programme from starting a business (fear of indebtedness). One of the LARG members comments upon it: *“I think it’s extremely important for those people who started a business to have some backup, because to start a business is a terrible unstable matter, suddenly for several months they can be glad to have enough money to pay at least social and health insurance and without any backup by their family, for instance, then in my opinion it can be extremely difficult. Or they run up debts, but it means to repay them and again it’s for a long time. It’s one of the important aspects on whether to start anything at all, the instability of the situation which you get into.” (LARG member – entrepreneur).*

Some respondents made a “firm decision”, already in the course of the programme or after its end, not to start a business. One of the LARG members comments upon it: *“I’ve realized that maybe as a result of getting the information people who had been considering starting a business may have changed their mind and became rather employed.”* Experience of the programme can be also useful for participants to realize whether entrepreneurship is suitable for them. At least two participants of the programme (3, 10) has entered, immediately after the end of the Active Aging programme, another scheme of the active labour market policy which should result in finding a job. One of them have found a job in the meantime and became an employee, the other is still unemployed.

A special category consists of participants who do not run any business (some of them are even employed already), but who more or less consider setting up a business in the future (1, 2, 6, 7, 9). This interest can be seen particularly with two participants (7, 9). One of them did not start a business due to health reasons, considering entrepreneurship seriously for the future if his state of health permits. The other was adapting premises, at the time of our research, to make a restaurant which he, together with his family, was planning to open next year. Therefore it is a pity we cannot monitor participants of the programme for a longer period of time, because the total number of those who start a business could be even higher. Similarly, we cannot say at such a short-term evaluation how successful those who started a business will be in the future and whether they will run a business in the long term. E.g. one of the programme participants comments upon it: *“It’s not for earning my living, because I’ve only started a business and I’m looking for customers. What will come in the future I can’t say, I don’t know.” (12)*



Table 5.1: Situation of participants after the programme

No.	G: Gender E: Education P: Programme result R: Work result	Contact	Situation at the time of contact (September 2011)
1	G: Man E: university P: finished 1 st course R: EMPLOYMENT	Telephone conversation – interview	At the time of the interview in the LO register. Since 16.9. 2011 (after the interview) a promise of a job in trading and selling, he considers setting up a business in the future.
2	G: Woman E: secondary school P: finished 1 st course R: EMPLOYMENT	Face-to-face interview	In February she accepted a temporary job which she found inconvenient. On 15.4.2011 she ended her LO registration – working as a project manager in an industrial company. For the future (if she loses the job) she considers setting up a business as a wage-earning activity.
3	G: Woman E: secondary school P: finished 1 st course R: EMPLOYMENT	Face-to-face interview	After the completion of the programme she decided not to do a business. Then she took part in two additional ALMP programmes held by the labour office. Since August 2011 she has been working as a sales assistant in a manufacturing company.
4	G: Man E: university P: finished 1 st course R: BUSINESS	Face-to-face interview	He draws a partial disability pension. He started a business in April in computer servicing – as side line. Since 1.4. 2011 – allowance from the LO for job creation.
5	G: Man E: university P: finished 1 st course R: BUSINESS	Face-to-face interview	He is in the business in which he had been working earlier under the work contract. He started his business on 1.5.2011 – allowance from the LO for job creation. He looks for a job occasionally.
6	G: Man E: university P: finished 1 st course R: EMPLOYMENT	Face-to-face interview	He ended his LO registration on 5.5. 2011 – he started a job in the engineering field (quality assurance). He did not start a business due to a lack of orders (he made an attempt).
7	G: Man E: ? P: finished 2 nd course R: EMPLOYMENT	Face-to-face interview	He did not set up a business due to serious health problems. On 31.3. 2011 he ended his LO registration and started to work. He considers setting up a business in the future, health permitting.
8	G: Man E: secondary school P: finished 2 nd course R: BUSINESS	Face-to-face interview	On 2.1. 2011 he ended his LO registration – started a subsidized job (reserved for social-purpose job- NIP OP HRE). He does business in one company together with his son – specializing in electrotechnical sale and services.
9	G: Man E: apprenticeship P: finished 1 st course R: EMPLOYMENT	Face-to-face interview	On 22.3.2011 he ended registration on his request – started to work. He is in the disability pension – working part-time as a security guard. He considers setting up a business in the future (with other family members).
10	G: Woman E: secondary school P: didn't finished 1 st course R: UNEMPLOYMENT	Face-to-face interview	She did not set up a business due to her state of health and withdrawal of her business partner. At the time of the interview still in the LO registration.
11	G: Woman E: university P: finished 1 st course R: EMPLOYMENT	Telephone conversation - interview	She did not set up a business, because she prefers employment. Since July 2011 she has been employed as a physiotherapist in a private company (specialization in which she originally planned a business).
12	G: Woman E: secondary school P: finished 1 st course R: BUSINESS	Telephone conversation - interview	Since 1.4. 2011 – allowance from the LO for job creation and a bridging benefit for a rent – she set up a business as a cosmetician



13	G: Woman E: apprenticeship P: didn't finished 1 st course R: UNEMPLOYMENT	Telephone conversation – information	She took part in the training programme, however, not in the plan-defence part because she did not want to set up a business. She ended her registration in the labour office, but she does not work. She refused an interview because of absence (on holiday).
14	G: Woman E: university P: didn't finished 1 st course R: EMPLOYMENT	Telephone conversation – information	At the time the programme started she received a job offer (education) and accepted it. On 31.3 2011 she ended her registration in the LO, started working. Therefore she did not take part in the course.
15	G: Woman E: ? P: didn't finished 1 st course R: BUSINESS	Telephone conversation - information	She decided to set up a business with her husband without being provided with a financial subsidy. The possibility to get a subsidy was likely to be the primary motivation to take part in the programme. Therefore she did not enter the programme. They continue their business (evaluating it as relatively successful). On 31.10.2010 she ended her LO registration, started a self-employment without any grant from the LO
16	G: Man E: ? P: didn't finished 2 nd course R: EMPLOYMENT	Telephone conversation - information	He did not attend the programme at all (training part), he knows about the programme, not remembering details of the contact. On 22.5. 2011 he ended his LO registration, started working (as a foreman in the engineering sector)
17	G: Man E: ? P: didn't finished 2 nd course R: EMPLOYMENT	Telephone conversation - information	He was not content with the training syllabus, therefore after about three days he left the programme. On 31.5.2011 he ended his LO registration, started working.
18	G: Woman E: university P: finished 1 st course R: UNKNOWN	Not reached	She ended her registration in the labour office on her own request on 30.6.2011, according to one of the participants she breeds domestic animals (sheep)
19	G: Man E: ? P: finished 2 nd course R: BUSINESS	Not reached	On 16.1. 2011 he ended his LO registration – from 17.1. 2011 to 27.2. 2011 self-employed, from 1.3. to 18.4. 2011 employed, temporarily in the LO registration, since 17.7.2011 he re-started a business.
20	G: Man E: ? P: didn't finished 2 nd course R: UNEMPLOYMENT	Not reached	In the LO registration
21	G: Man E: ? P: finished 2 nd course R: UNEMPLOYMENT	Not reached	In the LO registration
22	G: Man E: ? P: didn't finished 2 nd course R: UNEMPLOYMENT	Telephone conversation, unwilling to give answers	In the LO registration
23	G: Woman E: ? P: finished 2 nd course R: UNEMPLOYMENT	Telephone conversation, unwilling to give answers	In the LO registration, she did not set up a business

Source: Information from participants of the programme complemented by information obtained from the Chamber of Commerce and the Labour Office in České Budějovice.



Future perspective from the programme participants' point of view

The positive finding is that a significant number of participants of the programme have somewhat stabilised their financial standing, namely thanks to finding a job, starting a business or in several cases also becoming a disability pensioner. Some participants of the programme showed satisfaction (3, 4), but at the same time also some caution, uncertainty or even scepticism. Even people who are currently doing well in business or are employed for an indefinite period of time are relatively cautious in their evaluations (their negative experience has an impact – a significant number of participants were unemployed in the long run, i.e. for at least one year). Some participants of those who conduct business are considering expansion of their activities in the future, others are content with the current state (expansion is considered more by those who are at the initial stage of business or who carry on business in a small scale). Some participants of the programme do not conduct business, but they consider it for the future (1, 2, 6, 7, 9), nevertheless, again as a way out of potential dire straits rather than a positive option they would be looking forward to (however, exceptions exist here):

“Well, to tell the truth if I had not visited that training, I'd never have considered any business activity, you see ...now, after the training and those workshops I keep thinking about it, although I have some health problems. Now I will go for a check-up or this month, I have a check-up in hospital, if everything is ok, then I may have another try in business next spring if it goes well, it depends on conditions, doesn't it....“ (7).

Moreover, it is evident that some participants of the programme think already in the view of their old-age retirement, till which they have only few years left. Their perspective is thus in efforts to overcome the period until they can retire and from their statements it is obvious that they are already looking forward to retire. This view of the future will be likely inconsistent with growing requirements on extending work life.

Control group (programme non-participants)

In order to evaluate outcomes of our programme we have been comparing employment effect with non-participants of the programme (see the methodological part). In the labour office we have acquired data about non-participants of the programme which we present in the table below in order to compare both groups. If the quantitative comparison is made inside the programme, namely between the experiment and the control group, there are basically three interpretations of the programme effect that may be made. First, if the effect on „the way out of unemployment“ is assessed, then the number of exits out of unemployment (including those who started the business as well as those who found employment) is significantly higher in treatment group (16 out of 23 than in control group (24 out of 51)²⁰. The effect on „business only“ is remarkable when number of those who started the business in the experimental group (6 out of 23) is significantly higher compared to control group (only 2 out of 51)²¹. On the contrary the effect on exit into regular employment is not considered as significant. The number of exits into employment in treatment group (10 out of 23) is not

²⁰ Binomial test of equal distributions, null hypothesis rejected at alpha level = 5%, one-sided significance= 0,025, i.e. probability of getting 16 or more exits if distributions are equal = 0,025.

²¹ Binomial test of equal distributions, null hypothesis rejected at alpha level = 0,01%, one-sided significance= 0,000, i.e. probability of getting 6 or more exits into self-employment if distributions are equal is close to zero.



different from those in control group (22 out of 51)²². However, it is important to point out, that these statistical tests are based on the assumption of randomly selected groups that has been violated in our case.

Activity	Programme participants	Control group
Businessmen	6	2
Employed	10	22
Unemployed	6	17
Unknown	1	10
Total	23	51

These quantitative data were extended by short telephone interviews with non-participants of the programme. The structure of these interviews was based on the interview we had carried out with participants of the programme, although some questions (e.g. evaluation of the programme) were naturally irrelevant. Information gathered in the interviews with non-participants of the programme often corresponded with information we had gathered in questionnaires at informational meetings (compare Annex no. 1).

Similarly to participants, non-participants of the programme showed health problems limiting their occupational possibilities. The long-term unemployed exhibited symptoms of scepticism or even resignation (compare Hora 2008). One of the programme non-participants e.g. says: *“...they are not interested in me, I’m old, I can’t be sitting for 8 hours. I don’t believe that I find a job, because nobody wants me. They hire only workers from abroad, otherwise they want nobody but managers, I don’t know who’s going to peg away.”*

We were also looking for reasons why non-participants of the programme had decided not to enter the programme. Some non-participants, similarly to some participants, gave preference to employment over starting a business (after they had found a job, they did not consider carry on business any more.) One of non-participants chose to participate in another ALMP programme, because she wanted to stay in her previous field of work and get certificate for it. Some non-participants decided to start a business immediately (i.e. without the training), which we could see also in case of one of the trainees. Such a decision is naturally easier for the unemployed who were in business in the past, whereas this approach seems to be unrealistic for other unemployed people (with a reduced personal initiative, never in business in the past). Apart from that, there were also reasons related to misunderstanding the purpose of the programme (*“I did not go to the training, because they [programme implementers at motivational meetings] made mistake. It is for big entrepreneurs (tycoons), not for me.”*) or non-participants’ self-assessment as not being suitable for conducting a business or due their low self-confidence (*“I did not go to the training, because it was too complicated “*). Non-participants also considered insufficient financial resources for starting business.

²² Binomial test of equal distributions, null hypothesis not rejected at alpha level = 0,05%, one-sided significance= 0,56, i.e. probability of getting 10 or more exits into regular employment if distributions are equal = 0,56.



Opinions of LARG members on employment effects of the programme

According to the evaluation of results by each LARG member, the time when the programme was running (economic crisis slackening) was not convenient time for starting a business, which may have influenced the outcome of the programme indirectly. *“And in my opinion the external economic crisis caused damage, which in my opinion resulted in the fact, maybe positively, that lots of people with high qualities were in the register, you know? Maybe negatively that there were no job opportunities and it can’t be said whether it was this way, or that way.”* (LARG member – Labour Office).

LARG members described the overall outcome with respect to their initial expectations (e.g. low interest in participation) as good. According to this statement, every unemployed person aged 50+ who starts a business can be regarded as success; moreover, at least 16 participants in total have found employment on the labour market within one year. *“...and of course when evaluating the project, I find the results you have presented in the beginning very good from my point of view, because the project was implemented at the time of the economic crisis, it means when job offers were few and despite that it was a success, but because of the fact that they start a business but that the people get employed, you know.”* (LARG member – Labour Office).

According to a member of the Chamber of Commerce (LARG member) an indisputable benefit of the programme was its positive impact on participants’ social capital, their mental state and self-confidence (this effect cannot be clearly cut from the time effect). *“I mostly appreciate the effect of learning, I was talking about it, that people were somehow growing, you see, when they got acquainted there, they became self-confident. As for the effect that they started a business, I don’t dare to evaluate it, for me it is a success when you mentioned 6 people. That’s simply a lot. Moreover, in this age category.”* (LARG member – Chamber of Commerce). A similar opinion is held by another LARG member: *“I think, well, if all of the setting-up entrepreneurs did not survive in business for 2 years, that’s not zero, as they have progressed somewhere. All right? All the people who completed it have progressed, haven’t they?”* (LARG member – entrepreneur).

There was uncertainty among LARG members regarding to what extent the programme had produced results in comparison with costs incurred. Therefore, the discussion among LARG members can be understood as a dilemma on different effects of the programme and its economic efficiency (for more see the following section).

Evaluation of the programme – value for money

An important aspect in the programme evaluation is to assess to what extent funds spent on the programme implementation and evaluation were incurred efficiently. In this brief section we will focus on presenting several essential suggestions regarding this problem and presenting the opinion of LARG members. LARG members agreed that costs of the programme are high right because of the programme evaluation which would not be done in this extent for an ordinary programme. At the evaluation of cost-effectiveness of the programme taken into consideration were therefore costs of the programme implementation only.



Depending on the decision on whether to include, or exclude costs of the motivational part of the programme as well, costs of the programme implementation were defined at approx. CZK 420,000–450,000. At a LARG meeting a gross calculation was made to quantify the financial costs per participant at about 20,000 CZK. However, in some cases when participants started a business we must add to that sum a financial support for a purchase of equipment provided from Czech national funds, i.e. additional approx. 20,000–40,000 CZK. Of 23 official participants of the programme 16 participants were provably (self)employed 9-10 months after the end of training part of the programme.

Another aspect of the evaluation which LARG members applied was a comparison of funds per participant with the other programmes of the Czech active labour market policy. The amount of CZK 20,000 roughly corresponds to other re-training/training programmes which fall among the cheapest programmes of the active labour market policy. Their cost in the Czech Republic ranges from 5,000 to 30,000 CZK. Nevertheless, when we compare, by estimate, public costs and a loss from collections in the tax and social area at persisting unemployment (up to approx. 17,000 CZK per month), the programme is relatively successful in enhancing or saving public money.

In the opinion of the main coordinator of the programme, the total costs would rather decrease at a repeated implementation. At the same time, as experience from the first implementation can be utilised, some costs can be transferred among particular stages of the programme.

6. Lessons Learned

This section covers components of the action research and is based on acquired knowledge and opinions of the evaluator and other LARG members. We have identified the following key components of the programme: Methods of addressing the target population, final targeting of the programme, participants' motivation, training programme, employment effect of the programme, social effects of the programme, and the programme implementation. As a consequence of the unique nature of every social experiment we cannot easily generalise on the outcome of the programme adequately and anticipate similar results for other programmes implemented in different conditions. However, it is possible to highlight critical points of the programme implementation, which can be useful for other implementers of similar programmes in the future.

Method of addressing the target population

In the course of the programme we have gradually tested several methods of addressing the target population. Of these methods the best proven were informational and motivational meetings, whereas other methods of addressing were relatively less successful. At individual mediation of the contact to the programme we unfortunately came across limited organizational capacities of the labour office personnel. One of the LARG members comments upon it: "... of course, in the beginning we have come through so-called "traumas", what I mean is that we were told to implement the project somehow, to find clients, therefore in the beginning we followed a line of attempts to address our clients. This may have not been systematic first and also the approach we took – to complete questionnaires which should be put into the mailbox, these were mere attempts. Perhaps ways



how not to do it because it turns out that by far a better system is to target specific groups.” (LARG member – Labour Office). It turned out that it may be useful to have slightly more time available before the start of the motivational part of the programme. LARG members recommend for informing the target population in the future to use collective meetings with participants or individual action plans where the start of entrepreneurship might be one of the methods of intervention. “Nowadays we have actually a tool for individual action plans, so it would be actually possible during these one-to-one consulting activities if we had time for them to identify people with advantages as early as during the various collective meetings””But such targeted face-to-face addressing is actually impossible in conditions of the current labour offices in the Czech Republic“. (LARG member – Labour Office).

Programme targeting

In our social experiment we gave preference to achieving the target of finding sufficient number of participants in the programme and therefore we did not put any major restriction on chances to enter the programme. After finding applicants for the programme the self-selection (willingness of the unemployed to take part in the programme) was followed by targeting the programme for the unemployed with tertiary or secondary education and for people who had had experience in business in the past (about a half of participants). It is necessary to emphasize that participants of the programme were not selected randomly, but their selection was substantially subject to the criterion of interest in the programme (self-selection). Participants with the level of education lower than the secondary one entered the programme only exceptionally. In the view of the level of education attained as a proxy indicator of human capital, we may conclude that the unemployed with a low level of human capital do not dare to start a business (in spite of the programme was opened for them).

A substantial problem in the Czech Republic can also consist in rather low knowledge of economic issues (economic or financial literacy), which definitely also applies to the generation of 50+. *“Nowadays people complete primary schools, maybe even graduate from universities without entrepreneurial experience, skills and knowledge. Nobody teaches them financial literacy, you see it in the plan, where suddenly minus appears on the bottom line. And I must find something in these costs and revenues so that plus could be there.”* (LARG member – Chamber of Commerce) Consequently, one of the solutions for future generations can be that this kind of knowledge becomes largely part of education still before entering the labour market.

A number of the unemployed also mentioned a state of health as a cause preventing them from participation in the programme. Although there were several participants with health problems in the programme, one of them started a business, but the others postponed or abandoned the plan to start a business due to their state of health. We may thus assume that health limitations in the category of 50+ represent a significant reason limiting business activities. According to participants’ socio-demographic characteristics we may conclude that the business promotion programme cannot likely be a wide-spread programme supporting people aged 50+.



Motivation

During the programme implementation, motivation (or perhaps rather courage to enter the programme and start a business)²³ turned out to be a key aspect in this process. At interviews with the programme participants we can notice two basic groups of motivation to enter the programme. The first group of programme participants when entered the programme had already been rather decided to do business and had a clear plan. The second group went to the programme because of their interest in information, also they wanted to do something about their situation, not be bored at home, etc. Almost all participants from the first group started a business, whereas in the second (significantly larger) group it occurred rather exceptionally. We can infer from that that motivation is important as early as at the time of entering the programme. From experience several LARG members including one of the former participants of the programme believe that more motivational boost should be provided within the programme. Also one of the current programme participants expressed the same opinion: *“To increase motivation I would invite former successful trainees to the training course. At the training I’d present only a minimum of negative information, because it deflates motivation. Encouragement is needed most importantly.”*

A significant issue for a discussion is which stage of the programme is critical for participants’ motivation. According to the main coordinator of the programme more motivation should be supplied primarily at the beginning of the programme in order to select as early as at the stage the right participants (clearly those whose chance to start a business is high). Motivation seems to be important also at the training stage, when especially in the second run of the programme someone was needed who could motivate participants serving as a good example. In the evaluator’s opinion, the key stage for motivation also seems to be the time after the completion of the training programme. At this point it became significantly evident that each participant “had chosen his/her own way“ and independent decision-making on starting a business led rather to refuse this option (even though at the previous stages of the programme participants adopted a relatively positive attitude towards enterprise). The outcome in case of several participants was impacted by illness or family factors which are circumstances that cannot be influenced by the programme.

In conclusion, a hypothesis can be expressed that although the programme was attended by a sufficient number of participants, their rather low motivation to start a business had consequently an impact on the lower overall business effects of the programme in comparison to previous programme (see below). On the other hand, some LARG members regarded this aspect of the programme as positive. They agree that the training course is not designed purposefully to univocally motivate participants to do business; on the contrary, it aims at showing business-related difficulties in order to reduce risks related to a later unsuccessful enterprise, such as a risk of repeatedly becoming unemployed, indebtedness and necessity to pay back the grant.

²³ In the programme we usually worked with the term “motivation”. However, it is a comprehensive review of the situation in which multiple factors play a role, not only motivation alone (e.g. assessment of one’s own abilities and circumstances for starting a business or the overall personality of a participant – e.g. aversion to risk).



Training programme

The training programme was evaluated by participants highly positively, especially that part which related to a transfer of practical knowledge (accounting, information on social security). Participants of the programme gave a positive evaluation especially to the opportunity in the programme to get ready for certain situations which may occur in the business environment and to acquire contacts that are useful in the business sphere (whom to contact) including the possibility to utilise one-to-one consulting. However, some participants of the programme found the training section too theoretical, for the future they proposed e.g. participation of a real entrepreneur or a practice of particular situations. More inconsistent evaluations related to activation of participants, i.e. especially asking some questions that were unpleasant for participants.

Some LARG members believe based on their experience of implementation of our programme or similar programmes in previous years that in terms of employment effects it is better to include people from different age brackets in the training programme. Younger participants have a positive impact on the older ones. In some cases it is evident (participants of the programme describe it this way), that the very participation in a group with frank, friendly atmosphere helped them improve their mental peace and also strengthened their motivation to start a business. According to one of the programme participants, it was the low number of participants which was disadvantageous for the second run of the programme (5 in the second part of the programme). The optimum number of participants seems to be about ten or fifteen. A similar positive effect was also produced by workshops, which provided each participant with an open feedback.

In the opinion of participants and some LARG members the training course was too short and intensive with regard to the target group's needs. In the future more time is needed in the training part of the programme than the current four weeks: to process information, to draw up a business plan and to have a rest. The need to implement the programme within a short time resulted from time pressure at the implementation of the project, and therefore normally the programme can be implemented by several days or weeks longer.

Employment effect

The outcome of the programme in terms of employment can be viewed from several perspectives. In comparison with the previous programme (results in the base-line study) in terms of the total number of participants who as a consequence of their participation in the programme started a business, the outcome of the programme is rather unfavourable. Even in the event when we increase the final number by adding the participants who do not conduct any business but consider it for the future, the overall number is not even a half of the programme participants. Nevertheless, we must take into account that in our programme business was started by six people aged 50+, whereas in previous years each run of the programme was attended by only two or three participants aged 50+ (see Hora, Suchanec, Soukup 2010) and we do not know whether they actually started a business. If the quantitative comparison is made between the experiment and the control group inside the programme, the only effect of the programme is on starting business, while the employment after nine months is similar in both groups.



We see reasons why the number of people conducting business is so low primarily in low motivation to start a business and in participants' preferring employment over self-employment. In a number of cases it can be proven that participants of the programme in the situation when they got an employment offer left the programme or after the completion of the programme they gave preference to employment. In terms of the programme participants who have been highly motivated to conduct business from the beginning we can evaluate the programme as highly successful. To be well prepared for business in the programme was appreciated right by these participants.

According to LARG members older participants of the programme may show a lower employment effect than younger age groups (with younger participants incorporated there is a higher employment effect chance). However, the question is whether significantly better effects of the programme in previous years were not caused also by higher motivation to set up a business or by a higher "creaming effect", because participation in our social experiment was very open (the programme was entered by people who would normally have not attended it). Lower effects of the programme on participants' employment were anticipated by most LARG members as early as before the start of the programme because of the economic situation as well as difficult employment of the target group (see also the base-line study of the project – Hora, Suchanec, Soukup 2010).

Psychological and social effects of the programme

According to LARG members markedly evident are "social" effects of the programme which consist primarily in reducing the risk of loneliness, increasing optimism, improving participants' own life perspective (including self-assessment of employment possibility and establishment of new social contacts – people kept in touch after the end of the programme too, which improved their social capital). According to some LARG members psychological efforts seem to be important (one of the programme implementers was a psychologist) – particularly people should be shaken out of lethargy and negative feelings. A significant support for participants of the programme is already the fact that someone pays attention to them. According to one of the LARG members the situation could be resolved by a wide offer of training courses or other activities for people from the target group. It has been proven in the course of the programme that not each of participants is a suitable business candidate, however, the situation of these people can be clearly described as difficult (deserving intervention). In the evaluator's opinion psychological and social effects of the programme needs to be considered a benefit of such measures²⁴.

Discussing selected aspects of the programme implementation

Advantage of this type of the programme is a possibility to combine multiple types of intervention (motivation, education, one-to-one consulting, financial support). It can be stated that save for exceptions cooperation among stakeholders was at such a good level that it enables a high-quality link of separate components of the support.

²⁴ Psychological and social effects in programmes similar to that we implemented here can be understood as a side effect of these programmes. From the economic point of view which puts emphasis on employment effect and economic activity, psychological and social effects of the programme are not significant unless they help in finding a job. However, we must also take into account that these effects can be helpful in terms of creating more favourable conditions for resolving these people's situation in the future (they may even be a pre-requisite) and at the same time they have an indisputable impact on improvement of quality of each participant's life.



Both advantage and disadvantage of the social experiment is in its fluid nature which is shown particularly in the fact that the programme is not entirely standardized, or some of its aspects must be changed as needed in the course of the programme implementation (responding to development of the situation). Unexpected actions and circumstances occur in social reality which can be hardly anticipated before the implementation of the programme. As an example we may refer to interaction of our programme with other ALMP programmes (after completing our programme one of the participants used a support from another tool of the active labour market policy, in another case rules of different programmes collided preventing thus the programme participant to utilise a certain type of support). Similarly, we can take into consideration participants' sudden health and family circumstances (e.g. hospitalization), which had an impact on feasibility to complete the programme or start a business. In this context LARG represents a great advantage for the programme implementation. *"In my opinion, our cooperation in this group was good, we always talked about things which were not clearly defined, which way we would like to take and let's agree on the direction we want to take now and in what time, which ways and so on. It was good."* (LARG member – Chamber of Commerce).

Another key element was thus cooperation among members of the programme (i.e. especially those interested in the programme, participants, LARG members and other programme implementers). From the LARG's point of view it turned out to be important to include such people in the programme who are directly involved in its implementation as well as persons who have a direct impact on how the programme should be implemented (they are not always the same persons). Nevertheless, before creating a social programme it is difficult to estimate which people will be most important in the programme (this was also a reason why we expanded the LARG by two additional people in the course of the programme). It also results in more intense or less intense activity of respective LARG members in the project. LARG members cooperated at an adequate level. One of the LARG members comments upon it:

"Let me comment on cooperation, I think that our team was a good match, a well composed LARG, because there were people who are really interested in the topic. You see? It means nobody who... nobody was forced to take part in and that has been, in my opinion, reflected in the results. Because we were interested in the topic." (LARG member – Labour Office).

Implementers and LARG members contacted one another at separate stages of the programme. The programme was finally implemented particularly by one of the members of the Chamber of Commerce, who ensured the programme implementation directly, being in a regular contact with participants (radial structure). As the programme was progressing, other members were gradually becoming involved in the implementation and evaluation of the programme. Not all participants of the programme were thus in touch during the programme, but they met regularly in the LARG. A great advantage of our project compared with normal expectation from an action research was programme participants' low resistance to the overall purpose of the programme (resistance to business was much higher in the target population as a whole before entering the programme). However, conflicts appeared in the programme regarding methods of implementation and evaluation of the programme and a role of respective people involved. In this regard the Main Coordinator plays a key role and should have a final say in such situations; however, his role is definitely not easy.

The programme was under a certain impact as it was implemented as a project which was logically limited by a relatively short period of time. For this reason the programme needed to



be implemented in a rather strict schedule limited in time, which in many times was colliding with less suitable time for implementation (Christmas, summer months) and also requirements (rules) of the national employment policy. The relatively short duration of the project could have an impact in that sufficient time was not available for some of the project activities. It especially applies to evaluation activities when according to many European evaluation studies effects of educational activities become evident only in the mid- or long-term horizon (see e.g. Hora et al. 2010). Due to time, however, we can evaluate only short-term effects in our programme. In the opinion of LARG members at least two years are needed to evaluate business success, evaluation should also repeat to confirm its results. *“I think that negative is the one-time character of the action, it’s hard to make an evaluation of it. Because such a project, and here again it’s a question of money, could be more easily evaluated, when I take it from your scientific point of view when it could be done this year once again and then in two years time to tell retrospectively in 5, 4 and 3 years how it turned out.”*(LARG member – Chamber of Commerce). Another limit for transferring results of our evaluation is, according to one of the LARG members, a small scope of the programme and also that it represents experience in conditions of one specific country, region, etc.

In the action research, when the evaluator is part of the LARG together with programme implementers, implementation and evaluation activities are linked. This results in advantages particularly related to the fact that the evaluator is relatively directly present in the programme and in a close contact with its implementers. However, the immediate linking of the programme implementation and evaluation brings about some risks associated with the link of evaluation and implementation activities. The main thing is the evaluation process should not disturb the progress of the programme. Consequently, rather qualitative (direct) research techniques are more adequate, especially those that put on participants of the programme the least additional demands possible.

The evaluator’s role in the action research is most demanding from two basic points of view. Firstly, this type of evaluation requires a lot of time of the evaluator and his/her presence in the place of the programme implementation, or it requires such a form of relationship with the other programme stakeholders which enables to establish trust for a direct transfer of undistorted information about the way the programme is being implemented. *“To evaluate it, I think it’s a pity that I’m from Prague, my colleague from Brno, the other from Budějovice, it would be perhaps easier, more direct if it were in one spot, we needn’t simply... in this respect it’s quite complicated.”*(LARG member – RILSA). Secondly, it is relatively difficult for the evaluator in the action research not to be influenced during the evaluation by being part of the programme, since at single stages of the programme the evaluator as a LARG member contributes to the shape of the programme²⁵.

Benefit of participation in the programme for LARG members

At the end of the report we deal with a question what kind of benefits LARG members see for themselves and their organization (or what are the lessons learned for them). First of all, several LARG members described their participation in the programme as a benefit for their personal career development that means as enrichment or experience. *“The benefit for me is career-related, because when I work with these people and have to attend the events which*

²⁵ It may not be helpful not to intervene in the programme implementation and subsequently to evaluate the programme negatively due a circumstance that could be prevented by the evaluator’s intervention.



are attended by them, then of course I consider it a career growth, but it is also about new experience, new information for me personally. And also new competencies too.” (LARG member – Chamber of Commerce). Similarly as a benefit for their development, it was perceived by the Programme Coordinator, a member of the labour office and the evaluator. LARG members saw another benefit of the participation in the programme in meeting new, interesting people, in good cooperation which was present in the programme. *“It is important for me to see that it’s working. And the impulse is fantastic, young people simply come up with a new idea and the older are slightly sceptical because they know how it works. Well, and the younger motivate them a bit to think over what can be done. And at the end of the day it does bear some fruit, so little bit of idealism or something like that is always needed, we enrich ourselves mutually.”* (LARG member – entrepreneur).

LARG members evaluated positively the benefit of the programme for unemployed participants of the programme. This can be interpreted also in the context of initial scepticism of some LARG members regarding the fact that the programme can be successful. *“I viewed it basically as it’s another possibility to offer clients, in this case job applicants, a kind of possibility of self-realization: That’s one level. The other level is to try something, I wondered whether a training course would be established for setting-up businessmen and that group would be very defined narrowly, it means people over fifty, whether there would be a difference from the group we had here before.“* (LARG member – Labour Office). And last but not least, the benefit for LARG members is also the funds they received as a reward for the project implementation.

7. Recommendations

Recommendations were worded on the basis of interviews with programme participants and from many discussions with LARG members at the respective meetings. A key source of information for wording the recommendations was the final LARG meeting. The section of recommendations can be divided into two basic parts. One of them is a discussion of a general support of the target group of unemployed people aged 50+, the other consists of recommendations on partial changes in future runs of the enterprise-promotion programme.

First of all, it needs to be considered to what extent the promotion of people aged 50+ in starting a business is a potential useful type of intervention of the active labour market policy for the future. Experience from the implementation of our programme proved that for a specific category of people the enterprise promotion could be the right way to resolve their situation. For people aged 50+ entrepreneurship need not necessarily be an escape from unemployment. *“Basically, there is someone who has for example a disability pension and business need not be the thing the person does for living, especially when he is rather old, but to do something small, for an extra earning, to come into contact with other people, in fact to do something he likes, where he earns some money, 4 thousand, for example, sometimes 2 thousand ...But being among people may be a plus for this group”* (LARG member – RILSA). An important field where jobs can be created in the future is the sector of personal and social services.

On the other hand, results clearly show that the enterprise-promotion programme is not suitable for all unemployed people aged 50+. The entire situation is very well illustrated by the following opinions and recommendations of two LARG members.



“Such active steps which may lead to the situation when someone undecided hits the road for doing business and takes matters into his hands are definitely the way we should be heading for ...But on the other hand, at least it was my concern, that you should not exaggerate, we should not say this is a perfect programme, then the sample we have is relatively small. Maybe we arrive at this later, at the dissemination and these things, but I am personally still concerned that a flat measure can be adopted which will result in a situation when we may force people to conduct business at any cost, some instruction will prescribe an employment rate, another percentage, vitally important. So this is my fear and this was perhaps the second thing, the interest in it and the fear that something is done and it can end somewhere else.” (LARG member – Labour Office).

“Whether results were better or worse, simply business will never be a mainstream, never applicable for everyone, it is useful, it’s like one piece of a puzzle which should be offered and definitely it should be preserved, but in my opinion more important is that it should be targeted at this group rather than that it must be business utterly ...It’s true that for me this thing when we were sitting here a year and a half ago and I was trying to persuade everyone to start a business, regardless whether it’s the right thing for them, or not. And it’s true that the decision to start a business is as important as the decision not to start a business, because if they did it badly, then.” (LARG member – RILSA).

A wider offer of activities for people aged 50+. Among those who attended motivational and informational meetings (but also among participants of the programme) there were many people who are not suitable candidates for conducting business but their situation as being unemployed is serious. Other types of activities need to be selected in order to help these people.

“And in my opinion the worst thing is that the unemployed are left to be unemployed. In this project we have employed them in a way, you keep their mind busy by prompting an idea for a business plan they need to do, then their mind starts working on that, doesn’t it? But the unemployed, when they are at home and nothing happens... Nobody disturbs them, no impulse is coming.” (LARG member – Chamber of Commerce).

“Because it can help those people, they perhaps don’t start a business, but we could see one effect here that when they became more informed, it was much easier to find employment.” (LARG member – Labour Office).

Other possibilities for supporting the target group of 50+ are seen by LARG members in further education, overcoming mental barriers and problems which these people face (e.g. low self-confidence, unwillingness to extend one’s own knowledge), in a financial support of employment or self-employment of these people and in work related to overcoming employers’ prejudices against employing these people.

Recommendations for the further implementation of the programme

In this section on recommendations we focus on recommendations regarding specific changes to the next implementation of the business-knowledge training programme. These recommendations are linked to the findings of the study, you will find more information about these topics in the text.



REC1: To ensure recruitment to the programme through collective informational and motivational meetings, or through application of Individual Action Plans.

REC2: To launch the programme immediately after these meetings.

REC3: Participation in the training programme itself should not be compulsory.

REC4: To inquire more into motivation of applicants before they enter the programme

REC5: Extended duration of the programme, matching the timing to participants' needs. Agreement on this item was reached both among programme participants and LARG members (programme implementers, main coordinator). It concerns a higher overall allocation for the programme and also more time for implementers' activities.

REC6: More practical experience to the programme. Ideally, perhaps by engaging existing entrepreneurs in the programme implementation.

REC7: Design courses specifically for the generation of 50+, or for a mix of multiple generations? Agreement on this item has not been reached in the LARG (see discussions in the text).

REC8: To add members to the LARG according to the current needs of the programme



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Annex no. 1: Survey results on interest in enterprise in the target group of the unemployed aged 50+

At the informational and motivational meeting the unemployed were asked to complete a short questionnaire. We succeeded in collecting a total of 201 filled-in questionnaires. Originally we assumed the number of filled-in questionnaires to be higher, but as a result of relatively great interest in the programme at the first two sets of informational meetings, both runs of the programme were occupied by attendees of these meetings and the third set of meetings (where we had also planned to distribute the questionnaires as well) did not take place. Naturally, we are glad that informational meetings served their purpose and we did not organize more of them as it was not necessary and moreover, it would not be ethical to invite the unemployed only to complete a questionnaire. In terms of the questionnaire completeness, some questions showed a higher degree of incompleteness (see Table 33). Most evidently we can see it in the questions on “the most significant reason for and against enterprise”, where a number of the unemployed who were not interested in enterprise left out a whole battery of questions on positive reasons or ticked several reasons in one question.

Table 31: Number of answers to respective questions

Question	Answered by	Not answered by
Have you ever worked as a self-employed person?	200	1
Do you consider starting up a business?	198	3
Reasons why you consider it	3-80	–
The most significant reason for “yes”	163	38
Other reasons mentioned for “yes”	11	–
Reasons why you do not consider it	7-54	–
The most significant reason for “no”	154	47
Other reasons mentioned for “no”	12	–
Informed about self-employment	185	16
Where did you learn about it?	109	
Gender	195	6
The highest level of education attained	196	5
Previous employment mentioned verbally	132	
Age	198	3
State of health	197	4
Length of unemployment	195	6

Characteristics of the target group – attendees of motivational meetings

First, we will briefly characterize a group of the unemployed we addressed in terms of basic socio-demographic data:

- The group of unemployed respondents consisted of 56.4 per cent of men and 43.6 per cent of women.
- The unemployed with primary education accounted for 12.8 of the unemployed, people with apprenticeship or secondary education without the final exam completed 42.9 per cent, secondary school with a completed final exam 29.6 per



cent and higher than the secondary educational level was attained by 14.8 per cent of respondents (of which 12.8 per cent university master's degree or higher).

- In terms of age the most numerous group was the age group of 50–54 years (56.6 per cent) and a slightly smaller group of 55–59 years (40.4 per cent) and the group of 60–64 years accounted for mere 3 per cent of respondents. This resulted from the precondition of selecting such unemployed attendees of informational meetings who are more than two years before their retirement age.
- State of health of unemployed respondents was good at 46.7 per cent and 20.3 per cent of the unemployed feel health problems which in their opinion do not affect their employability. 11.2 per cent of the unemployed mention health problems which affect their employability, 5.1 per cent are people with health disadvantages and 16.8 per cent people with a form of disability pension.
- Percentages of the unemployed depending on the length of unemployment were: 11.8 per cent for less than two months, 28.2 per cent for 3–5 months, 30.8 per cent for 6–11 months, 16.9 per cent for 12–23 months and 12.3 per cent for more than 24 months.
- The largest group of the unemployed is represented by former manual workers. However, a significant group of the unemployed was also made up by former civil servants from state or public institutions (teachers, policemen, post officers, administrative staff and others). A small number of them were out of the labour market before unemployment (it could happen due to e.g. health or family reasons – e.g. care for a senior parent).

Interest of the unemployed in enterprise

We were looking into how much experience the unemployed had in business activities and whether they considered seriously or less seriously starting a business (or they ruled this option out/refused it). As early as in the beginning we have arrived at a surprising finding that 43 per cent of informational-meeting attendees have already got former business experience. Naturally, the question is how it happened. A high representation of former self-employed attendees could be a consequence of specifics in selection of people invited to informational meetings, but also a consequence of the fact that people who had not been self-employed formerly did not often complete the questionnaire. Addressing respondents from the category of the unemployed who have former business experience can have (has) an impact on interest of the unemployed in taking part in the programme, but also on its future outcome. Of those who answered the question on interest in enterprise 13.1 per cent showed serious interest in doing business, 29.3 per cent showed less serious interest, 47 per cent stated that they were not interested in conducting business and 10.6 per cent have never considered it. Based on answers of the other questions from the questionnaire we can expect that the group of “never considered” is very close in their opinions to those who refuse enterprise. More than 30 per cent of meeting attendees, however, expressed interest in enterprise. As a rule, they also left their contact data and were invited to take part in the subsequent stage of the programme.

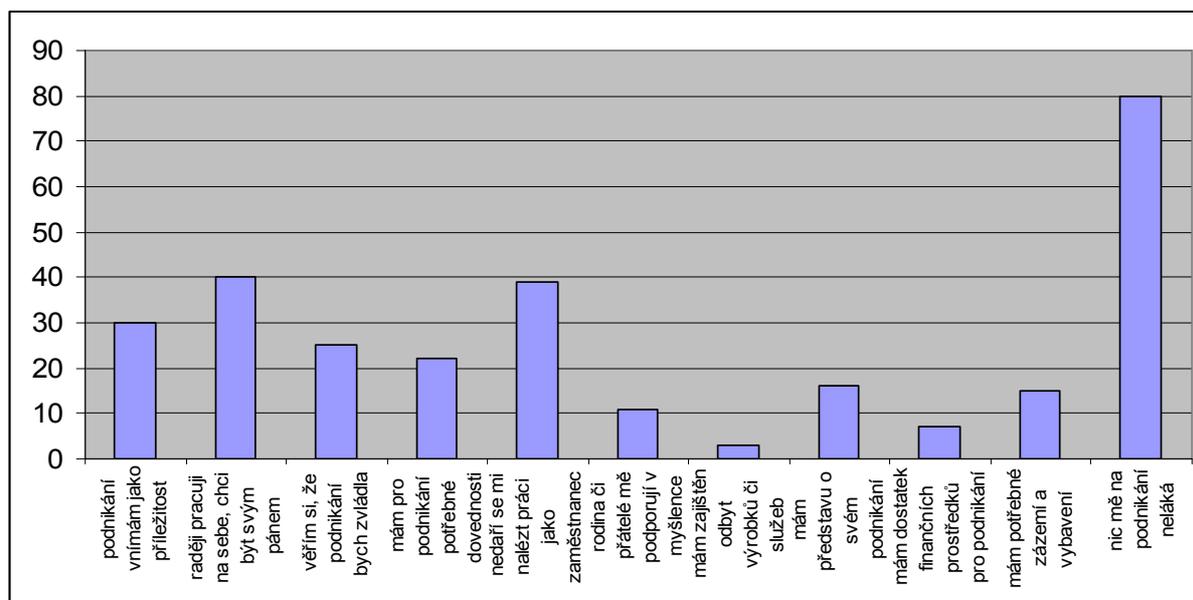
Among the unemployed who mentioned that they had not considered or they had not been not interested in enterprise we can distinguish two, slightly different groups. The first consists of people who prefer working under employment contract, they are often those had been working as employees in the long term (some of them even for decades in one occupation or even for one employer). The second group consists of the unemployed who carried on business (unsuccessfully) in the past and as a consequence of that experience they are not



interested in enterprise any more. Some of them closed business due to a worsened state of their health which currently prevents them, in their opinion, from re-starting a business.

Furthermore, we were analysing reasons why the unemployed would rather consider taking part in the programme. The unemployed could tick several reasons if they considered them significant. The largest group of answers are by those who do not consider starting a business and therefore they selected the answer “there is nothing in enterprise attractive for me”. The unemployed sometimes did not select any of the answers and left the whole question unanswered. The other reasons why the unemployed did not consider enterprise most often include those connected with enterprise as a way out of an otherwise difficult situation and with enterprise as a means of achieving greater autonomy and personal freedom, slightly less frequent are reasons related to confidence in ones’ own abilities and skills and the least numerous are reasons related to the fact that the unemployed have a secured background and material or financial resources.

Chart 33: Reasons why addressed respondents would rather consider starting a business



Source: Research “Interest in self-employment among people aged 50+” 2010. N = 201

Text in the graph:

- I see enterprise as an opportunity
- I prefer working on my own, I want to be my own master
- I am sure I would be successful in business
- I have necessary skills for business
- I am not able to find a job as an employee
- My family or friends support me in this idea
- I have sales of my products or services secured
- I have an idea of my own business
- I have enough money for doing business
- I have necessary background and equipment
- There nothing in enterprise attractive for me

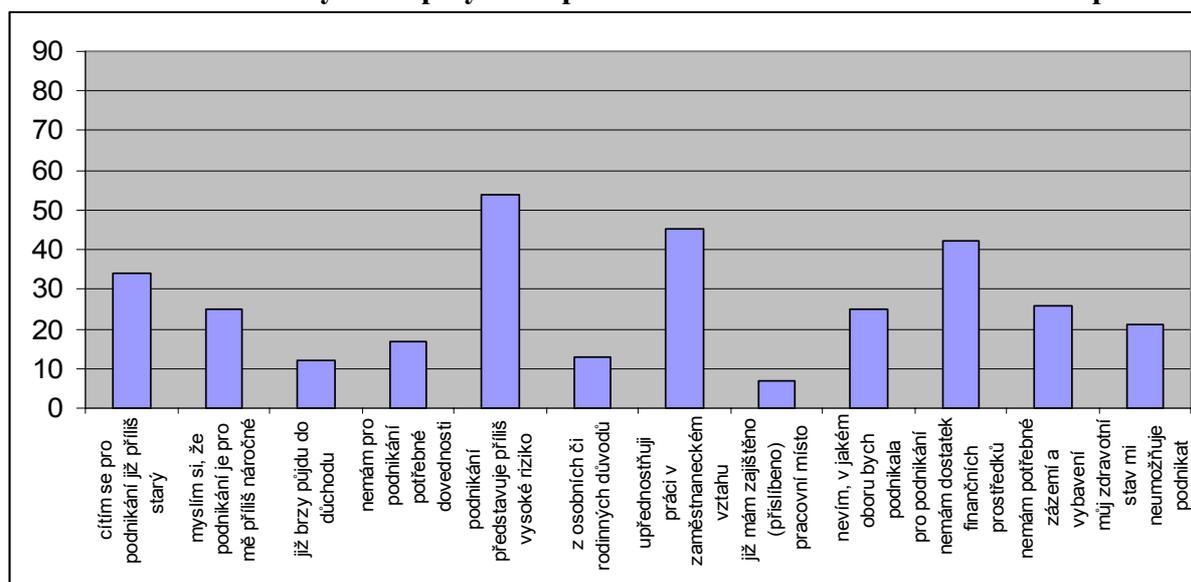
Highly similar results were achieved in the following question on which reason of the said reasons is considered the most important by the unemployed. The largest number of the unemployed (69) state that there is nothing in enterprise which would be attractive for them, smaller groups of 20 respondents replied that “they prefer working on their own” and “they



are not able to find a job as an employee”. In the box for comments one of the unemployed wrote down that she would like to work in social services. The other unemployed described in the comment box rather details on reasons why they consider or rather refuse business (see below).

Reasons prevalent among those for which the unemployed did not rather consider starting a business include “Enterprise represents too high risk” and “I prefer working under employment contract”, rather frequent was also the answer “I do not have enough money for doing business”. The aforementioned two categories are thus clearly visible among respondents. The first of them are the unemployed who refuse enterprise on principle, prefer employment and consider enterprise too risky. Also, these unemployed people sometimes mention the old age and low work perspectives– i.e. waiting for retirement. The second category consists of those unemployed who would be interested in enterprise (not refusing it on principle), but they mention that they do not have enough money and necessary equipment, etc. The third category of the unemployed includes those who mention that they cannot conduct business due to health or family reasons (e.g. an ill family member they need to take care of). The question which of the said reasons is considered the most important by the unemployed was most frequently answered: “Enterprise represents too high risk” (31), “I prefer working under employment contract” (23) and “I have not enough money for doing business” (23).

Chart 34: Reasons why unemployed respondents did not rather consider enterprise



Text in the graph (from left to right):

I feel too old for enterprise

I think to do business is too demanding for me

I will retire soon

I do not have necessary skills for doing business

Enterprise represents too high risk

Personal or family reasons

I prefer working under employment contract

I have found (been promised) a job

I do not know which line of business to choose

I have not enough money

I do not have necessary background or equipment

My health prevents me from doing business



In the field for adding other reasons which were described as significant when considering enterprise by the unemployed we can find several other motives.

- Uncertainty of such decision, e.g. whether it is possible to do business in the way it could provide for living (mentioned by 3 unemployed people).
- Too old (3 unemployed people).
- Negative experience from former business (2 unemployed people)
- Insufficient qualification and a lack of equipment, no idea which line of business to choose and how to address customers (4 unemployed people)
- High administrative demands, red tape, high tax burden (5 unemployed people)
- Bad relations and overall situation in society, inequality and unfairness (unequal rights and duties) (3 unemployed people)

From these non-standardized complementary responses we have identified that a deterring factor for some of the unemployed is an adverse business environment in their point of view. This reason which was unfortunately not included in our questionnaire can thus be considered the fourth main category of motives deterring from business activity. These motives include 1) preference of certainty (I am too old), 2) insufficient money and background, 3) health and family reasons and 4) adverse business environment.

Awareness of the unemployed regarding business support before completing the questionnaire

In the questionnaire we were also inquiring whether the unemployed had been aware of the possibility to use a business support before they started completing the questionnaire. Almost 60 per cent of the unemployed (57.3) learnt about the programme in the past of which a larger part (64.2 per cent) of the unemployed was informed about it by the labour office staff, by acquaintances or another unemployed person (11.9 per cent) and from their own initiative exploring the situation (11 per cent). The leaflet or the notice board (4.6 per cent) or advertisement or the internet (3.6 per cent) were the source of information for only a minimum of the unemployed. A total of about 35 per cent of the unemployed had learnt about the programme earlier from the labour office staff. Resulting answers to the question on awareness of the unemployed are likely to be affected in a way by our social experiment. In this context it is hard to evaluate whether 60 per cent of those who had been aware of the programme before they completed the questionnaire can be regarded as success (moreover, those who had not been aware of it learnt it at informational meetings). However, we can assume that (in accordance with other findings of our social experiment) to use a leaflet without any other direct intervention is not a successful method for addressing the unemployed, a direct contact with the unemployed seems to be a much better way (with a sufficient time available if possible). This has been proved by relatively great interest in the programme after informational meetings.



Annex no. 2: Schedule for the Business Knowledge training programme (the second run of the programme)

Date	Day	Hour	Topic	Lecturer	Number of hours		Note T/P
22.11.10	Mon	9.00 - 10.30	Psychology in entrepreneur's practise	Mgr. Hájková	2	6	T
		10.50 - 12.20	Psychology in entrepreneur's practise	Mgr. Hájková	2		
		13.20 - 14.50	Psychology in entrepreneur's practise	Mgr. Hájková	2		
23.11.10	Tue	9.00 - 10.30	Marketing - what marketing means, principles	Mgr. Hájková	2	6	T
		10.50 - 12.20	Marketing – business founder's way	Mgr. Hájková	2		
		13.20 - 14.50	Marketing – product, price, distribution, competition	Mgr. Hájková	2		
24.11.10	Wed	9.00 - 10.30	Tax system in CZ	Ing. Brůha	2	6	T
		10.50 - 12.20	Tax system in CZ	Ing. Brůha	2		
		13.20 - 14.50	Tax system in CZ	Ing. Brůha	2		
25.11.10	Thur	9.00 - 10.30	Business Plan structure - outline	H. Halabíková	2	6	P
		10.50 - 12.20	Business Plan structure - outline	H. Halabíková	2		
		13.20 - 14.50	Business Plan structure - outline	H. Halabíková	2		
26.11.10	Fri	9.00 - 10.30	Business accounting – purpose and position	V. Studničková	2	6	T
		10.50 - 12.20	Tax base possibilities	V. Studničková	2		
		13.20 - 14.50	Expense flat rate, financial reports, accounting	V. Studničková	2		
29.11.10	Mon	9.00 - 10.30	BP consulting - preparation, economy, need of funds, planning	H. Halabíková, Ing. Brůha	2	6	P
		10.50 - 12.20	BP consulting - preparation, economy, need of funds, planning	H. Halabíková, Ing. Brůha	2		
		13.20 - 14.50	BP consulting - preparation, economy, need of funds, planning	H. Halabíková, Ing. Brůha	2		
30.11.10	Tue	9.00 - 10.30	Marketing – phenomenon and discipline, marketing mix- 5 Ps	Mgr. Hájková	2	6	T
		10.50 - 12.20	Marketing – phenomenon and discipline, marketing mix- 5 Ps	Mgr. Hájková	2		
		13.20 - 14.50	Marketing – phenomenon and discipline, marketing mix- 5 Ps	Mgr. Hájková	2		
1.12.10	Wed	9.00 - 10.30	BP presentation - discussion about selected lines of business	Mgr. Hájková	2	6	P
		10.50 - 12.20	BP presentation - discussion about selected lines of business	Mgr. Hájková	2		
		13.20 - 14.50	BP presentation - discussion about selected lines of business	Mgr. Hájková	2		
2.12.10	Thur	9.00 - 10.30	Legal forms of enterprise, registering a trade	JUDr. Matajsová	2	6	T
		10.50 - 12.20	Legal forms of enterprise, registering a trade	JUDr. Matajsová	2		
		13.20 - 14.50	Health insurance in self-employment practise, Health Insurance Act	Ing. Hovorka	2		
3.12.10	Fri	9.00 - 10.30	Personal income tax return	V. Studničková	2	6	T
		10.50 - 12.20	Theory and practical example	V. Studničková	2		
		13.20 - 14.50	Pricing policy, pricing and price setting	V. Studničková	2		



Date	Day	Hour	Topic	Lecturer	Number of hours		Note T/P
6.12.10	Mon	9.00 - 10.30	Legal forms of enterprise, registering a trade	JUDr. Matajsová	2	6	T
		10.50 - 12.20	Legal forms of enterprise, registering a trade	JUDr. Matajsová	2		
		13.20 - 14.50	Legal forms of enterprise, registering a trade	JUDr. Matajsová	2		
7.12.10	Tue	9.00 - 10.30	Business risk insurance	P. Plechinger	2	6	T
		10.50 - 12.20	Social insurance - system	Mgr. Šimůnková	2		
		13.20 - 14.50	Financing Possibilities, grants	Ing. Pavlasová	2		
8.12.10	Wed	9.00 - 10.30	ABC of PC work, maintenance, internet, search, electronic mail	P. Rejnek	2	6	T
		10.50 - 12.20	ABC of PC work, maintenance, internet, search, electronic mail	P. Rejnek	2		
		13.20 - 14.50	ABC of PC work, maintenance, internet, search, electronic mail	P. Rejnek	2		
9.12.10	Thur	9.00 - 10.30	Qualified estimate of the financial plan	V. Studničková	2	6	P
		10.50 - 12.20	Qualified estimate of the financial plan	V. Studničková	2		
		13.20 - 14.50	Qualified estimate of the financial plan	V. Studničková	2		
10.12.10	Fri	9.00 - 10.30	BP consulting - preparation, economy, need of funds, planning	H.Halabicová, Ing.Brůha	2	6	T
		10.50 - 12.20	BP consulting - preparation, economy, need of funds, planning	H.Halabicová, Ing.Brůha	2		
		13.20 - 14.50	BP consulting - preparation, economy, need of funds, planning	H.Halabicová, Ing.Brůha	2		
13.12.10	Mon	9.00 - 10.30	BP presentation - sectors and market, sales and distribution	Mgr. Hájková	2	6	P
		10.50 - 12.20	BP presentation - sectors and market, sales and distribution	Mgr. Hájková	2		
		13.20 - 14.50	BP presentation - sectors and market, sales and distribution	Mgr. Hájková	2		
14.12.10	Tue	9.00 - 10.30	BP presentation - self-presentation, training	Mgr. Hájková	2	6	P
		10.50 - 12.20	BP presentation- self-presentation, training	Mgr. Hájková	2		
		13.20 - 14.50	BP presentation - self-presentation, training	Mgr. Hájková	2		
15.12.10	Wed	9.00 - 10.30	Economic section of the Business Plan	V. Studničková	2	6	P
		10.50 - 12.20	Economic section of the Business Plan	V. Studničková	2		
		13.20 - 14.50	Economic section of the Business Plan	V. Studničková	2		
16.12.10	Thur Fri	9.00 - 10.30	Economic section of the Business Plan	Ing. Brůha	2	6	P
		10.50 - 12.20	Economic section of the Business Plan	Ing. Brůha	2		
		13.20 - 14.50	Economic section of the Business Plan	Ing. Brůha	2		
		15.00 - 16.00	FINAL TEST				
17.12.10		9.00 - 10.30			2	6	P
		10.50 - 12.20	FINAL DEFENSES		2		
		13.20 - 14.50			2		

HOURS IN TOTAL: 120

Comments. MZ - small conference room in the Chamber of Commerce (room):
VZ - large conference room in the Chamber of Commerce

Note: T/P: T – theoretical part, 66 hours
P – practical part, 54 hours



Annex no. 3: Questions from the final test of the Business Knowledge training



JIHOČESKÁ HOSPODÁŘSKÁ KOMORA

SOUTH-BOHEMIAN CHAMBER OF COMMERCE

FINAL TEST – QUESTIONS

1.	Define the term ENTERPRISE . Who is an entrepreneur?
2.	What are general conditions for doing business by natural persons?
3.	What types of trade we distinguish and what are their differences?
4.	Define the term PLACE OF BUSINESS. How must a place of business serving for sales of goods or provision of services to consumers be marked?
5.	What is UNAUTHORIZED BUSINESS and in danger of what types of sanctions can an entrepreneur be?
6.	What types of companies do you know?
7.	Which major law governs commercial relations among entrepreneurs?
8.	What is the difference between a legal person – limited-liability company and a natural person – entrepreneur?
9.	What is disadvantageous for a VAT payer when entering a contract with a VAT non-payer?
10.	What does the VAT Act prescribe for a compulsory registration of an entrepreneur as a VAT payer?
11.	What rates are applied for VAT? Give an example of taxation by the respective rates.



12. What are prescribed particulars of an ordinary and simplified tax document in terms of VAT?
13. Which types of income are subject to the personal income tax and which sections of the Income Tax Act refer to them?
14. What types of taxes exist in the Czech Republic?
15. What are the existing methods of depreciation and how many depreciation groups exist?
16. Name at least three institutions involved in enterprise promotion.
17. What is the main operational programme promoting business and what is it focusing on?
18. What is assertive behaviour?
19. What is verbal and non-verbal communication?
20. What are 4 main freedoms of an EU citizen?
21. What everything will you take into account when setting a price for your product or service?
22. What are the main points of marketing mix and which methods of product distribution do you know?
23. What are substantial prescribed particulars of a purchase contract?
24. What are the assessment base, structure and rates of insurance paid on behalf of an employee to the Czech Social Security Administration?
25. What are prescribed particulars of an employment contract?
26. What are employer's duties resulting from employment contract?
27. How employment can be terminated in compliance with Labour Code?
28. What are substantial particulars of a contract of lease of non-residential space?
29. Can an entrepreneur (tax payer) be represented at the Tax Office by a tax advisor independently without the presence of the entrepreneur (tax payer)?

Final evaluation of the programme participants' knowledge

The test is made at the end of the theoretical part.

Assessment of answers:

- ⇒ The answer is entirely or largely correct. - 1 point
- ⇒ The answer is partially correct, incomplete. - 0.5 point
- ⇒ The answer is not correct or is missing. - 0

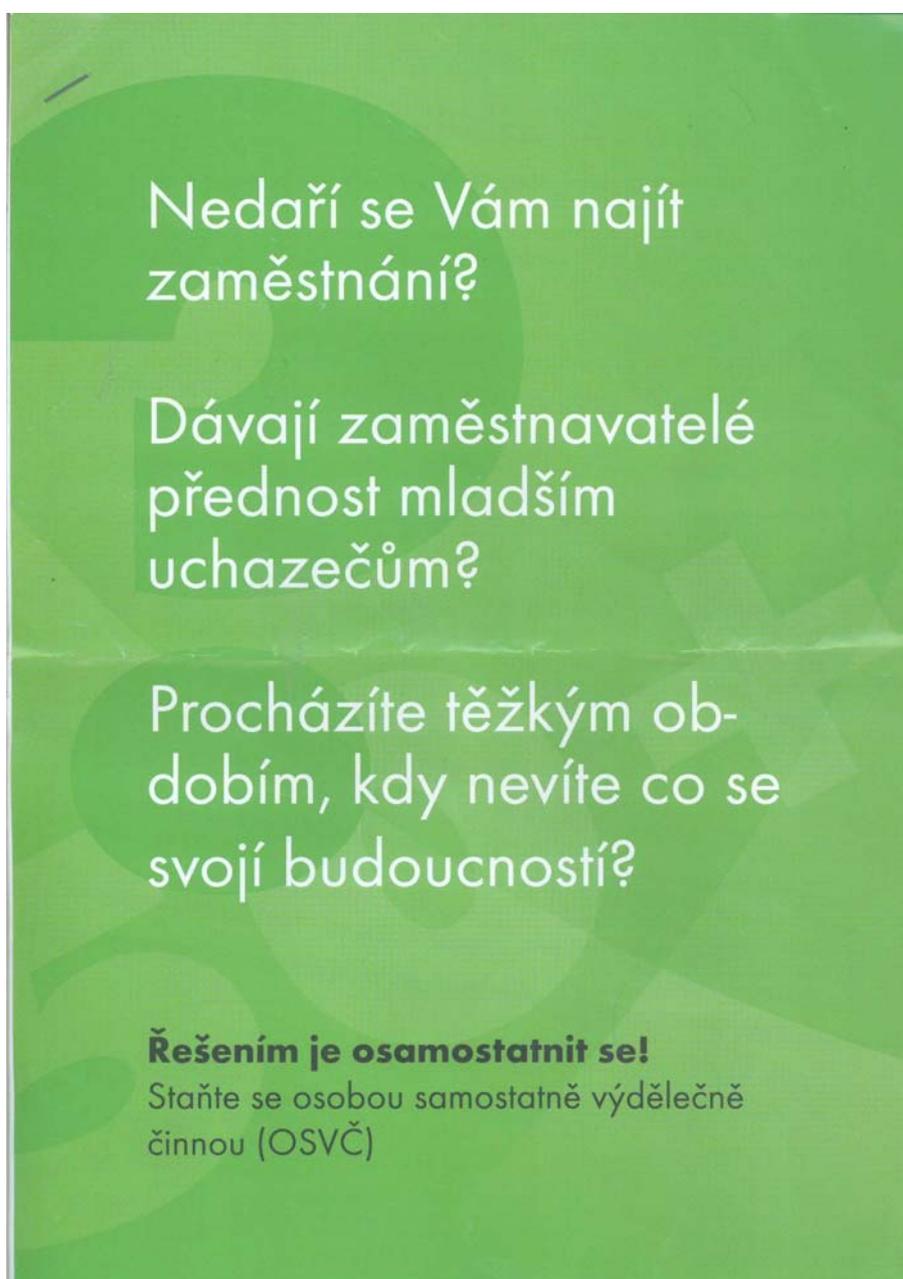
Marking

Interval 24.5 – 30 points	excellent
Interval 19.5 – 24 points	very good
Interval 14.5 – 19 points	good
Interval 14 and fewer points	failed

Classification



Annex no. 4: Leaflet advertising the enterprise-promotion programme



Are you unsuccessful at finding a job?

Do employers prefer younger candidates?

Are you going through a difficult period of time when you do not know what to do about your future?

To become independent is the answer!

Become a self-employer.



Proč začít podnikat po padesátce

Řešením Vaší současné situace by mohlo být stát se podnikatelem, být vlastním pánem, být nezávislým na zaměstnavateli, získat osobní prestiž ve Vašem okolí a řídit si život podle svého. Na nový začátek není nikdy pozdě, úspěchy v podnikání se mohou dostavit velice rychle a v podnikání můžete zúročit své mnohaleté zkušenosti. Je Vám už přes padesát? Ale i to je ten správný věk. V naší republice je přes 2 miliony podnikatelů a z toho je 1/3 starší 50 let. Přibudete k nim i VY?

Je jen Vaší volbou, v jakém oboru začnete podnikat. Můžete si vybrat to, s čím máte zkušenosti ze zaměstnání, co Vás baví, co byste rádi dělali, či k čemu máte předpoklady. Ve Vaší fantazii Vás nikdo nebude omezovat. Umíte vařit – staňte se výrobcem cukroví, umíte žehlit – nabídněte tuto službu druhým, umíte sjednat cenu – staňte se obchodníkem, opravujte televize, počítače, auta. Rozhodněte se sami!

Program na podporu podnikání po padesátce v Českých Budějovicích

Abyste se o Vašem podnikání nemuseli bavit jen s Vašimi známými, jsme tady pro Vás s novou nabídkou. Zeptejte se odborníků z Výzkumného ústavu práce a sociálních věcí a Úřadu práce a pojděte s námi do toho:

- Prodiskutujeme s Vámi, zda se hodíte k podnikání
- Poskytneme Vám školení „Základy podni-

kání“ zaměřené na lidi po padesátce

- Pomůžeme Vám se sestavením zdravého podnikatelského plánu
- Úspěšní absolventi školení získají do začátku dotaci až 50 tis. Kč
- Získáte možnost skupinového a individuálního poradenství v průběhu prvního roku podnikání zdarma

Časový harmonogram:

Termín pro podání přihlášky: 16. 9. 2010
Individuální poradenství: září 2010
Školení: říjen + listopad 2010
Poskytnutí dotace: únor 2011

V případě Vašeho zájmu kontaktujte
Mgr. Danu Šťastnou č. dveří: 402-3 (4. patro)
tel.: 950 109 325
e-mail: dana.stastna@cb.mpsv.cz

Kde nalézt informace o podnikání?

Jihočeská hospodářská komora:
<http://www.jhk.cz>

Portál pro začínající podnikatele:
<http://www.ipodnikatel.cz>

Název projektu:

Social Experimentation for Active Aging

Tento projekt je spolufinancován:

European Commission

DG Employment, Social Affairs and Equal Opportunities
Social Protection and Integration – Inclusion, Social Policy
Aspects of Migration, Streamlining of Social Policies





How to start a business when you are over fifty

Your situation can be resolved by becoming an entrepreneur, being your own master, independent of an employer, gaining personal prestige in your surrounding and control your life as you want. It's never late for a new start, business success can arrive very fast and in your own business you can utilise the years of experience you have. Are you over fifty? But such age is also the right age. There are more than 2 million entrepreneurs in our country and 1/3 of them are more than 50 years old. Will YOU join them?

It's only upon you which sector you choose for starting a business. You may choose the field which you experienced at your employment, what you like, what you would like to do or what you are cut out for. Nobody will limit your dreams. Are you good at cooking? Become a sweets producer. Are you good at ironing? Offer these services to the others. Can you bargain a good price? Become a businessman. Repair TV sets, computers, cars. Make a decision by yourself!

Programme promoting business after the age of fifty in České Budějovice

You don't need to discuss business only with your friends any more, we have a new offer for you. Ask experts from the Research Institute for Labour and Social Affairs and from the Labour Office and join us:

- We will discuss with you whether business is the right thing for you.
- We will organize a Business Knowledge training for you which focuses on people over fifty.
- We will help you draw up a sound business plan.
- Successful trainees will obtain a start-up grant of up to CZK 50 thousand.
- You will have a possibility of collective and one-to-one consulting in the first year of enterprise free of charge.

Schedule:

Applications must be submitted by: 16.09. 2010

One-to-one consulting: September 2010

Training: October + November 2010

Grant provision: February 2011

In case of your interest please contact Ms Dana Šťastná, office no. 402-3 (4th floor)

Telephone no. 950 109 325

E-mail: dana.stastna@cb.mpsv.cz

Where to find enterprise-related information?

South-Bohemian Chamber of Commerce

<http://www.jhk.cz>

Websites for setting-up entrepreneurs

<http://www.ipodnikatel.cz>

Project name:

Social Experimentation for Active Aging

This project is co-financed by:

European Commission



Annex no. 5: Scenario of the final interview with programme participants

(Questions were not always asked precisely as worded below, rather meaning of each thematic section was observed. Questions in italics are meant as potential additional questions for respondents).

SECTION I

Where did you work or what did you do right before entering the enterprise-promotion programme?

How did it happen that you lost your job/closed your business?

How long did you stay (have you been) unemployed?

How did you learn about the enterprise-promotion programme?

What made you decide to take part in the enterprise-promotion programme?

How difficult was it to make a decision to participate in the programme? What was the basis of your decision?

Have you had previous experience in business? (unless mentioned earlier)

Did you have a clear idea about your enterprise before entering the programme?

With whom had you been in contact before you entered the programme?

SECTION II

Which activities of the programme did you take part in?

What is your evaluation of the training programme?

What kind of information did you learn?

What is your opinion on the quality of teaching?

What was good, and where, on the contrary, would you change anything?

To what extent did the programme, in your opinion, expanded your knowledge or skills?

How useful are things you were taught in the programme? Have you utilised them later?

What have you been doing after the end of the training until now? When did you start a business?

SECTION IIIA

What do you do at present time? *How did it happen?*

What is your evaluation of your current situation in self-employment/employment/unemployment?



SECTION IIIB (for entrepreneurs)

In what line of business are you?

Has the subject of your business changed in comparison with the original plan?

In general terms, what is your evaluation of success of your business? *(financial aspect in particular)*

What were the most serious difficulties you potentially encountered when starting a business, or what are the present ones?

What is your evaluation of opportunities for your business in the future?

SECTION IV

Did you attend any of the collective meetings (workshops) after the end of the training part of the programme?

Why or why not?

To what extent was your participation in meetings useful for you?

What did you miss at those meetings?

Did you utilise the opportunity of one-to-one consulting for your business?

Why or why not?

Did you use the business-related financial support offered by the Labour Office?

Why or why not? What kind of support did you get and how did you make use of it?

How many people who take part in the programme have you met?

What is your overall evaluation of benefit of the programme for you?

In what areas did the programme help you?

Where specifically do you see the biggest benefit for you?

On the contrary, what do you evaluate negatively?

SECTION V

How and in what aspects has your situation changed as distinct from the situation before entering the programme?

What is your evaluation of your overall satisfaction (well-being)?

Is there anything else in your life that has changed in connection with your participation in the programme?



Annex no. 6: Scenario of the final meeting with a moderator and LARG members in České Budějovice

- Personal opinions and a discussion (recorded on a Dictaphone)

PARTICIPATION:

Each LARG member should say how specifically s/he contributed to the project (what stages of the project s/he took part in).

Each LARG member should review with whom s/he cooperated in the project and how the cooperation worked.

EFFECTS and LESSONS LEARNED

Each LARG member should evaluate effects of the project (presentation of the Table) – what caused that the programme had these results???
(Employment, skills, contacts, life situation).

Each LARG member should name strengths and weaknesses of the programme, positive and negative experience.

What key elements do LARG members identify in the programme?

What (kind of knowledge) have we as LARG members carried off for the future?

In what way was the programme successful?

- A) interventions (impacts on participants)
- B) process (method of implementation)
- C) in terms of costs (value-for money)

Each LARG member should say what benefit his/her participation in the Active Aging project had personally for him/her and for his/her institution.

RECOMENDATIONS

Joint wording of recommendations for next implementations of the programme -) Positive, negative