



Mutual Learning Programme

DG Employment, Social Affairs and Inclusion

Peer Country Comments Paper - Greece

Reinventing entrepreneurship support schemes

**Peer Review on
"Entrepreneurship training for the unemployed:
the Austrian Entrepreneurship Lab example"
Austria, 24-25 October 2019**

Written by Anna Manoudi.

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Unit A1

Contact: Kim Henriksson

E-mail: EMPL-A1-UNIT@ec.europa.eu

Web site: <http://ec.europa.eu/social/mlp>

European Commission

B-1049 Brussels

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1 Introduction

This paper has been prepared for the Peer Review on "Entrepreneurship training for the unemployed: the Austrian Entrepreneurship Lab example" within the framework of the Mutual Learning Programme. It provides a comparative assessment of the policy example of the host country and the situation in Greece. For information on the host country policy example, please refer to the Host Country Discussion Paper.

2 Situation in the peer country

Greece has gone through a prolonged economic crisis, which started in 2010 and continued well into 2017. After eight years of recession, the Greek economy started recovering in 2018 and the OECD projects that the economy will continue to grow modestly during 2019 and 2020 at or below 2 % per year.

The unemployment rate has decreased in recent years but is still the highest in the EU-28 (at 16.9 % in Q2 2019). Both youth unemployment (39.9 % in 2018) and long-term unemployment (70.3 % of the unemployed in 2018, according to OECD data) are very high.

Entrepreneurship promotion schemes have proved to be popular in Greece, a fact often attributed to strong sentiment towards self-employment among Greeks (Karantinos, 2014).

Greeks are much more likely than other EU citizens to be self-employed (double the EU average). Greece also has a very high share of SMEs, particularly micro enterprises, compared to the EU average. According to the Small Business Act (SBA) Fact Sheet for Greece (European Commission, 2018), SMEs generate 63.6 % of value added and 85.2 % of employment, exceeding the EU average of 56.8 % and 66.4 % respectively. Micro firms are the backbone of the Greek economy providing a remarkable almost 6 out of 10 jobs, compared with the EU average of 3 out of 10 jobs. SME employment rose by 10.7 % in 2015-2017 thanks to the exceptional performance of micro firms and the growth of SMEs was expected to continue to 2019.

The crisis has shifted the public perception of entrepreneurship, by revealing or highlighting business opportunities. In an environment of record level unemployment levels and almost complete lack of job vacancies, innovative entrepreneurship came to be seen as the way out and forward (Karantinos, 2014). Recent data for 2018 (IOBE, 2018) pointed to an increase in early stage entrepreneurship from its lowest level of 4.8 % of the population aged 18-64 being in early stage entrepreneurship, to 6.4 % in 2018. High levels of necessity entrepreneurship are also recorded, as 29 % of new entrepreneurs stated necessity as their main motivation to start a business (IOBE, 2018).

Schemes providing entrepreneurship training, counselling and subsidies to unemployed people wishing to start their own business have long been provided by the Greek Public Employment Service (PES) (OAED, Manpower Employment Organization) and geared towards specific groups such as young people, university graduates, women etc. Public measures at some point had focused on the development of the social economy, by supporting social enterprises and social solidarity entities. Private and third sector start-up schemes and business incubators supporting innovation have mushroomed during the crisis and in recent years.

Entrepreneurship training for the unemployed, within the context of active labour market policies, is not very significant, but with subsidy measures supporting entrepreneurship about to be launched entrepreneurship training is increasing in importance.

3 National policies and measures

In the same vein as Austria's example that will be highlighted during the Peer Review, some current initiatives promoted by the Greek PES (OAED), focus on helping beneficiaries with the development of business ideas, helping to empower them and develop their resilience through counselling. These programmes also consider networking as important social capital for budding entrepreneurs but they do not emphasise preparing beneficiaries for new methodologies and business models, platform-work, co-working etc. to the same extent as Austrian Entrepreneurship Lab. Similar to Austria, which did not plan to target the long-term unemployed specifically, the beneficiaries of Greek PES (OAED) programmes may also end up being long-term unemployed in their majority, given the structure of unemployment in Greece with 70 % of unemployed being long-term unemployed (Q2 2019).

Greek PES (OAED) currently promotes the following subsidy programmes for entrepreneurship:

1. Support programme for 3 000 young people 18-29 years of age to develop their business plans
2. Second chance to entrepreneurship for 5 000 unemployed
3. Support for entrepreneurship for 10 000 beneficiaries aged 18-66.

Another programme of support for entrepreneurship, providing a start-up subsidy, is also foreseen to be rolled out with the funding of EUR 43 400 000 (Youth Employment Initiative-YEI), for 2 500 beneficiaries out of the 3 000 beneficiaries of the "Support programme for young people 18-29 years of age to develop their business plans", but it is unclear at this stage if and what entrepreneurship training element that will contain. Also, a programme including mentoring actions will support the above 2 500 beneficiaries receiving the subsidy.

Out of the above programmes, the first one, targeting young people aged 18-29, emphasises some of the principles seen in Austrian Entrepreneurship Lab such as the use of an online platform and coaching tailored to the needs of each participant. The soon to be launched measure will offer young people short training course and coaching sessions. The measure is entitled "Pilot program supporting the business plans of young people" aims to facilitate the access to the labour market of unemployed young people aged 18-29, by supporting them through entrepreneurship training and in developing their business plans within a counselling and guidance environment. The pilot programme will provide guidance services to 5 000 unemployed young people who have a business idea to help them develop them. A selection of the 3 000 most mature business ideas will subsequently be developed into business plans.

Greece's PES (OAED) is expected to issue a public call for potential beneficiaries to submit a brief description of their business idea. In the initial phase, a total of 5 000 people (in 3 cycles, every two months) will be selected on the basis of specific criteria (duration of unemployment, association of business concept with the four pillars of Greece's Smart Specialization Strategy, that is: Agriculture, Tourism-Culture, Environment-Energy and Knowledge) and considering gender and educational level quotas.

The initiative receives funding from YEI under the 2014-2020 Operational Programme "Human resource development, education and lifelong learning", with total funding being EUR 1 498 800¹. Before implementing the operation, some infrastructure actions are required, which are not included in the pilot programme and which will be covered

¹ Revised Youth Guarantee Implementation Plan 2018-2020.

by Greek PES (OAED) resources and which at the time of writing this report (September 2019) were at the testing phase:

- Creating an electronic interactive platform through which the business concept will be transformed into a business plan. The platform contains several innovative elements: Each user inputs assumptions about their business and the online platform produces predictions about the operation of the business, while users can go back and test alternative scenarios, helping to hone their business idea. The platform also contains training materials and details on canvas business models giving users a visual representation of data describing the value, infrastructure, customers and financial data of their business or product to help them take strategic decisions. The OAED counsellor will be teaching beneficiaries how to use the canvas business models through examples.
- Providing a 5-day business initiative advisory seminar to the 5 000 initially selected individuals. This will be carried out by the OAED job counsellors.
- Supporting the maturing of the business ideas of the unemployed and submitting the business ideas to the online platform.

The pilot programme itself will:

- Assess the maturity of the business ideas. Registered business plan assessors will make the assessments based on specific criteria, in order to select 3 000 beneficiaries (out of the 5 000) who will have submitted the most mature business ideas.
- Provide coaching to the 3 000 selected beneficiaries to help them transform their business ideas into sustainable business plans. Each beneficiary will have six coaching sessions with a coach (one of which will be in person, and the other five will take place remotely). After the end of the sessions, the beneficiaries will submit their final business plans through the online platform.
- The progress of the beneficiaries will be followed up 6 months after the completion of the project (submission of business plans to the online platform).

The Greek PES (OAED) currently promotes other large-scale entrepreneurship subsidy programmes, such as the "Programme to promote self-employment of 10 000 unemployed persons, aged 18-66 years" and the "Programme to promote a second chance to entrepreneurship for 5 000 previously unemployed people". These are large scale subsidy programmes with funding of EUR 119.9 million for 2019-2021 and EUR 80 million for 2019-2022, national resources, respectively.

These subsidy programmes do not have an entrepreneurship training element nor a business coaching element. Given the Austrian experience, these elements would arguably have been very useful both for new entrepreneurs and for those trying entrepreneurship for a second time. However, they do support networking between beneficiaries as they explicitly support joint ventures between two or more unemployed to set up a business: beneficiaries who show initiative in terms of networking are preferred during the selection process. The existence of networking elements, i.e. productive and other links with existing businesses and/or partnerships between two or more unemployed people for setting up a joint venture, are seen as an advantage in the selection process. The existence of joint ventures with other unemployed, the existence of networks (horizontal business synergies or vertical productive synergies), as well as the existence of corporate, cooperative or joint ventures are all rated highly.

In terms of supporting networking, the measure includes costs for developing networking of the new business as eligible costs up to a value of EUR 2 000. The

support offered is financial and it is up to each beneficiary to initiate and participate in the following professional networking activities:

- the design and printing of brochures and posters, advertising in national or local daily or financial or sector-specific paper or electronic media;
- participation in domestic or international workshops, conferences and exhibitions (which can include the cost of participating in the exhibition, hiring and construction of a stand);
- design and development of corporate website or upgrading an existing website to make it accessible to people with disabilities.

The European Globalisation Fund (EGF) has also supported entrepreneurship training in the past and has supported those beneficiaries who wanted to set up a business through training and counselling. EGF projects supported during 2014-2017 in Greece typically involved offering personalised support, consisting of recording and investigating needs, with a view to developing and implementing an individual action plan for each beneficiary. The interventions also involved offering 300 hours of vocational training to each beneficiary, and support for entrepreneurship through counselling sessions for the development of a business plan, followed by subsidies for self-employment for those who chose to set up a business. Current EGF activities in Greece, however, do not have this entrepreneurship support element but mainly consist of job subsidies to place workers laid off into other companies.

In addition to programmes supported by the Greek PES, centres aiming to support social entrepreneurship are being set up under the 2014-2020 EU Operational Programme "Human resource development, education and lifelong learning", for which total funding of EUR 11.3 million is available. Eleven 'Support Centres for Social Entrepreneurship' already are set up throughout Greece, each with a budget of EUR 127 000 over 3 years.

The centres will provide two sets of activities:

- publicity and information actions addressed to the general population, to natural persons interested in being informed on social entrepreneurship, as well as to potential social entrepreneurs; and
- support and consulting services to existing social enterprises or to those interested in establishing social enterprises. Even though the support centres will not act as incubators or offer entrepreneurship training as such, they will provide continuous capacity building and support to potential social enterprises. Concretely, the support centres will help budding social enterprises to develop their business plan and marketing plans, and to prepare applications for financing.

4 Assessment of success factors and transferability

The Austrian example is assessed as very innovative from the perspective of public sector measures in Greece. This kind of approach of intense training and counselling to prepare beneficiaries for innovation, new methods and new forms of work can be found in third sector or private sector initiatives promoting entrepreneurship training and entrepreneurship in Greece. Many such examples exist, including the Blue Growth initiative promoted by the municipality of Pireaus, the Orange entrepreneurship hub supported by the Dutch Embassy in Greece, Eurobank's EGG enter-go-grow business incubator, among others. These initiatives offer support to promising start-ups in terms of entrepreneurship training and mentoring over several months. For example, the Enter Grow Go (EGG) incubator promoted by Eurobank supports start-ups by providing funding, networking and mentoring over 12 months. Through a similar process of selecting the best business ideas for support, the Blue Growth competition

takes place every year, looking for innovative business ideas for products and services in the maritime industries. Winners are then supported for 6 months through seminars, talks, networking meetings and mentoring from experienced business people.

Such intensive and innovative approaches are however not the norm in the activation measures of the Greek PES. The fact that participants in Austria were able to experience networking and empowerment in the group directly while developing their path to self-employment could be an element transferable to Greece. The concept of bringing together PES programmes aiming at skill development (e.g. ICT related) and entrepreneurship support programmes, as was done for the Entrepreneurship Lab, can also be of interest to Greece.

It is also particularly interesting that participants were long-term unemployed in their majority and that the programme had good results for these participants. This is very interesting for Greece with its high proportion of long-term unemployment.

The actual versatility of the content of the entrepreneurship training is also assessed as a success factor. Training on the use of methodologies such as design thinking, customer journeys and business canvas models and the use of ICT, social media and the Internet as tools for product development and marketing could be incorporated in measures in Greece. At the moment, the measures promoted in Greece encourage participants in this direction by including costs related to such activities in eligible costs. Some activities such as creating an interactive electronic platform through which the business concept will be transformed into a business plan, the training materials available on the platform and the 5-day entrepreneurship seminar that PES (OAED) job counsellors will offer participants are steps in the right direction. However, it would be useful if even more such activities were built into the Greek PES measures themselves, in light of the much longer duration and versatility of the entrepreneurship training that was being offered through Austria's Entrepreneurship Lab.

In the same vein, the fact that the beneficiaries received training and worked in a co-working space is seen as an element that could also potentially be transferred to the Greek context. The co-working space serving as a platform to invite other potential network partners from start-ups and start-up networks could also be usefully applied in Greece to create links with the very active private sector and third sector initiatives supporting entrepreneurship in the country, as already mentioned above.

5 Questions

- It will be interesting to find out more details about the cooperation with other business incubators. Did this go smoothly, were there any challenges in bringing in other start-up initiatives?
- Can you tell us more about how Entrepreneurship Lab highlighted 'Trial and error' (given that this is becoming part of the new entrepreneurship culture)? Were experienced business mentors invited to share their failures or errors or did participants share their own, among themselves?
- It is mentioned that a couple of the participants suffered from burnout or traumatic disorders and that symptoms improved during participation in the programme. Were the job counsellors able to help participants in this respect or was it necessary to bring in specialists such as psychologists to support the beneficiaries?

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Annex 1 Summary table

The main points covered by the paper are summarised below.

Situation in the peer country

- The entrepreneurship training element is relatively small in subsidy programmes on entrepreneurship promoted by the Greek PES.
- Beneficiaries are encouraged to network but the activation measures themselves do not foresee reinforcing network concepts; it is up to each beneficiary to take initiative in this respect.
- The use of social media and the Internet as tools for market analysis, product development and marketing activities is also encouraged, but again such activities are not part of the current entrepreneurship support schemes.
- Preparing beneficiaries for new forms of work is not yet emphasised.

Assessment of the policy measure

- The Greek Pilot Programme supporting the business plans of young people offers a short training course to beneficiaries, followed by 6 coaching sessions to help them mature their business idea and submit a business plan on an online platform where the most mature ideas will be selected for a start-up subsidy.
- While the approach is promising, Greek programmes could benefit from becoming more intensive in terms of training and coaching time, as exemplified by Austria's 18-week long training programme.
- The Greek start-up subsidy programme supports networking and communications activities financially as such costs are eligible for the start-up subsidy, however, it would be beneficial to also train beneficiaries in how to undertake such activities.

Assessment of success factors and transferability

- The fact that the beneficiaries worked in a co-working space is seen as an element that could be transferred to the Greek context. The co-working space serving as a platform to invite other potential network partners from start-ups and start-up networks could be applied to Greece where private sector and third sector initiatives are active in supporting entrepreneurship. The platform hosts training materials and information and manuals on business canvas models.
- It is also interesting for Greece, that the participants were linked digitally into a network concept. This is a relatively low-cost solution that can be implemented for the beneficiaries to support each other in their first steps into entrepreneurship. The Greek PES measure about to be launched to support youth entrepreneurship will indeed entail an electronic platform through which the participants will be supported to transform their business concept into a business plan.
- Interlinks also served as a platform to invite other potential network partners from start-ups, start-up networks etc. The participants were introduced to methodologies such as design thinking, customer journeys and business canvas models. They gain skills regarding ICT, social media and the Internet as tools for e.g. market analysis, product development and marketing activities. A network concept interlinks the participants digitally, thus supporting sharing approaches.

Questions

- How did cooperation with other business incubators go? Were there any challenges in bringing in other start-up initiatives?
- How did Entrepreneurship Lab highlight 'Trial and error' (given that this is becoming part of the new entrepreneurship culture)? Were experienced business mentors invited to share their failures or did participants share their own?
- It is mentioned that a couple of the participants suffered from burnout or trauma and that symptoms improved during participation in the programme. Were the job counsellors able to help participants in this respect or was it necessary to bring in specialists such as psychologists to support the beneficiaries?

Annex 2 Example of relevant practice

Name of the practice:	Pilot program supporting business plans of young people
Year of implementation:	2019-2020
Coordinating authority:	Public Employment Service (OAED)
Objectives:	<p>This soon to be launched measure will offer young people support for entrepreneurship through a short training course and coaching sessions, while those with the most mature business plans, will eventually receive a start-up subsidy. The measure aims to facilitate the access to the labour market of unemployed young people aged 18-29, by supporting them through entrepreneurship training and in developing their business plans within a counselling and guidance environment. The pilot programme will provide guidance services to 5 000 unemployed young people who have a business idea to help them develop them. A selection of the 3 000 most mature business ideas will subsequently be developed into business plans and will receive a start-up subsidy. Greece's PES (OAED) is expected to issue a public call for potential beneficiaries to submit a brief description of their business idea. In the initial phase, a total of 5 000 people (in 3 cycles, every two months) will be selected on the basis of specific criteria (duration of unemployment, association of business concept with the four pillars of Greece's Smart Specialization Strategy, that is: Agriculture, Tourism-Culture, Environment-Energy and Knowledge) and considering gender and educational level quotas.</p>
Main activities:	<p>The following activities (currently at the testing phase), are in preparation for the pilot programme:</p> <ul style="list-style-type: none"> • Creating an electronic platform through which the business concept will be transformed into a business plan. • Providing a 5-day business initiative advisory seminar to the 5 000 beneficiaries, provided by OAED job counsellors. • Supporting the unemployed in maturing and submitting the business ideas to the online platform. • Registered business plan assessors will assess the maturity of the business ideas of 5 000 beneficiaries. • Coaching will be provided to 3 000 selected beneficiaries to help them transform their business ideas into sustainable business plans. • The progress of the beneficiaries will be followed up 6 months after the completion of the project (submission of business plans to the online platform).
Results so far:	The pilot programme is about to be launched, so results are not available yet.

