



# Inclusive Entrepreneurship Policies, Country Assessment Notes

Latvia, 2016



## Acknowledgements

This note is part of a series of country assessment notes inclusive entrepreneurship policies and programmes prepared by the Organisation for Economic Co-operation and Development (OECD) in collaboration with the European Commission. These notes provide an overview of current and planned policy actions in the country and identify some actions that could be implemented to address gaps in the current support offering, or improve current offerings. They form part of the programme of work of the Local Economic and Employment Development (LEED) Committee.

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## FOREWORD

Inclusive entrepreneurship policies aim to offer all people an equal opportunity to create a sustainable business, whatever their social group. This is an important requirement for achieving the goal of smart, sustainable and inclusive growth set out in the Europe 2020 strategy. It is also a means to respond to new economic challenges, to create jobs and to fight social and financial exclusion. Among the key targets of inclusive entrepreneurship policies and programmes are women, youth, older people, the unemployed, migrants and people with disabilities, who all continue to face challenges in the labour market and are under-represented or disadvantaged in entrepreneurship activities. ‘The Missing Entrepreneurs’ series of publications of the Organisation for Economic Co-operation and Development (OECD) and the European Union discuss how public policies and programmes can support inclusive entrepreneurship. This includes refining regulatory and welfare institutions, facilitating access to finance, building entrepreneurship skills through training, coaching and mentoring, strengthening entrepreneurial culture and networks for target groups, and putting strategies and actions together for inclusive entrepreneurship in a co-ordinated and targeted way. Governments are increasingly recognising the challenge of inclusive entrepreneurship, but there is still much to do to spread good practice.

Although self-employment rates in Latvia are below the European Union (EU) average, business creation rates are relatively high, including for women, youth and seniors. There are two important policies providing support for the unemployed and unemployed youth to start businesses. However, there are few other dedicated supports of inclusive entrepreneurship policy target groups such as youth, women, migrants and seniors. Inclusive entrepreneurship in Latvia could be strengthened both by scaling up the current business start-up programmes for the unemployed and developing dedicated programmes for other target populations.

This note is part of a series of annual country assessments prepared by the OECD in collaboration with the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission on the state of inclusive entrepreneurship policies and programmes in each European Union Member State. Each note provides an overview and assessment of policies and programmes that support people from under-represented and disadvantaged groups in business creation and self-employment and suggests policy actions to address gaps in the support system and to improve the quality of available support offers. The notes cover national-level policies and programmes and, where relevant, sub-national initiatives and actions by the non-governmental sector.

The notes are part of a wider programme of work by the OECD and the European Commission that includes ‘The Missing Entrepreneurs’ publications, a series of Policy Briefs on specific target groups, policies and issues, country reviews of youth entrepreneurship and women entrepreneurship, and the production of online policy guidance. For more information please refer to: <http://www.oecd.org/employment/leed/inclusive-entrepreneurship.htm>.

## TABLE OF CONTENTS

KEY MESSAGES.....	5
1. INCLUSIVE ENTREPRENEURSHIP OBJECTIVES AND TARGETS .....	5
2. KEY INCLUSIVE ENTREPRENEURSHIP INDICATORS.....	6
3. ASSESSMENT OF CURRENT AND PLANNED INCLUSIVE ENTREPRENEURSHIP POLICIES AND PROGRAMMES.....	9
3.1. Policy framework.....	9
3.2. Government regulations.....	9
3.3. Financing entrepreneurship.....	10
3.4. Entrepreneurship skills .....	12
3.5. Entrepreneurial culture and social capital.....	13
4. POLICY RECOMMENDATIONS .....	13
5. REFERENCES .....	14
ANNEX: METHODOLOGY .....	16

## KEY MESSAGES

- Inclusive entrepreneurship support in Latvia is concentrated on assisting the unemployed in business creation. The objectives of these policies are well-defined and there are tailored supports available for them, although they are very small-scale. Strategies and objectives for supporting other target groups such as youth, women, migrants or older people in entrepreneurship have not been developed and tailored support schemes (e.g. training, coaching and mentoring, loan guarantees) are not available. These social target groups, however, can access mainstream entrepreneurship support programmes.
- Although self-employment rates are lower in Latvia for all social target groups (e.g. women, youth, older people) than the European Union averages, the proportion of the population involved in setting up a business or managing a new business is much higher. Youth, in particular, are very active in early stage entrepreneurial activities (16.7% over the 2010-14 period vs. 7.7% for the European Union) and more than 40% expect to create a business in the next 3 years. This is double the average for the European Union.
- The greatest challenge to delivering inclusive entrepreneurship support is to ensure that the scale of support offered is appropriate. The two existing programmes providing support to the unemployed and unemployed youth in business creation have achieved positive results. However, both programmes are very small. To have a greater impact, these offers could be scaled-up and promoted more widely.
- To further strengthen inclusive entrepreneurship policies and programmes, the following actions are recommended: i) scale-up support offered under the “Measure for Commencing Commercial Activity or Self-employment in Latvia”; ii) tailor entrepreneurship training provided through the State Employment Agency to the needs of different target groups; iii) work with private sector financial institutions to increase the availability of microcredit with the support of the European Union’s EaSI Programme; iv) boost actions that create entrepreneurship networks for entrepreneurs from under-represented and disadvantaged groups; and v) strengthen the entrepreneurship support infrastructure in rural areas.

## 1. INCLUSIVE ENTREPRENEURSHIP OBJECTIVES AND TARGETS

Objectives and targets for business creation and self-employment by the unemployed and other key social target groups are outlined in the employment framework “Inclusive Employment Strategy 2015-2020”,<sup>1</sup> which was approved by the Cabinet of Ministers in May 2015 (order Mmb. 244). This framework was developed to foster development of an inclusive labour market and includes two key policy objectives related to inclusive entrepreneurship: i) to increase self-employment and business start-up opportunities for the registered unemployed; and ii) to promote social entrepreneurship, both as a labour market activity for various social target groups and also as a vehicle for supporting these groups in the labour market and society more generally. While tailored support for key social target groups (e.g. women, youth, older people) are not clearly defined in this high-level policy paper, the regulation on its implementation defines target groups for each particular measure. In addition to self-employment measures, there are some measures to support social entrepreneurship that aim to support

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<sup>1</sup> In Latvian: *Iekļaujošas nodarbinātības pamatnostādnes 2015.-2020.gadam*

the vulnerable unemployed (i.e. those over 54 years old, those with caring responsibilities, those with a disability or mental health challenge).

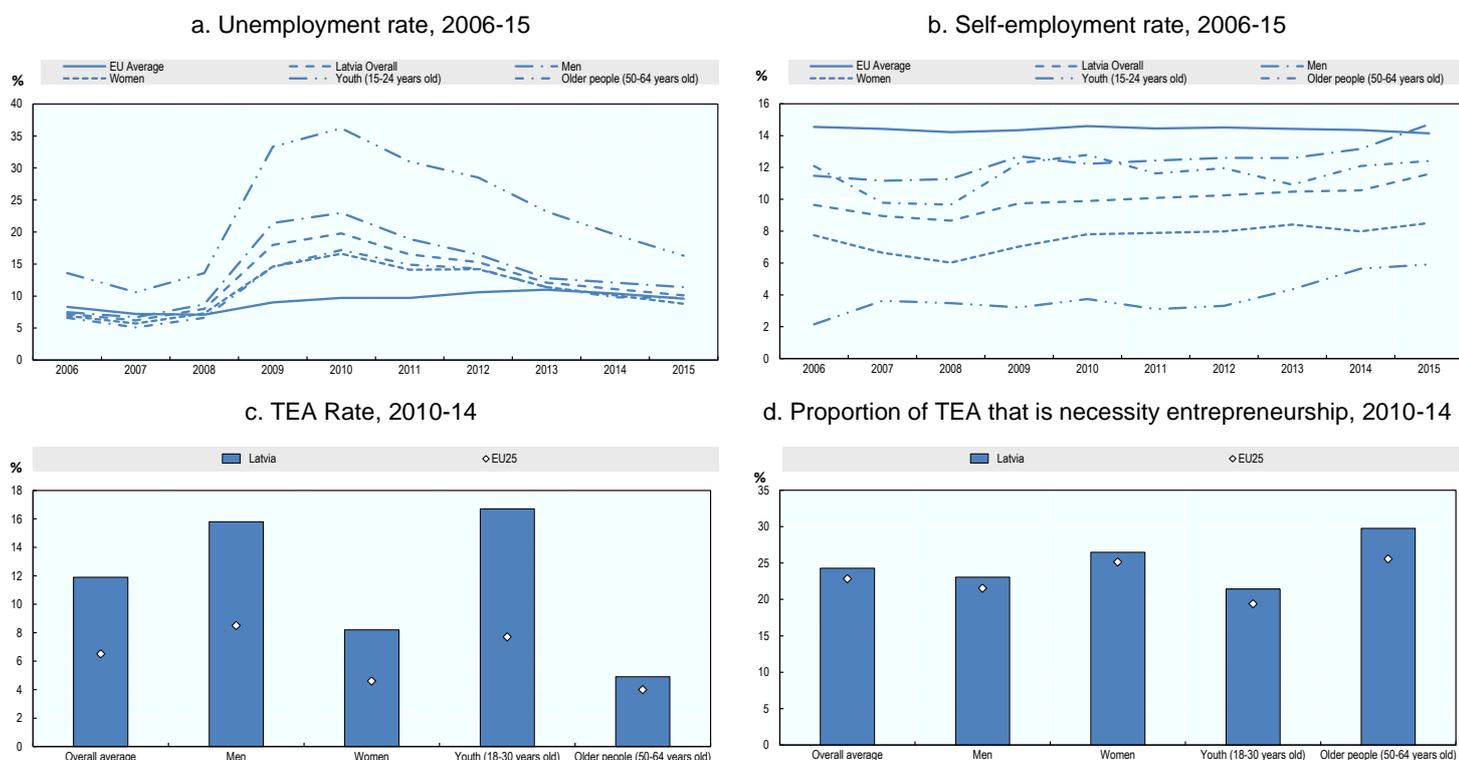
More broadly, labour market policies have been defined to reach the targets defined in the Europe 2020 strategy:

- To increase total employment to 73% (for those 20-64 years old) by 2020 (the employment rate was 72.5% in 2015);
- To reduce the number of people at risk of poverty or social exclusions by 121 000.

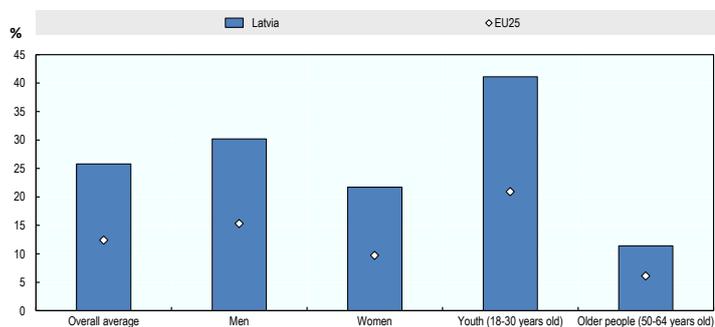
## 2. KEY INCLUSIVE ENTREPRENEURSHIP INDICATORS

The unemployment rate has decreased since 2010, but remains slightly above the European Union average (10.1% vs. 9.6% in 2015) (Figure 1a). At the end of 2015, 53.4% of all registered unemployed were women, while 46.6% were men (SEA, 2016). The youth unemployment rate was among the highest in the European Union following the economic crisis but it has fallen substantially in recent years, from 36.2% in 2010 to 16.3% in 2015. This suggests an improvement in labour market outcomes for youth, given that participation rates were constant.

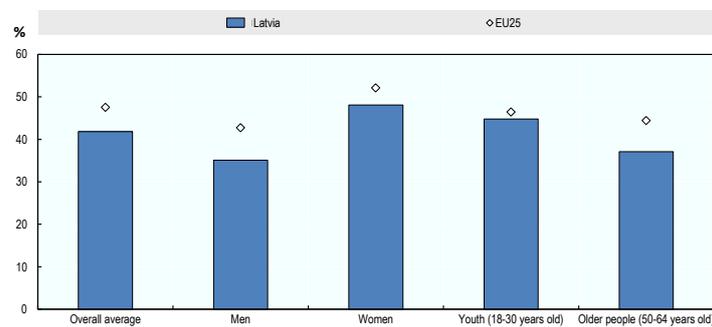
Figure 1. Key inclusive entrepreneurship indicators



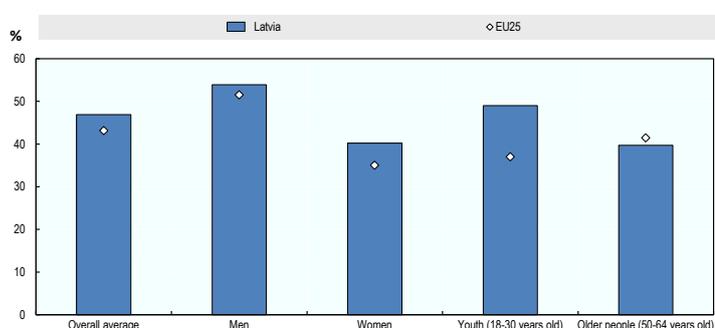
e. Proportion who expect to start a business in the next 3 years, 2010-14



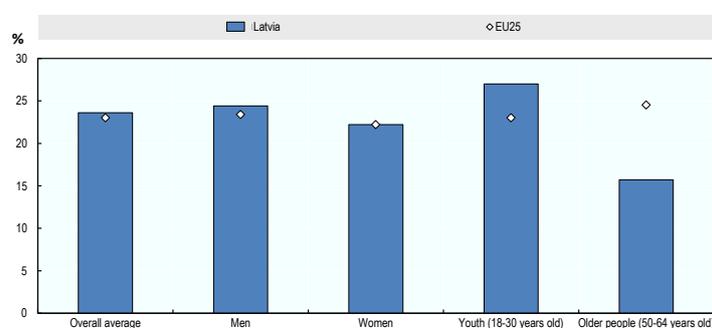
f. Proportion who report that a fear of failure prevents them from starting a business, 2010-14



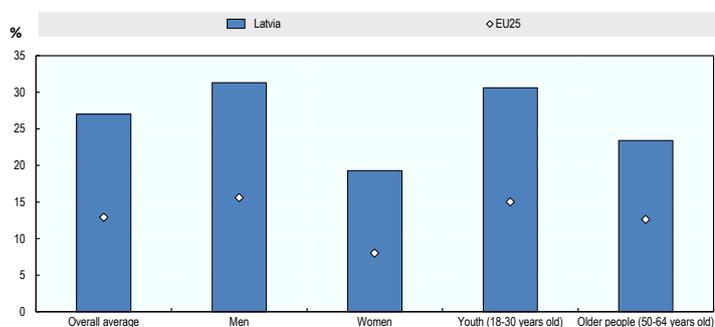
g. Proportion who perceive that they have the skills to start a business, 2010-14



h. Proportion of new entrepreneurs whose products or services are new to all or some customers and who have few or no businesses offering the same products or services, 2010-14



i. Proportion of early-stage entrepreneurs who expect to create more than 19 jobs in 5 years, 2010-14



Note: The self-employment rate is defined as the proportion of those in employment who are self-employed. The TEA rate is the Total Entrepreneurial Activity rate, which is defined as the proportion of the population actively involved in pre start-up activities and those who have started a new business within the last 42 months. The proportion of TEA that is necessity entrepreneurship is the proportion of entrepreneurs involved in setting-up a new business or operating a business that is less than 42 months old, who were motivated to start their business because they had no better options for work. Data for panels c, d, e, f, g, h and i were pooled for the period 2010-14, producing an unweighted average. The EU25 average in panels c, d, e, f, g, h and i covers all EU28 countries, except Bulgaria, Cyprus and Malta.

Source: Panels a and b contain data from Eurostat (2016), Labour Force Survey; Panels c, d, e, f, g, h and i contain data from the 2010 to 2014 Global Entrepreneurship Monitor household surveys that were tabulated for the OECD (2016).

The self-employment rate in Latvia was below the average rate for the European Union in 2015 (11.6% vs. 14.1%) (Figure 1b). However, the self-employment rate has increased over the last decade in Latvia, whereas it was constant across the European Union. This was especially true for youth – the

self-employment rate nearly tripled over the last decade, increasing from 2.2% in 2006 to 5.9% in 2015.

This upswing in self-employment activity is also reflected in the Total Early-stage Entrepreneurial Activity (TEA) rate measure of the Global Entrepreneurship Monitor, which estimates the proportion of adults involved in starting a business or managing a new business. The TEA rate is very high relative to the European Union average (11.9% vs. 6.5% over the 2010-14 period) (Figure 1c). The TEA rate is well above the EU averages for women and youth. It was also somewhat higher than the EU average for seniors. However, the TEA rate for older people was approximately equal to the European Union average, which was low relative to other social target groups (i.e. men, women, youth).

The high levels of early-stage entrepreneurship activities, however, are not necessarily a sign of economic success. One-quarter of new entrepreneurs report that they are active in entrepreneurship because they do not have any other opportunities in the labour market (Figure 1d). This suggests that these entrepreneurship activities could be of low quality. Over the 2010-14 period, older people were the most likely to report that they entrepreneurs out of necessity (30%).

The proportion of Latvians who expect to create a business is approximately double the proportion across the European Union (Figure 1e). In particular, a very high proportion of youth in Latvia expected to create a business in the next 3 years during the 2010-14 period (approximately 40%).

Some of the key barriers to entrepreneurship for under-represented and disadvantaged groups include a fear of failure and lack of entrepreneurship skills. Latvians were less likely than the European Union average to report that a fear of failure is a barrier to business start-up (Figure 1f) but were more likely to report that they had appropriate skills for self-employment, except for older people, who were as likely as the European Union average to indicate that they had sufficient skills (Figure 1g).

Overall, new entrepreneurs in Latvia were as likely as those in the European Union to offer new products or services over the 2010-14 period (Figure 1h). However, there was variation across the different social target groups. Youth entrepreneurs were the most likely to offer new products or services (27.0% over the period 2010-14 vs. 23.0% for the European Union), while older entrepreneurs were less likely (15.7% over the period 2010-14 vs. 24.5% for the European Union). Women were approximately as likely as the European Union average for women to offer new products and services.

New entrepreneurs in Latvia, however, were much more likely to expect to create a substantial growth of jobs with their new businesses (Figure 1i). Nearly one-third of youth expected to create at least 19 jobs over the first 5 years of business operation in the 2010-14 period. Similarly, women entrepreneurs and older entrepreneurs were more likely than the European Union averages to expect to create a substantial number of jobs.

### **3. ASSESSMENT OF CURRENT AND PLANNED INCLUSIVE ENTREPRENEURSHIP POLICIES AND PROGRAMMES**

#### **3.1. Policy framework**

Policies and programmes that promote and support business creation and self-employment, including those targeted for the unemployed and key social target groups (such as women, youth, older people, immigrants, people with disabilities, ethnic minority groups and others), are under the responsibility of two ministries: the Ministry of Economics and the Ministry of Welfare.

The Ministry of Economics seeks to develop a business-friendly environment that encourages and supports business creation and industrial development. Recent initiatives include actions to reduce the costs associated with creating a business. The Ministry of Economics is also focused on ensuring that new business start-ups and small companies are not disadvantaged in the tax system.

The Ministry of Welfare supports people in the labour market and offers several business start-up measures. Key schemes include the “Innovation motivation programme” and the “Business incubator programme”. The Ministry also manages some micro credit schemes. However, nearly all of these programmes are general programmes that are not tailored specifically to the needs of entrepreneurs from under-represented or disadvantaged groups. Although these schemes are open to all, there is a lack of monitoring data, which makes it difficult to know whether people from under-represented or disadvantaged groups are accessing these offers.

In addition to these general programmes, the Ministry of Welfare offers a small number of tailored schemes for specific social target groups, notably the (registered) unemployed and unemployed youth. Two key programmes are supported within the framework of the “Inclusive Employment Guidelines for 2015 – 2020”:

- “Support to enter self-employment and start a business” for the unemployed, which is outlined in the *Law of the Support to the Unemployed and Job Seekers* and funded by a special State-funded budget that is dedicated to fostering employment;
- “Support to enter self-employment and start business” for young unemployed people, which is funded by the National Youth Guarantee Programme and implemented within the Youth Employment Initiative 2014-18, co-funded by the European Union.

#### **3.2. Government regulations**

Regulatory measures and actions that support inclusive entrepreneurship are confined to efforts that reduce administrative burdens for business start-up. While such measures do not target under-represented or disadvantaged groups, entrepreneurs from these social groups stand to benefit since they often face greater challenges in navigating the institutional environment.

The current regulatory priority related to inclusive entrepreneurship is the development of a legal framework for social entrepreneurship. It aims to support people from under-represented and disadvantaged groups move into the labour market through employment opportunities within social enterprises or by creating a social enterprise. Parliament established a working group in September 2015 to develop the framework, including representatives from the Ministry of Finance, Ministry of Welfare, Ministry of Justice, Ministry of Economics, Ministry of Environmental Protection and

Regional Development, Latvian Association of Local and Regional Governments, Association for Social Entrepreneurship and several non-governmental organisations. This work is supported by the European Social Fund Project 9.1.1.3. “Support for Social Entrepreneurship” and the Ministry of Welfare will be responsible for developing this bill. It is expected that the law will come into force on 1 January 2018.

There is a wide range of regulatory instruments that are not used to encourage and support entrepreneurship by under-represented and disadvantaged groups that are commonly found in other countries. Examples include “welfare bridges”,<sup>2</sup> reduced social security contributions for specific populations of entrepreneurs (e.g. youth) or training to help entrepreneurs understand their administrative responsibilities. To some extent the absence of specific initiatives for inclusive entrepreneurship target populations might be justified by the small size of most of the social target groups, given the country’s small population.

### **3.3. Financing entrepreneurship**

Tailored measures for financing business creation by people from under-represented and disadvantaged groups are almost exclusively focused on supporting the unemployed. The main measure is the “Measure for Commencing Commercial Activity or Self-employment in Latvia”, which is managed by the State Employment Agency of Latvia (SEA) under the auspices of the Ministry of Welfare of Latvia. This measure provides a grant of up to EUR 3 000 and up to 20 professional business counselling sessions to support the implementation of the business plan, as well as individual counselling to help applicants develop their business idea.

The programme is mainly promoted through the SEA website. To be eligible for support, applicants must have their business plan positively assessed by business start-up experts, who are contracted by the SEA through a public procurement process. Criteria for a positive assessment include that the product or service provided has some innovative features and that there is a potential market for the product or service. In addition, applicants must meet one of the following qualifications:

- Has acquired a vocational secondary education or higher education in entrepreneurship, business management or in a similar field to the field in which it is planned to start commercial activity or self-employment;
- Has completed a vocational training programme that provides the required business management knowledge in the field, or in the field in which it is planned to start commercial activity or self-employment;
- Has acquired vocational secondary education or higher education, and undertakes an informal education programme (not less than 120 academic hours) in a business management-related field.

The number of participants since 2013 and allocated funding are displayed in Table 1.

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<sup>2</sup> A welfare bridge scheme allows an unemployed person to convert their entitled unemployment benefits into an allowance to cover living expenses (i.e. personal subsistence) during the early stages of self-employment. In some cases this may also include a lump sum grant to support the creation of a business. These schemes frequently also include entrepreneurship training and/or other business development services. and allowance to support them in business.

**Table 1. Participants in the “Measure for Commencing Commercial Activity or Self-employment in Latvia”**

	Total number of unemployed	Long term unemployed	Youth unemployed (18-24 years old)	Unemployed with a disability	Unemployed who are ex-offenders	Unemployed after parental leave	Unemployed pre-retirement age
2013	173	64	6	12	1	7	8
2014	198	55	18	10	1	11	7
2015	244	65	22	11	0	6	11
2016Q1	226	44	29	7	0	11	6
Total	841	228	75	40	2	35	32

Source: SEA, 2016.

This measure has achieved some very positive results. Only 10% of projects that were supported are considered to be unsuccessful by evaluations and 71% of participants who launched a project were still involved in their start-up after two years. This is in line with international good practice examples, including the Start-up Grant in Finland and the Welfare Bridge programmes in Germany. The keys to its success are the strong vetting process and staged approach to providing support. However, there is room to improve awareness about the programme since few people know about it and it is not actively promoted by the SEA.

In addition to this measure for the unemployed in general, there is a start-up financing scheme for unemployed youth as part of the Youth Guarantee programme (“Support for self-employment and starting business”). This scheme is similar to the measure for the unemployed in that it provides assistance with the preparation of business plans and a grant of up to EUR 3 000. In addition, it provides an allowance equal to the minimum wage for six months. Youth between the ages of 18 and 29 years old are eligible for support under this measure.

Entrepreneurs from under-represented and disadvantaged groups can also access a number of mainstream start-up financing supports. These include a microcredit programme that is operated by ALTUM, which is the government’s development finance institution.<sup>3</sup> It provides loans of up to EUR 25 000 with a 50% subsidised interest rate and an SME growth loan. Also, ALTUM has recently signed an agreement with the European Investment Fund (EIF) to improve access to finance to innovative small and medium-sized enterprises (SMEs) in Latvia.<sup>4</sup> ALTUM also offers an SME micro-credit programme. However, it is unlikely that unemployed people would access these financial supports.

Although microcredit is also available from private sector lending institutions, there are currently no financial intermediaries that make use of the European Union’s Programme for Employment and Social Innovation (EaSI).<sup>5</sup> This represents a missed opportunity.

<sup>3</sup> ALTUM is the successor to the Latvian Guarantee Agency.

<sup>4</sup> [https://ec.europa.eu/commission/commissioners/2014-2019/katainen/announcements/investment-plan-europe-eif-and-altum-sign-agreement-benefit-innovative-businesses-latvia\\_en](https://ec.europa.eu/commission/commissioners/2014-2019/katainen/announcements/investment-plan-europe-eif-and-altum-sign-agreement-benefit-innovative-businesses-latvia_en)

<sup>5</sup> This programme seeks to facilitate microcredit for entrepreneurs from under-represented and disadvantaged groups.

### 3.4. Entrepreneurship skills

Support for acquiring business start-up skills and competences for people from under-represented and disadvantaged groups is largely implemented by the SEA, which provides assistance to the unemployed, job seekers and people at risk of unemployment. Two types of tailored entrepreneurship training programmes are available:

- “Basic Competencies for Increasing Competitiveness in the Labour Market”, which includes individual consultations and group workshops. The courses, seminars and lectures provide skills related to communications, networking and risk management, and more.
- Vocational training, qualification improvement and upskilling courses and programmes, which are organised in co-operation with education institutions and employers. Upskilling programmes are in line with the European Union’s eight key competences for lifelong learning<sup>6</sup> and are open to registered unemployed and job-seekers. Included in the offer are programmes devoted to the development of a sense of initiative and entrepreneurship.

The length of training programmes may vary:

- from 60 to 160 hours for upskilling training programmes (the value of a voucher does not exceed EUR 360 or EUR 670-1070 for specific driving courses);
- from 160 to 320 hours for advanced vocational training to reach vocational proficiency (the value of a voucher does not exceed EUR 360);
- from 480 to 1280 hours for vocational training programmes (the value of a voucher does not exceed EUR 540 for programmes with 480 hours, EUR 720 for programmes with 640 hours, EUR 1100 for programmes with 960 to 1200 hours).

Training is usually provided in full-day sessions and they may last up to six months. Low-skilled occupations are excluded from the list of training programmes. An unemployed person may participate in vocational training programmes once in a two-year period and in upskilling programmes not more often than twice a year, except State language courses where person may be involved in no more than three education programmes.

Participants also receive financial support while participating in training with a monthly stipend of EUR 100. The following additional expenses are also covered by the SEA: training place adaptation for persons with disabilities, and involvement of care personnel for persons with disabilities, such as assistants, sign language experts, etc.

Since 2011, all employment training programmes offered by the SEA are implemented with a voucher system that provides individuals with a voucher to “purchase” the training that they need. Thus, training programmes are organised in response to this demand, as well as in co-operation with social partners and experts at the National Commission for defining the training fields and approving the training programmes.

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<sup>6</sup> RECOMMENDATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 December 2006 on key competences for lifelong learning (2006/962/EC) <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32006H0962>

The Ministry of Economics also offers a small number of general entrepreneurship training courses but these offers are not tailored or targeted to people from under-represented or disadvantaged groups.

The main challenge in supporting the acquisition of entrepreneurship skills is that the availability of support outside of Riga is quite limited. There are few entrepreneurship training programmes and few high-quality business consultants in other regions of the country. Moreover, entrepreneurship coaching and mentoring are generally not available in rural areas.

### **3.5. Entrepreneurial culture and social capital**

There do not appear to be many public policy actions to increase awareness of entrepreneurship and entrepreneurial intentions among people from under-represented and disadvantaged groups, aside from the active labour market measure “Commencing Commercial Activity or Self-employment” and small actions under the Youth Guarantee programme. There is little policy activity in terms of media campaigns, role models, awards, entrepreneurship ambassador networks or entrepreneurial networks, in general or for inclusive entrepreneurship target groups. Moreover, the presence of entrepreneurship education in the school system is at an early stage of development so children and teens are not yet receiving a lot of exposure to entrepreneurship as a career option.

## **4. POLICY RECOMMENDATIONS**

Three ministries are active in implementing various activities to support entrepreneurship and self-employment: the Ministry of Economics, the Ministry of Welfare (through the State Employment Agency) and the Ministry of Agriculture. Many of these policy actions are mainstream approaches aimed at the whole population, including entrepreneurs from under-represented and disadvantaged groups. However, these approaches are not typically designed to account for the different needs of the different target groups. There are two principal entrepreneurship programmes dedicated to inclusive entrepreneurship target groups; offered by the Ministry of Welfare for the unemployed and unemployed youth. These schemes are generally supported by appropriate policy frameworks and are well-planned, and, according to available data, also appropriately implemented. However, these programmes are relatively small scale and there are few other dedicated policy interventions for groups of people who are under-represented or disadvantaged in entrepreneurship.

The following actions are recommended to improve support for inclusive entrepreneurship in Latvia:

1. *Scale-up support offered under the “Measure for Commencing Commercial Activity or Self-employment in Latvia.”* Across the European Union, approximately 5% of the unemployed return to work through self-employment. Using this as a benchmark, it would be expected that between 2 000 and 3 000 people would potentially be interested in participating in this programme. However, there are only 150-250 participants per year, suggesting that there is likely room to increase the scale of support offered.

2. *Tailor entrepreneurship training provided through the State Employment Agency to the needs of different target groups.* Training modules on entrepreneurship and developing a sense of initiative are offered as part of the suite of training and upskilling programmes for the unemployed. However, little consideration appears to be given for the different needs of different types of participants. For example, women may need more attention given to developing financial literacy and people from rural regions may need more assistance with building entrepreneurial networks. It is also important to ensure that those who deliver the training are as diverse as the participants.
3. *Work with private sector financial institutions to increase the availability of microcredit with the support of the European Union's EaSI Programme.* Although many private sector programmes offer microcredit, the take-up appears to be low among those who come from under-represented and disadvantaged groups. The European Union EaSI offers support to private sector financial intermediaries to make microcredit available but none are currently taking advantage of this support. The government could increase awareness about this opportunity and support financial institutions in signing agreements.
4. *Boost actions that create entrepreneurship networks for entrepreneurs from under-represented and disadvantaged groups.* There do not appear to be any entrepreneurship programmes that seek to build and sustain entrepreneurship networks for those who are starting a business from unemployment or from groups that face other challenges in the labour market. This is a substantial gap in the support system as many entrepreneurs seek support from their networks to validate ideas, identify opportunities, improve entrepreneurship skills, access finance and seek moral support. Entrepreneurs from under-represented and disadvantaged groups are likely to have a greater need for these supports, especially those from rural areas where there is a less developed entrepreneurship infrastructure.
5. *Strengthen the entrepreneurship support infrastructure in rural areas.* Entrepreneurs outside of Riga are much less likely to have access to entrepreneurship training, entrepreneurship coaching and mentoring, business networks and start-up financing. While the SEA works to ensure that their network of business consultants is accessible for those seeking support within the “Measure for Commencing Commercial Activity or Self-employment in Latvia”, regardless of location, those outside of this programme cannot access this support.

## 5. REFERENCES

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SEA (2016), [www.nva.gov.lv](http://www.nva.gov.lv), accessed June 2016.

## ANNEX: METHODOLOGY

Each note was prepared by a national expert in co-operation with the OECD Secretariat. Information was collected through desk research and interviews (i.e. telephone, face-to-face, email) with key stakeholders and government representatives. The information was then verified by government partners, programme managers and other inclusive entrepreneurship stakeholder groups through email exchanges and one-day seminars in selected countries.

The notes are based on an assessment framework that was developed by the OECD Secretariat. The assessment framework provided a common analytical framework and report structure for the 28 notes that are in this series.

The framework contains 5 pillars:

### 1. Policy framework

- Is there an entrepreneurship strategy or action plan that explicitly covers the promotion and support of entrepreneurship for people in under-represented and disadvantaged groups?
- Is there a mechanism for co-ordinating inclusive entrepreneurship policy actions across relevant national ministries, and with regional and local governments and civil society organisations?
- Is there a systematic monitoring and evaluation process for the policies, programmes and schemes that promote and support entrepreneurship for people in under-represented and disadvantaged groups?

### 2. Government regulations

- To what extent are entrepreneurs from under-represented and disadvantaged groups treated equally with employees by social security schemes?
- Do measures exist that temporarily cover the loss of state income supports (e.g. unemployment benefits, disability allowances) for entrepreneurs amongst under-represented and disadvantaged groups when they start a business?
- Do measures exist to support under-represented and disadvantaged entrepreneurs in dealing with administrative procedures for entrepreneurship amongst under-represented and disadvantaged groups (e.g. information provision, support with administrative requirements)?
- Are there any entrepreneurship policy initiatives or schemes to address group-specific institutional challenges related to dependents (e.g. childcare, eldercare)?

### 3. Financing entrepreneurship

- Are there grants for business creation offered to support entrepreneurs from under-represented and disadvantaged groups?
- Is microcredit for business creation available to support entrepreneurs from under-represented and disadvantaged groups?
- Are there loan guarantee schemes for business creation to support entrepreneurs from under-represented and disadvantaged groups?
- Are there self-financing groups for business creation to support entrepreneurs from under-represented and disadvantaged groups?

- Are there public policy schemes that encourage and support business angel networks to support entrepreneurs from under-represented and disadvantaged groups?
  - Are there schemes that encourage and support crowdfunding and peer-to-peer lending to support entrepreneurs from under-represented and disadvantaged groups?
  - Is financial literacy training offered to support entrepreneurs from under-represented and disadvantaged groups?
- 4. Entrepreneurship skills**
- Are there entrepreneurship training initiatives for entrepreneurs from under-represented and disadvantaged groups?
  - Do high potential entrepreneurs from under-represented and disadvantaged groups have access to one-to-one or group coaching and mentoring?
  - Are there public initiatives that provide information on available support programmes or on business start-up procedures for entrepreneurs from under-represented and disadvantaged groups?
  - Are there business consultancy and advisory services for entrepreneurs from under-represented and disadvantaged groups?
  - Are there business incubators for entrepreneurs from under-represented and disadvantaged groups?
- 5. Entrepreneurial culture and social capital**
- Is entrepreneurship actively promoted as an employment opportunity amongst under-represented and disadvantaged groups through the education system, media, role models, etc.?
  - Are there public policy actions that attempt to build specific business networks for entrepreneurs amongst under-represented and disadvantaged groups?