



Evropská unie
Evropský sociální fond
Operační program Zaměstnanost



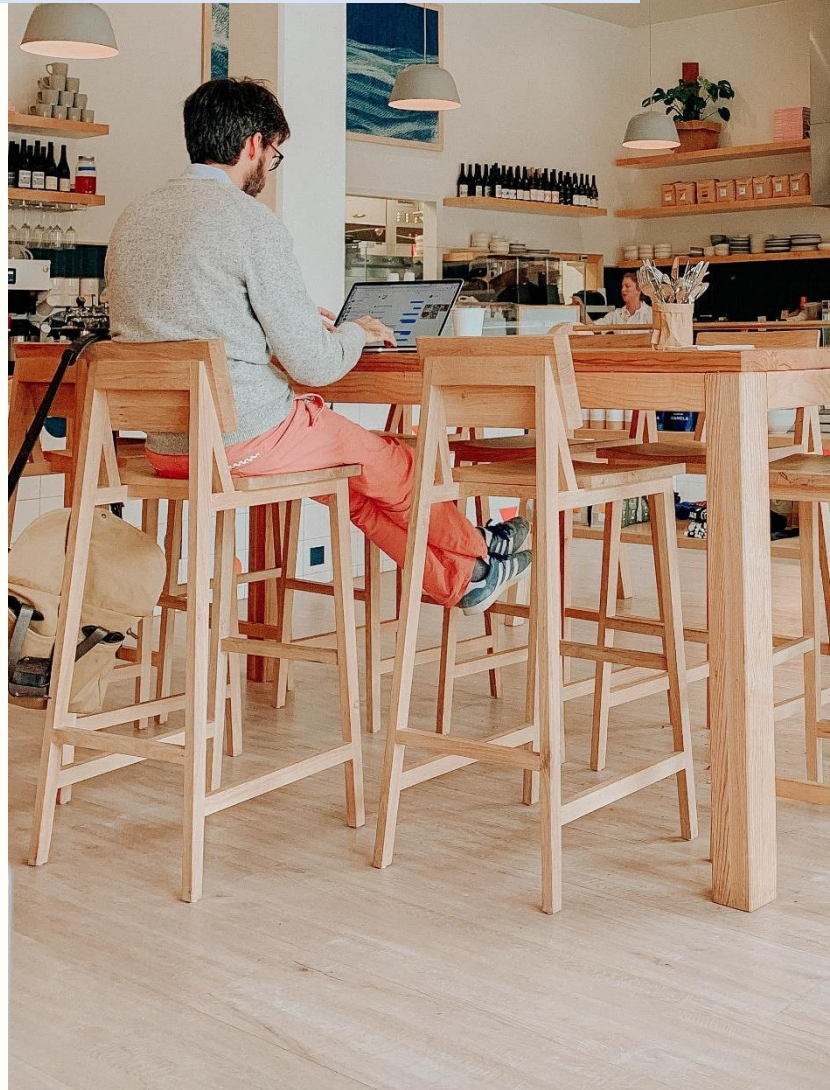
MINISTERSTVO PRÁCE
A SOCIÁLNÍCH VĚCÍ



October 2023

SOCIAL ENTREPRENEURSHIP: BENEFITS OF OPERATIONAL PROGRAMME EMPLOYMENT SUPPORT

Executive Summary



Elaborated by:

Evaluation unit (802)

Ministry of Labour and Social Affairs

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OPZ CALLS SUPPORTING SOCIAL ENTREPRENEURSHIP	Nos 15, 67, 129 - Support for social entrepreneurship No 26 - Coordinated approach to socially excluded localities No 47 - Call for LAGs to support community-led local development strategies No 105 - Support for social entrepreneurship in Prague
OBJECTIVE OF THE CALL	support for the creation and development of entrepreneurial activities in the field of social entrepreneurship, employment of people with disadvantages
TARGET GROUP	long-term unemployed people with disabilities people in or after serving a sentence people leaving institutional care

BUSINESS RETENTION – SOCIAL ENTERPRISES 12 MONTHS AFTER THE END OF SUPPORT

SURVEY FORM	questionnaire survey with representatives of social enterprises (N=103)
DATA COLLECTION PERIOD	6/2017 – 5/2023

81% of the supported projects maintained the operation of the social integration enterprise 12 months after the end of the support. According to the more stringent criterion, 62 percent of the supported organisations (or entrepreneurs) continued their business without significant reduction of working hours.

Social entrepreneurship completed a significantly higher proportion of projects that drew support to expand a regular business to include a social enterprise division and to create a new social enterprise (27 percent and 26 percent respectively) than projects aimed at expanding an existing social enterprise (6 percent).

A higher proportion of non-sustainability is found in projects initiated by persons with predominant experience in the business sector (41 percent), while the proportion is significantly lower in projects initiated by persons with predominant experience in the non-profit sector (7 percent).

The average proportion of employees with a disadvantage in social enterprises who continued to work in social integration 12 months after the end of the support **was 75 percent**. The proportion of employees with a disadvantage in enterprises that continued social enterprise 12 months after the end of support changed only slightly over time.

The representation of the target groups supported has not changed significantly over time. **The highest number was of enterprises employing at least one person with a disability and their number remained almost constant.** The number of enterprises employing long-term or repeatedly unemployed persons has slightly decreased since the project implementation. The number of enterprises employing people who have completed their sentence and people leaving institutional care has fallen to a low level since the beginning.

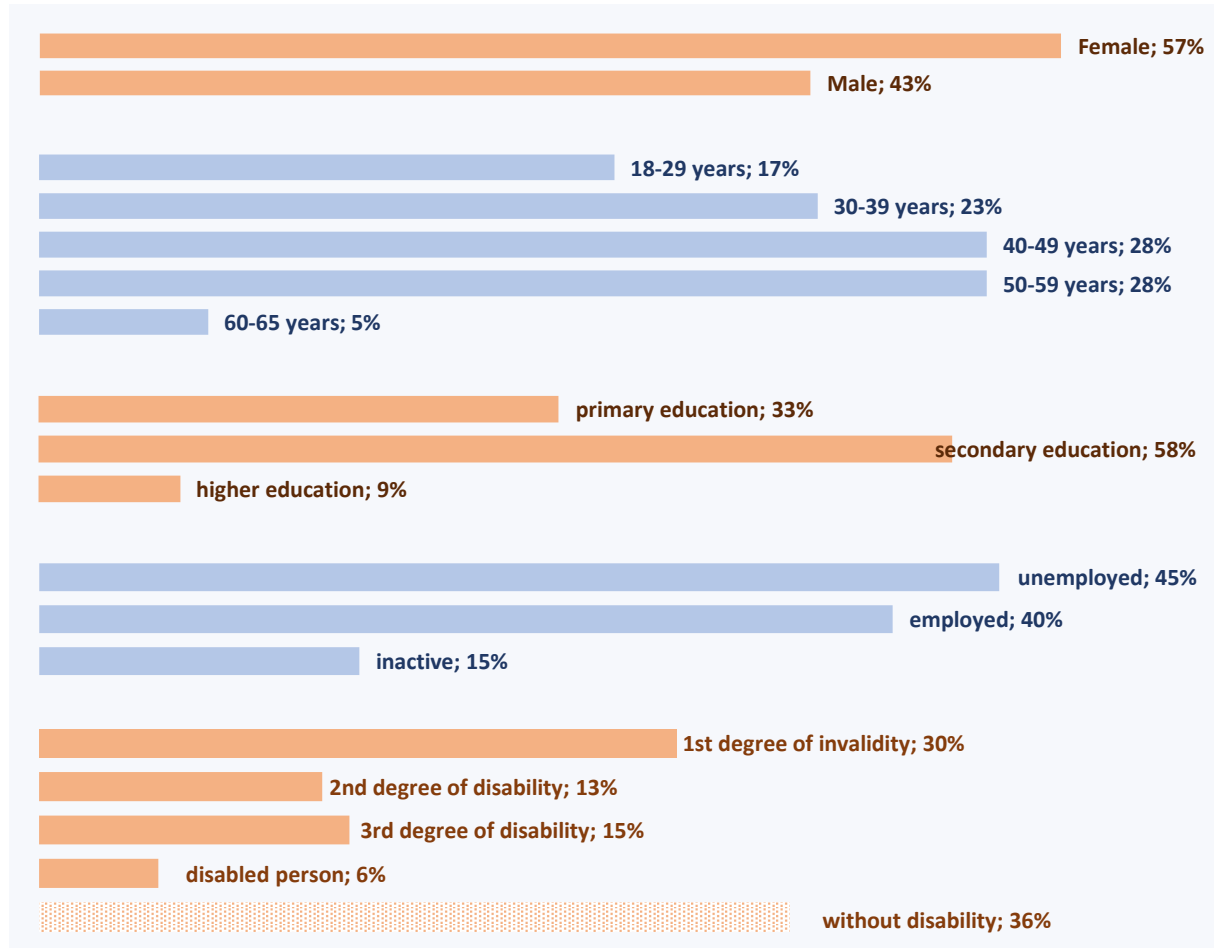
Twelve months after the end of the project, **63 percent of the supported social enterprises** (those that continue to operate socially) **were in profit**, 31 percent were in loss, and 6 percent showed an economic result around zero, according to their answers in the questionnaire.

DEVELOPMENT OF ECONOMIC ACTIVITY OF THE TARGET GROUP

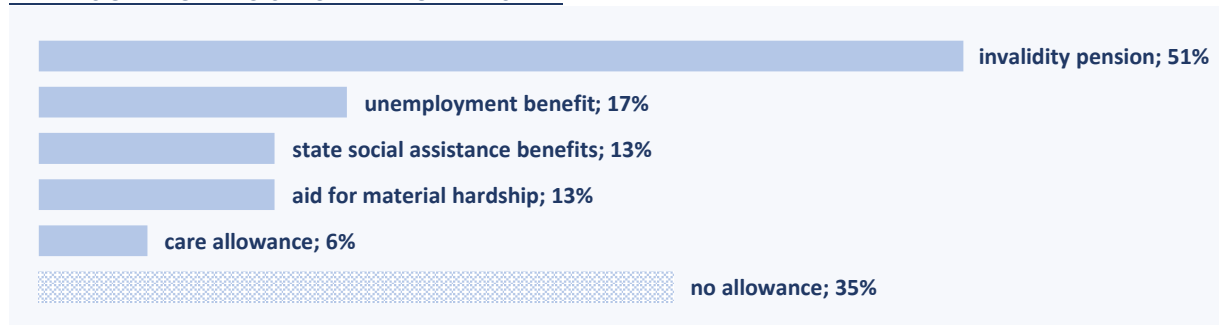
SURVEY FORM analysis of individual data from the ESF information system (N=790)

DATA COLLECTION PERIOD 1/2015 – 12/2022

CHARACTERISTICS OF EMPLOYEES OF SOCIAL ENTERPRISES



BENEFITS OR ALLOWANCES RECEIVED FROM THE STATE



DEVELOPMENT OF THE LABOUR MARKET POSITION OF ASSISTED PERSONS

Participation in the project - employment in a social enterprise - had an overall positive effect on the target group in terms of the development of their position on the labour market. Despite the fact that the share of employed and self-employed persons dropped noticeably (to 68 percent two years after the end of the project), this is 15 percentage points better than it was two years before the project, when 53 percent of the supported persons were employed. Two years after the end of the project, the share of inactive persons (9 p.p.; down from 30 percent to 21 percent) and unemployed persons (5 p.p.; down from 17 percent to 12 percent) was lower.

ECONOMIC ACTIVITY 24M BEFORE PROJECT ENTRY AND 24M AFTER PROJECT EXIT

24 months before joining the project		24 months after joining the project	
employed or self-employed	53 %	employed or self-employed	68 %
unemployed	17 %	unemployed	12 %
inactive	30 %	inactive	21 %

In terms of gender, women were more likely to be retained in employment after project completion. Two years after the end of the project, 70 percent of women were still employed (an increase of 17 percentage points compared to the proportion 2 years before the project) and only 54 percent of men (an increase of 3 percentage points).

The highest retention rate after two years **in terms of age** was in the 30 to 49 age group (71 percent). The lowest employment rate was among those aged 18 to 29 (60 percent), but this group had the highest increase from two years before project entry (24 percentage points).

When broken down **by education**, the share of employed persons with primary education (17 p.p.) and with higher vocational or higher education (16 p.p.) changed significantly more than for persons with secondary education (8 p.p.).

A significantly greater difference in the share of the employed occurred in the group **without disabilities** (i.e. with some other disadvantage on the labour market), where there is an increase of 18 p.p. compared to the share 2 years before entering the project, than in the group with disabilities, where there is an increase of 8 p.p.

DEVELOPMENT OF THE SHARE OF EMPLOYED OR UNEMPLOYED BY INDIVIDUAL CHARACTERISTICS

	24M before entry into the project	24M after the end in the project	Difference
Total	52 %	64 %	12 p. p.
Men	51 %	54 %	3 p. p.
Women	53 %	70 %	17 p. p.
People aged 18-29 years	36 %	60 %	24 p. p.
People aged 30-49 years	53 %	71 %	18 p. p.
People aged 50-65 years	57 %	55 %	-2 p. p.
People with primary education	42 %	59 %	17 p. p.
People with secondary education	57 %	65 %	8 p. p.
People with higher education	57 %	73 %	16 p. p.
People with disabilities	60 %	68 %	8 p. p.
People without disabilities	39 %	57 %	18 p. p.

BENEFITS OF EMPLOYMENT IN A SOCIAL ENTERPRISE

SURVEY FORM

questionnaire survey - 2 parts; at project entry and exit (N=395)

DATA COLLECTION PERIOD

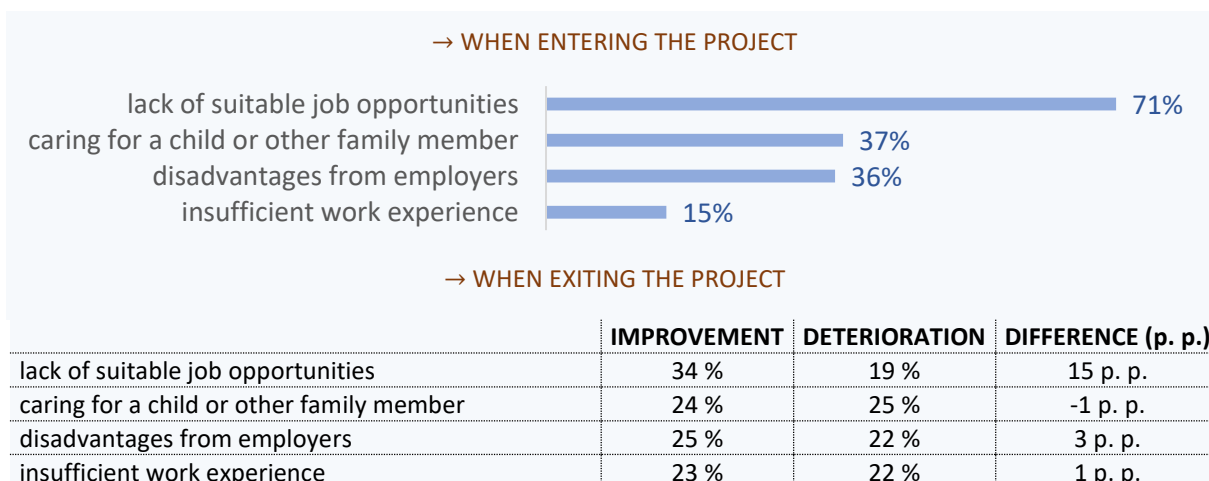
6/2017 – 5/2023

REFLECTION ON THE SURVEY RESULTS

A limitation of the evaluation of the data obtained may be the method of self-assessment of the respondents. **Respondents evaluated their work competences when they entered the project and when they started working in the social enterprise very positively, for which we have various hypotheses** (e.g. respondents' optimism before a new life stage - starting work in the social enterprise, fear of being judged by the future employer, or a biased view of the labour market requirements caused by a break in employment). **Interventions and project activities tend to assume that the supported persons will have reserves in various competences and will need help in this respect.**

Thus, contrary to expectations, there was no major change in many of the assessed competences or aspects of satisfaction after participation in the project, and some even had a preponderance of respondents who experienced a deterioration in their ratings. **We do not see this as a negative effect of the project, but as a correction of the previous overestimation when joining the social enterprise.** The covid-19 disease pandemic, which took place during part of the data collection period and fell mainly during the period of completion of the exit questionnaires, may then have interjected itself into the evaluation of some aspects of satisfaction.

BARRIERS TO ENTERING THE LABOUR MARKET



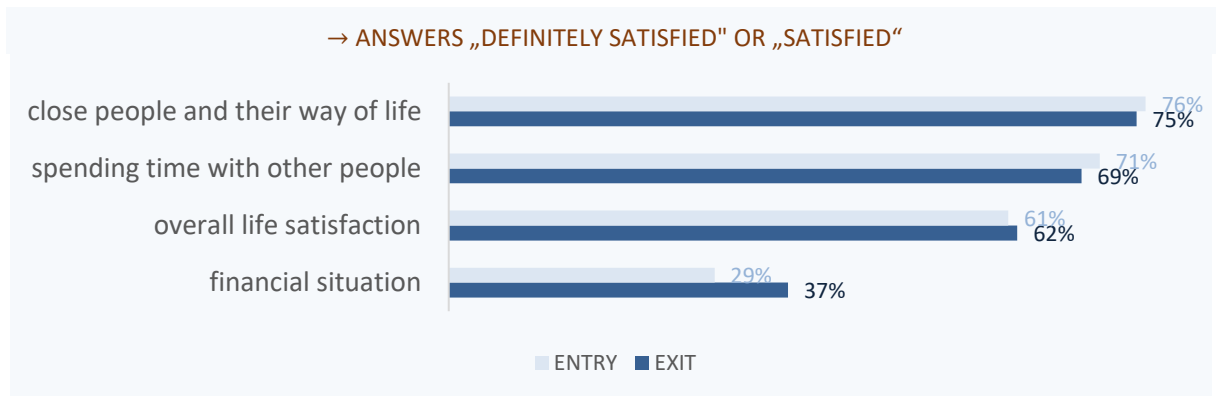
In terms of assessing **the sufficiency of suitable employment opportunities**, the largest positive shifts in project output were observed among the groups employed at project entry, persons aged 35-54 years and persons without disabilities or with other types of disadvantages on the labour market.

For the assessment of **barriers to caring for a child or other family member**, the greatest positive shift occurred for those who were inactive at project entry.

In terms of **employers' perceptions of disadvantage** (e.g. due to origin, gender, family situation, disability, age or criminal record), the biggest positive shifts occurred among people without disabilities and among the 55+ age group.

In the assessment of **the sufficiency of practice**, the biggest positive shift was in the youngest group aged 15-34.

SATISFACTION WITH SELECTED ASPECTS OF LIFE AND PERCEIVED BENEFITS



Respondents were least satisfied with their financial situation at the start of their employment in the social enterprise (29 percent), but also at the exit from the project (37 percent). However, in the evaluation of selected benefits of employment in the social enterprise (chart below), **80 percent of the supported persons stated that they had improved their financial situation during the project.** (When comparing the assessment of their overall financial situation at project entry and exit, 34 percent of respondents improved their response and 16 percent worsened their response.) 66 percent of respondents perceived improved financial prospects for the future as a result of participating in the project.

The most frequent positive evaluation was that **the project enabled the acquisition of work experience.** Furthermore, the most significant benefit was found to be **an increase in knowledge and skills** (including qualifications).

One of the benefits of participation in the project is that after the end of the project **half of the supported persons** stated that they **were promised to continue working in the same social enterprise.**

Respondents were also asked to **compare their experience of working in a social enterprise with their experience of working in a previous job.** A clear majority of respondents rated working in a social enterprise better (70 percent). Twenty-three percent of respondents were equally satisfied in the social enterprise as in their previous job, while 7 percent of respondents had a better experience in their previous job.

EVALUATION OF SELECTED BENEFITS OF EMPLOYMENT IN A SOCIAL ENTERPRISE

