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IO5:Policy brief



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1. Introduction

The RE-ENTER guides are designed to develop targeted guides, manuals, recommendations and supporting material to support the wider take-up and roll-out of the project. The guides aim to contribute to overcoming the barriers to older entrepreneur development and address how to use the RE-ENTER programme and approach to do so.

The following guides will be developed at different stakeholders:

- RE-ENTER Interactive workshop and experience guidelines: Aimed at entrepreneurial development organisations and organisation providing entrepreneurial training, this guide gives them the knowledge and insight on the implementation of interactive workshops and experience to underpin the entrepreneurial development of older unemployed and workers. The personalised approach and interaction with the target group needs to be adapted to their characteristics and circumstances, belonging to a specific (and on many occasions demotivated or disillusioned group) the workshops need to be highly customised.
- RE-ENTER Learner's Guide is developed in order to support the learners, and aims to advise on how to use and take maximum advantage of the RE-ENTER e-learning platform. It includes an FAQ area where learners can find support and get answers on questions, or raise new questions.
- RE-ENTER Guide on (on-line) mentoring and coaching for older unemployed and workers – guide aimed on the one hand to existing entrepreneurs that are interested in becoming a mentor/coach and one the other to those older entrepreneurs interested in becoming a mentee or receive coaching. The guide explains them what mentoring and coaching is, what it implies and the specifics of online activities in the field. It provides the rights and obligations and describes the deontological code that runs the activity. The final part of the guide is dedicated to those stakeholders that are interested in promoting such an activity for the specific target of the project. The guide indicates how to do it in an adequate and cost-effective manner.
- RE-ENTER Guide on (on-line) cooperation - guide which focuses on the principles and the good practices related to entrepreneurial cooperation. It addresses issues related to the identification of relevant business partners; how to negotiate cooperation agreements but also on issues such as joint development of products and services and the options for cooperation which can be used. The guide will have examples and practices. It includes a chapter aimed at business support organisation on how to support and encourage this type of cooperation. Specifics of cooperating on-line are also addressed.
- RE-ENTER Policy brief – guide aimed at policy makers, based upon the research done in the project, in which the lessons learned are extracted and translated into concrete ideas and steps for development of policies and public support programmes for older unemployed and workers, interested in becoming an entrepreneur, and running a growing business. It pays attention to issues on how to motivate and engage them and how public employment services can play a role in this.

The present document is thus part of a wider set of guidelines within RE-ENTER.

2. For Whom

This guide is intended for policy makers who influence the overall situational status of market entry by potential new entrepreneurs. The instructions in this guide will set out guidelines for improving the business entry situation for new entrepreneurs as well as guidelines for policy makers in terms of how they can act to solve the difficulties of entering and staying in business for specific target groups. The general goal of this guide is to create a systematic and sustainable principle of facilitating market entry for new potential entrepreneurs.

3. Introduction to RE-ENTER

1.1. Why RE-ENTER?

According to Entrepreneurship 2020 Action Plan, to bring Europe back to growth and higher levels of employment, Europe needs more entrepreneurs. It confirms once more that one of the most important factors for success of a start-up is the entrepreneurial knowledge, skills and will of its founder or entrepreneurial team. RE-ENTER addresses the needs of older entrepreneurs (over 45) for improved entrepreneurial skills and support, in different phases of entrepreneurial venture - from developing business idea and plan, to establishing a company and during its first steps in the market, and taking full advantage of intergenerational learning through interaction with young entrepreneurs. "Older workers have a wealth of skills and experience, e.g. 400,000 unemployed over 45 have on average around 25 years of experience each, we are missing out on 10 million years of experience." This wealth of skills and experience that are not only beneficial to the economy but will help teach the next generation of workers.

The over-45 entrepreneurs have good knowledge on their sector and relevant expertise in their line of work, they lack the specific skills and knowledge on starting and running a successful and sustainable business, so they need more exposure to entrepreneurship, they have the skills and experience to make a success of their new enterprise and, more importantly, this in combination with their maturity can reduce the risk of failure.

Core analysis of the current education programs have been made and conclusions are:

1. Two different type of efforts concerning entrepreneurship education can be identified, one as a entrepreneurship education targeting participants of HE studies, second effort can be identified as an entrepreneurship training targeting potential and practicing entrepreneurs,
2. Many entrepreneurial support and training programmes exist, however their main focus is on younger entrepreneurs with higher education levels,
3. Training programmes on the topic embedded in existing VET cycles and HE studies only address their students not people who are at work or unemployed
4. There is bias towards start-ups and technology-intensive entrepreneurs in most programmes
5. There is a complete absence of educational material RE-ENTER will provide, innovative training program customized to needs of target group.

RE-ENTER - "Returning to the Labour Market through Entrepreneurship" - is an Erasmus+ project (2017-1-HR01-KA204-035423) that aims to understand of the motivation of, and the skills most needed by the potential and new entrepreneurs of over 45 particularly in partner countries, and provide an answer through a Entrepreneurial Development programme fully catered for their specific needs and which offers support for development of entrepreneurial mindset, knowledge and skills, and will deliver it in a playful and effective way.

1.2. What is offered?

RE-ENTER has designed and developed a new Entrepreneurial Development Programme, based upon a sound needs analysis and the elaboration of Entrepreneurial Development Practices for unemployed and workers of over 45. The programme is embedded in an innovative and inspiring learning environment through ICT which includes creativity exercises, diversity management and other tools; providing direct and virtual networking opportunities to starting entrepreneurs. Motivational aspects are addressed, with the aim customising the programme for the different motivations of the target group.

1.3. On what is this approach based?

The 'RE-ENTER - *Entrepreneurship is a mindset*' training course is a flexi-time course and is delivered through e-learning as a training delivery method. The course duration is approximately 8,5 hours (only modules, without additional materials). The course consists of 6 modules. All modules are structured in the same way. They start with a short introduction on the topic of the module including the objective and expected learning outcomes. Then the main part: the module content supported by practical examples. Every module is also accompanied with extra materials, those being:

- Case studies - Examples within the module topics, that are about companies who faced certain problems and ways they have solved it.
- Self-assessment quiz - After each module, the learner can take a quiz with 10 multiple choice questions, where they can test their gained module knowledge.
- Book recommendation from RE-ENTER Book Club - Partners of the project have created a Book Club with recommendations of books that would be a valuable addition to the learners who want to deepen their knowledge on particular subjects.
- Assignments within the Log Book - Since the online course is meant to offer foremost practical knowledge to the learner, they are given a chance to already think about their future business venture through various assignments, that will help them to set up a business.

4. Technical Chapters

1.4. Ageing Workforce

During the following years the number of people entering working age will be considerably lower. In contrast to economic traditions, from now on we are going to define population as people in the age group of 20-64 instead of 15-64. According to the above-mentioned newest EUROSTAT population projection, if we focus only on the changes which will be taking place during the next decade, we will perceive a small decrease in the number of working people amounting to 2.6 million or 0.8% in comparison with 2010.

In a longer term, when all baby-boomers reach retirement age, the number of working age people will be decreasing. The decrease will amount to around 10 million people or 3-3.5% each decade. As a result, during half a century the percentage of people in the age group of 20-64 in the EU will be a mere 13.8%.

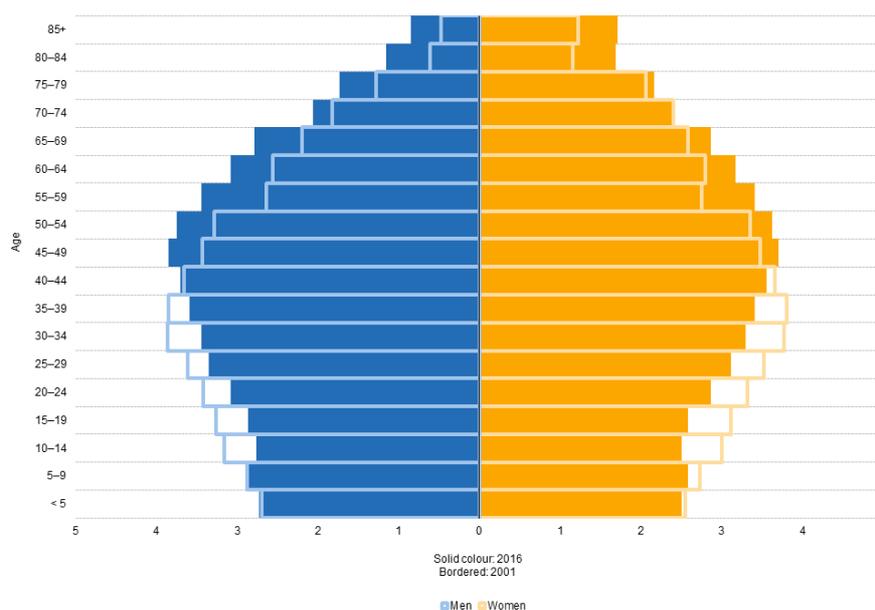
These changes will differ depending on the territory, because in the case of 6 countries there is expected a small increase in the number of people entering the working age (Belgium, Cyprus, Sweden, the United Kingdom, Ireland & Luxembourg), while in many countries we will see at least a 1/3 decrease (Bulgaria, Lithuania, Latvia, Poland, Romania & Germany).

As a consequence of the coexistence both of the increase in the number of older people and the decrease in the number of working age people, the costs incurred by an average employee related to the ageing of the population will be significantly increasing. Simultaneously, the workforce will also be ageing. To describe the changes taking place, let us refer to the notion of the immobile working age. This term is used to describe people at the age group of 45-64, who, because of the specific period of their lives, are characterized

by lower mobility defined in three dimensions:

- qualifications - they are less willing to undertake the effort of additional and vocational training;
- vocational - they are less willing to change their professions, even when they are unable to find a job and are unemployed for a long time,
- spatial - when required, they definitely tend less often to move to another place of residence.

According to the newest EUROSTAT population projection, during the next two decades we will perceive a slow increase of the percentage of people at the age of 50 among all people in the working age.



Note: Break in series. 2016: estimate, provisional.
Source: Eurostat (online data code: demo_pjangroup)

5. Economic Impact

According to Professor Arthur S. Guarino: “ *Humankind is entering an unprecedented era in its history: an increasingly aging population. Combined with a shrinking populace, this situation will have an effect on almost every society on the planet. Whether it is sociological or economic, an aging population has severe ramifications that many nations must deal with including changing many long-held policies.*”

Population ageing is derived from increase in life expectancy and low fertility rates.

Ageing workforce will definitely produce negative effects on macroeconomic indicators in the following 30 years on a EURO zone level. This means that the burden on pension systems in countries with early retirement will increase. In this case, there will be a reduction in payments to workers, which results in reduced purchasing power of the people. If this happens, economic demand decreases, and the quantities demanded decrease. Thereafter, there is an increase in the scope of all these situations, and the end product of this is recessions or depressions of the economy. This is just one of the possible scenarios with problems of low fertility rates.

Therefore, it is necessary to activate older workers, in terms of starting entrepreneurship. In this way, an older entrepreneur will fill in the pension system, provide wages to several of his employees and reduce the negative effects outlined above.

6. Social Factors

For many individuals over the age of 50, working in later life has always been in the distance with little or no planning made on how to live beyond their working life. For some, the financial reality comes into focus and the necessity of working beyond statutory retirement age becomes a real must. This is the reality for people in the former communist countries that now are EU Member States or candidate for membership. For others, their career is their life, with little or no interests outside their work. The trauma this uncertainty brings to many can be paralysing, with a real fear of the future and what lies ahead. The response by many is “wait and see”, often to do nothing and hope for the best (Smith, 2011a). There are a range of social factors which impact on the individual’s capacity for working and learning in later life. McNair (2009) highlights the increasing challenge of unpaid caring responsibilities, either for elderly parents, partners or grandchildren. Declining personal health as well as changes in family circumstances such as children leaving home, bereavement and divorce can also be contributing factors. These transitions after 50 are succinctly described by Phillipson (2002), who concludes that individuals who leave work early often experience growing disillusionment and exclusion from society. For individuals, support and encouragement that will assist with planning and changing career trajectory in later life may be crucial, as well as appropriate advice and guidance on opportunities to re-skill, re-train and access appropriate learning and career opportunities to help realise goals and encourage individuals, where appropriate, to remain working longer and later in life (Smith, 2011a).

1.5. Policy Advice

In today's world, when economic insecurity is at stake, people only see the downside, such as lack of financial resources, and not focus on the positives that starting their own business can bring. Every entrepreneurial venture that is carefully planned and implemented enables its owner to be the one who manages his destiny. Owning a business will allow the entrepreneur to feel the freedom to manage and make decisions he or she could not feel while working under the supervision of others. It is this ability to develop his knowledge and skills that enables the entrepreneur to develop confidence and a sense of importance to the community he represents. By starting their own businesses, an entrepreneur creates new value for the community they live in because it is the small business owners who are most valued for being

the ones who contribute to the well-being of the community and job creation. Although money is not the most important factor in entering entrepreneurship, it is a major motive for the continuation and development of businesses.

According to the EC; *"Small and medium-sized enterprises (SMEs) are the backbone of Europe's economy. They represent 99% of all businesses in the EU. In the past five years, they have created around 85% of new jobs and provided two-thirds of the total private sector employment in the EU. The European Commission considers SMEs and entrepreneurship as key to ensuring economic growth, innovation, job creation, and social integration in the EU"*

Level of discord occurs when it comes to presentation of the policy advice for different countries that have significantly, nevertheless he are summarized main points of advice when it comes of creating a policy that concerns motivation, education and support to older entrepreneurs.

7. Motivation

Like any other significant activity in a person's life starting a business venture have its advantages and disadvantages. Motivation of potential entrepreneurs is one of the most important factors for success of their business. During implementation of the project it was realised that there is a negative attitude towards entrepreneurship by the members of the target group, percentage differs dependently on the country. Negative attitude towards entrepreneurship can be seen as significant problem that limits the number of new entrepreneurs 45+ and it needs to be addressed. Presentation of examples of good practice, **media campaigns** that showcase good sides of entrepreneurship and free education to potential entrepreneurs can certainly be great motivator to get into entrepreneurship. Also, it has been seen that some public institutions are not friendly and stimulating to the potential entrepreneurs. Financial and public institutions that stand in the way of starting a business must be stimulating to potential entrepreneurs.

1st advice: Create and implement comprehensive marketing campaign that will be presented on the medium

preferred by the people 45+.

We need to be aware of the power that media have. All the negative connotations that were created towards starting an enterprise can be corrected. Continuous presentation of positive things that entrepreneurship brings will increase the level of motivation of potential entrepreneurs. Those who currently "value" and do not have the additional motivation to start, with media campaigns, can "outweigh" and get started in entrepreneurship.

Duration: Minimum 3 years

Key message: 1. Entrepreneurship is honest, attractive and desirable work choice

2. Education is important

3. Country/EU support entrepreneurs/ Free education for future entrepreneurs/RE-ENTER and

similar practices

Key indicators: - number of press releases, number of online articles published, number of TV commercials

or radio Published, number of TV shows published with entrepreneur as a guest, number

viewers, commercials published, number of google ads viewers, number of Facebook site

number of people reached

Way to validate results: Sample survey before and after the campaign

8. Education and support

Education of the founders is one of the most important factors in starting and maintaining successful business. All institutions that can help potential entrepreneurs must take every step possible to educate interested people. Through training, potential entrepreneurs can gain new knowledge and skills relevant to their field of work. Many mentoring institutions can help new prospective entrepreneurs that they gain knowledge they will depend on in the future. RE-ENTER provides blended training approach with educational material free to use. The use of RE-ENTER materials is the basis for starting a story about starting a business. On the RE-ENTER platform, people can both communicate and connect.

Institutions can also help new entrepreneurs by organizing discussions with successful entrepreneurs to show potential entrepreneurs how to enter a business, how it survives and how to live the life of an entrepreneur.

2nd advice: Provide access to education

Duration: 5 years

Activities: a) Gather information about education program for starting entrepreneurs.

There is currently no systematic educational program for older people who want to become entrepreneurs. The RE-ENTER project can be a starting point from where to start. If a database of necessary educational resources is created, it is also possible to create a quality educational program for beginning entrepreneurs. If it is achieved that the educational program is "looking for a ticket more", it will be a clear sign that it is going in the right direction.

b) Connect public bodies with the providers of education, free of charge or the possibility that the

country covers the cost of education.

Given the foregoing, that SMEs are the bearers of the economy in Europe, it is clear that all public authorities must be at the service of new entrepreneurs. This means that they need to be provided with educational opportunities and for free since they will carry new income in the future. But public bodies do not conduct educations, education providers do that. This is why cooperation between public authorities and education providers and their synergy is important.

c) Public authorities, such as the Employment Service, the Chamber of Commerce or supporting institutions, should connect all entrepreneurs in order to link markets

Connecting entrepreneurs is a key factor in increasing the volume of business of a particular country, region, continent. If there is a systematic approach to this, many new entrepreneurs will be given the opportunity to cooperate with other companies to facilitate their entry into the market. Also, it is certainly easier for new entrepreneurs if they are assisted by more experienced entrepreneurs or by their experiences and ideas. Public bodies, chambers of commerce and supporting institutions should be in the service of this goal, not only because they exist, but also because they depend on it.

Tracking method: Created database of necessary educational resources

Number of educational programs

Number of participants in educational programs

Number of organized meetings of new and existing entrepreneurs

9. Legislation and financial support

One of the factors that can contribute to improvement of the conditions of entry into entrepreneurship in almost every country in Europe is financial support. Legislation is sometimes very strict with new entrepreneurs, which is why starting a business can be a very difficult venture. The first thing states can do is to implement legal frameworks to assist in self-employment through financial aid. Furthermore, providing loans for entrepreneurs would make it easier for entrepreneurs to enter, since the money needed to invest in a business is one of the key elements. Tax incentives to reduce tax bases and reduce parafiscal levies are part of the most difficult tax policies in Europe. When government agencies realize that it is difficult for new entrepreneurs to keep track of paying taxes and parafiscal levies at the pace required of them, it will also help new entrepreneurs in the long run, and eventually themselves. New entrepreneurs would also be happy if they were more aware of the possibility of co-financing their projects through EU funds. This type of co-financing is the best option for new entrepreneurs. Institutions such as development agencies and chambers of commerce should be in charge of raising awareness of this type of co-financing. Local entrepreneurial incubators could also greatly assist, which could facilitate the very beginnings of entering a business with its incentives, providing education and facilitating access to business premises. National co-financing would help future entrepreneurs as well as co-financing from EU funds, but in this area many countries do not have a clear vision and strategy. Creating clear strategies makes it easier for potential entrepreneurs to decide to start a business. National co-financing can also be transferred to local governments so that they can provide cheaper land leases, more favourable conditions for communal payments, etc.

10. Concluding remarks

Entry into the business of older potential entrepreneurs is often hindered by political and economic situations in individual countries. Therefore, they are not motivated enough to enter the labour market. Solving political and economic situations, or adapting legislation to potential entrepreneurs, can have an effect on new employment and start-up entrepreneurship. Many reliefs and grants would ease the path to entry into entrepreneurship, generating additional revenue for states, and thus increasing standards. There is still a lot of space for progress in this regard and changing the view of policy-makers would create new opportunities that would bring economic prosperity through the growth and development of entrepreneurship.

In addition, policy makers can contribute to the development of entrepreneurship by selectively addressing the problems of the target group. As always, the solution can be founded from complicated things to less complicated, and vice versa. Starting from simpler things, one has to see how motivated people are to start an enterprise. Without a motivated population to start entrepreneurship, no political decision makes sense. If it is possible to motivate people into entrepreneurship, it is important to educate them so that new businesses are "set on good foundations". All those institutions that can be of any assistance to entrepreneurs must be included in the education system. Their involvement does not mean "making available", but the mutual cooperation of them all in order to achieve the stated goal. After that, new entrepreneurs must be provided with all the benefits in order to ensure their stay on the market after entering the market.