

15 Czech Republic

This country profile reports current inclusive entrepreneurship policy issues and recent developments in the Czech Republic, including the COVID-19 response. It also presents recent trends in self-employment for women, youth, seniors and immigrants relative to the average for the European Union.

Conditions for inclusive entrepreneurship

The framework conditions for entrepreneurship are generally favourable. However, the level of administrative burden on new start-ups remains high (bottom 5 countries in the European Union (EU)) and the cost of enforcing contracts is one of the highest among EU Member States. Moreover, as in many countries that moved to a market-based economy in 1989, social attitudes are, overall, less open to entrepreneurship than elsewhere in the EU. The government has a suite of actions to support the self-employment and entrepreneurs; however, inclusive entrepreneurship actions remain relatively under-developed. A small number of projects offer tailored training and coaching to women, youth and senior entrepreneurs, but most are very small schemes with a limited impact.

Recent trends

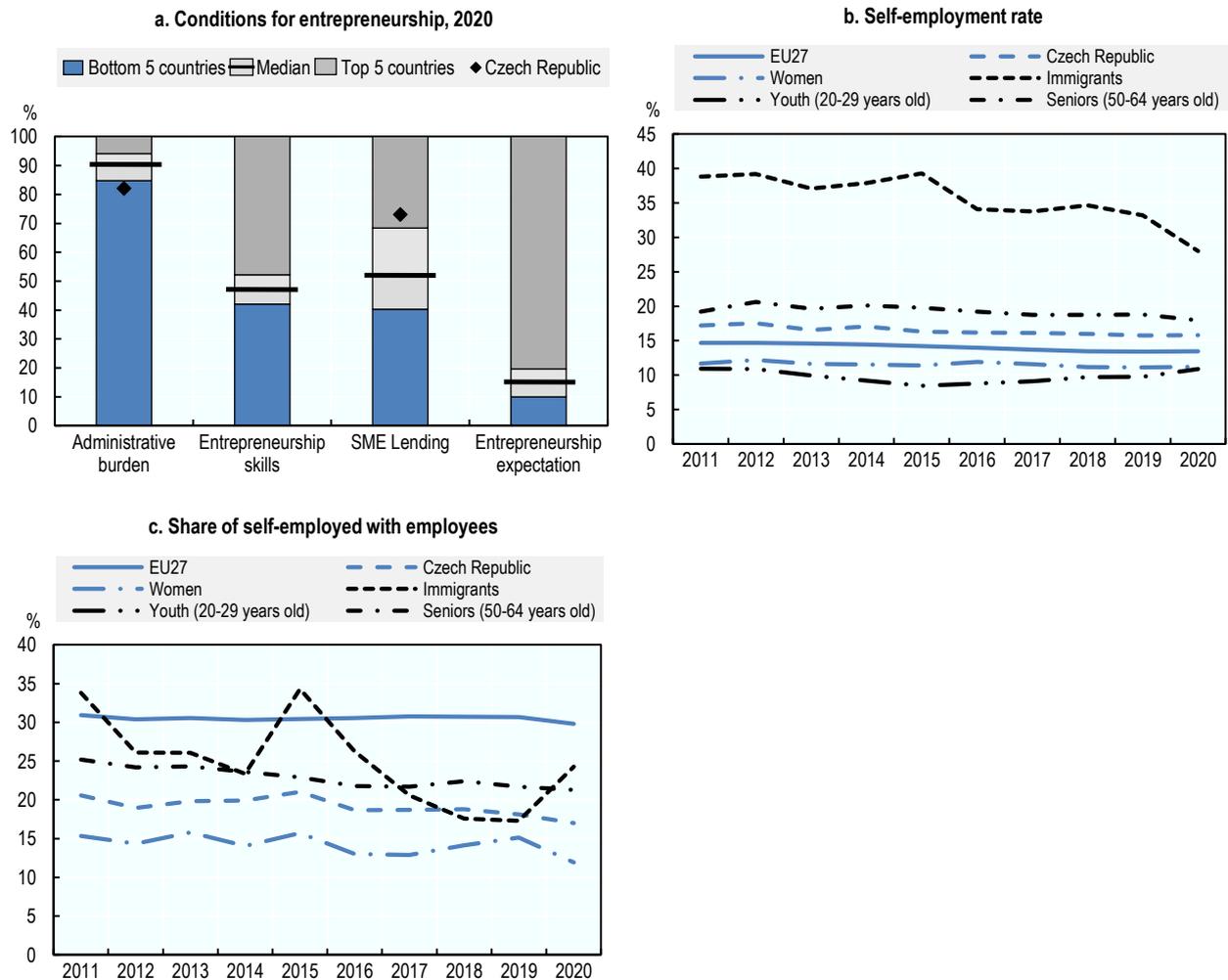
The self-employment rate remained steady over the past decade at about 16%, which was slightly above the EU average in 2020 (14%). Above-average self-employment rates were observed across most population groups, notably among immigrants (28% vs. 12%) and youth (11% vs. 7%) but also women (11% vs. 10%) and seniors (18% vs. 17%). Nonetheless, each of these groups is under-represented in self-employment. Eliminating these gaps (i.e. applying the self-employment rate of men who are 30-49 years old to the whole population), would result in about 110 000 additional entrepreneurs. These “missing” entrepreneurs are essentially all young females (aged 20-29 years old).

Hot policy issue

Several phases of COVID-19 support measures have been introduced to support entrepreneurs and the self-employed. These measures included financial support for rental costs, forgiveness of social insurance obligations (for employers), tax allowances, as well as monthly flat rate payments. Initial direct support measures (early 2020) offered the self-employed a daily compensation of CZK 500 (EUR 19) totalling to CZK 44 500 (EUR 1 660). By February 2021, compensation bonuses to the self-employed had increased to CZK 500 – CZK 1 000 (EUR 19 – EUR 28) per day. The third phase of support was significant as it introduced operating loans of up to CZK 45 million (EUR 1.7 million). As of March 2021, there have been 4 204 accepted applications with a total of around CZK 28.4 billion (EUR 1.1 billion) granted. Some sector-specific measures have also been introduced, including the COVID-Culture for the self-employed operating cultural and creative businesses (launched in August 2020), which was replaced by the COVID 2021 programme in April 2021.

Inclusive entrepreneurship indicators

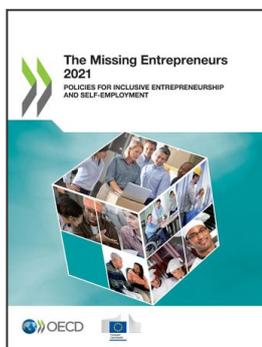
Figure 15.1. Entrepreneurship and self-employment data for the Czech Republic



Note: Please see Chapter 9 for notes on the figures.

Source: Panel a: (World Bank, 2020^[1]; Global Entrepreneurship Monitor (GEM), 2021^[2]; OECD, forthcoming^[3]); Panels b-c: (Eurostat, 2021^[4]). Please see Chapter 9 for the full citations.

StatLink  <https://doi.org/10.1787/888934281372>



From:
The Missing Entrepreneurs 2021
Policies for Inclusive Entrepreneurship and Self-Employment

Access the complete publication at:

<https://doi.org/10.1787/71b7a9bb-en>

Please cite this chapter as:

OECD/European Commission (2021), "Czech Republic", in *The Missing Entrepreneurs 2021: Policies for Inclusive Entrepreneurship and Self-Employment*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/b91927f1-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.