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Embracing failure to facilitate second-chance entrepreneurship in the Danube region

Output 3.3

Rescue and Revitalisation transnational tool

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Recuse and revitalisation options in the Danube region

Country	Rescue and Revitalisation Options	Main problems identified in country reports regarding second chance entrepreneurs
Austria	<ul style="list-style-type: none"> • Austrian Economic Services offers liability • Chamber of Commerce offer consulting services (relief services, liquidity planning, subsidized loans, assumption of liability, subsidized consulting services, and access to an emergency fund, tools to assess creditworthiness) • Private initiative “Unternehmer in Not” (Entrepreneurs in distress) provides a website with relevant information regarding the legal, financial and personal challenges, contacts to attorneys, stories of successful second-chance entrepreneurs • Austrian debt counselling agency provides comprehensive services that encompass financial, legal, social and psychological advise 	<ul style="list-style-type: none"> • Stigmatization of failed entrepreneurs • Only few support mechanisms for SMEs • Lack of institutional strategy regarding second-chance entrepreneurs • Consultancy services at high costs • Self-employed are excluded from non-profit debt



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	<ul style="list-style-type: none"> • Microcredits from the Ministry of Social Affairs • Founder's Program from the Public Employment Services • Vienna Business Agency: Business Support Services 	<p>counselling services; regulations are not benefitting this group as the welfare system is based on employed workers</p>
Romania	<ul style="list-style-type: none"> • Romania has developed programs that offer free courses to entrepreneurs, but they do not refer to second-chance entrepreneurs, possibility to obtain non-reimbursable funds afterwards • Cluj Chamber of Commerce offers Entrepreneurial Competency Manual to self-evaluate the ability to start a business • Tulcea County School Inspectorate: free online educational material to support teacher to implement didactics to enhance the entrepreneurial spirit in kindergarden • Ministry of Justice: manual that presents insolvency law and solutions 	<ul style="list-style-type: none"> • Entrepreneurial education and collaboration with academia should be enforced • Problem of intense competitive pressure • Programs and governmental departments to support second-chance entrepreneurs are missing • Complex legislation and insolvency procedures • Low technological transfer • Lack of tax incentives for venture capital funds and business angels
Slovakia	<ul style="list-style-type: none"> • Slovak Business Agency through Slovak Development Fund (Slovenský Rozvojový Fond): capital contribution and co-ownership, management support and consulting services • Office of Labour, Social Affairs and Family 	<ul style="list-style-type: none"> • No support measures directly targeting failed entrepreneurs • Lack of



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	<p>provides financial contribution to secure employees; wage compensation</p> <ul style="list-style-type: none"> • Slovak Business Agency published recommendations for second-chance entrepreneurs • Slovak Association of Small and Medium Size Enterprises and Entrepreneurs, Slovak Business Agency provide various trainings, seminars and workshops dealing with the business environment • Slovak Business Agency, Slovak Association of Small and Medium Size Enterprises and Entrepreneurs and Slovak Chamber of Commerce provide materials and trainings focused on SMEs • Law on Bankruptcy and Restructuring provides two options – either the full bankruptcy followed by debt acquittal based on a court decision or the repayment plan mechanism 	<p>requalification courses or thematic seminars ,in the area of legislation, formal aspects and regulations</p> <ul style="list-style-type: none"> • Missing communication between policy makers and business sector • Perception of general public about second chance entrepreneurs is mainly negative
<p>Croatia</p>	<ul style="list-style-type: none"> • Croatian network of consultants for small business and Network of consultants at HAMAG provide lists consultants at HAMAG (Croatia Agency for SMEs). However, only the lists of consultants specialized in services of commercialization of innovations, EU funds, energy efficiency • Croatian subsidiaries of American consulting agencies were identifies: Deloitte, Ernst@Young, KMPG, PWC 	
<p>Republic of Srpska/Bosnia and Herzegovina</p>	<ul style="list-style-type: none"> • Strategy for Development of Small and Medium-sized Enterprises of the Republic of Srpska for the period 2016-2020 foresees to include support for second-chance entrepreneurs • RARS has a very important role in the education and promotion of entrepreneurship; technical support; projects to promote entrepreneurial culture among young people; voucher scheme to provide consultancy support 	<ul style="list-style-type: none"> • Negative representation of failed entrepreneurs in the media • State is critical towards failed entrepreneurs • Lack of state support



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	<ul style="list-style-type: none"> • 14 local development agencies, which aim to provide support to start-ups through various projects • Fuckup Nights have been taken place ❓ Entrepreneurial Portal by RARS and the Ministry of Industry, Energy and Mining (www.preduzetnickiportalsrpske.net, information for entrepreneurs 	<ul style="list-style-type: none"> • Low entrepreneurial culture • Difficult debt relief mechanisms • Lack of data on failed entrepreneurs/enterprises
<p>Republic of Moldova</p>	<ul style="list-style-type: none"> • ODIMM manages the National Business Consultancy Centre: information and guidance on existing incentive at national level, secondary consultations • Public institutions offering support programs: Organization for Small and Medium Enterprises Sector Development (ODIMM), Agency for Investments (AI), Chamber of Commerce and Industry (CCI), Agricultural Intervention Agency and Payments Agency(AIPA), Agency for Energy Efficiency(AEE), Agency for Intellectual Property (AGEPI); financial institutions: World Bank, EBRD Advice for Small businesses in Moldova • Business associations, cooperatives and other associative structures: PNFM National Women's Platform from Moldova, AFAM Women Entrepreneurs Association from Moldova, AOAM Business People's Association of Moldova, SBA Small Business Association, EBA European Business Association, Moldova FRUCT Fruit Producers and Exporters Association, NABRM National Association of Beekeepers of the Republic of Moldova, ANTRIM National Association for Inbound Tourism • Moldovan Business Incubator Network (11 Business Incubators, located in regions); Innovation Incubator, Free Economic Zone, Industrial and Scientific Parks, Centre of Excellence and Acceleration • Consultancy - National Consultancy Center working as a one-stop-shop where entrepreneurs can find information and guidance on existing incentive at national level 	<ul style="list-style-type: none"> • Public-private dialogue is needed • Re-starters are not treated on equal footing with new-start ups • Integrate second-chance entrepreneurship into existing action plans • No policy which could help the second-chance entrepreneurs' situation in the market is also makes it difficult to re-start and re-enter on the market



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	<ul style="list-style-type: none"> Financial institutions that provide financing schemes for SMEs such as: Competitiveness Enhancement Project financed by World Bank, EBRD Advice for Small Business in Moldova 	
Germany	<ul style="list-style-type: none"> Federal Ministry for Economic Affairs and Energy (BMWi): three modules to support/consult three types of entrepreneurs (young companies, existing SMEs, enterprises in difficulties) Federal Office for Economic Affairs and Export Control (BAFA): special consultancy support (almost full free of charge) Funding for setting up a business is available upon request and review for unemployed by the Employment Agency (Arbeitsagentur); covers up to 6 months of jobseeker's allowances (if eligible!) during the founding process. Chambers of Industry and Commerce (IHK), Chambers of Crafts (HWK), private consultancies: Business support, but no official programs for restarters Private initiatives: Firmenhilfe Hamburg: anonymous support for entrepreneurs in crises. Debt consultancies: Caritas, Diakonie etc. in some big cities, often not trained for consulting failed entrepreneurs. Initiatives like "Starke Unternehmer" (strong entrepreneurs), which help to identify consultants for a transformation and turnaround Guarantee banks (Bürgschaftsbanken): There are few programmes offering guarantees without banks. This kind of support only works as the utilization of these programmes is low. Otherwise the fees for this kind of support would be too high for providing assumptions of liability 	<ul style="list-style-type: none"> Low support in the growing phase of an enterprise – higher risk of failure during that time Low entrepreneurial culture/risk taking culture Consultancy costs high
Hungary	<ul style="list-style-type: none"> Policy instrument EDIOP- 2.1.5- 15, supervised by the National Innovation Agency: co-financing and funding 	<ul style="list-style-type: none"> Low entrepreneurial culture



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	<ul style="list-style-type: none"> • Economic Development and Innovation Operational Programme provides trainings for entrepreneurs • Employment Center offers trainings for entrepreneurs • JEREMIE (Joint European Resources for Micro to Medium Enterprises): funding • JASPERS funds: technical assistance, quality review, project preparation etc. • European Regional Development Fund (ERDF): loans, venture capital, guarantees • Local banks: K&H Start IT Startup Incubator (Incubator programme: free infrastructure, trainings, mentoring, network), OTP Startup Mentor Programme, Erste Microcrediting programme • Employment center offers trainings for second chance entrepreneurs 	<ul style="list-style-type: none"> • SMEs face severe competition
<p>Slovenia</p>	<ul style="list-style-type: none"> • Start:up Slovenia Initiative in collaboration with Slovene Enterprise Fund: mentoring • METD promotes and raises public awareness for eliminating stigma of business failure at various events across Slovenia; in 2019 trainings for second-chance entrepreneurs will start: SPOT (Slovenia Business Points) • Slovene Enterprise Fund, Start-up Initiative, Subjects of Innovative Environment (Business Accelerators, Technology Parks ...), SID Bank (“a promotional development and export bank”) • Go:Global Slovenia startup accelerator • Silicon Gardens • Act Governing the Rescue and Restructuring Aid for Companies in Difficulty (AGRRACD): intended for companies and cooperatives that play an important systemic role in the development of the country, region or sector, the restoration of long-term viability on the 	<ul style="list-style-type: none"> • Lack of investors • Poor communication between public institutions and entrepreneurs • Negative attitude of banks and investors towards entrepreneurs



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<p style="text-align: center;">Serbia</p>	<p style="text-align: center;">market while preserving jobs</p> <ul style="list-style-type: none"> • The Ministry of Economic Development and Technology (METD) already includes to a certain extent into the start-up programmes contents, where successful entrepreneurs share with new, young entrepreneurs their difficult moments, experiences, failures and how they managed it; promotes and raises public awareness for eliminating stigma of business failure at various events across Slovenia. ; In 2019, METD will start with trainings for SPOT (Slovenia Business Points) advisors on second-chance entrepreneurship. <ul style="list-style-type: none"> • Restructuring mediation services • Implementation of re-organization plans <ul style="list-style-type: none"> • Lack of support opportunities for businesses which went bankrupt, only provided for businesses which face difficulties • Weak private investor scene • Huge dependencies on bank loans and private equity
<p style="text-align: center;">Ukraine</p>	<ul style="list-style-type: none"> • Law: the Law of Ukraine "On Development and State Support to Small and Medium Enterprises in Ukraine" dated March 22, 2012 No. 4618-VI • Strategy for Sustainable Development "Ukraine – 2020" and the Strategy for the Development of Small and Medium Enterprises in Ukraine up to 2020 • Center of Employment: incentives to start a business for unemployed, funding and material assistance • Law "On Restoring Debtor's Solvency or Declaring it Bankrupt": establishing conditions and procedures for restoring of solvency of a debtor company <p>of Ukraine "On Financial Restructuring": f.e. provision of the financial system stability; delivery of access for debtors</p> <ul style="list-style-type: none"> • Lack of financial support/affordable credits • Low awareness of business education programmes/consulting assistances • No negative stance towards business failure, nevertheless no aspiration to support specifically second chance entrepreneurs • The Law



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to the financing etc.

- Over 300 domestic consulting firms
- One third of educational institutions have their own consulting units
- Local and regional chambers of commerce and industry: Consulting services, including on bankruptcy and solvency restoration
- Credit Vacation
- Law "On Restoring Debtor's Solvency or Declaring it as a Bankrupt", which is called "insolvency procedures related to foreign insolvency proceedings": cross-border insolvency
- State restructuring aid in order to support their current activities (liquidity) for a period of no more than eighteen months



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