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INTERNATIONAL SOCIAL SECURITY ASSOCIATION  
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## Good Practices in Social Security

Good practice in operation since: 2016

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### **Success of the self-employment programme in Azerbaijan**

A case of the Ministry of Labour and Social Protection of the Population of the Republic of Azerbaijan

State Social Protection Fund under the Ministry of Labour and Social Protection of the Population of the Republic of Azerbaijan  
Azerbaijan

## **Summary**

*The implementation of the large-scale self-employment program in Azerbaijan covering all regions of the country was started in 2016. The self-employment program created a qualitatively new stage in state employment policy by creating opportunities for the unemployed to establish family business, to have their own farms, to increase income through self-employment, and finally, to create new jobs in the country and to develop small and medium-size businesses which are crucial for the economy.*

*8,548 people have been involved in the program during 2016–2018, with the prevalent participation of those most needing social protection.*

*The program is one of those that will ensure the transition from passive labour market policies to active social protection measures. This will involve more than 8,500 people in 2019, and will expand the financing of the program provided every year by the Unemployment Insurance Fund.*

## **The issue or challenge**

*What was the issue or challenge addressed by your good practice? Please provide a short description.*

The self-employment program creates a qualitatively new stage in state employment policy by creating opportunities for the unemployed to establish family business, to have their own farms, to increase their income through self-employment, and finally, to create new jobs in the country and to develop small and medium-size businesses which are crucial for the economy.

Strengthening social protection and improving the living standards of socially vulnerable groups of the population especially of low-income families led to a transition from the traditional passive policy measures of grants and benefits to active policy measures, e.g., support for the employment of socially vulnerable groups in the labor market, including self-employment.

Expansion and support of such active measures will contribute to the development of the economy, an expansion of the tax base, the creation of additional value, stimulating entrepreneurship, promoting entrepreneurship skills and reducing unemployment.

## **Addressing the challenge**

*What were the main objectives of the plan or strategy to resolve the issue or challenge? List and briefly describe the main elements of the plan or strategy, focusing especially on their innovative feature(s) and expected or intended effects.*

Implementation stages of the program:

1. Selection of trainers and organization of trainings – Participants of the self-employment program are trained to prepare business plans and the successful implementation of business, business development and management, and the factors that are conducive to small and medium entrepreneurship.

2. Selection of participants – Persons who are registered as unemployed in the State Employment Service are selected.
3. Training of participants and preparation of business plans – Participants are encouraged to take 40 hours of the “Start your own business and improve” training in accordance with the ILO methodology.
4. Presentation and approval of business plans – The business plans prepared by the participants during the training period are evaluated and approved at the end of the training.
5. Asset provision – Business plans are funded in kind. In accordance with the chosen business direction, assets are transferred to the employer for two years.
6. Support for and monitoring of business plan implementation – From the beginning of the implementation of business plan, the whole process is regularly monitored by representatives of local and regional employment centres who also provide relevant consultations on successful business administration or management.
7. When the participant's business is successful, assets are transferred to the ownership of the participant.

## **Targets to be achieved**

*What were the quantitative and/or qualitative targets or key performance indicators that were set for the plan or strategy? Please describe briefly.*

The program, which is focused on the most vulnerable groups of the population, involved 8,548 people in 2016–2018.

It is among the programs that will ensure the transition from passive to active social protection measures, which will involve more than 8,500 people in 2019 and will expand the financing of the program provided every year by the Unemployment Insurance Fund.

## **Evaluating the results**

*Has there been an evaluation of the good practice? Please provide data on the impact and outcomes of the good practice by comparing targets vs actual performance, before-and-after indicators, and/or other types of statistics or measurements.*

One of the key components of the self-employment program is the gradual replacement of targeted social assistance and the direct creation of jobs. Because of the program, 8,548 people are employed at the moment, with the program aiming to provide employment for about 10,000 job seekers per year. As a result, the number of entrepreneurs is increasing and the targeted social assistance receivers and those living in the poverty line are becoming entrepreneurs.

## Lessons learned

*Based on the organization's experience, name up to three factors which you consider as indispensable to replicate this good practice. Name up to three risks that arose/could arise in implementing this good practice. Please explain these factors and/or risks briefly.*

- Success factors:
- Ensure targeting.
- Conducting regular monitoring.
- Provide participants with assets in kind (not in cash) to start a business, e.g., materials, equipment and other assets in accordance with the chosen direction of self-employment.