



# Inclusive Entrepreneurship Policies: Country Assessment Notes

## Netherlands, 2018



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## FOREWORD

Inclusive entrepreneurship policies aim to offer all people an equal opportunity to create a sustainable business, whatever their social group. This is an important requirement for achieving the goal of smart, sustainable and inclusive growth set out in the Europe 2020 strategy. It is also a means to respond to new economic challenges, to create jobs and to fight social and financial exclusion. Among the key targets of inclusive entrepreneurship policies and programmes are women, youth, older people, the unemployed, migrants and people with disabilities, who all continue to face challenges in the labour market and are under-represented or disadvantaged in entrepreneurship activities. ‘The Missing Entrepreneurs’ series of publications of the Organisation for Economic Co-operation and Development (OECD) and the European Union discuss how public policies and programmes can support inclusive entrepreneurship. This includes refining regulatory and welfare institutions, facilitating access to finance, building entrepreneurship skills through training, coaching and mentoring, strengthening entrepreneurial culture and networks for target groups, and putting strategies and actions together for inclusive entrepreneurship in a co-ordinated and targeted way. Governments are increasingly recognising the challenge of inclusive entrepreneurship, but there is still much to do to spread good practice.

The proportion of working people who were self-employed in 2017 in the Netherlands was slightly above the European Union (EU) average (15.5% vs. 13.7%). There was a gender gap in self-employment as men were about 1.5 times more likely to be self-employed than women (18.4% vs. 12.2%). Moreover, new entrepreneurs were half as likely as the EU average to report that they started their business because they could not find employment (10.9% vs. 20.3%). One rather unique trend is a growing number of entrepreneurs who combine several self-employment activities or self-employment activities with education or employment. While social inclusion objectives are not currently a strategic priority within entrepreneurship policies, there are two major policy initiatives that aim to support people who are disadvantaged in entrepreneurship, namely the unemployed (*Bbz*) and those facing financial exclusion (*Qredits*). More could be done to make entrepreneurship more inclusive.

This note is the third country assessment note prepared by the OECD in collaboration with the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission on the state of inclusive entrepreneurship policies and programmes in each European Union Member State. Each note provides an overview and assessment of policies and programmes that support people from under-represented and disadvantaged groups in business creation and self-employment and suggests policy actions to address gaps in the support system and to improve the quality of available support offers. The notes cover national-level policies and programmes and, where relevant, sub-national initiatives and actions by the non-governmental sector. The 2018 notes include an additional section on female entrepreneurship support, which provides an overview of the entrepreneurship activity levels, obstacles faced and policy responses.

The notes are part of a wider programme of work by the OECD and the European Commission that includes ‘The Missing Entrepreneurs’ publications, the Better Entrepreneurship Policy Tool ([www.betterentrepreneurship.eu](http://www.betterentrepreneurship.eu)), a series of Policy Briefs on specific target groups, policies and issues, and country reviews of youth entrepreneurship and women entrepreneurship. For more information please refer to: [www.oecd.org/employment/leed/inclusive-entrepreneurship.htm](http://www.oecd.org/employment/leed/inclusive-entrepreneurship.htm).

## **ACKNOWLEDGEMENTS**

This note is part of a series of notes on country-level inclusive entrepreneurship policies and programmes prepared by the Organisation for Economic Co-operation and Development (OECD) for the European Commission. These notes were prepared as part of the programme of work of the OECD Local Economic and Employment Development (LEED) Programme of the Centre for Entrepreneurship, SMEs, Regions and Cities (CFE) led by Lamia Kamal-Chaoui, Director. They provide an overview of current and planned policy actions and identify some actions that could be implemented to address gaps in the current support offering, or improve current offerings.

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## KEY MESSAGES

- Entrepreneurship policies in the Netherlands generally promote and support business growth and innovation. While social inclusion objectives are not a currently a strategic priority within entrepreneurship policies, there are two major policy initiatives that aim to support people who are disadvantaged in entrepreneurship, namely *Bbz* for the unemployed and *Qredits* for those facing financial exclusion. There are also examples of small-scale entrepreneurship initiatives at the local level for groups such as youth and migrants.
- The proportion of working people who were self-employed in 2017 was slightly above the European Union (EU) average (15.5% vs. 13.7%). There was a gender gap in self-employment as men were about 1.5 times more likely to be self-employed than women (18.4% vs. 12.2%). Moreover, new entrepreneurs were half as likely as the EU average to report that they started their business because they could not find employment (10.9% vs. 20.3%). One rather unique trend is a growing number of entrepreneurs who combine several self-employment activities or self-employment activities with education or employment.
- The following measures are recommended to strengthen inclusive entrepreneurship in the Netherlands: (i) promote entrepreneurship to the youth especially using tailored messages; (ii), promote the Bbz programme more to the short-term unemployed and migrants; (iii) develop tailored entrepreneurship training for migrants; and (iv) innovate in service delivery methods by using more tailored and online approaches; and (v) continue the trend of reducing the difference between employees and self-employed regarding social security, insurances and pensions.

## 1. INCLUSIVE ENTREPRENEURSHIP OBJECTIVES AND TARGETS

Entrepreneurship policy in the Netherlands does not constitute a separate policy portfolio; instead, it is integrated within the national business policy and stimulated through instruments and policy measures within this framework. Bearing this in mind, support for SMEs and entrepreneurs is currently delivered through generic measures that support everyone, rather than providing tailored support for different key target groups in society. Entrepreneurship policy measures tend to be delivered through mainstream mechanisms, and tend to promote and support innovation and to improve productivity, in line with the aims of the Dutch industrial policy, which has a significant focus on innovation. Accordingly, there is currently no formal national level strategy or policy objectives related specifically to inclusive entrepreneurship.

Within the Europe 2020 strategy, the Netherlands has defined two targets that are relevant for inclusive entrepreneurship. First, there is an objective to boost the employment rate to 80% by 2020, which is substantially higher than the target of 75% for the whole EU. The employment rate was approximately 77% in July 2018 in the Netherlands so there is scope for using inclusive entrepreneurship policies to help people move into work. Second, the government seeks to reduce the number of persons in a jobless household by 100 000.

In March 2017, the Netherlands held general national elections, with a new government entering office in October of that same year. As with the previous government, the current cabinet (also known as Rutte III, after Prime Minister Mark Rutte), does not follow a specific inclusive entrepreneurship policy. As in previous years, entrepreneurial policy remains embedded in the broader national industrial and business policy in the Netherlands. Though there is not a specific entrepreneurship policy theme, the new government has introduced several key areas of policy focus regarding entrepreneurs and SMEs to be pursued throughout the current term.

In broad terms, the government aims to support entrepreneurs by introducing more fiscal incentives for entrepreneurs, and to promote more start-ups and scale-ups. A series of fiscal incentives have been introduced, such as fiscal arrangements for investors, as well as a larger budget for these fiscal measures, including tax reductions for entrepreneurs. Furthermore, the government aims to continue to support entrepreneurs by improving the support and services offered by the Chambers of Commerce. The government will also renew its policy focus on innovative entrepreneurs and SMEs, as well as promoting more international trade among entrepreneurs.<sup>1</sup> Other policy priorities regarding entrepreneurs include reducing administrative and regulatory burden, better access to networks for entrepreneurs, and improved connection between education and entrepreneurship.<sup>2</sup>

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<sup>1</sup> Ministerie van Economische Zaken en Klimaat, (n.d.), *Ondernemerschap: wat is het beleid?*, [www.bedrijvenbeleidinbeeld.nl/themas/ondernemerschap/ondernemerschap-wat-is-het-beleid](http://www.bedrijvenbeleidinbeeld.nl/themas/ondernemerschap/ondernemerschap-wat-is-het-beleid) (accessed on 11 May 2018).

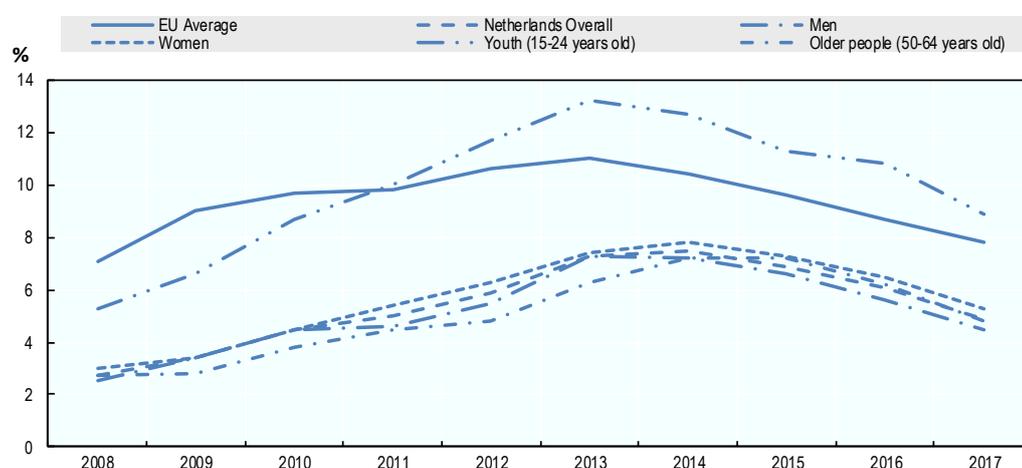
<sup>2</sup> Rijksoverheid, (n.d.), *Rijksoverheid ondersteunt ondernemers*, [www.rijksoverheid.nl/onderwerpen/ondernemen-en-innovatie/rijksoverheid-ondersteunt-ondernemers](http://www.rijksoverheid.nl/onderwerpen/ondernemen-en-innovatie/rijksoverheid-ondersteunt-ondernemers) (accessed 11 May 2018).

## 2. KEY INCLUSIVE ENTREPRENEURSHIP INDICATORS

### 2.1. Labour market context

The unemployment rate in the Netherlands was 4.9% in 2017, which was below the European Union (EU) average of 7.8% (Figure 1). The unemployment rate has been on a downward trend for several years in both the Netherlands and the EU. The rate of unemployment is slightly higher among Dutch women (5.3%) than men (4.5%), and the unemployment rate for youth (from 15 to 24 years old) was 8.9% in 2017, 1.8 times the national average but still the third lowest youth unemployment rate in the EU.

Figure 1. Unemployment rate, 2008-17



Source: Eurostat (2018), Labour Force Survey.

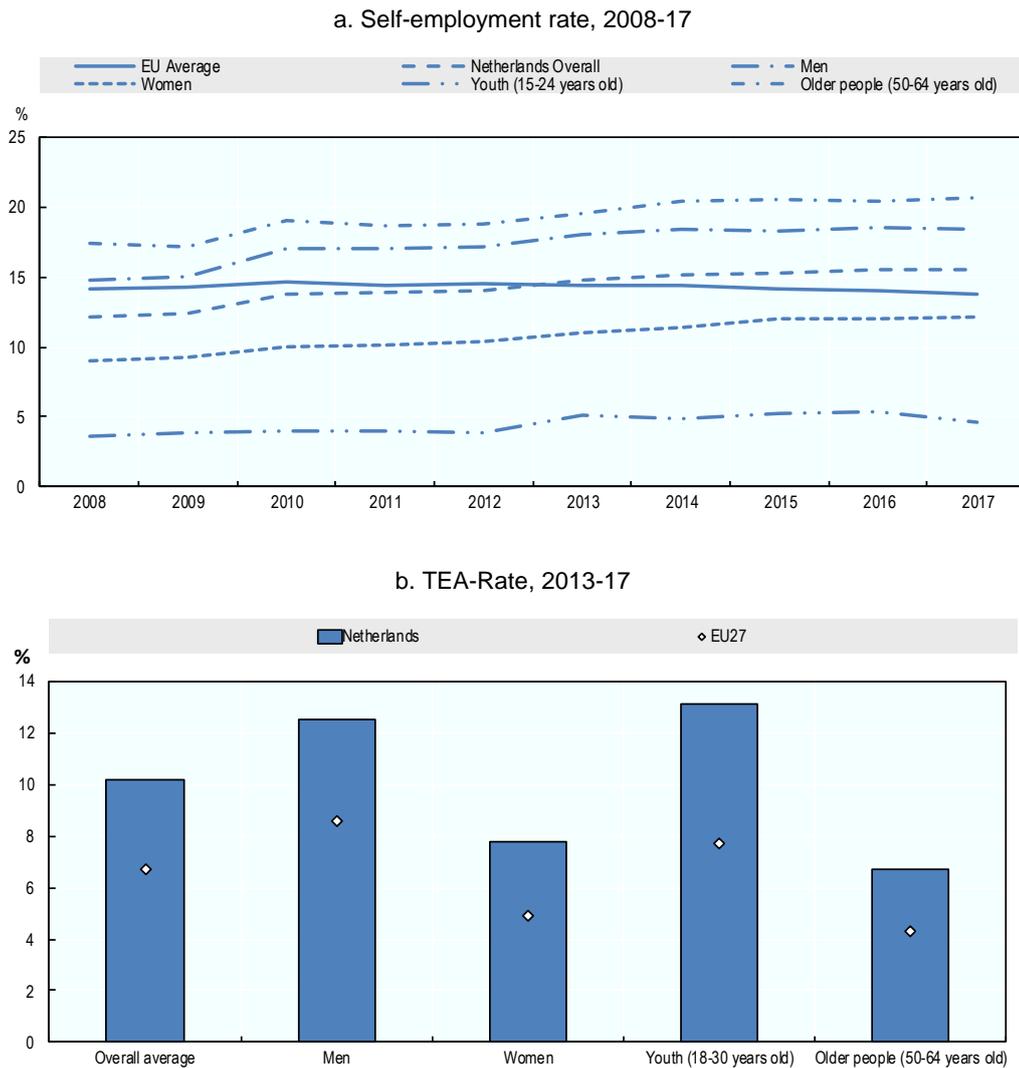
### 2.2 Self-employment and entrepreneurship rates

The number of registered self-employed has been growing relatively fast in recent years (Figure 2a). Between 2014 and 2017 the average self-employment rate in the Netherlands has been 15% or higher, slightly above the EU average which fluctuated around 14%. This can be partially explained by an increase in part-time self-employment. Statistics Netherlands (CBS) estimates that in 2016, over 55% of the self-employed combined self-employment with another source of income, such as a salary, a pension or other benefits. While self-employment was the main source of income for 62.4% of these part-time self-employed workers, it was a secondary stream of income for 38% (CBS, 2017). Wage employment was the most commonly reported primary income stream, followed by retirement. Moreover, the number of students that combine study with entrepreneurship has doubled from 3% to 6% between 2011 and 2013 (ECE, 2014). At some universities of applied sciences, up to nearly one-in-five students (17.8%) are combining entrepreneurship with their studies (van der Heuvel, 2015). It is in addition reported that the number of self-employed with a second source of income (next to that from self-employment) has risen from 171 000 in 2002 to 259 000 in 2012.

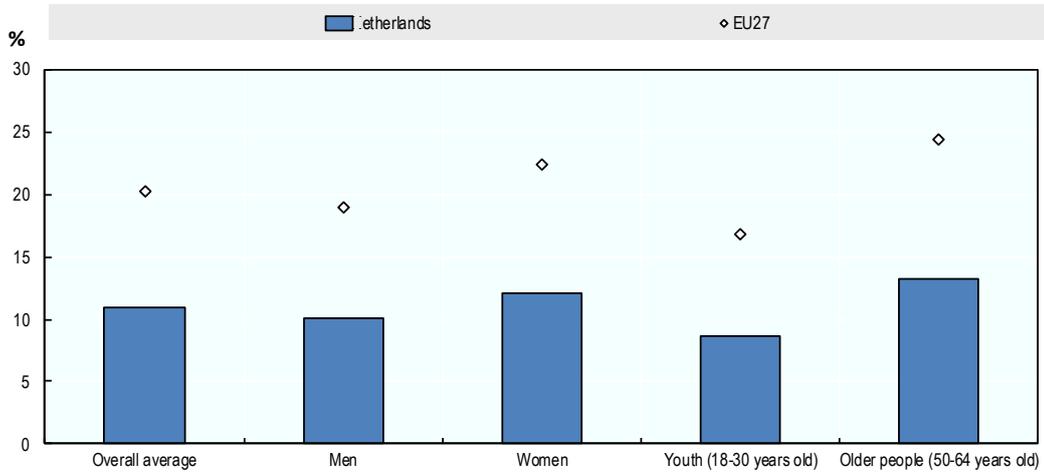
Another way to measure entrepreneurial activity is to consider the rate of Total early-stage Entrepreneurial Activities (TEA) which measures the proportion of the population that are active in starting a new business or managing a business that is less than 42 months old. Overall, the Dutch

were 1.5 times as likely as the EU average to be involved in early entrepreneurial ventures between 2013 and 2017 (10.2% vs. 6.7%). About 7.8% of women in the Netherlands were early-stage entrepreneurs between 2013 and 2017 (Figure 2b). The TEA rate for women was 1.6 times the EU average for women over this period (4.9%), but only about 60% the rate for men (12.9%). Men's TEA rate was above the EU average (8.5%). Women entrepreneurs were, on average, younger than men and also had higher educational achievements. Women entrepreneurs in the Netherlands were also more highly educated than the average women entrepreneur in the EU (Panteia, 2015).

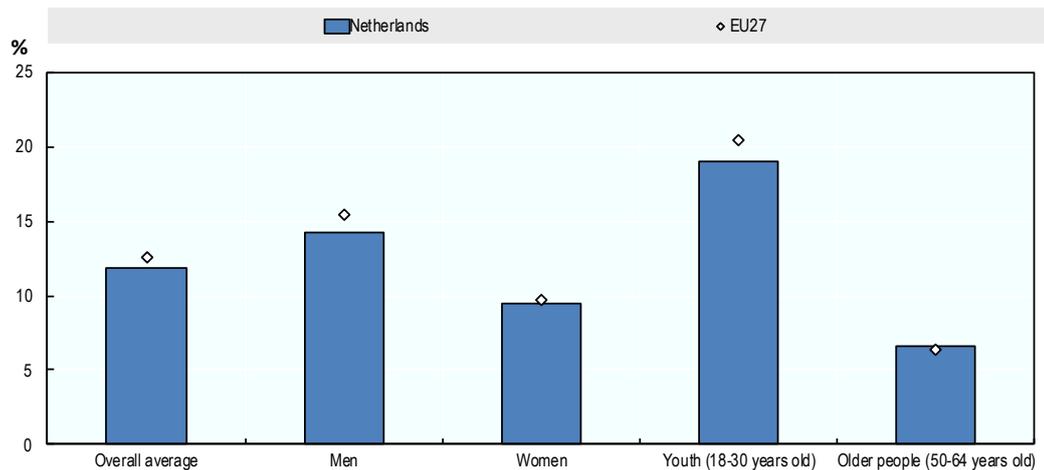
**Figure 2. Entrepreneurship rates by target group**



c. Proportion of TEA that is necessity entrepreneurship, 2013-17



d. Proportion who expect to start a business in the next 3 years, 2013-17



Note: The self-employment rate is defined as the proportion of those in employment who are self-employed. The TEA rate is the Total early-stage Entrepreneurial Activity rate, which is defined as the proportion of the population actively involved in pre-start-up activities and those who have started a new business within the last 42 months. The proportion of TEA that is necessity entrepreneurship is the proportion of entrepreneurs involved in setting-up a new business or operating a business that is less than 42 months old, who were motivated to start their business because they had no better options for work. Data for panels b, c, and d were pooled for the period 2013-17, producing an unweighted average. The EU27 average in panels b, c, and d covers all EU Member States except Malta because it is not covered by the GEM survey.

Source: Panel a contains data from Eurostat (2018), Labour Force Survey; Panels b, c, and d contain data from the 2013 to 2017 Global Entrepreneurship Monitor household surveys that were tabulated for the OECD (2018).

The proportion of early-stage entrepreneurship activities that were launched out of necessity (i.e. the individual self-reported that they started their business due to a lack of employment opportunities) was almost half of the EU average between 2013 and 2017 (10.9% vs. 20.3%). This held true for all groups: men (10.1% vs. 19.0%) and women (12.1% vs. 22.4%) were much less likely than the EU average to be driven by poor labour market prospects. Youth and older entrepreneurs were also much less likely than the EU average to be “necessity” entrepreneurs (8.6% vs. 16.8% for youth; 13.2% vs.

24.3% for older workers) (Figure 2c). This may reflect the relatively good performance of the labour market.

Over the 2013-17 period people in the Netherlands were less likely than the EU average to expect to create a business over the next three years (Figure 2d). This finding holds for men, women and youth, but older people in the Netherlands were almost as likely as those in other EU countries to expect to start a business (6.6% in the Netherlands, compared to 6.4% in the EU). This could be related to a variety of factors relating to both the framework conditions in the Netherlands, and individual character traits among different demographic groups. In the Netherlands, the framework conditions for setting up a business are generally considered to be good.

Although migrants are often assumed to be very entrepreneurial, immigrants were less likely to be entrepreneurs than natives in the Netherlands in 2011. Slightly more than 8% of the immigrant population was involved in entrepreneurship at that time, relative to approximately 12% of the native-born population (Panteia, 2014). Ethnic and migrant entrepreneurs typically operated in trade and commerce (e.g. retail shops) but the picture was changing with the second and third generation engaging in more innovative businesses. The proportion of immigrants who are starting businesses had been growing.

### **2.3. A profile of the self-employed**

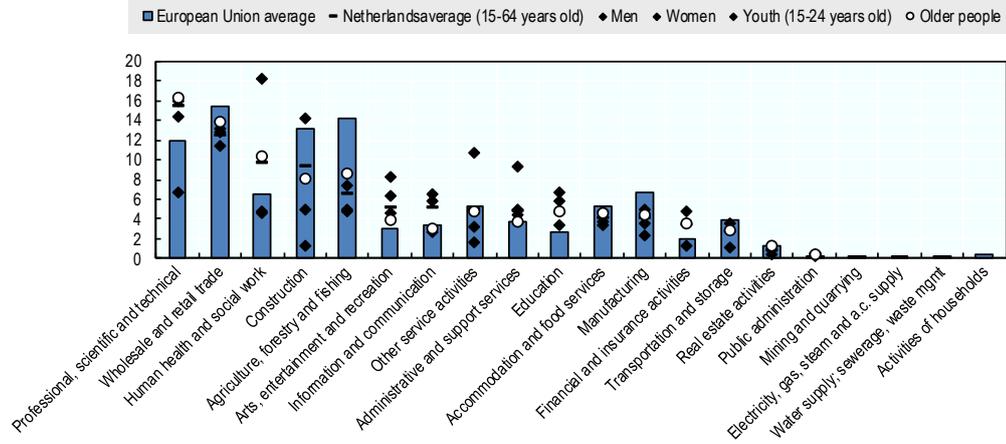
In the Netherlands, the sectors with the highest levels of self-employment in 2017 were Professional, scientific and technical activities (15.4%), Wholesale and retail trade (12.5%), and Human health and social work (9.7%). In the EU, the top sectors for self-employment in 2017 were Wholesale and retail trade (15.4%), Agriculture, forestry and fishing (14.1%), and Construction (13.2%) (Figure 3a). In the Netherlands, women were most often self-employed in the Human health and social work sector (18.2%), while the Professional, scientific and technical sector was the most common sector of activities for men (15.9%).

Self-employed workers in the Netherlands tend to have higher educational achievements than their EU counterparts. In 2017, 42.5% of self-employed individuals in the Netherlands were educated at the tertiary level and 39.5% had completed upper secondary education (Figure 3b). By contrast, the average self-employed workers in the EU were more likely to hold an upper secondary education (44.6%) than a tertiary education (35.1%). Among Dutch self-employed workers, women were the most likely group to have completed tertiary education (48.7%). Men were more likely to be educated at upper secondary level (41.1%).

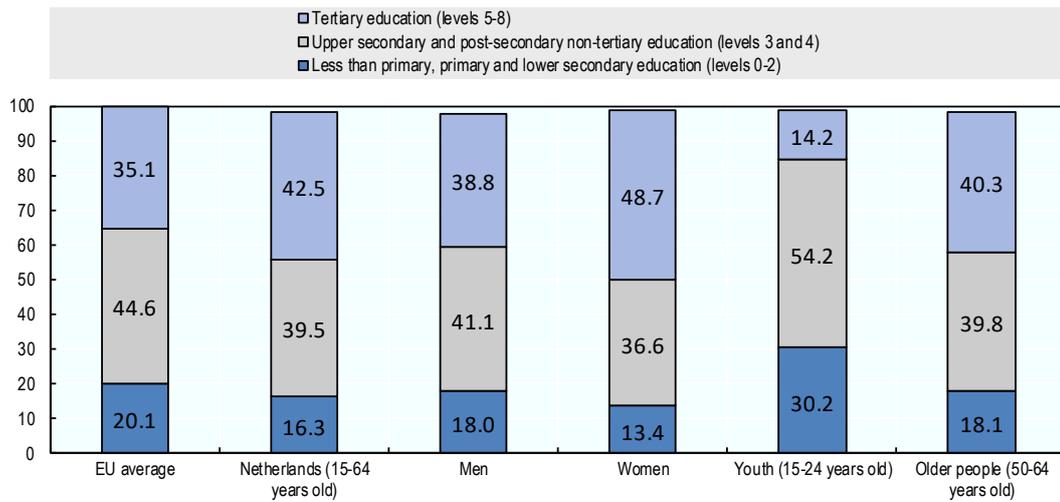
In 2017, the most common occupation for self-employed individuals in the Netherlands was Professionals (32.0%), followed by Service and sales workers (17.4%) (Figure 3c). This is similar to the overall EU average where the most common occupations were also Professionals (21.0%) and Service and sales workers (16.5%). Self-employed men and women in the Netherlands had relatively similar sectoral distributions. Both women and men were most often self-employed as Professionals (respectively 36.5% and 29.3%). Service and sales workers was the second most common occupation for women (28.4%), while it was Craft and related trades workers for men (18.5%). Technicians and associate professionals was the third most common occupation for both genders: 13.4% of female and 12.5% of male self-employed workers held such positions.

**Figure 3. Characteristics of self-employed workers by target group**

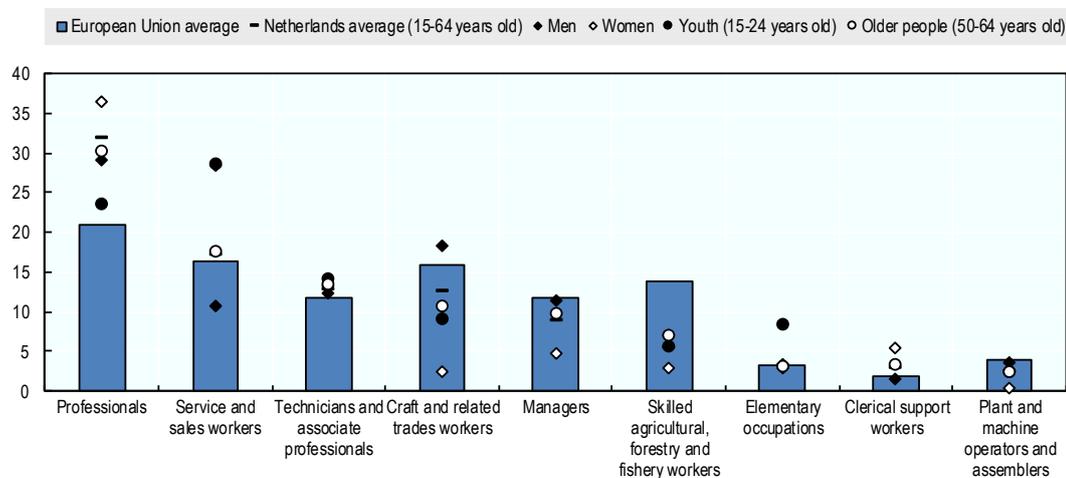
a. Proportion of self-employed by economic activity, 2017



b. Proportion of self-employed by educational attainment, 2017



c. Proportion of self-employed by occupation, 2017



Note: The self-employment rate is defined as the proportion of those in employment who are self-employed.

Source: Eurostat (2018), Labour Force Survey.

## 2.4. Barriers to business creation

The Dutch Access to Finance monitors and the Global Entrepreneurship Monitor identify perceived administrative burden and complexity and difficulties in accessing finance as key barriers for Dutch entrepreneurs (Panteia, 2016). This may partially explain the lower expectation of starting a business observed in the Netherlands. Government resources are allocated to reducing administrative burden and to provide more options for financing. These issues act as barriers to entrepreneurs in general, and tend to hold more acutely for vulnerable groups such as women, youth, older people, the (long-term) unemployed, immigrants, and people with a disability. Access to finance is seen as a more acute barrier for these groups as they typically have less capital and lower probabilities of getting financing through banks and regular channels.

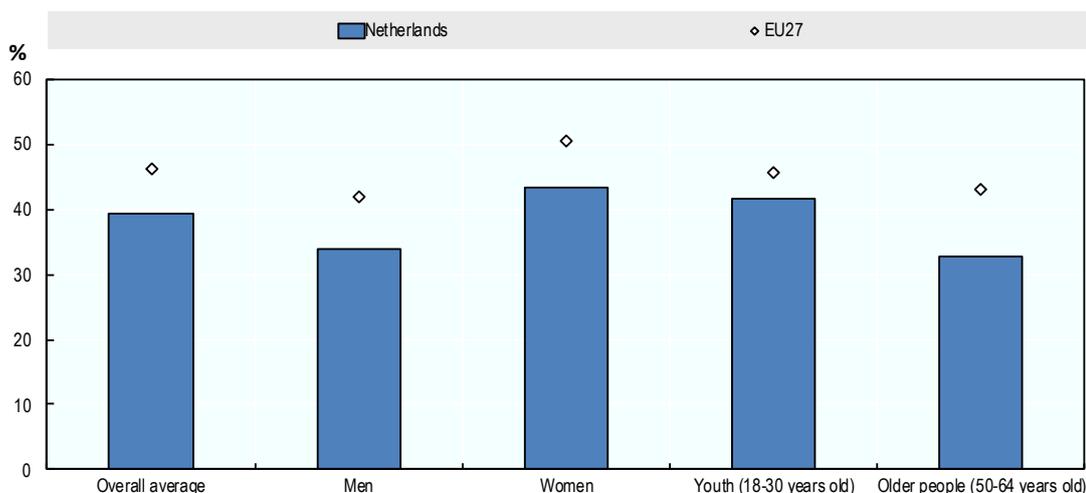
People in the Netherlands were less likely to report fear of failure as a barrier than the European Union average over the 2013-17 period (39.3% vs. 46.2 %) (Figure 4a). Of the demographic groups observed, women and youth were the most likely to report this barrier (43.3% and 41.7% respectively), but these groups were nonetheless less likely than the corresponding EU average to report this (50.5% for EU women and 45.5% for EU youth respectively).

People in the Netherlands were slightly more likely than the EU average to report that they have the skills and knowledge to start a business over the 2013-17 period (45.1% vs. 41.9%) (Figure 4b). This held true for all demographic groups observed, although the proportion of Dutch women who reported being confident in their entrepreneurial skills was virtually equal to the EU average. More than one-third of both women (33.6%) and youth (35.8%) in the Netherlands reported that they had sufficient skills, as did more than 43.0% of older people.

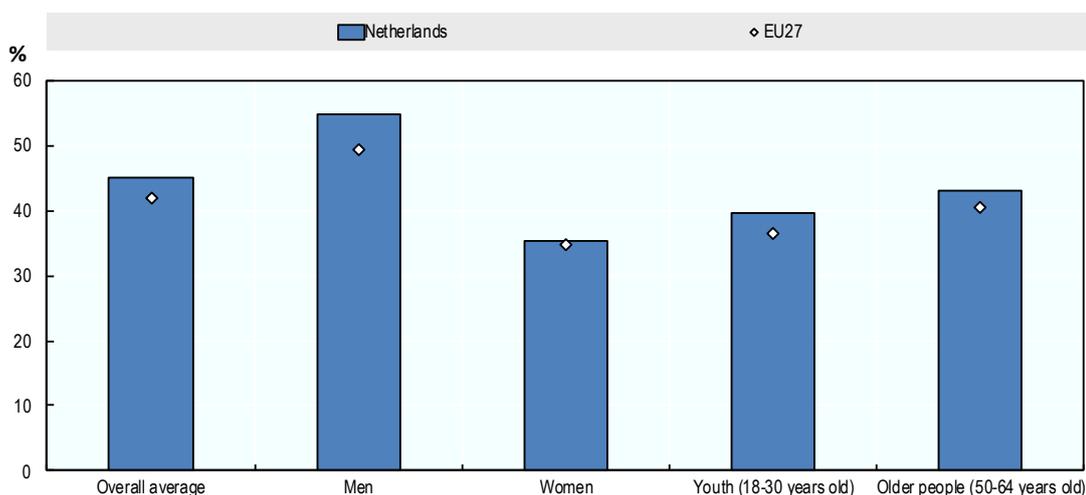
Among Dutch potential start-ups, government policies (and resulting administrative complexity), as well as access to financing, tend to be the main barriers to entrepreneurship (Panteia, 2016). The government has taken and continues to take steps to reduce administrative burden and to provide more financing instruments. The government aims to reduce administrative burden for entrepreneurs through increased use of ICT for organising administration (Rijksoverheid, n.d.), less permits, permits and licenses which can easily be applied for online, and less inspections (Rijksoverheid, 2017). The government also allocated EUR 7.5 billion to financial stimuli for entrepreneurs from 2017 onwards.

**Figure 4. Barriers to entrepreneurship by target group**

a. Proportion who report that a fear of failure prevents them from starting a business, 2013-17



b. Proportion who perceive that they have the skills to start a business, 2013-17



Note: Data were pooled for the period 2013-17. Responses were weighted to reflect the population in each year, but no weighting was used when pooling the time series data, i.e. all years have the same weight regardless of the sample size in each year. The EU27 average covers all EU Member States except Malta because it is not covered by the GEM survey.

Source: GEM (2018), special tabulations of the Global Entrepreneurship Monitor's household surveys from the 2013 to 2017.

## 2.5. Entrepreneurship performance

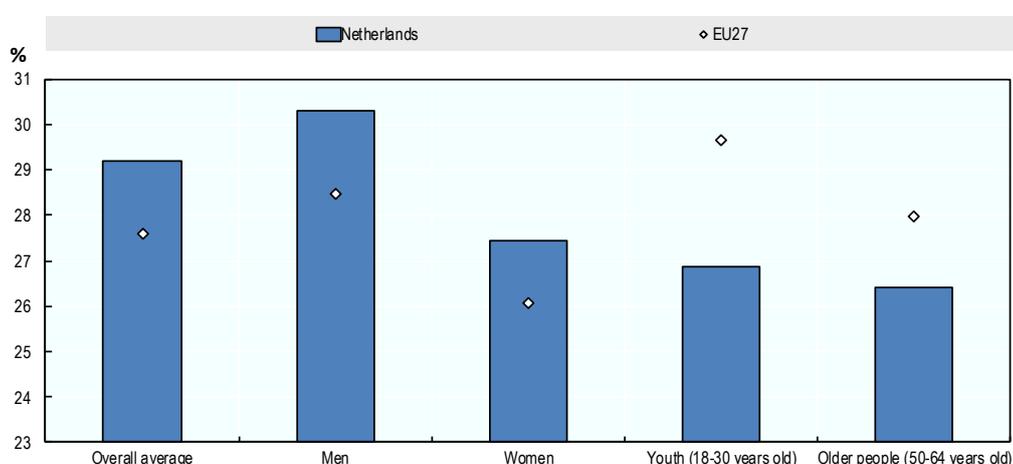
Entrepreneurs in the Netherlands were slightly more likely to offer new products or services to their customers than the EU average (29.2% vs. 27.6%) (Figure 5a). Propensity to innovate varied across groups. Men and women were slightly more likely than their EU counterparts to offer new products and services (30.3% vs. 28.5% and 27.5% vs. 26.1%, respectively). Youth and older entrepreneurs by contrast, lagged slightly behind their EU counterparts in terms of innovation. This only slightly above average level of innovativeness may be related to the general, persistent hesitance of Dutch banks and typical channels of financing towards risk. Given the Netherlands' position as an innovative, knowledge-driven economy, innovative SMEs is a priority of the Dutch government, which actively promotes support innovative companies and start-ups, including through financial support.

Early-stage entrepreneurs were less likely to indicate that they sell to customers in other countries than the EU average (48.6% vs. 57.4%) (Figure 5b). Women were the least likely demographic group to export (40.3%), followed by youth (43.8%). The gap with the EU average was largest for youth, who were 19.8 percentage points less likely than the EU average to report having customers abroad, the fourth lowest rate in the EU.

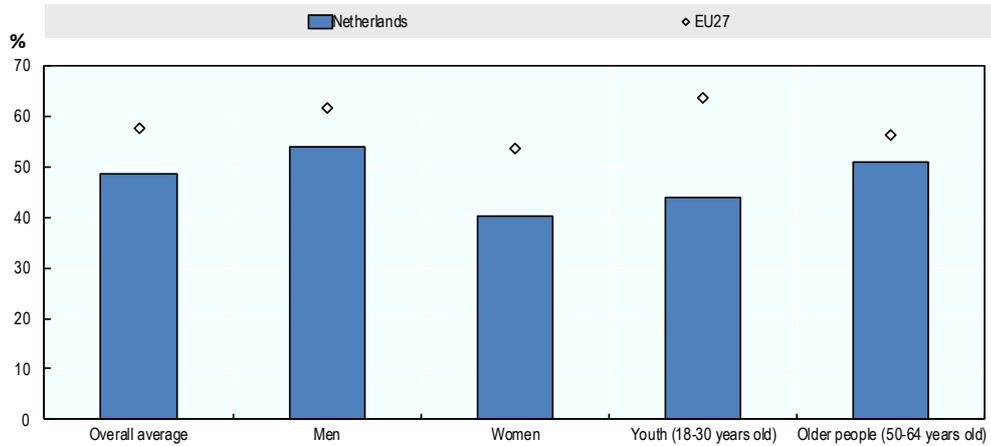
Similarly, early-stage entrepreneurs in the Netherlands were slightly less likely to expect to create a substantial number of jobs than the EU average (Figure 5c). In the Netherlands, 7.1% of early-stage entrepreneurs expected to create at least 19 jobs over the first five years of operation, relative to the EU average of 9.7%. Of all demographic groups, older entrepreneurs were the most likely to expect to create at least 19 jobs (7.5% vs. 9.7% at the EU level). Women were the least likely to report such growth expectations (3.2%, almost half the 5.9% EU average). These comparatively low growth expectations may be due in part to a combination of the strong social security system and the dynamism of the Dutch labour market. In the Netherlands, the provision of voluntary or obligatory social security coverage for entrepreneurs is an issue of policy discussion as most entrepreneurs are only partially covered. While they can opt in, they must cover the costs usually covered by employees as well as that usually paid by the employer in order to be insured against sickness and/or disability and to build up a pension in addition to the state pension, which is expensive for an entrepreneur.

**Figure 5. Self-employment and entrepreneurship activities by target group**

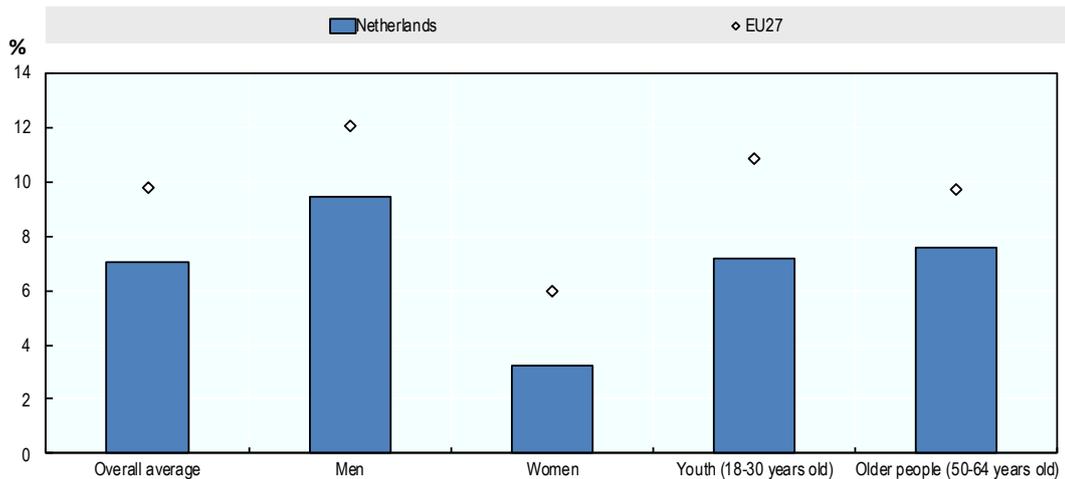
a. Proportion of new entrepreneurs whose products or services are new to all or some customers, 2013-17



b. Proportion who sell to customers in another country, 2013-17



c. Proportion of early-stage entrepreneurs who expect to create more than 19 jobs in 5 years, 2013-17



Note: Data were pooled for the period 2013-17. Responses were weighted to reflect the population in each year, but no weighting was used when pooling the time series data, i.e. all years have the same weight regardless of the sample size in each year. The EU27 average covers all EU Member States except Malta because it is not covered by the GEM survey.

Source: GEM (2018), special tabulations of the Global Entrepreneurship Monitor’s household surveys from the 2013 to 2017.

For employers, these costs associated with the complexity of hiring and the firing permanent workers can be incentives to contract with self-employed workers rather than hire an employee. As such there is a high prevalence of part-time working contracts and the use of solo-self-employed. Given the issues surrounding the solo-entrepreneurs and their working relationships as well as their social security coverage, there has been policy discussion around adjusting their regime in recent years. The law on declaring of a labour relation (*Verklaring arbeidsrelatie* (VAR), in the Netherlands aims to make labour relations explicit. This law was replaced in May of 2016 by the “model contracts” measure and discussions on whether the law change has had the desired effects are ongoing (Nu.nl, 2017). In 2015 an inter-departmental report also re-emphasised the issue of social security among solo-entrepreneurs (Rijksoverheid, 2015).

### 3. ASSESSMENT OF CURRENT AND PLANNED INCLUSIVE ENTREPRENEURSHIP POLICIES AND PROGRAMMES

#### 3.1. Policy framework

In the Netherlands, inclusive entrepreneurship is not a specific and defined policy area. Instead, the country favours inclusive employment policies and programmes for all, with more specific employment policies for individuals from vulnerable groups. Within the reintegration policy and the business policy portfolios, a select few initiatives also help support vulnerable groups in starting a business.

SMEs and entrepreneurship policy is part of the broader industrial policy in the country and tends not to focus on specific target groups such as women, older people, youth, immigrants, the unemployed, or people with disabilities. Financing, coaching and consultancy services tend to be offered in single programmes or in one-stop-shops for entrepreneurs, with a focus on individual needs. The rationale behind this approach is that every entrepreneur is different and that support and financing should be tailored to their needs and capacities, as well as an examination of what they need for their business to succeed. Based on such assessments, an applicant's suitability and eligibility for a measure is evaluated, as well as the precise nature of support the applicant ought to receive.

The current cabinet entered office in October of 2017. It intends to support entrepreneurs and SMEs through business and industrial policy. To help promote more start-ups and scale-ups, the government has renewed its commitment to a series of existing fiscal measures, such as tax reductions for entrepreneurs on their enterprise's earnings.

One of these fiscal arrangements is known as the *Ondernemersaftrek*, or the entrepreneur deduction. This is a general measure for entrepreneurs, but there are some additional deductions for different groups of entrepreneurs (Belastingdienst, n.d.). For example, a tax deduction for starters with a disability, the *Starters aftrek bij arbeidongeschiktheid*, is offered to individuals with a disability with a below average capacity to work (Belastingdienst, n.d.).

While entrepreneurship policy overall favours a mainstream approach, there are two major national level programmes that offer training and financial support to disadvantaged or under-represented groups in the labour market, aside from the aforementioned tax deduction for starting entrepreneurs with a disability:

- *Besluit bijstandverlening voor zelfstandigen 2004* (Bbz 2004, or the Directive on welfare benefits for entrepreneurs), which provides education and training complemented by financial support and working capital to promote self-employment among the unemployed
- *Qredits*, which provides microcredit (as well as e-training and coaching) to those facing financial exclusion.

The Bbz programme aims to support unemployed people to move into self-employment through the provision of entrepreneurship training and loans. Recipients are eligible for a comprehensive package of services, which includes the provisions of information on self-employment, entrepreneurship training, business consultancy and mentoring services, as well as loans and

temporary income support. The initiative was created in its current form in 2004 but the programme had been in activity for a long time before that and has been mostly the same since 1995.

The programme has been slightly modified several times since its creation, including adjustments to the amount of financial support provided. Generally, the initiative consists of four distinct phases: a preparatory phase; the development of a business plan; an assessment of the plan's viability; and, finally the provision of a loan. Administration for this programme has been transferred from the national government to municipal governments, which often engage private business support organisations and coaches to deliver training and advice. While this has led to some differences in how the programme is implemented, each municipality can customise the support offered to the needs of participants.

An evaluation of the Bbz programme is currently being conducted and its results will be published in early 2019. The last available evaluation of the Bbz programme was carried out in 2011 and found that the programme had a net economic benefit for society. The programme cost EUR 104 000 per starting enterprise (including the cost of business development support provided, lending costs, social welfare expenditures and forfeited income and taxes) but generated EUR 122 900 of savings for the social welfare system, including additional tax income. Thus, there was a net positive result of EUR 18 900 per participant (Ecorys, 2011). Furthermore, one of the key strengths of the programme is that it recognises that each entrepreneur is different and has different needs. The programme provides tailored solutions for the challenges faced by each participant that can be adjusted if the needs change. For example, if an entrepreneur becomes sick and has a loan, the repayment schedule can be altered. The integrated nature of training, coaching and financial support is also seen as an important strength of the programme (OECD/EC, 2015).

Statistics Netherlands(CBS) recently conducted a study as to the use of the Bbz programme<sup>3</sup>. The study indicated a decline of the total use of the Bbz programme from 11 000 users in 2013 to 9 800 in 2015 (Centraal Bureau voor de Statistiek, 2017). While the report does not provide reasons for this decline, the decrease may likely be related in part to the fast recovery of the Dutch economy, and resulting decreased unemployment over the period. This report (Centraal Bureau voor de Statistiek, 2017) also showed that the demographic distribution of the use of the Bbz had not changed much in recent years. In 2015, women made slightly more use of the measure than men (52% compared to 47%), and the largest users of the programme were Dutch born nationals (66%), compared to western and non-western migrants (13% and 20%). Furthermore, 65.5% of recipients were in the programme for under a year and in 2015, no participants of the Bbz fell back into receiving welfare benefits as their only source of income.

The other programme, *Qredits*, is a private foundation that started in 2009 through a group of public and private partners. It aims to build a strong entrepreneurial culture for all groups of society through the provision of financing, mentoring and business development tools for micro-entrepreneurs that have a viable business plan, but are unable to obtain loans from conventional lending institutions. This initiative was developed following the 2008 conclusion of the (former) National Council for Micro Credit of the Netherlands that a relatively large number of people with a potentially viable business idea were denied access to formal banking services due an inability to provide collateral for a loan. The document highlighted the following groups as needing special attention: young school leavers and drop outs, the long-term unemployed, those carrying out unpaid work in households seeking ways to add self-employment to their present (unpaid) work, and older people. *Qredits* was developed as a response to this report and was established by the Ministry of Economic

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<sup>3</sup> The study took into account starting entrepreneurs as well as existing entrepreneurs with temporarily financial problems who can be supported in the context of the Bbz programme.

Affairs in partnership with the private sector, composed mainly of larger general banks and some insurance companies. It further received substantial financial support from international partners, including the European Microfinance Network (EMN) and Youth Business International (YBI).

In 2016, SEO Economic Research conducted an evaluation of Qredits microfinancing. The evaluation showed that Qredits had evolved into a professional credit provider since 2009. In 2009, Qredits received some 3 500 requests for financing, and in 2015, this number was up to around 6 000 applicants. The credit application process had been further refined and streamlined since 2009. The study concluded that Qredits performs well as a financial credit provider and identified two main areas for further improvement of the measure. First, it seems that public awareness of Qredits among its target group, namely micro and small entrepreneurs from different backgrounds could be improved. As such further promotion and awareness raising is required. Second, the additionality of the credit provided could be re-examined as the evaluation suggests that some Qredits users could also receive financing from other sources (SEO Economisch Onderzoek, 2016).

Besides these national level measures, a number of small-scale initiatives are operated by municipal governments to promote and stimulate self-employment among ethnic minority groups. These projects are typically supported by the European Social Fund. Furthermore, generic support measures that are relevant for all start-ups, such as tax deductions make survival easier for start-up with low profits during the start-up phase.

Social entrepreneurship has been gaining popularity in the Netherlands. In 2017, the discussion regarding social entrepreneurship led to the introduction of an action plan in the municipality of Amsterdam. Since then, social entrepreneurship has received increasing policy attention for their potential to help solve current societal challenges. The four largest municipal governments in the Netherlands now have action plans in this area, and the current cabinet has made commitments to explore the role of social entrepreneurship in addressing societal challenges further (Social Enterprise, 2017).

### **3.2. Government regulations**

Overall, the regulatory system is quite favourable to entrepreneurs and conducive to business creation. The Netherlands fares better than the OECD average in terms of the length of time and cost of registering a business.<sup>4</sup> This reflects recent efforts by policy makers to reduce the administrative and regulatory burden faced by entrepreneurs.<sup>5</sup> Support services to help with finance and administrative complexity are central elements in Dutch general entrepreneurship policy measures, and the aforementioned Bbz programme offers such services. However, few measures specifically target vulnerable groups and aim to promote inclusive entrepreneurship. Instead there are general entrepreneurship policy measures in place and employment related policy measures which focus on the unemployed (unemployment benefit recipients), people with a disability benefit, or those who receive their state pension (Ondernemersplein.nl, 2016).

The Netherlands is quite advanced in offering e-services for citizens and potential entrepreneurs in particular. Applications for many programmes such as Bbz are completed and submitted online, although the process varies for each municipality. In Amsterdam, applicants can complete a checklist

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<sup>4</sup> [www.doingbusiness.org/data/exploreeconomies/netherlands](http://www.doingbusiness.org/data/exploreeconomies/netherlands)

<sup>5</sup> [www.government.nl/topics/reducing-the-regulatory-burden/contents/regulatory-burden-on-businesses](http://www.government.nl/topics/reducing-the-regulatory-burden/contents/regulatory-burden-on-businesses)

and schedule an initial advisory meeting with the entrepreneurship support desk.<sup>6</sup> In addition, there are a number of other tools available. For example, the Chamber of Commerce operates an online one-stop-shop for all entrepreneurs that provides an overview of available support programmes and helps them meet their administrative obligations.<sup>7</sup> This initiative is supported by a number of ministries and agencies, including the Enterprise Agency. The use of online information portals and in-take mechanisms is thought to improve access to information and support but could be daunting for people from some under-represented and disadvantaged groups, especially the unemployed and older people who may have lower levels of digital literacy.

One of the biggest regulatory debates related to inclusive entrepreneurship is how the solo self-employed should be covered by the social security system. The number of registered self-employed without employees has been steadily growing, which led to concerns about their treatment relative to employees by the taxation and social security systems. The debate centres on occupational health coverage especially, should an entrepreneur become ill or injured, and unable to work. This particular coverage is especially low among solo-entrepreneurs: only one in five solo-entrepreneurs is insured against incapacity for work (CBS, 2016). While there is political will to improve the coverage, solo-entrepreneurs themselves appear ambivalent about paying for further social security coverage (ZipEconomy, 2017). The debate has also been reflected in the Council Recommendation of the 2016 National Reform Programme for the Netherlands, which states that “self-employed people without employees are more often under-insured against disability, unemployment and old age” (Council Recommendation C299/41, 2016). Following this recommendation, the government announced a number of measures in order to reduce differences in the treatment of self-employed persons and employees in the social security system, notably through three approaches: (i) combating “false” self-employment, (ii) making it more attractive for employers to hire employees, (iii), and providing an accessible protection for the self-employed. In an effort to combat false self-employment the Law Deregulating the Evaluation of Working Relationships, (*Wet Deregulerend Beoordeling Arbeidsrelaties*) introduced Model contracts (*modelcontracten*). The law requires that enterprises working with solo-entrepreneurs make the working relationship explicit, e.g. clarify whether the solo-entrepreneur works as a sub-contractor, a part-time worker, or otherwise. The measure aims to make working relationships between solo-entrepreneurs and other organisations more transparent and explicit, but after the measure was introduced in 2016, reactions to its effectiveness have been mixed (Nu.nl, 2017). The measure appears to still create confusion and as such, will not come fully into force until July of 2018 (Nu.nl, 2018). Current and planned measures to reduce false self-employment focus on assessments of the nature of labour relations. Decreasing the difference in terms of social security/insurances and employment protection, while a major structural change, may be the only way to remove incentives for false self-employed, as advised by a ministerial working group (Rijksoverheid, 2015).

Since early 2015, a number of municipalities have been implementing the *Participatiewet* law (Participation Act) for those with disabilities and the long-term unemployed. This law is implemented at the municipal level through a range of policy programmes. The law focuses on supporting vulnerable people in getting back into employment but support for entrepreneurial endeavours can sometimes occur notably through the Bbz-programme. However, aspiring entrepreneurs who receive multiple social welfare benefits risk losing access to their individual benefits payments, which may be detrimental (OECD/EC, 2015). Discussions about the risk of unfair competition caused by supported entrepreneurship are also ongoing.

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<sup>6</sup> [www.amsterdam.nl/veelgevraagd/?productid=%7B0485B589-EFE6-450D-BFF1-5765641114A3%7D#case\\_%7B5B2956E4-2258-4B06-8890-F5990D37BB85%7D](http://www.amsterdam.nl/veelgevraagd/?productid=%7B0485B589-EFE6-450D-BFF1-5765641114A3%7D#case_%7B5B2956E4-2258-4B06-8890-F5990D37BB85%7D) (accessed 15 May 2018).

<sup>7</sup> [www.ondernemersplein.nl](http://www.ondernemersplein.nl)

Regions in the Netherlands differ in social-demographic, geographic, and economic terms. The municipal governments in the Netherlands implement different variations of policies to promote inclusive employment. In The Hague for instance, the municipality is currently running a pilot programme as a variation of the Bbz programme, namely “*Ondernemend uit de Bijstand*” (Entrepreneurially leaving welfare) (Gemeente Den Haag, 2017), as is the municipality of Groningen, “*Parttime ondernemen in de bijstand*” (Part time entrepreneurship in welfare) (Gemeente Groningen, 2017). The municipality of Twente has a one-stop-shop, the ROZ, which has special provisions for young people among others (RVO, n.d.). The area of Eindhoven, as one of the more technologically orientated regions of the Netherlands has a business innovation hub Brainport (Brainport, 2017), which offers policy support and measures to enterprises in the more innovative and R&D sectors that tend to be associated with higher risk. Eindhoven also has a technical university, which leads to a portion of entrepreneurial students and young people seeking to start a technical enterprise. The policy measures available in this region have thus been tailored to the typically more technical nature of the business plans and trajectories. There is thus an important regional diversity concerning policies to promote general as well as inclusive entrepreneurship.

There are some additional regulatory measures in place which allow people with disabilities and those who receive disability benefits, the unemployed or older people receiving their state pensions (AOW) to start businesses (Ondernemersplein.nl, 2017). These regulatory measures are not part of the economic policy in the Netherlands, but part of the re-integration policy portfolio, which aims to get people back into work as opposed to stimulating entrepreneurship. People receiving welfare benefits, in particular the long-term unemployed, can make use of the Bbz programme if they have a viable business plan. However, in these cases the combination of subsidies and allowances to which a person is eligible may change once they start a business (Ondernemersplein.nl, 2017).

### **3.3. Financing entrepreneurship**

Access to finance for business start-up is supported by the national government in several ways. The most basic service is the aforementioned online one-stop-shop, which provides information about all of the various start-up financing options. While the portal addresses the need for a comprehensive information source, the information is not always presented in a clear manner and some people, notably the long-term unemployed, report difficulties understanding which public supports they are eligible for (OECD/EC, 2015).

Loan guarantee schemes have a long history of improving access to bank financing. At the national level, there are two main guarantee schemes. The SME Guarantee Scheme (*Borgstellingsregeling MKB, BMKB*) offers three guarantee products to businesses with up to 250 employees with an annual turnover up to EUR 50 million. The guarantee ranges from 60% for technology innovators to 67.5% for new and established entrepreneurs. Between 2002 and 2012, 35 000 guaranties were provided to SMEs (Borgstellingsregeling MKB, 2016). In addition, the Guarantee for Financing Entrepreneurship (*Garantie Ondernemingsfinanciering, GO facility*) was launched in 2009 for larger SMEs. Although conceived as a temporary measure, the scheme was made permanent in 2012. Estimates for the GO facility suggest that the extended guarantee has been crucial in obtaining financing in around 50% of the cases (De Jong et al., 2014). Reaching a larger share of the target group would also require increased awareness-raising among companies, as only few are aware of either guarantee scheme (Panteia, 2015).

Microcredit has a relatively long history in the Netherlands but there is currently only one main lender, *Qredits*. This programme was launched in 2009 to help small entrepreneurs obtain microcredit, focussing on those companies that could not obtain a bank loan due to a lack of collateral. The programme has been adjusted several times and the lending ceiling was raised twice. It now offers

loans of up to EUR 250 000 and has an acceptance rate of between 20% and 25%. The volume of loans has increased from below EUR 10 million in 2010 to approximately EUR 28 million in 2014. In addition to loans, *Qredits* also provides mentoring and online support for loan recipients and operates educational programmes in schools and vocational colleges. *Qredits* receives support from the EU's Employment and Social Innovation (EaSI) programme.

The aforementioned Bbz programme also ensures that participants continue to receive (part of) social welfare benefit payments while in the programme and refers clients to microfinance programmes such as *Qredits*. Municipalities estimate that most Bbz clients would not qualify for a *Qredits* loan and need the Bbz financing products, which can be a subsidy or a loan, depending on the financial situation and the private and business assets of the applicant.

Finally, the development of new forms of finance, such as credit unions, crowd funding and SME bonds, are supported through promotion and removing regulatory barriers. SMEs can also participate in the generic schemes of the Dutch business support policy, aimed at all enterprises. The main instruments in the new enterprise policy include a tax credit for R&D-personnel (WBSO) and the Research & Development Allowance (RDA). Through the SME+ innovation fund, innovative start-ups can access finance for innovation activities directly or via investment funds.

### **3.4. Entrepreneurship skills**

The two main inclusive entrepreneurship programmes, Bbz and *Qredits*, both provide entrepreneurship training and individual support, including business counselling, coaching and mentoring. The Bbz programme can offer entrepreneurship training, coaching and mentoring for the unemployed throughout the start-up process. This includes workshops and supporting the development of a business plan with business consultants that are hired by the local municipality. Not all municipalities offer the same services though and while this training and individual support is generally strong, more attention is needed on the growth phase of businesses (OECD/EC, 2015).

Similarly, the *Qredits* programme offers entrepreneurship training, coaching and mentoring for microcredit recipients. Mentors assist these entrepreneurs with preparing a business plan, finance, sales, human resources and crisis management and organisation. The scope of coaching provided has been broadened beyond programme recipients through an online platform<sup>8</sup> that links interested solo- and micro entrepreneurs with coaches at reasonable cost. Further, *Qredits* also runs several educational activities through school programmes and evening classes that aim to make students aware of entrepreneurship at an early stage.

Strengthening the entrepreneurship skills of youth has received increasing support in recent years. There have been several initiatives to embed entrepreneurship education into existing curricula at all levels of education. Focus is however mainly placed on teaching and supporting students to set up their own business, rather than developing entrepreneurial mind-sets. In addition, start-up competitions in high-schools have been initiated under the umbrella of Youth Business (*Jong Ondernemen*). The programme exposes participating high school students to the process of business development and business creation.

In addition to these school-based initiatives, there are also ongoing actions to embed entrepreneurship education in polytechnics, vocational training schools and universities.

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<sup>8</sup> [www.creditcoach.nl/](http://www.creditcoach.nl/)

### **3.5. Entrepreneurial culture and social capital**

Entrepreneurship is promoted widely, although dedicated promotional programmes for different social target groups are quite rare. The *Qredits* microfinance programme does conduct outreach and promotion to disadvantaged groups and there are some women's organisations that promote women's entrepreneurship. These, however, are rather small-scale efforts.

Entrepreneurship networks have traditionally been supported through Chambers of Commerce or business associations. New forms of networks are however emerging, such as virtual networks that fit the increasingly project-based work that entrepreneurs in the Netherlands undertake. There are currently few actions to support entrepreneurship networks for particular social target groups.

The Bbz programme does not emphasise the establishment of entrepreneurship networks but networks tend to form as participants work together in workshops and training sessions. Business counsellors assist in network building by providing referrals to business professionals and other relevant contacts who can provide financing or legal advice.

There are also some small-scale entrepreneurship networking initiatives at the municipal level, mostly within other initiatives (e.g. entrepreneurship training, workshops).

## 4. OVERVIEW OF WOMEN'S ENTREPRENEURSHIP

### 4.1. Key entrepreneurship indicators

Female entrepreneurship in the Netherlands has been rising steadily in recent years, with women entrepreneurs accounting for 35% of all entrepreneurs in 2016. In 2014, women engaged in start-ups accounted for 37% of enterprises. The tables below provide an overview of women's entrepreneurship in the Netherlands in terms of figures.

**Table 1. Entrepreneurs in the Netherlands, 2018**

	Percentage of solo-entrepreneurs	Percentage of part-time solo-entrepreneurs	Starting solo-entrepreneurs which work part-time
Women	35%	47%	51%
Men	65%	53%	49%

Source: Kamer vn Koophandel Jaaroverzicht 2017 (measurement from January 1st 2018)

**Table 2. Women entrepreneurs in the Netherlands, 2013-16**

Year	2013	2014	2015	2016
Number	555 640	582 140	595 530	612 540
Share (%)	33	34	34	35

Source: Statistics Netherlands, last updated May 15th, 2018 (available at: <https://mkbstatline.cbs.nl/#/MKB/nl/dataset/48001NED/table?ts=1527583638689>)

**Table 3. Entrepreneurs in the Netherlands, by size class, according to gender**

	Women		Men	
<b>Total</b>	612 540	35%	1 155 300	65%
<b>Solo-entrepreneurs</b>	431 030	35%	797 070	65%
<b>2 – 10 employees</b>	165 450	35%	310 670	65%
<b>10 – 50 employees</b>	14 620	26%	42 470	74%
<b>50 – 250 employees</b>	1 360	22%	4 680	76%
<b>More than 250 employees</b>	80	16%	410	84%

Source: Statistics Netherlands, last updated May 15th, 2018 (available at: <https://mkbstatline.cbs.nl/#/MKB/nl/dataset/48001NED/table?ts=1527583638689>)

One of the potential reasons for the rise in female start-ups, is that women start online businesses more frequently than men. Similarly women are more likely to start a management or organisation orientated enterprise, or to become a solo-entrepreneur in the (home) care sector. Among new business start-up, one in five male and female entrepreneurs started an enterprise in the area of business services (management or organisation services specifically), and 2014 saw comparatively more women start an enterprise in the area of trade. Furthermore, in 2014 women started more enterprises than men in the health and care sector, in professions such as dieticians dental hygienists, or radio-diagnosticians. Similarly, 2014 saw more women start enterprises in the education and services sector, specifically in areas such as child and day care, mentoring or tutors, or as beauticians. One of sectors in which women were the least active in 2014 was that of construction; 1% of female

starting entrepreneurs compared to 12% of male starts were active in this sector (Statistics Netherlands, 2016).

A study conducted by Panteia in 2015 shows that typically, women entrepreneurs tend to be slightly younger than men. In 2012, more than half of women entrepreneurs (56%) were between 25 and 49 years of age, while this 54% of men fell into this age group. Both men and women entrepreneurs were also well-represented in the age group 50 to 64 years of age, 34% and 33% respectively (Stel et al., 2015).

Women also tend to have different socialisation experiences than men and as such, subtly different perceptions about their own capabilities and personal expectations for themselves and their enterprises (Stel et al., 2015). There tends to a stronger propensity to start business for personal rather than financial reasons among women compared to men (Stel et al., 2015). A recent survey of 831 Dutch entrepreneurs highlighted a number of differences between men and women entrepreneurs. Women for instance were more likely to feel that their products or services are valuable (90%) and unique (48%), compared to men (respectively 83% and 39%) (DeOndernemer.nl, 2016).

Women (64%) were also more likely to indicate that their employees have a good work-life balance than men (54%) (Panteia, 2017). Furthermore, male entrepreneurs were more likely to indicate that their enterprise was financially very stable (51%) than female entrepreneurs (37%). Male entrepreneurs were also more likely to indicate that they were in need of financing from banks than women entrepreneurs (24% vs. 12%). Men were also more likely (11%) to indicate that they needed crowdfunding than women entrepreneurs (5%) (Panteia, 2017).

The main barriers faced by women entrepreneurs appear to be access to finance, access to professional networks, and the lack of support government regulations, especially in terms of social security provisions (Stel et al., 2015).

Women in the Netherlands typically still take on the bulk of unpaid housework, including the care activities (Oxford Research Denmark, 2015). While the flexibility afforded by being an entrepreneur is often cited as a motivation for becoming one by women, entrepreneurs have much less generous social security coverage. For those women who may go on maternity leave, and for women and men who want to work less in the first years of a child's life by taking parental leave, becoming an entrepreneur may seem comparatively less attractive than being an employee. Moreover, running an enterprise can somewhat blur the lines between work and life. Work-life balance is typically more important to women. They also value intrinsic satisfaction from their work more highly than men tend to (Panteia, 2018).

#### **4.2. Policies aimed at supporting women entrepreneurs**

There are currently no business creation policies that are tailored and targeted at women. However, there are some broader labour market policies that seek to support women in entrepreneurship.

There is a general policy position to support women in the labour market, and notably to support women in moving into senior management and board positions. This policy "*Vrouwen naar de Top*" initiated in 2013 by the Ministry of Education, Culture and Science, constitutes a policy commitment from Dutch organisations to ensure that their Management Board and Boards of Directors have 30% of positions filled by women. This policy also aims to create role models of successful women to inspire others. Progress is not going as quickly as was hoped by the Ministry as a lack of adjustments

to framework conditions such as parental leave for fathers are inhibiting the policy's impact (Panteia, 2018).

Dutch national policy grants employees three days of leave after the birth of a child. Parents can take parental leave (*ouderschapsverlof*) until their children turn 8 years old. The leave is, in principle, for both parents and does not distinguish between the genders of the parents. According to data from Statistics Netherlands, 11% of fathers eligible for parental leave used it in 2017, compared to 22% of women (Statistics Netherlands, 2018). Policy discussions are ongoing in the Netherlands about parental leave for fathers and how to improve its use to balance home life responsibilities. Such measures could indirectly help women be more active in the labour market.

One of the main and most recent policies to support women entrepreneurs was the Entrepreneur and Pregnant regulation (*Zelfstandig en Zwanger-regeling – ZEZ*), introduced in 2017. This regulation states that a pregnant entrepreneur receives financial coverage for maternity and parental leave (UWV, n.d.). A woman may receive at least 16 weeks of paid leave, which depending on her situation, can be up to 100% of the legal minimum wage. A female entrepreneur must be able to justify working time and show she has a viable enterprise as her main source of income: in the Netherlands to be legally seen as an entrepreneur one must spend at least 1 225 hours a year working for the enterprise. A female entrepreneur spending 1 225 hours or more a year on her enterprise can receive 100% of the allowance. The husband, wife, or partner of a female entrepreneur can also apply for this regulation, though as they are not the main entrepreneur, the amount of the ZEZ allowance they receive is different (Rabobanks, 2017).

## 5. POLICY RECOMMENDATIONS

Entrepreneurship support in the Netherlands is mostly provided through mainstream policies and programmes that do not aim to address specific barriers faced by under-represented and disadvantaged groups of society. The exceptions are two major programmes, *Bbz* and *Qredits*. There is a growing trend for municipalities to become more active in the design and implementation of inclusive entrepreneurship policies and programmes. Besides these two main policies for vulnerable groups, the *ZEZ* regulation (for entrepreneurs or their partners who are pregnant), and the tax reduction for entrepreneurs with a disability are two other more indirect measures to help facilitate and encourage entrepreneurship among specific groups. Within this context, the following recommendations are offered to strengthen inclusive entrepreneurship support in the Netherlands:

1. *Promote entrepreneurship to the youth especially using tailored messages.* To ensure that different vulnerable population groups participate in entrepreneurship, more awareness-raising is needed through targeted campaigns that deliver specific messages to different groups. In the Netherlands, the youth is a group, which could require more focused awareness raising, given that other groups, such as pensioners and women are relatively entrepreneurial. For youth, awareness-raising and promotional messages could focus on innovation, modernity, internationalisation and self-development, highlighting the fact that most measures provide customised support tailored to each entrepreneur.
2. *Promote the Bbz programme more to the short-term unemployed and migrants.* The *Bbz* programme is successful at moving the long-term unemployed into self-employment. However, while the programme is open to all unemployed, not much use is made of the measure by groups such as people with disabilities or migrants; the reasons for this are not clear. An integrated approach could be used to support other social target groups (such as the short-term unemployed and migrants) access self-employment. Currently the use of different benefits and subsidies, and the interaction between one subsidy and the application for another can be complex, and act as a disincentive to start a business through the *Bbz*. A first step could be to make this interaction effect clearer and easier to understand on the *Government.nl* website and municipal websites, as these are often among the first places where people go to look for information.
3. *Develop tailored entrepreneurship programmes for migrants that provide an integrated suite of support.* Given the increased influx of migrants, dedicated entrepreneurship training programmes hold potential for helping migrants generate their own income and integrating into society. Migrants may face multiple challenges, such as difficulties in getting foreign qualification recognised and unfamiliarity with the regulatory environment. Entrepreneurship support could be linked to broader migrant-support initiatives to ensure outreach and take-up by different ethnic communities. Having more tailored solutions to migrants, also with language and integration promotion components could be a good avenue for further policy discussion to promote inclusive entrepreneurship.
4. *Innovate in service delivery models.* In order for business development services to be used by a large group of potential entrepreneurs and young people in particular, more use should be made of web-based and mobile phone applications. E-learning systems could further be developed for specific social target groups. Dedicated business counselling and mentoring could be improved by making more use of coaching platforms, such as the coaching platform of *Qredits*. The government is working toward promoting faster and simpler e-services to help

entrepreneurs navigate administrative requirements more easily, and these efforts could be furthered as they are likely to benefit all entrepreneurs.

5. *Continue the trend of reducing the difference between employees and self-employed regarding social security, insurances and pensions.* Currently, the situation is such that the system provides a possible incentive for false self-employment, especially in sectors or occupations where workers have little negotiation power. The current efforts to improve this situation create uncertainty about costs for potential clients and administrative procedures required, potentially hampering doing business for all solo self-employed. A structural solution is required, which will likely involve a political choice between either an increased social security participation by the self-employed or a reduced coverage for employees. The discussion on this issue continues, and steps have been taken to offer better social security to entrepreneurs and encourage individuals to start their own business. The aforementioned ZEZ regulation is an example of this.

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## ANNEX: METHODOLOGY

Each note was prepared by a national expert in co-operation with the OECD Secretariat. Information was collected through desk research and interviews (i.e. telephone, face-to-face, email) with key stakeholders and government representatives. The information was then verified by government partners, programme managers and other inclusive entrepreneurship stakeholder groups through email exchanges and one-day seminars in selected countries.

The notes are based on an assessment framework that was developed by the OECD Secretariat. The assessment framework provided a common analytical framework and report structure for the 28 notes that are in this series.

The framework contains five pillars:

### 1. Policy framework

- Is there an entrepreneurship strategy or action plan that explicitly covers the promotion and support of entrepreneurship for people in under-represented and disadvantaged groups?
- Is there a mechanism for co-ordinating inclusive entrepreneurship policy actions across relevant national ministries, and with regional and local governments and civil society organisations?
- Is there a systematic monitoring and evaluation process for the policies, programmes and schemes that promote and support entrepreneurship for people in under-represented and disadvantaged groups?

### 2. Government regulations

- To what extent are entrepreneurs from under-represented and disadvantaged groups treated equally with employees by social security schemes?
- Do measures exist that temporarily cover the loss of state income supports (e.g. unemployment benefits, disability allowances) for entrepreneurs among under-represented and disadvantaged groups when they start a business?
- Do measures exist to support under-represented and disadvantaged entrepreneurs in dealing with administrative procedures for entrepreneurship among under-represented and disadvantaged groups (e.g. information provision, support with administrative requirements)?
- Are there any entrepreneurship policy initiatives or schemes to address group-specific institutional challenges related to dependents (e.g. childcare, eldercare)?

### 3. Financing entrepreneurship

- Are there grants for business creation offered to support entrepreneurs from under-represented and disadvantaged groups?
- Is microcredit for business creation available to support entrepreneurs from under-represented and disadvantaged groups?
- Are there loan guarantee schemes for business creation to support entrepreneurs from under-represented and disadvantaged groups?
- Are there self-financing groups for business creation to support entrepreneurs from under-represented and disadvantaged groups?

- Are there public policy schemes that encourage and support business angel networks to support entrepreneurs from under-represented and disadvantaged groups?
  - Are there schemes that encourage and support crowdfunding and peer-to-peer lending to support entrepreneurs from under-represented and disadvantaged groups?
  - Is financial literacy training offered to support entrepreneurs from under-represented and disadvantaged groups?
- 4. Entrepreneurship skills**
- Are there entrepreneurship training initiatives for entrepreneurs from under-represented and disadvantaged groups?
  - Do high potential entrepreneurs from under-represented and disadvantaged groups have access to one-to-one or group coaching and mentoring?
  - Are there public initiatives that provide information on available support programmes or on business start-up procedures for entrepreneurs from under-represented and disadvantaged groups?
  - Are there business consultancy and advisory services for entrepreneurs from under-represented and disadvantaged groups?
  - Are there business incubators for entrepreneurs from under-represented and disadvantaged groups?
- 5. Entrepreneurial culture and social capital**
- Is entrepreneurship actively promoted as an employment opportunity among under-represented and disadvantaged groups through the education system, media, role models, etc.?
  - Are there public policy actions that attempt to build specific business networks for entrepreneurs among under-represented and disadvantaged groups?

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