



# Inclusive Entrepreneurship Policies, Country Assessment Notes

## Netherlands, 2016



## 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 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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## 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.

Women, youth and older people were approximately 1.5 times more likely to be involved in starting or managing a new business than the European Union average between 2010 and 2014. This can partially be explained by the strong incentives for self-employment in recent years. Entrepreneurship policies tend to focus on promoting growth and innovation but there are two large-scale inclusive entrepreneurship programmes *Qredits* (microfinance) and *Bbz* (integrated support for social welfare recipients). Evaluations of both have demonstrated positive results. There is scope to strengthen inclusive entrepreneurship policies by offering more tailored support to migrants and by increasing awareness of mainstream programmes among disadvantaged groups.

This note is part of a series of annual country assessments 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 notes are part of a wider programme of work by the OECD and the European Commission that includes ‘The Missing Entrepreneurs’ publications, a series of Policy Briefs on specific target groups, policies and issues, country reviews of youth entrepreneurship and women entrepreneurship, and the production of online policy guidance. For more information please refer to: <http://www.oecd.org/employment/leed/inclusive-entrepreneurship.htm>.

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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 currently a core priority for 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*). There are also examples of small-scale entrepreneurship initiatives at the local level for groups such as youth and migrants.
- People in the Netherlands are slightly more active in self-employment than the European Union (EU) average: 15.3% of those working were self-employed in 2015 relative to 14.4% in the EU. Moreover, the proportion of people who are self-employed has increased over the last decade substantially from 11.6% in 2006. Further, women, youth and older people were slightly more likely than the EU average for each group to be involved in starting a business, or managing one (i.e. less than 42 months old), between 2010 and 2014. One trend that is unique to the Netherlands is a growing number of entrepreneurs who combine several self-employment activities or self-employment activities with education or employment.
- One of the greatest ongoing policy debates related to inclusive entrepreneurship is how to address the persistent differences in the treatment of self-employed persons in the social security system relative to employees. This has an impact on the incentives for business creation. One particular concern within this debate is addressing “false” self-employment, where self-employed people who don’t have employees and work for only a single client. These jobs are usually considered to be low quality because they are less secure and the worker is not covered by the social security system to the same extent as employees. A number of measures were introduced to address this issue in 2016.
- The following recommendations are made to strengthen inclusive entrepreneurship support in the Netherlands: i) increase awareness for existing tailored entrepreneurship programmes among people from under-represented and disadvantaged groups; ii), broaden the *Bbz* programme to cover other groups of social welfare recipients; iii) develop tailored entrepreneurship training programmes for migrants; and iv) innovate in service delivery methods by using more tailored and online approaches.

## 1. INCLUSIVE ENTREPRENEURSHIP OBJECTIVES AND TARGETS

Entrepreneurship policy is currently delivered through generic measures that support everyone, rather than providing tailored support for different groups of potential and new entrepreneurs. Since entrepreneurship policies tend to be for all, there is a tendency that they seek to promote and support innovation and to improve productivity. Accordingly, there are currently no strategies or objectives related to inclusive entrepreneurship at the national level.

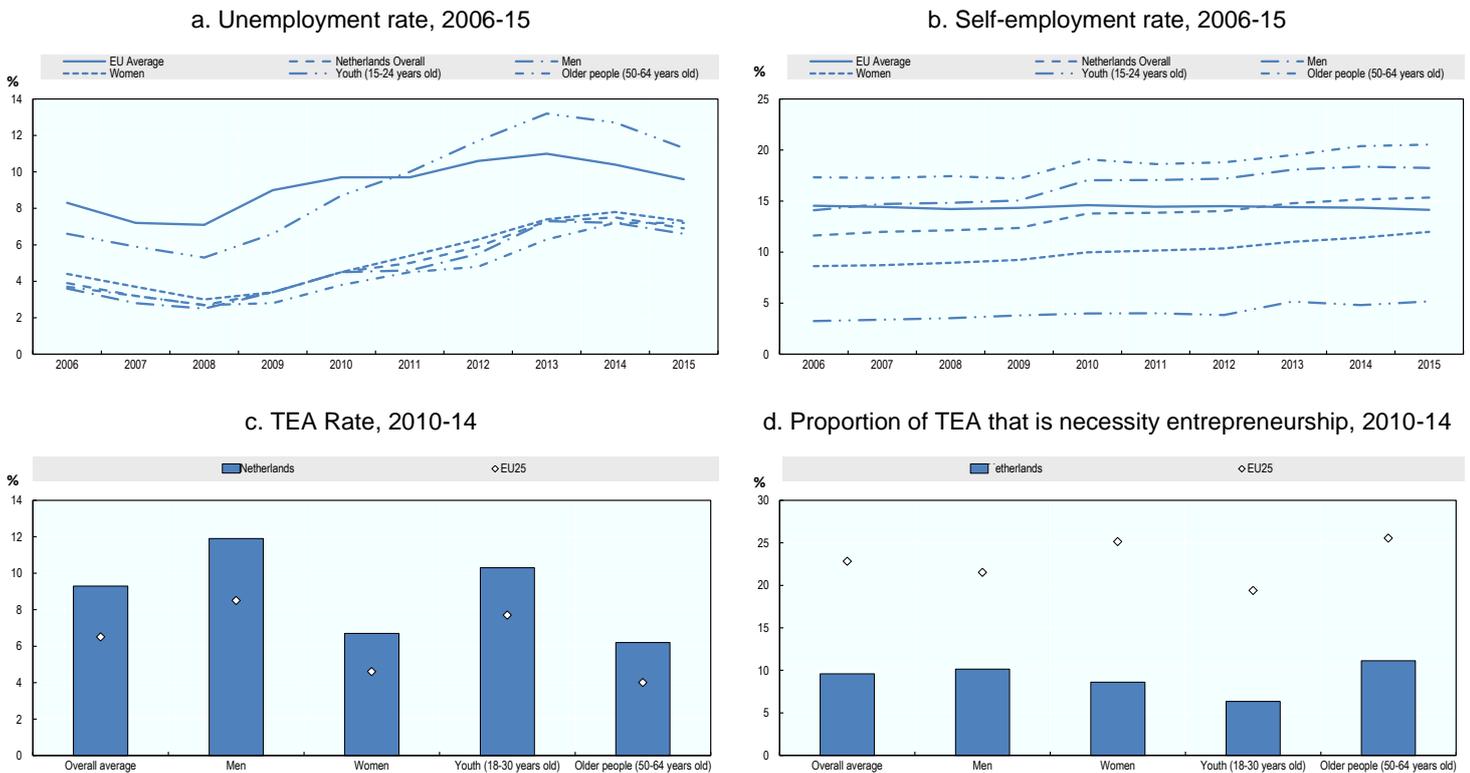
Within the Europe 2020 strategy, the Netherlands has defined two targets that can be supported by inclusive entrepreneurship policy. First, there is an objective to boost the employment rate to 80% by 2020, which is substantially higher than the target of 75% for the whole European Union. The employment rate is currently approximately 76% 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 people at risk of falling into poverty or social exclusion by 100 000. One of the many options of achieving this is to help people create their own income through self-employment.

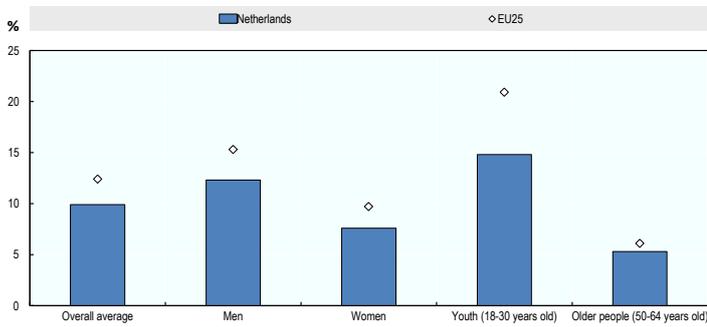
## 2. KEY INCLUSIVE ENTREPRENEURSHIP INDICATORS

The unemployment rate in the Netherlands was 6.9% in 2015, which was below the European Union average of 9.6% (Figure 1a). There is almost no difference in the unemployment rate for men and women and the unemployment rate for youth is low compared to most European Union countries (11.3% in 2015).

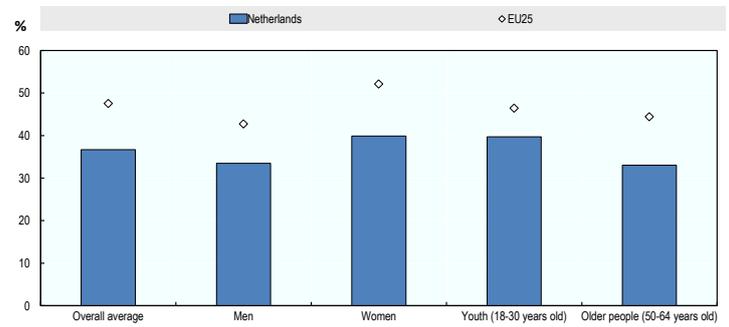
**Figure 1. Key inclusive entrepreneurship indicators**



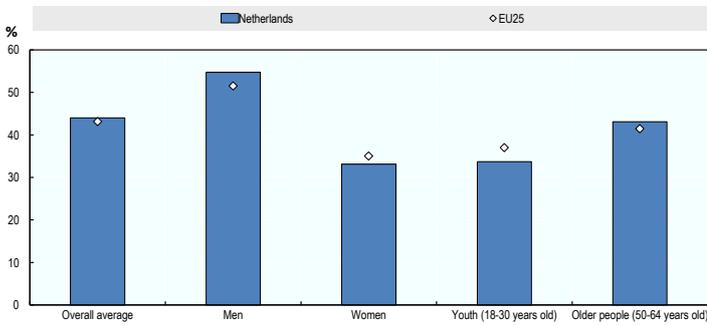
e. Proportion who expect to start a business in the next 3 years, 2010-14



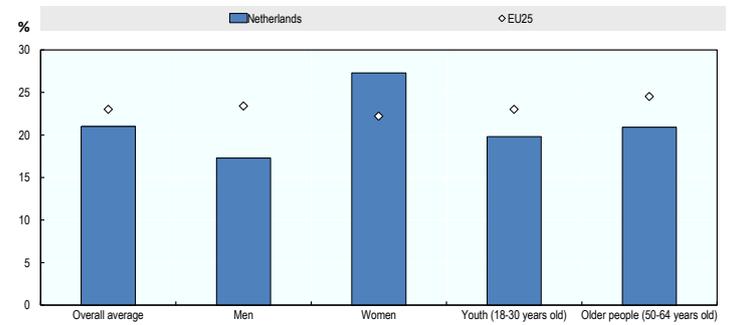
f. Proportion who report that a fear of failure prevents them from starting a business, 2010-14



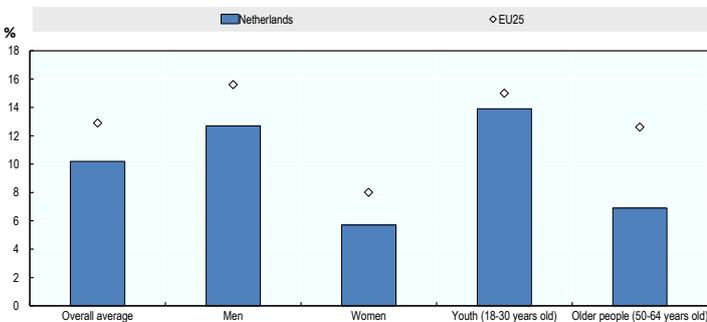
g. Proportion who perceive that they have the skills to start a business, 2010-14



h. Proportion of new entrepreneurs whose products or services are new to all or some customers and who have few or no businesses offering the same products or services, 2010-14



i. Proportion of early-stage entrepreneurs who expect to create more than 19 jobs in 5 years, 2010-14



Note: The self-employment rate is defined as the proportion of those in employment who are self-employed. The TEA rate is the Total 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 c, d, e, f, g, h and i were pooled for the period 2010-14, producing an unweighted average. The EU25 average in panels c, d, e, f, g, h and i covers all EU28 countries, except Bulgaria, Cyprus and Malta.

Source: Panels a and b contain data from Eurostat (2016), Labour Force Survey; Panels c, d, e, f, g, h and i contain data from the 2010 to 2014 Global Entrepreneurship Monitor household surveys that were tabulated for the OECD (2016).

There has been relatively fast growth in the number of registered self-employed in recent years (Figure 1b). By the end of 2014, the Netherlands had 1.4 million registered companies of which 1.1 million belonged to the category “registered as sole proprietorship/self-employed” (CBS, 2014). Of these, 300 000 can be classified as sole proprietorship with at least one employee and 800 000 as self-employed without employees. The latter has experienced fast growth over the past years, increasing from 250 000 in 2012 to more than 800 000 in 2014 (CBS, 2014). This is explained by a rapid increase in the proportion of self-employed that have a single client (i.e. “false” self-employment).

Another explanation is the increase in part-time self-employment. Data from the Chamber of Commerce show that 12% of all registered entrepreneurs (i.e. self-employed, micro and small business owners) combine self-employment and business ownership of a business with formal (wage) employment in either the public or private sector (NUzakelijk, 2011). 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, more than 15% of students 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.

About 7% of all new entrepreneurs in the Netherlands are women, accounting for approximately one-third of all entrepreneurs (Figure 1c). This is slightly above the European Union average. Women entrepreneurs are, on average, younger than men and have also achieved a higher education level. Women entrepreneurs in the Netherlands are also more highly educated than the average women entrepreneur in the European Union (Panteia, 2015).

Although migrants are often assumed to be very entrepreneurial, immigrants are less likely to be entrepreneurs. Slightly more than 8% of the immigrant population is involved in entrepreneurship, relative to approximately 12% of the native-born population (Panteia, 2016). However, the proportion of immigrants who are starting businesses is growing due to two main reasons: (i) more enterprising members of society migrate and cross borders and (ii) slow integration processes and slow absorption in the formal labour market stimulate people to seek other ways to generate income and create work. Ethnic and migrant entrepreneurs typically operate in trade and commerce (e.g. retail shops) but the picture is changing with the second and third generation engaging in more innovative and modern businesses. The share of non-indigenous persons who start a business in the Netherlands has been increasing in recent years and has now reached 20%.

A low proportion of entrepreneurs reported over the 2010-14 period that they started their business because they did not have any other opportunities in the labour market. Nearly 10% of entrepreneurs in the Netherlands reported that they started their business activity out of necessity, which was less than half of the European Union average of 22.8% (Figure 1d). The rates for necessity entrepreneurship were slightly higher for elder people (11.1%) but very low for youth (6.3%).

Over the 2010-14 period, people in the Netherlands were less likely than the European Union average to expect to create a business over the next three years (Figure 1e). This finding holds for men, women and youth, but older people in the Netherlands were almost as likely as those in other European Union countries to expect to start a business (approximately 5%).

People in the Netherlands were less likely to report fear of failure as a barrier than the European Union average over the period 2010-14 (36.7% vs. 47.5%) (Figure 1f). Of all of the social target groups, women and youth were the most likely to report this barrier (approximately 40% for both

groups), but these groups were less likely than the European Union average to report this (52.1% and 46.4%).

There was no significant gap in the proportion of people in the Netherlands and those across the European Union who reported that they have the skills and knowledge to start a business over the period 2010-14 (Figure 1g). Approximately one-third of women and youth in the Netherlands reported that they had sufficient skills, as did more than 40% of older people. These proportions were approximately equal to the European Union average.

Entrepreneurs in the Netherlands were slightly less likely to offer new products or services than the European Union average (Figure 1h). Women, however, were more likely in the Netherlands to be innovative: 27.3% offered new products and services relative to 22.4% of women across the European Union. Similarly, new entrepreneurs in the Netherlands were slightly less likely to expect to create a substantial number of jobs with their new start-up (Figure 1i). Approximately 10% of entrepreneurs in the Netherlands expected to create at least 19 jobs over the first five years of operation, relative to 12.9% in the European Union. Of all social target groups, youth were the most likely to expect to create at least 19 jobs in five years (13.9%).

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

#### **3.1. Policy framework**

While entrepreneurship policy overall favours a mainstream approach, there are two major programmes that offer training and financial support to disadvantaged or under-represented groups in the labour market:

- *Besluit bijstand voor zelfstandigen* (Bbz, or the decision on welfare benefits for entrepreneurs), which provides education and training complemented by financial support to promote self-employment among the unemployed; and
- *Qredits*, which provides microcredit 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 2004 as a response to rising unemployment rates and subsequent increasing costs of paying unemployment benefits.

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 of this programme has been transferred from the

national government to municipal governments, which often partner with private sector business support organisations and coaches to deliver training and advice.

A recent evaluation found that the programme generated a net economic benefit for society. Total costs per starting enterprise were EUR 104 000 (including the cost of business development support provided, lending costs, social welfare expenditures and forfeited income and taxes) but there were savings of EUR 122 900 for the social welfare system (including tax revenue generated). 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 and these 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).

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 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 addition to these two major programmes, there are a number of small-scale initiatives that are operated by municipal governments to promote and stimulate self-employment amongst ethnic minority groups. These projects are typically supported by the European Social Fund.

### **3.2. Government regulations**

Overall, the regulatory system is quite favourable to entrepreneurs and is conducive to business creation. The Netherlands ranks above average (for OECD countries) in terms of the length of time and cost of registering a business.<sup>1</sup> This reflects recent efforts by policy makers to reduce the administrative and regulatory burden faced by entrepreneurs.<sup>2</sup> There are therefore no special initiatives to support entrepreneurs from under-represented and disadvantaged groups in understanding and adhering to the regulatory obligations for their business start-up. However, Bbz participants often report that administrative requirements are intimidating or complicated.

The Netherlands is quite advanced in offering e-services for citizens, and entrepreneurs in particular. Applications for many of the programmes such as Bbz are completed and submitted online, although the process varies for each municipality. In the case of Amsterdam, applicants can complete a checklist and schedule an initial advisory meeting with the entrepreneurship support desk (Municipal

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<sup>1</sup> <http://www.doingbusiness.org/data/exploreconomies/netherlands>

<sup>2</sup> <https://www.government.nl/topics/reducing-the-regulatory-burden/contents/regulatory-burden-on-businesses>

government of Amsterdam, 2015). In addition, there are a number of other online tools and supports 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>3</sup> This initiative is supported by a number of ministries and agencies, including the Enterprise Agency. This heavy use of online information portals and in-take mechanisms for programmes improves access to information and support but could be daunting for people from under-represented and disadvantaged groups, especially the unemployed and older people who likely have lower levels of digital literacy.

One of the biggest regulatory debates related to inclusive entrepreneurship is how the self-employed without employees should be covered by the social security system. There has been a steady growth in the number of registered self-employed without employees, which has led to concerns about the treatment of the self-employed without employees relative to employees by the taxation and social security systems. 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.

Access to social welfare benefits for the self-employed who start businesses from unemployment has been a concern since the Bbz programme seeks to move the unemployed into self-employment. Since early 2015, a number of municipalities have been experimenting within the Bbz programme to offer the long-term unemployed the opportunity to become part-time self-employed without losing social welfare entitlements. Such experimentation appears to meet a demand for clients since approximately 9% of social welfare recipients were engaged in part-time (wage) employment (Divosa, 2015), suggesting that many prefer to work only part-time. This recent shift towards a decentralised model of supporting social target groups created an opportunity for municipalities to modify welfare regulations and take on a greater role in implementing social welfare programmes and it is positive that several municipalities are taking advantage of this opportunity. However, there is still room for improvement because it is possible that potential entrepreneurs who receive multiple social welfare benefits will be better-off remaining out of work rather than trying to start a business through Bbz since they would lose access their benefits payments (OECD/EC, 2015).

### **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 an online one-stop-shop (noted in the previous section), 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

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<sup>3</sup> [www.ondernemersplein.nl](http://www.ondernemersplein.nl)

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. 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 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 providing 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 European Union's Employment and Social Innovation (EaSI) programme.

As already noted, one of the most important inclusive entrepreneurship financing programmes is Bbz, which supports the long-term unemployed in business creation. The programme ensures that participants continue to receive social welfare benefit payments while in the programme and also refers clients to microfinance programmes such as *Qredits*. Bbz also offers some direct financing products, which can be a subsidy or a loan, depending on the financial situation 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 offers 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. 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. Coaches and mentors assist these entrepreneurs with preparing a business plan, finance, sales, human resources and crisis management and organisation. The coaching element of *Qredits* has been expanded and is now open to anyone through an online platform<sup>4</sup> that links interested solo- and micro entrepreneurs in the Netherlands with coaches at reasonable cost. Further, *Qredits* also runs several educational activities through school programmes and evening classes which aim to make students aware of entrepreneurship at an early stage.

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<sup>4</sup> <http://www.creditcoach.nl/>

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 mindsets. 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. This has been facilitated by a special grant programme of the Ministry of Education for the period 2007-10, when a large number of pilot projects were launched. While these pilot programmes were implemented, this had not led to a significant change in the way that entrepreneurship training is delivered in post-secondary education.

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

Overall, entrepreneurship is promoted widely but targeted campaigns that seek to promote entrepreneurship to different 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.

Given the recent influx of migrants to the Netherlands, there is interest in setting up entrepreneurship programmes in some municipalities for migrants. Therefore, some pilot projects have been initiated and some municipalities are promoting entrepreneurship to migrants as a method of integrating them into society.

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 that 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. POLICY RECOMMENDATIONS**

Entrepreneurship support in the Netherlands is largely delivered 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. Within this context, the following recommendations are offered to strengthen inclusive entrepreneurship support in the Netherlands:

1. *Promote entrepreneurship to all under-represented and disadvantaged groups with tailored messages.* To ensure that different population groups such as migrants, people with disabilities, women and older people will participate in entrepreneurship, more awareness-raising is needed through targeted campaigns that deliver specific messages to different groups. For youth, the message should focus on innovation, modernity, internationalisation and self-development, while for women the messages should be about empowerment and economic participation. For people with disabilities the message should focus on social and economic participation, control and self-empowerment, while for older people promotion should focus on economic participation and the value of experience. For migrants, entrepreneurship would allow them to make a contribution to their new society and the use their experience.
2. *Open-up the Bbz programme to other disadvantaged groups such as people with disabilities, the short-term unemployed and migrants.* The Bbz programme is a successful programme at moving the long-term unemployed into self-employment. A similar integrated approach could be used to support other social target groups into self-employment, such as people with disabilities, the short-term unemployed and migrants. These groups face similar challenges to business creation as the long-term unemployed and also risk the loss of social welfare support by launching a business.
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 the recognition of foreign qualification and unfamiliarity with the regulatory environment. Entrepreneurship support should be linked to broader migrant-support initiatives to ensure outreach and take-up by different ethnic communities.
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*.

## 5. REFERENCES

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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 5 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 amongst 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 amongst 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 amongst 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 amongst under-represented and disadvantaged groups?