

Inclusive entrepreneurship trends and policies in the Netherlands

This profile presents data on self-employment and entrepreneurship activities by women, youth and seniors in the Netherlands. It also briefly describes recent policy initiatives, including municipal policy experiments that allow for part-time entrepreneurship within the Bbz programme for people who collect social welfare benefits.

Key trends: There has been relatively fast growth in the number of registered self-employed in recent years. The self-employment rate has increased from 12.0% in 2007 to 15.5% in 2016, and has been above the European Union average since 2013. Nonetheless, only 10.8% of entrepreneurs in the Netherlands reported that they started their business activity out of necessity between 2012 and 2016, which was less than half of the European Union average of 22.1%. The rates for necessity entrepreneurship were slightly higher for seniors (12.8%) but very low for youth (7.6%). Despite a low necessity entrepreneurship rate, new entrepreneurs in the Netherlands were less likely than the European Union average to expect to create at least 19 jobs over the next five years in the period 2012-16 (7.0% vs. 10.0% for the EU). This finding holds for all social target groups.

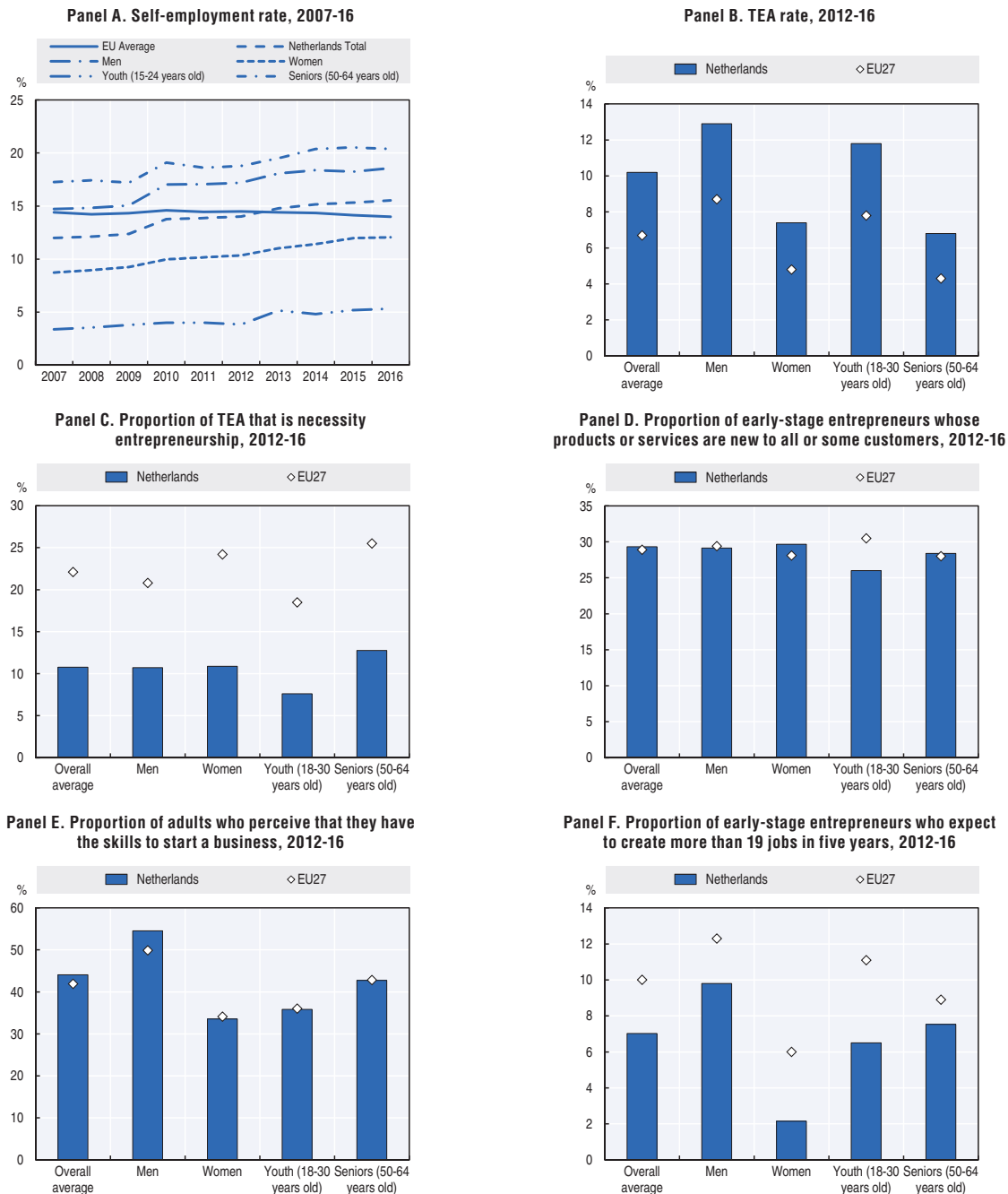
Hot issue: One of the strongest ongoing policy debates related to inclusive entrepreneurship is how to address the persistent differences in the treatment of self-employed people and employees in the social security system, especially the self-employed without employees. This has an impact on the incentives for business creation. One particular concern within this debate is addressing “false” self-employment, where self-employed people who do not 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.

Recent policy developments: The Netherlands has a number of programmes to support the unemployed into self-employment. The most significant is Bbz (*Besluit bijstand voor zelfstandigen*), which was established in 2004. 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. Since early 2015, a number of municipalities have been experimenting within the Bbz programme to offer the long-term unemployed an 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, 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.

The full Country Assessment Note can be found at: www.oecd.org/cfe/leed/inclusive-entrepreneurship.htm.

Key inclusive entrepreneurship data

Figure 28.1. Entrepreneurship and self-employment data for Netherlands



Notes: 1. The self-employment rate is defined as the number of self-employed people (15-64 years old) divided by the number of people in employment. 2. The TEA rate is the proportion of adults (18-64 years old) involved in setting up a business or managing a business that is less than 42 months old. 3. Necessity entrepreneurship is defined as entrepreneurship activities that were launched because the individual did not have other options in the labour market. 4. Early-stage entrepreneurs are those who are in the process of setting up a business or manage a business that is less than 42 months old. 5. In Panels B, C, D, E and F, the population covered are those 18-64 years old.

Sources: Panel A: Eurostat (2017), Labour Force Survey, available at: <http://ec.europa.eu/eurostat/web/lfs/data/database>; Panels B, C, D, E, and F: GEM (2017), Special tabulations of the Global Entrepreneurship Monitor adult population survey, 2012-16.

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Reader's guide to the country profiles

This section of the book provides a short overview of inclusive entrepreneurship trends and recent policy actions in each European Union Member State. Each Country Profile highlights recent trends for key inclusive entrepreneurship indicators, focusing on activity rates, quality and barriers to business creation for people in under-represented and disadvantaged groups, drawing on a set of charts (see below). In addition, the Country Profiles briefly describe a current policy issue relevant for inclusive entrepreneurship policy development. Finally, each Country Profile describes a recent policy action that was introduced to support the unemployed, women, youth or seniors in business creation and self-employment.

The country overviews are complemented with a common set of country-specific data that benchmark key inclusive entrepreneurship indicators against the European Union average and over time. Data are presented for men, women, youth, seniors and the overall population total. These data help to show the scale of the challenge and its recent evolution. All Country Profiles contain six figures (except for the Malta profile, which does not participate in the Global Entrepreneurship Monitor survey):

Panel A: Self-employment rate, 2007-16. This presents the proportion of those in employment who are self-employed.

Panel B: Total Early-stage Entrepreneurship Activity (TEA) rate, 2012-16. This presents the proportion of the population who is actively involved in starting a business or who is the owner-operator of a business that is less than 42 months old.

Panel C: Proportion of TEA that is necessity entrepreneurship, 2012-16. This presents the proportion of early-stage entrepreneurship that was launched due to a lack of other opportunities in the labour market.

Panel D: Proportion of early-stage entrepreneurs whose products or services are new to all or some customers, 2012-16. This presents the proportion of early-stage entrepreneurs who self-report that they offer products and/or services that are new to potential customers.

Panel E: Proportion of adults who perceive that they have the skills to start a business, 2012-16. This presents the proportion of the population who believe that they have the knowledge and skills needed to start a business.

Panel F: Proportion of early-stage entrepreneurs who expect to create more than 19 jobs in five years, 2012-16. This presents the proportion of early-stage entrepreneurs who anticipate the creation of at least 19 additional new jobs over the next five years.



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