



Welfare support for the self employed (Besluit Bijstand Voor Zelfstandigen-BBZ), The Netherlands

What?

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.

Why?

The programme was launched in 1996, when unemployment was high and rising. Entrepreneurship was viewed as a productive means to re-integrate the unemployed population back into the workforce, especially for those who were drawing on social welfare services.

Key activities

BBZ provides an integrated package of start-up and post start-up support services for entrepreneurs. 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: (i) a preparatory phase; (ii) the development of a business plan; (iii) an assessment of the plan's viability; and, (iv) the provision of a loan. Participants do not need to participate in all steps but most do. It typically takes nine months to complete the pre start-up support programme. After business creation, participants are offered up to 12 months of mentoring support. The Ministry of Social Affairs and Employment oversees the programme which is mainly implemented by the municipal Departments for Social Affairs and Employment. Private sector and semi-public business development service providers and semi-public entities are subcontracted by the municipalities to deliver the services. Municipalities are free to decide how they contract the service providers for training and business advice. Many municipalities use retainer contracts (through restricted or sometimes open tendering) with one or two service providers for a set period.

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.

Impact

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.¹

This case study was adapted from material published in: OECD/EU (2016), Inclusive Business Creation: Good Practice Compendium, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264251496-en> [1]

¹Ecorys (2011), “*BBZ 2004: uit het startblok* (BBZ 2004: Getting started)”, Rotterdam: Ecorys.

Source URL: <https://betterentrepreneurship.eu/en/content/welfare-support-self-employed-besluit-bijstand-voor-zelfstandigen-bbz-netherlands>

Links

[1] <http://dx.doi.org/10.1787/9789264251496-en>