

# SUPPORT PROGRAMS FOR ENTREPRENEURIAL REFUGEES IN THE NETHERLANDS

An overview of practical experiences



**Karijn Nijhoff**

Senior researcher

Research group New Finance

Research group Metropolitan Development

**let's change**  
YOU. US. THE WORLD.

**THE HAGUE**

UNIVERSITY OF  
APPLIED SCIENCES

**Many thanks to:**

Karlijn van Arkel  
Josette Dijkhuizen  
Yvette van Dok  
Saba Fakes  
Jaap Fris  
Mieke Hes  
Theo Huizing  
Aad Jansen  
Jamie Looy  
Klaas Molenaar  
Kim Plaizier  
Marte di Prima  
Mario van Teijlingen  
Priscilla van der Vegte  
Nathalie van der Voort  
Marieke Vos  
Diederick van der Wijk

Candidate entrepreneurs De Haagse Proeftuin  
Steering committee De Haagse Proeftuin

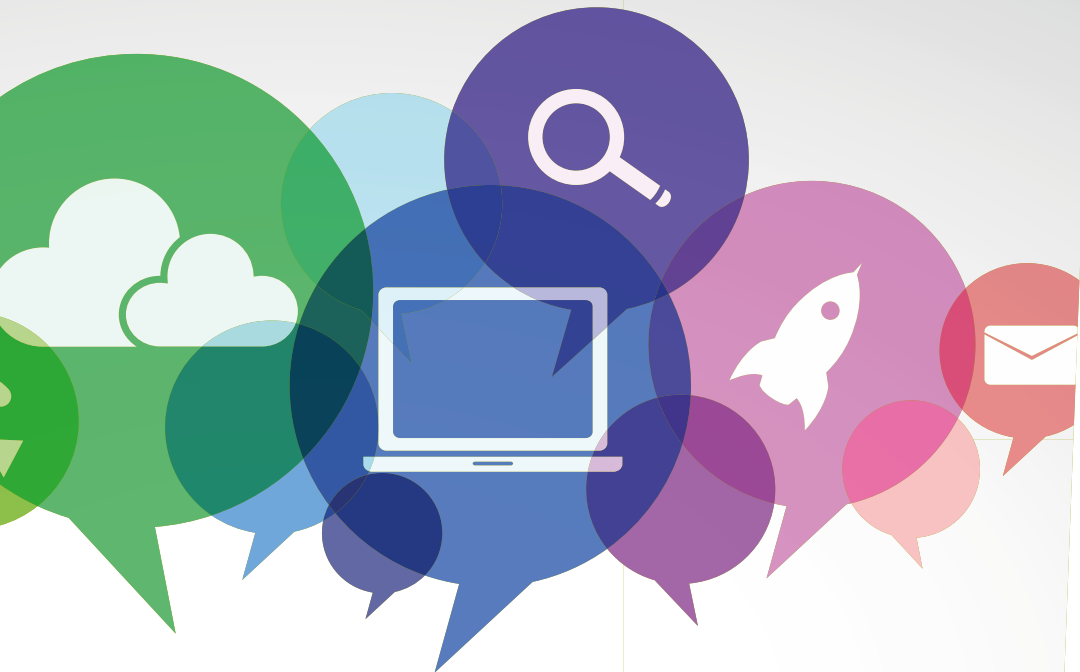
**Karijn Nijhoff**

The Hague University of Applied Sciences  
May 2019

[www.thehagueuniversity.com](http://www.thehagueuniversity.com)

# Contents

Foreword	5
Introduction	7
Refugees in the Netherlands	9
Immigrant Entrepreneurship	11
Disadvantage, niche, or opportunity?	11
Interactions and mixed embeddedness	12
Barriers in entrepreneurship	14
Institutional barriers: the legal context	15
Financial obstacles	19
Attitudes of the mainstream	19
Ethnic-based obstacles	19
Networks	20
Individual characteristics	20
Characteristics beneficial to entrepreneurship	22
Motivation and individual background	22
Markets	25
Networks	26
Entrepreneur training programs	26
Findings from the literature	27
Experiences in the Netherlands	28
Program description and intake phase	30
Experiences in the field: The Dutch context	35
Regulatory context: decentralization	35
Regulatory context: Status	44
Financial obstacles	48
Candidates: Characteristics and motivation	49
Network building and mentorship	54
Conclusions and discussion	58
Recommendations	61
Literature	67
Appendix 1: interviews and meetings	72
Appendix 2: Context women and entrepreneurship	73
Appendix 3: Business Model Canvas	74



# Foreword

Society needs enterprising people. Enterprising people who start their own businesses and let them grow. And it needs enterprising people to set up and run effective support programs for both starting and existing entrepreneurs. If one does not understand the entrepreneurial spirit one cannot be of any help or assistance to entrepreneurs. It was and still is an important lesson in small enterprise development.

Enterprising people are also innovative. Without continuously seeking new ways to design, produce and sell products and services, their businesses will not be able to survive in our present markets. And service delivery programs need to be innovative as well. Just offering training and business advice to starting entrepreneurs as was done in the '70s, will not work anymore. Organizations that wish to work with starting entrepreneurs need to be enterprising themselves and need to be innovative. For those working in Small and Medium enterprise support and business creation programs, the aforementioned is common knowledge.

Migrant and refugee entrepreneurs are not really different from any other type of entrepreneur. They need to have the same qualities and capabilities as any other starting entrepreneur. And still, we offer special programs to migrant and refugee entrepreneurs. A close look at the successful programs working with this group teaches us that it is all about barriers, about understanding the context which migrants and refugees live and work in.

The joint research undertaken by the Hague University of Applied Science and the Foundation EnterStart (formerly known as Migrant INC) in 2017-2018 confirms this. To be successful as support organizations you need to have an entrepreneurial spirit, be innovative and understand the barriers the refugees and migrants have to overcome. That justifies the launching of special programs and projects.

It confirms as well that successful programs also acknowledge that their clients will benefit most from efforts to mainstream, efforts to link their clients to existing financing and business development support programs. Without doing so, the new entrepreneurs will continue working and living in isolation from our society. And that will be a loss to us all. If we want to benefit from their talents and asset base, mainstreaming ought to be the central objective of the many programs and projects that were studied in recent years.

This report contains a wealth of information on pilot projects and programs supporting refugee and migrant entrepreneurs in the Netherlands. Valuable reading for all those who strive for further integration of the newcomers and migrants in our society.

**Klaas Molenaar,**  
Chairman EnterStart Foundation



# Introduction

This report maps different programs that support refugees on the road to entrepreneurship. The municipality of The Hague, along with the refugee and migrant support organization EnterStart (Migrant!NC) asked for an evaluation of the program The Hague Test Garden (from now on called The Test Garden) where refugees can ask for help starting their own businesses. The evaluation is not just based on the experiences in The Test Garden; other programs have been included in the evaluation to come to a broader view of the road to entrepreneurship and the obstacles encountered.

The increased inflow of refugees in Dutch society and on the Dutch labor market has generated different support programs for starting-up a business. Some of these programs already existed but shifted to accommodate the needs of this specific target group. Other programs were initiated to support refugees because of perceived barriers in Dutch society. Most programs are private initiatives, funded on a project basis.

In the Netherlands, refugees that hold a residence permit are called 'status holders'. Upon arrival, they received a temporary permit for at least five years. They need to follow a civic integration and language program and they are expected to be part of the (regular) education system or labor market as soon as possible. The Test Garden started in 2016, a time when multiple support systems for refugee-entrepreneurs began their programs.

This report starts with a short overview of refugee flows to the Netherlands. The main part of the report consists of the comparison and evaluation of the different programs. The information was gathered through literature, websites, and in-depth interviews with program managers and others involved. Interviews with the participants are only included for The Test Garden (Appendix 1 gives an overview of the meetings and interviews).





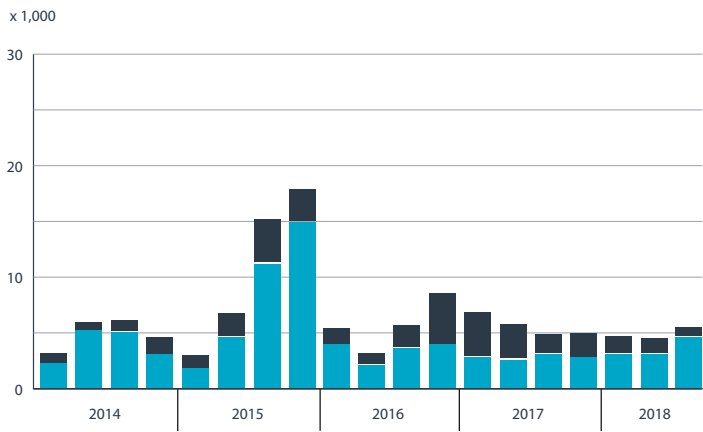
# Refugees in the Netherlands

Long before the United Nations defined refugee status, people have been fleeing their countries of origin. In the Netherlands, the history of Spanish and Portuguese Jews fleeing from the Inquisition and French Huguenots escaping persecution by the Catholic kings is well documented. These groups fled their countries without an existing framework of asylum and refugee laws and regulations. Only in 1951 was the status of refugees defined at the UN Refugee Convention: *"owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence as a result of such events, is unable or, owing to such fear, is unwilling to return to it."*<sup>1</sup> The right to asylum was defined in 1948, in the Universal Declaration of Human Rights, article 14.

In the 1950s, the first groups of 'official' refugees arrived in the Netherlands. During the Cold War, refugees from Eastern European countries were welcomed, for example, during the uprising in Hungary in 1956 when 3,300 refugees came to the Netherlands. Refugee flows after coups in Latin-American countries remained small and between the 1960s and 1980s the main refugee flow consisted of about 5,000 people from Vietnam. In the early 80s about a 100 Iranians fled to the Netherlands (Entzinger & Stijnen, 1990; Penninx, Munstermann, & Entzinger, 1998; van der Plicht, 2016).

The war in former-Yugoslavia started the first large refugee flow to the Netherlands since World War II. At the peak of the refugee flow in 1994, over 50,000 people asked for asylum. These applications were not just from people from the former-Yugoslavia but also from other Eastern European countries, Afghanistan, Iran, and Iraq. Between 1991 and 2002, annual applications were above 20,000, between 2003 and 2013 the numbers were lower. In those years, the main countries of origin were Somalia and Iraq. With the conflict in Syria and the worsening situation in Eritrea, refugee flows grew in 2014, as shown in figure 1.

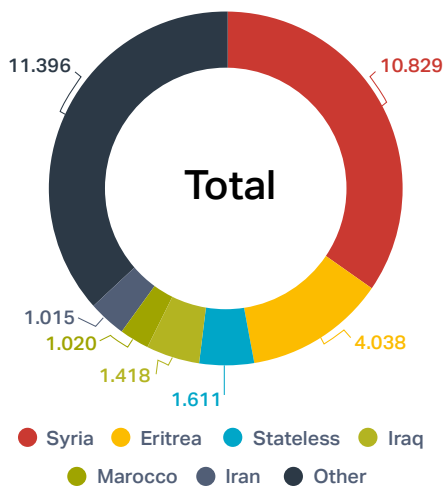
Figure 1: Asylum requests between 2014 and 2018<sup>2</sup>



Source: CBS/ <https://frontpage.fok.nl/nieuws/804882/1/1/50/meer-asielzoekers-minder-nareizigers-in-3e-kwartaal.html> (16/04/19).

43,093 People requested asylum in the Netherlands in 2015, a number that decreased in 2016 to 18,171. In 2017, the number of requests was 14,716. Figure 2 shows from which countries of origin most requests for asylum in the Netherlands were:

Figure 2 : Origins of asylum requests in 2017



Source: VluchtelingenWerk, 2018, p.10

2 The statistics distinguish between first asylum requests and ‘asylum followers’: those that apply as family members.

# Immigrant Entrepreneurship

In the early 1980s, a renewed interest in migrant or ethnic entrepreneurship emerged in different social sciences in Europe and the US/Canada. The restructuring of the economy seemed to give rise to the growth of small businesses, including small businesses run by migrant or ethnic entrepreneurs. Migrant entrepreneurship rates have grown since, and theorizing about this sector of the economy has grown accordingly (Boissevain, 1984; Light & Gold, 2000; Mars & Ward, 1984; OECD, 2010).

Ethnic entrepreneurship and immigrant entrepreneurship are common labels, with a slightly different meaning. Ethnic entrepreneurship was studied in relation to the characteristics of certain immigrant groups that seemed more entrepreneurial than others. These studies in the United States (and Canada) looked at the alternative economies in, for example, ethnic enclaves. Waldinger (1989) uses the term *ethnic businesses* to describe self-employment of Korean and Hispanic migrants in New York City. The term was also used by Portes & Jensen (1989) studying the enclave economy of Cuban migrants in Miami. Volery (2007) in turn uses ethnic to include minority groups that have not recently migrated. *Immigrant entrepreneurship* is used to look at businesses of recent immigrants, in a straightforward definition by Kloosterman & Rath (2014): “*self-employment of persons who have recent roots abroad*” (p. 197).

Here, the term immigrant entrepreneurship is used. This study looks at recent refugees and their route to entrepreneurship in the Netherlands. The literature used is broader in scope, looking at immigrant and ethnic entrepreneurship in general: “*immigrants have a particular configuration of their human and social capital and behavior that influences start-up activities in a different way, as compared to their counterparts who are born in a specific host country.*” (Aliaga-Isla & Rialp, 2013, p. 4).

## Disadvantage, niche, or opportunity?

In general, three hypotheses (and their theoretical assumptions) can be described. The *blockage* or *disadvantage hypothesis* describes how opportunities are blocked for certain ethnic groups. They look for entrepreneurship as a necessity (Chrysostome, 2010), they are pushed into entrepreneurship because of disadvantages on the mainstream labor market (Baycan-Levent & Nijkamp, 2009; Dumond, Liebig, Peschner, Tanay, & Xenogiani, 2014; Fong, Busch, Armour, Cook Heffron, & Chanmugam, 2007; Naude, Siegel, & Marchand, 2017; OECD, 2010; Rath & Schutjens, 2016; Volery, 2007). The disadvantage hypothesis assumes that structural causes push migrants into starting their own businesses. This pattern was especially visible in the US for migrants with low education levels that faced high discrimination on the mainstream labor market. In view of this lack of access and lack of mobility, self-employment can be a way out of unemployment or poverty. Naudé, Siegel & Marchand (2017) describe different forms of discrimination migrants can face on

the mainstream labor market, discrimination they can circumvent by starting their own businesses. Structural discrimination occurs for example through visa requirements; taste discrimination is defined as employers' preferences due to stereotypes. The article separates taste discrimination from structural discrimination, based on an information mismatch. Self-employment is a route to economic independence for migrants and refugees facing these obstacles.

The disadvantage hypothesis can be connected to enclave economies and ethnic niches, a second hypothesis. In these sectors, specific demands offer opportunities that native groups cannot provide. In the enclave economy, there can be a demand for specific goods not available in the mainstream market. This offers a possible opportunity for immigrant entrepreneurs. The enclave economy can also be beneficial for immigrant entrepreneurs because of the possible support from fellow immigrants (Chrysostome, 2010; Granovetter, 1995; Light & Gold, 2000; OECD, 2010). This links to the second theoretical framework of the *specificity hypothesis* (OECD, 2010) where the business focus of some immigrant groups is in a certain sector.

Finally, a different view of explanations comes from the *opportunity hypothesis* or the cultural theory: some immigrant groups are more equipped than others with (cultural) group characteristics that enable them to be successful as entrepreneurs. The support of the network, resources of the community, and personal characteristics facilitate immigrant entrepreneurship (OECD, 2010; Rath & Schutjens, 2016; Volery, 2007). The step towards ethnic entrepreneurship is explained by (ethnic group and personal) factors as *"dedication to hard work, membership of a strong ethnic community, economical living, acceptance of risk, compliance with social value patterns, solidarity and loyalty, and an orientation towards self-employment"* (Volery, 2007, p. 33). The interaction between personal resources of migrants and the resources of immigrant communities enable opportunities in self-employment (OECD, 2010).

## Interactions and mixed embeddedness

The assumption that immigrants start their own businesses out of opportunity does not necessarily contradict the notion that immigrants are pushed into self-employment by necessity. The different theoretical assumptions are not in opposition: most authors use a combination of the perspectives and look at the interplay between structural aspects such as labor market disadvantages (push) and personal or group characteristics that create or enhance opportunities (pull) (Kloosterman & Rath, 2014; Kloosterman, Leun, & Rath, 2010; Light & Gold, 2000; Mars & Ward, 1984; Rath & Schutjens, 2016; Volery, 2007). Similarly, these combinations of explanatory variables are important when looking at non-migrated populations (van der Veen, Wakkee, & van Nispen, 2016).

Different barriers and characteristics that are blocking or beneficial for immigrant entrepreneurship are shaping possibilities and opportunities. Chrysostome (2010) describes how success factors are different for 'necessity immigrant entrepreneurs' (pushed into

entrepreneurship) than for 'opportunity immigrant entrepreneurs'. Waldinger, Aldrich, & Ward (1990) and Waldinger (1989) discuss how opportunities are not the same for each group, and one should look at the interaction of group characteristics and individual resources. Kin and group resources are important for immigrant businesses, just as certain individual characteristics seem to be common for entrepreneurs.

Structuration theory (O'Reilly, 2012; O'Reilly, 2016) describes how the free will of actors is limited by structures: people make their own history but in circumstances they did not choose. Granovetter (in OECD, 2010, p. 103-104) looks at three levels of analysis to study entrepreneurship: the micro level, where one studies the individual entrepreneur and his resources, the meso level, where local opportunity structures are analyzed and the macro level, the institutional frameworks. He describes two forms of embeddedness of the relationships between economic actors: the relational embeddedness of individuals and groups (personal relationships between economic actors) and the link to broader networks, structural embeddedness.

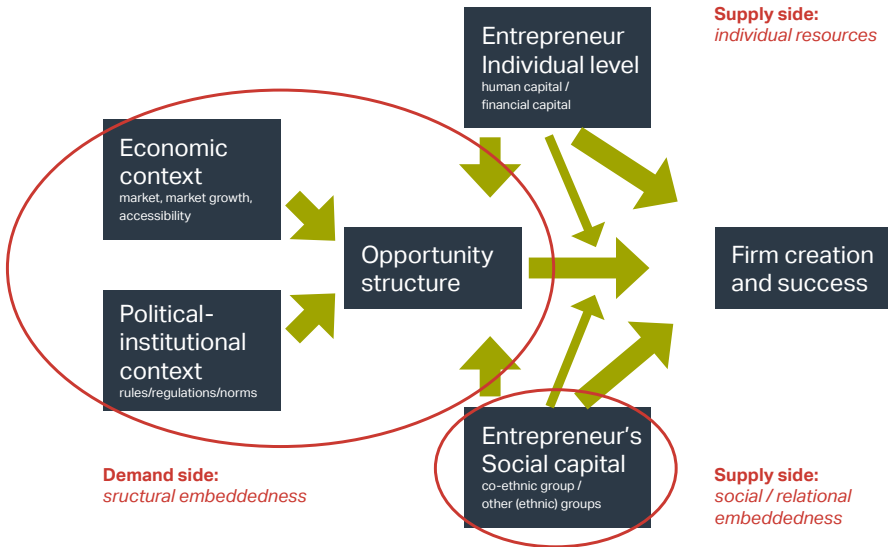
Rath & Kloosterman (2014) use the term 'mixed embeddedness' to emphasize the importance of both agency and structure. Agency of the migrant entrepreneur - the social, cultural, and human capital of the individual - is embedded in (social) networks and resources. Ethnic solidarity and the importance of social cohesion of immigrant communities are examples of this embeddedness, this connection of the individual agency. But there also is embeddedness in opportunity structures: for example, in the accessibility of markets. As such, embeddedness is mixed: *"a concept that is much closer to the original meaning of embeddedness as intended by Karl Polanyi (1945 1957) - encompassing the crucial interplay between the social, economic and institutional contexts."* (Kloosterman et al., 2010, p. 323).

As such, various authors stress the importance of the integration of different theoretical perspectives and levels of analysis: *"The rise of immigrant entrepreneurship is, theoretically, primarily located at the intersection of changes in socio-cultural frameworks, on the one side, and transformation processes in (urban) economies and the institutional framework on the other. The interplay between these two different sets of changes takes place within a larger, dynamic, framework of institutions on neighbourhood, city, national or economic sector level."* (Kloosterman et al., 2010, p. 323). Different barriers and characteristics that are blocking or beneficial for immigrant entrepreneurship are shaping possibilities and opportunities.

Portes & Rumbaut (1996) stress the importance of different contexts of reception: the government context of reception; the labor market context of reception; the ethnic group context of reception. Each of these contexts influences the labor market opportunities and entrepreneurship options of immigrants. Figure 3 combines the different elements of mixed embeddedness and context of reception. The demand side is heavily influenced by the political and economic contexts (government and labor market context of reception). The ethnic group context of reception has an impact on the social capital of the entrepreneur,

and partially on the financial possibilities of entrepreneurs. The model adds the importance of individual characteristics.

**Figure 3: The different contexts of reception relevant to immigrant entrepreneurship**



Source: Solano, 2016, p. 39

## Barriers in entrepreneurship

General obstacles for immigrant entrepreneurs can be clustered according to the different contexts/structures and characteristics. Barriers in the receiving society (societal characteristics) are linked to economic opportunities, political and institutional provisions, and attitudes of the mainstream. Barriers linked to the group are network related (social capital, some financial capital), connections to the new society and individual characteristics. These barriers are often interrelated. For refugee entrepreneurs, the barriers might be higher:

"At first glance, refugees are the most unlikely entrepreneurs. They lack capital to start up a business, they have no credit history, no assets or security. In many instances, their educational qualifications are not recognized, and they have no social networks".<sup>3</sup>

Research by Konle-Seidl & Bolits (2016) confirms that refugees experience higher barriers, as compared to other immigrants. They name refugee-specific obstacles as legal restrictions, the long duration of the asylum procedure and the uncertainty of their residence status. Trauma and violence during their flight are also linked to labor market outcomes of refugees. Research from the OECD (2010) shows that most immigrant entrepreneurs start their businesses after a prolonged period of stay in the new country.

## **Institutional barriers: the legal context**

The legal context and local and national regulation have an impact on the opportunity structure of immigrants and immigrant businesses. In these systems, the importance and economic impact of immigrant entrepreneurship is recognized:

"An evaluation report of the Ignite initiative shows there is significant entrepreneurial potential among refugees and many who have prior business experience. With support to overcome settlement challenges, these entrepreneurs will go on to contribute to the [Australian] economy"<sup>4</sup>.

Settlement challenges are the first barrier on the road to (self) employment. Employment in the normal labor market in the Netherlands is generally lower for minorities.

The unemployment level for people of a non-western migration background<sup>5</sup> in the Netherlands was 13.2% in 2016. The unemployment percentages for refugees are generally higher, but not just in the Netherlands. International research shows that refugees have low labor market participation rates in the first years after arrival, after five or six years of settlement the percentage is higher. Only after 15 to 20 years is the percentage of labor market participation comparable to the non-migrated population. Refugees arriving in the Netherlands after 2014 have a labor market participation rate of 11% (Dumond et al., 2014; Huijink, 2018; Konle-Seidl & Bolits, 2016).

Linked to this boundary of (the legal) context is the Dutch civic integration program. The 2013 Integration Law requires all newcomers to follow language and civic integration courses. The program tests have to be passed within a three-year period and the focus is on language

---

3 Luthans, Norman, & Jensen, 2007; <http://www.uts.edu.au/about/uts-business-school/management/news/refugee-entrepreneurship-generates-significant-economic> (12/07/17)

4 <http://www.ssi.org.au/services/ignite> Ignite Small Business Start-ups is based on an enterprise facilitation model developed by the Sirolli Institute

5 The Dutch Statistics Bureau (CBS) categorizes people with a migrant background in 'western' and 'non-western'. This includes all those born in the Netherlands with one or both parents of migration background (<https://www.cbs.nl/nl-nl/faq/specifiek/wat-verstaat-het-cbs-onder-een-allochtoon-> (16/01/19))

and aspects of social-cultural integration. Participation is facilitated by a government loan that will be gifted if the tests are passed successfully or become a debt if the refugee has not fulfilled the requirements after three years. The refugee is responsible for the trajectory; the importance of the monetary and legal consequences create a primary focus on the civic integration during the first three years of arrival in the Netherlands (Antenbrink et al., 2017; de Lange, Besselsen, Rahouti, & Rijken, 2017; Klaver, Mallee, Ode, & Smit, 2015; Razenberg & de Gruijter, 2017). New legislation is now being proposed to shift the focus of the Integration Law to labor market participation<sup>6</sup>.

Besides the national civic integration legislation, local municipal rules hinder labor market participation in the first years of arrival. An additional barrier is discrimination (de Lange et al., 2017; Engbersen, G., Dagevos, Jennissen, Bakker, & Leerkes, 2015; Razenberg & de Gruijter, 2017). The combination of these barriers forms an important motivation to become an entrepreneur, according to Baycan-Levent & Nijkamp (2009).

### **Entrepreneurship and the legal context**

The status of a refugee and the temporary status of refugees in the first years of arrival can be cause for discrimination. Banks and other institutions will hesitate to provide a loan or other forms of financing when an applicant does not have the required residency permit (Naude et al., 2017). Discrimination in financial institutions and provisions is not the only form of discrimination a starting entrepreneur can encounter (Molenaar & Nijhoff, 2017).

Municipalities, responsible for labor market participation of the inhabitants of their city, tend to focus on participation in the normal labor market. It is assumed this is a faster way to become independent of the welfare state benefits that recent refugees are entitled to. Refugees, as starting entrepreneurs, need to cooperate intensively with the municipality they live in and need to follow the complex rules that differ per municipality (Lysias, 2018). One specific national provision, the 'Bbz' (Besluit Bijstandsverlening Zelfstandigen or *the Decision on Welfare Support for Self-Employed*), is implemented by each municipality.

Tax regulations are also complex. Kloosterman (in Engbersen, R., Dorenbos, & Lagunas, 2018) indicates that the rules and regulations of the Dutch welfare state highly complicate entrepreneurship. The social security safety net can have a limiting effect on risk-taking by potential entrepreneurs. Dutch bureaucracy, labor legislation, social security, environment, taxation, and the Dutch regulatory structure, can all impede starting entrepreneurs with a migration background (p.13).

---

6 <https://www.nrc.nl/nieuws/2018/07/02/vijf-veranderingen-waardoor-de-inburgering-nu-wel-moet-slagen-a1608649> (08/08/18)



## **The Decision on Welfare Support for Self-Employed (Bbz)**

The Decision on Welfare Support for Self-Employed is a national arrangement to assist those that are on welfare support and want to start their own business to become active in the labor market. The municipality will provide certain forms of assistance for a period of three years. Some welfare benefits can be prolonged while the business is in the start-up phase<sup>7</sup>. Not all qualify for the support, certain conditions have to be met: a viable business plan; a certain amount of time investment; limits to finance. The program starts with a preparatory year where welfare benefits are not cut. This year is meant for writing the business plan, following workshops, and gathering advice on the business. After the first year, a viable business plan has to be presented. If the plan is approved, the business can start, and some forms of finance can be acquired (Lysias, 2018).

### **Example: Bbz in The Hague**

Every year, roughly 1000 people start the process of employment through entrepreneurship via the Bbz in The Hague. Of these 1000, about half finish the application with a business plan. The number of applications has slightly decreased in 2016, the municipality thinks this is linked to a higher demand in the labor market and more finance options via other channels. In 2017, 75 start-ups and 25 entrepreneurs received support via the Bbz, and in 2016, 95 applications were approved. Thus, a little less than 10% of the applications were approved in The Hague<sup>8</sup>.

In The Hague, the IMK (Instituut voor het Midden- en Kleinbedrijf) advises on approval of an application, supported by the expertise of The Test Garden. The IMK is a (now) private organization supporting entrepreneurs<sup>9</sup>.

The United Nations Conference on Trade and Development (UNCTAD) developed a policy framework with key components to facilitate entrepreneurship (Figure 4). The first condition or component is the formulation of a national strategy for entrepreneurship. For the Netherlands, the second component seems most relevant: optimizing a regulatory environment.

The complexity of the Dutch system is a barrier to entrepreneurship. Additionally, access to finance is found to be limited by rules and regulations within the Dutch context.

7 <https://www.denhaag.nl/nl/werk-bijstand-en-uitkering/uitkering-en-bijstand/uitkeringen-en-bijstand-voor-ondernemers/bijstand-startende-ondernemers-aanvragen.htm> (13/02/18)

8 <https://denhaag.raadsinformatie.nl/document/5522348/1/RIS296886%20De%20ongelijke%20toegang%20tot%20het%20Haagse%20armoedebeleid%20en%20voor%20ondernemers%20ivm%20particulieren> (13/02/18)

9 <https://www.imk.nl/over-het-imk/> (21/03/19)

**Figure 4: Key components of a policy framework**



Source: UNCTAD, 2010, p. 2.

Koltai (2016) emphasizes the importance of an attractive business climate. His 6+6 model stresses six activities and six organizations that are important for entrepreneurship.

The six activities are:

- 1) Identify entrepreneurs (through things like business plan competitions);
- 2) Train entrepreneurs (both in schools but also in increasingly common start-up training programs like the StartUp Institute and General Assembly);
- 3) Connect and sustain entrepreneurs (through meet-ups or entrepreneur organizations, as well as incubators, accelerators, and maker and co-working spaces);
- 4) Fund entrepreneurs (from starting or increasing angel investor group activity to helping catalyze and launch new venture funds);
- 5) Enable public policy that supports entrepreneurs (such as improving intellectual property protection and the ease of doing business, or managing regulatory burdens); and
- 6) Celebrate entrepreneurs (by telling their stories in all forms of media) to increase cultural support for entrepreneurship.

The six organizations that need to be involved are: 1) corporations, 2) foundations, 3) universities, 4) non-governmental organizations, 5) investors and 6) government.<sup>10</sup>

## Financial obstacles

Financial barriers are cited as one of the main obstacles in the same study by the OECD. According to Waldinger et al. (1990), *"Most of our informants told us that they had acquired the bulk of their capital through their own savings, a universal finding in studies of small business founding"* (p.137). Most immigrant businesses are started with personal funding, partially due to the lack of access for (new) immigrants to other forms of financing.

Financial obstacles related to immigrant entrepreneurship are connected to lack of capital and credit; lack of financial and managerial know-how; lack of knowledge. Lack of access to funds or financial resources is a commonly cited barrier: because (new) immigrants do

<sup>10</sup> <https://hbr.org/2016/12/refugees-need-jobs-entrepreneurship-can-help> (04/02/19)

not have a credit history or assets, official channels to credit are often hard to reach (OECD, 2010; Rath & Schutjens, 2016). This is related to a lack of knowledge of these official credit options: the road to different institutions is often hard to find. For (new) immigrants, the possibilities to save capital were disrupted. Their capacity and capability to build an asset base is limited (Molenaar & Nijhoff, 2017; Molenaar, 2014). This is especially true when there is a language problem, a barrier linked to a different – but related – set of obstacles.

## **Attitudes of the mainstream**

As discussed, discrimination on the mainstream labor market can be a reason for an immigrant or refugee to explore the road to entrepreneurship. This road is not free from discrimination or prejudices either: immigrant entrepreneurs are met with suspicion by service rendering institutions. Perceptions of the immigrant entrepreneur can affect their opportunities for different services (information, permits, financial support) in a negative way (Molenaar & Nijhoff, 2017).

## **Ethnic-based obstacles**

(Group) characteristics that promote immigrant entrepreneurship, such as the existence of an enclave economy, can also hamper sustainable and growing entrepreneurial possibilities. In the enclave, there are limits to growth. This is also a development outside of an enclave economy, when recent immigrants open businesses in a sector that experiences cut-throat competition. Limited, captive (ethnic) markets show a lack of growth (Waldinger et al., 1990). With the diversification of immigrant businesses in different sectors, this risk is becoming smaller (OECD, 2010).

Some cultural and social values can be a barrier to entrepreneurship. The positive impact (see below) of immigrant or ethnic solidarity also has a negative side where the new entrepreneur may have to support a large network of dependents (Faist, 2010; Fong et al., 2007; Portes & Sensenbrenner, 1993).

## **Networks**

The 'burden' of solidarity is one way in which networks can hinder the success of an entrepreneur. Other aspects of networks that are not beneficial for immigrant entrepreneurs are the exclusion from 'non-ethnic' informal business networks and constraints on access to formal networks. Both aspects are related to financial and ethnic-based obstacles (Molenaar & Nijhoff, 2017; OECD, 2010).

Migrant networks are complex and differ in strength: some relationships are indirect and fleeting, but these ties can function as a bridging factor. They can connect people to different sectors or circles in society: 'The strength of weak ties' (Granovetter, 1973). Connections over weak ties do not necessarily connect within the group and they can break easily. Strong ties are the connections that are direct and more durable: the ties to the household and family. Finally, symbolic ties can be of importance: the ties through shared ethnicity, nationality or

## Comparison conclusions/recommendations RefugeeWork and Platform31

In 2018, two reports were published on support programs for starting refugee entrepreneurs.

RefugeeWork (VluchtelingenWerk) worked with Lysias to analyze the Dutch context, the implementation of the Bbz, and a number of start-ups. Platform 31 conducted a similar study (Engbersen, Dorenbos, & Lagunas, 2018; Lysias, 2018). The conclusions and recommendations are shortly summarized in this overview.

### Platform 31

Recommendations for future entrepreneurs

- Learn Dutch or English
- Try to expand your network
- Start-up finance is essential
- Don't give up

### Recommendations for local governments

- Guide status holders through the complex Dutch bureaucracy
- Ensure sufficient knowledge and staff on the municipal level
- Do not focus too much on swift employment
- Invest in language training, if possible, in coordination with business training programs
- Pay attention to the qualifications of status holders in the allocation process to municipalities
- Facilitate/Organize mentor-mentee projects
- Facilitate/Organize projects aimed at network formation
- Evaluate local and regional initiatives on a regular basis

### Refugee Work

- Status holders know of the different support programs
- It is difficult to predict the chances of success; a general approach is hard to define
- Network with sponsors is essential
- Tailor-made support is necessary
- The questions of the starting entrepreneur are often not the start of a support trajectory.
- There is little cooperation between the different programs; dependence on financial support creates fragmentation
- Municipalities do not have a common implementation or vision. The process is heavily dependent on the municipal context.
- 'Lean start-ups' are a better fit than start-ups through participation trajectories

### Recommendations

- Municipalities play a crucial role as gatekeepers.
- Conduct intake and assessment evaluations to place status holders in a suitable environment (municipality)
- Share information between different support programs
- Show the different initiatives
- Organize a chain approach in support
- Invest in better cooperation between municipalities and support programs
- Promote (financial) out-of-the-box options
- Invest in a broad labor market approach (not just entrepreneurship)

religion. Social capital is defined as "(...) *the extent of the network of social ties that can be mobilized and the amount of financial, cultural, and political capital that members of collectives or networks participants can muster.*" (Faist, 2010, p. 73). Not every migrant from the same group has similar access to networks, and social networks differ in their scope: in some groups, support is extensive, while in other groups solidarity is limited (Faist, 2010).

## Individual characteristics

One of the main issues when starting a business (and other labor market participation) is the lack of knowledge of the language. Language links the entrepreneur to potential customers, but more importantly, gives access to the rules and regulations of the receiving society. Lack of access to institutions can be due to language problems.

Human capital characteristics, like education level, labor market experiences, previous experiences in entrepreneurship, but also a characteristic such as gender, have an effect on the chances of success for a starting immigrant business (Bizri, 2017; Fong et al., 2007; Joyce, 2018). The higher the education level, the better the chances of success. The knowledge and skills of the entrepreneur are limited, support is difficult to find if social networks are (still) limited. Higher education levels do not directly translate to better entrepreneurs; education plays a positive role in understanding the new society and adapting to the new surroundings (Molenaar & Nijhoff, 2017; Volery, 2007). Previous entrepreneurship experiences have a double function: not only does one know (to a certain degree) what entrepreneurship entails, the specific knowledge of the trade is also of value (Molenaar, 2009).

Length of stay is an additional aspect that is of importance for the success of an immigrant business. The longer the stay in the new country, the more knowledge of the new society one has; the more time one has to learn the new language. The longer stay can also affect financial possibilities: one has a longer credit history in the new country. Over time, *'the influence of the ethnic dimension shrink to a level where it is no longer relevant'* (Volery, 2007, p. 37).

## Gender

There exists a complex interplay between immigrant and female entrepreneurship (OECD, 2010; Rath & Schutjens, 2016). Glass ceilings, stereotypes and other limits that are important for female labor market participation, are also of importance in entrepreneurship:

"These personas highlight a few key differences in how the entrepreneurs were perceived depending on their gender. Men were characterized as having entrepreneurial potential, while the entrepreneurial potential for women was diminished. Many of the young men and women were described as being young, though youth for men was viewed as promising, while young women were considered inexperienced. Men were praised for being viewed as aggressive or arrogant, while women's experience and excitement were tempered by discussions of their emotional shortcomings. Similarly, cautiousness was viewed very differently depending on the gender of the entrepreneur.

Unsurprisingly, these stereotypes seem to have played a role in who got funding and who didn't. Women entrepreneurs were only awarded, on average, 25% of the applied-for amount, whereas men received, on average, 52% of what they asked for. Women were also denied financing to a greater extent than men, with close to 53% of women having their applications dismissed, compared with 38% of men. This is remarkable, given that government VCs<sup>11</sup> are required to take into account national and European equality criteria and multiple gender requirements in their financial decision making.<sup>12</sup>

For immigrant and refugee women the situation is more complex than the situation for women entrepreneurs in general. Gender stereotypes are often reinforced by stereotypes that exist about migrant women (OECD, 2010).

The complex relationship between ethnic entrepreneurship and female entrepreneurship is summarized in an overview in Appendix 2.

## Characteristics beneficial to entrepreneurship

As with barriers, characteristics beneficial to entrepreneurship are complex and interactive. Motivation and individual background is one theme in the literature, but the connection of networks and individuals is also important. For example, Fong et al. (2007) give an overview of important aspects where individual and family success factors are combined. The household is an important issue in decision making in the migration process and has an effect on entrepreneurial chances.

### Motivation and individual background

The success of a business depends greatly on the reason why the entrepreneur started a business: is the reason linked to necessity (because of blocked opportunities on the mainstream labor market) or because of opportunity (and thus a consequence of a different set of motivations)? Chrysostome (2010) argues that the characteristics of necessity entrepreneurs differ from those of opportunity entrepreneurs. They start their business to survive while opportunity entrepreneurs have more varied goals. Necessity entrepreneurs are generally educated in the country of origin, are not highly educated and have limited professional experience. They lack financial capital and are highly dependent on the ethnic economy: for flexible employees that do not expect high wages but instead work because of solidarity reasons. Necessity entrepreneurs mainly provide goods or services within the ethnic group. They are mainly middle-aged men that work long hours. Opportunity entrepreneurs are highly educated, have professional experience, and operate on the mainstream market. They are not dependent on the ethnic community for labor or capital. They have a better knowledge of the language of the receiving country and have better access to startup capital. Their business is far less influenced by the ethnic dimension and their approach to and opportunities in entrepreneurship can be more similar to those of native entrepreneurs than to those of necessity entrepreneurs.

---

11 Venture capitalists  
12 <https://hbr.org/2017/05/we-recorded-vcs-conversations-and-analyzed-how-differently-they-talk-about-female-entrepreneurs> (19/07/17)

"The influence that the ethnic dimension exerts on the entrepreneurship dimension can vary tremendously, depending on how big the cultural differences are between host and home country, the discrimination the entrepreneur is subjected to, the progression of the social integration of the concerning ethnic group, the experience gained in the new environment, age and gender, and the education level of the entrepreneur. In the case of a highly educated and very well integrated individual, the influence of the ethnic dimension can shrink to a level where it is no longer relevant" (Volery, 2007, p. 37).

Immigrant entrepreneurship thus varies in the importance of characteristics that are related to their national or ethnic origins. The chance of success of the business increases with a longer stay of the immigrant in the new country: migrants who have arrived more than 20 years ago, are most likely to be successful in their businesses. This is linked to a variety of knowledge aspects (Fong et al., 2007; OECD, 2010). The longer one is in the country, the more the differences in survival rates between migrant and native businesses diminish. This has important implications for refugee entrepreneurship. Refugee entrepreneurs have only recently arrived, and their motivation to start their own business is often related to reasons of necessity.

Another set of characteristics linked to successful entrepreneurship are personal characteristics. The potential entrepreneur needs to be flexible, optimistic and resilient. The entrepreneur needs to have self-confidence and "will and way power"; the latter refers to a hopeful but realistic attitude (Fong et al., 2007; OECD, 2010). These entrepreneurial skills do not differ from native or others that want to start their own business (European Commission, 2008; Molenaar & Nijhoff, 2017; Valerio, Parton, & Robb, 2014).

Individual characteristics are also defined by human capital aspects. Immigrants with a higher education level tend to be more successful as an entrepreneur. Knowledge of the language of the new country is also beneficial.

In Table 1 an overview of the various general entrepreneurship characteristics is given. These have been applied and accepted by the various organizations over the years. There is overlap with the characteristics described in the literature on immigrant entrepreneurship: the focus on resilience, flexibility, will- and way-power, and self- confidence is replicated in characteristics of entrepreneurs in general. As such, the chances of success for immigrant entrepreneurs, based on personal characteristics, do not (necessarily) differ from those of entrepreneurs in general.

**Table 1: Characteristics or traits defining successful entrepreneurs**

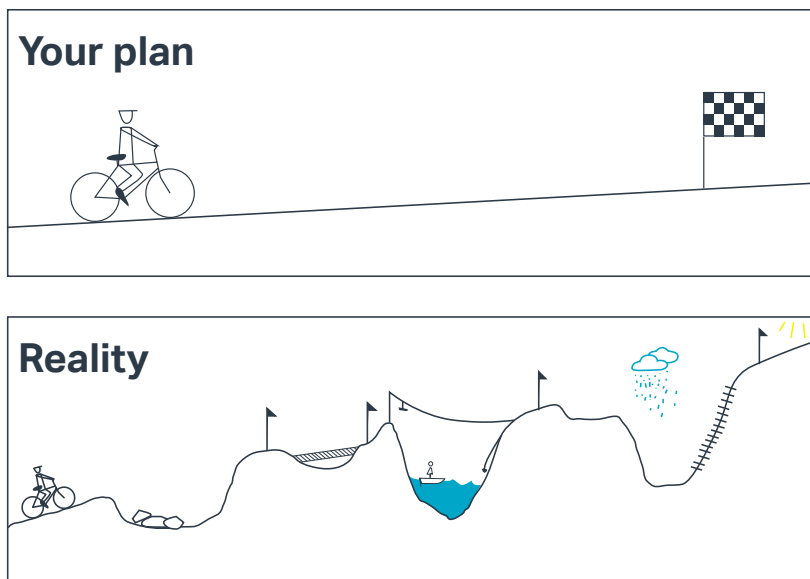
Characteristic/trait	Description
<b>Initiative; self-starter</b>	<ul style="list-style-type: none"> <li>• Undertakes actions that go beyond job requirements or the demands of the situation</li> <li>• Does things before being asked or forced to by events</li> <li>• Acts to extend the business into new areas, products or services</li> </ul>
<b>Opportunity-seeking; independent</b>	<ul style="list-style-type: none"> <li>• Looks for opportunities</li> <li>• Sees and acts on opportunities (business, educational or personal growth)</li> <li>• Seizes unusual opportunities to obtain finance, equipment, land and workspace or assistance</li> </ul>
<b>Persistence</b>	<ul style="list-style-type: none"> <li>• Takes repeated action to overcome obstacles that get in the way of reaching goals</li> <li>• Undertakes repeated or different actions to overcome an obstacle</li> <li>• Takes action in the face of a significant obstacle</li> </ul>
<b>Information seeking</b>	<ul style="list-style-type: none"> <li>• Takes action to get information to help reach objectives or clarify problems</li> <li>• Does personal research on how to provide a product or service</li> <li>• Consults experts for business or technical advice</li> <li>• Seeks information or asks questions to clarify what is wanted or needed</li> <li>• Personally investigates and undertakes research or analysis</li> <li>• Uses contacts or information networks to obtain useful information</li> </ul>
<b>Achievement Concern for a high quality of work</b>	<ul style="list-style-type: none"> <li>• Act to do things that meet or beat existing standards of excellence</li> <li>• States a desire to produce work of a high quality</li> <li>• Compares own work or own company's work favorably to that of others</li> </ul>
<b>Commitment</b>	<ul style="list-style-type: none"> <li>• Places the highest priority on getting a job completed</li> <li>• Makes a personal sacrifice or expends extraordinary effort to complete a job</li> <li>• Accepts full responsibility for problems in completing a job for others</li> <li>• Pitches in with workers or works in their place to get the job done</li> <li>• Expresses a concern to satisfy the customer</li> </ul>
<b>Efficiency orientation</b>	<ul style="list-style-type: none"> <li>• Finds ways to do things faster, with fewer resources or at a lower cost</li> <li>• Uses information or business tools to improve efficiency</li> <li>• Expresses concern about costs vs. benefits of some improvement, change or course of action</li> </ul>
<b>Systematic planning</b>	<ul style="list-style-type: none"> <li>• Develops and uses logical, step-by-step plans to reach goals</li> <li>• Plans by breaking a large task down into sub-tasks</li> <li>• Develops plans that anticipate obstacles</li> <li>• Evaluates alternatives</li> <li>• Takes a logical and systematic approach to activities</li> </ul>
<b>Problem-solving</b>	<ul style="list-style-type: none"> <li>• Identifies new and potentially unique ideas to reach goals</li> <li>• Switches to an alternative strategy to reach a goal</li> <li>• Generates new ideas or innovative solutions</li> </ul>

Source: Molenaar, 2009, p.38, adapted by the author



Iske<sup>13</sup> sees entrepreneurship as an attitude. He adds that components like passion, risk-taking, outward orientation, flexibility, persistence, focus, independence, creativity, innovation, networks and pragmatism are important for a successful entrepreneur. He also stresses that failure is important: starting a business in a continuously changing context is not a guaranteed road to success. A brilliant idea is not enough; flexibility is important and failure can only help to improve the idea: "When I knew nothing, they gave me an amount of money but when I learned a lot and wanted a restart, they gave me nothing", stated one of the entrepreneurs that Iske was working with. Iske stressed that a business plan is not the key to success; the personality of the entrepreneur is more likely to be the determining factor. A business plan is 'an optimistic model of the reality' which was illustrated by an image similar to Figure 4:

**Figure 4: Business plan versus the reality of entrepreneurship<sup>14</sup>**



## Markets

Markets are not just a barrier for immigrant entrepreneurs, they can also be beneficial. The restructuring of the global economy in the 1980s changed opportunities for entrepreneurs. Ethnic enclaves or niches can provide the much-needed support for a start-up, and loyal customers can create a solid base for the business (Fong et al., 2007; Light & Rosenstein, 1995; Rath, 2000; Waldinger et al., 1990).

13 Prof. Dr. Paul Iske, Universiteit van Maastricht, Instituut voor Brillante Mislukkingen. Presentatie bij conferentie "Migrant Entrepreneur Support in Practice" Delitelabs, 28/09/18

14 Source: <https://leblancacademy.nl/blogs/2017/03/bepalen-strategische-richting/attachment/plan-vs-reality/> (10/10/18)

"Where ethnic business people have both a personal familiarity with the world of commerce and remain in touch with members of an encapsulated ethnic community, they may be the best equipped of all to take advantage of commercial possibilities." (Mars & Ward, 1984, p. 14)

## Networks

Kin and ethnic resources are important. Entrepreneurs must be willing to work hard and long hours and quite often, they rely on family members to work with them during those hours (Mars & Ward, 1984; Portes & Sensenbrenner, 1993; Waldinger, 1989).

Social capital is often mentioned as one of the main advantages that immigrant entrepreneurs have. The ties and connections and the trust stemming from social capital are crucial – in different degrees – for immigrant group members starting a new business in a new society. Social capital can create a web of connections where different economically relevant expectations can help building a new business (Bizri, 2017; Portes & Sensenbrenner, 1993; Portes, Haller, & Guarnizo, 2001). Social capital is group dependent, and even within groups, differences in the benefits of social capital can occur (Portes et al., 2001; Portes & Sensenbrenner, 1993; van Meeteren, Mascini, & van den Berg, 2015).

Family members and close friends are often instrumental in the start-up of an immigrant business – they may be willing to work long hours for little pay, especially at the start of the business (Betts, Sterck, Geervliet, & MacPherson, 2017; Rath & Schutjens, 2016). Among refugees, strong networks can exist. Status holders in the Netherlands that have recently started their own business did rely on strong networks: *"almost all successful entrepreneurs [that were interviewed] share one thing: they have a very diverse network with supporters that were willing to build their business with them"* (Lysias, 2018, p. 17, author's translation).

## Entrepreneur training programs

Immigrant entrepreneurship training or education programs have been adopted from mainstream programs that started in the 1970s in developing countries. Policy makers saw the potential for small business as a reaction to market opportunities (Stanley & Morse, 1965). Economists assumed that people were rational and would exploit any improvement in the environment as an opportunity. This would generate economic development (Molenaar, 1983; Valerio et al., 2014). In the 1980s, entrepreneurship training (EET) shifted to development programs based on the Achievement Theory of McClelland. McClelland identifies three motivators in human behavior: a need for (1) achievement, for (2) affiliation and for (3) power. Each motivator can be learned and leads to different personality or personal characteristics. The drive for achievement would lead to higher chances of successful entrepreneurship in this theory (Collins, Hanges, & Locke, 2004; McClelland, 1961).

These ideas were adopted and integrated into small enterprise development programs. A strong focus on Achievement Motivation Training (AMT), is intended to activate and develop the need for achievement in people as a start to engaging in self-employment or setting up one's own business. Certain entrepreneurial characteristics, in general, were considered relevant in determining the possibility that one would indeed successfully start a business. Examples are the competency-based formation of entrepreneur programs supported by the German Organization for Technological Cooperation (GTZ) or those initiated and supported by the International Labour Office (ILO) in, for instance, Kenya (Molenaar, 2009).

## Findings from the literature

Literature on refugee-entrepreneurship is scarce. Most literature looks at migrant-entrepreneurship in general or studies ethnic entrepreneurship. Specific reasons for migration are commonly not included. The flight history; the possibility of exile; the impossibility (or improbability) of return; the difficulty of contact with the country of origin; the destruction or confiscation of property; the lack of official documentation; these aspects have not been included in studies on immigrant or ethnic entrepreneurship. These aspects are included in the empirical section of this report.

Motivation is an important component on the road to entrepreneurship. The motivation to start a business because of a lack of other options (necessity) or because of a dream or vision (opportunity) has consequences on the chance of success of the business. The viability is greater when an entrepreneur starts with a vision, out of opportunity. The scope of the market is also important in the chance of success. If one aims for an ethnic market, success is likely to be more limited, unless the business can expand to larger groups.

The importance of context is prominent in the literature. The regulatory context (national, local) of the receiving society can enhance or create barriers for entrepreneurial success. In the Netherlands, the civil integration requirements are a barrier for a successful start-up, as is the long asylum procedure. Discrimination on the labor market is one of the reasons (new) immigrants look for business opportunities. Tax and Bbz regulations, and the decentralization of the implementation of the latter complicate the road to self-employment.

On an individual level, there are several aspects that are limiting chances of success: lack of language knowledge, lack of knowledge of the new society and the market, lower education levels, gender, labor market experience, status, and length of stay. These aspects demonstrate a relationship with lower entrepreneurial success rates.

On a group level, the literature shows different characteristics which hinder entrepreneurial opportunities. The group networks (ethnic or national) can be limited in reach and in depth. The reach of these networks can be too narrow. The networks can also stress group

solidarity too much which can be a burden on the potential entrepreneur. Access to financial resources is also linked to group characteristics and networks.

To start a business, one of the most important aspects is that the individual has an 'entrepreneurial mindset'. Different authors describe the characteristics belonging to such a mindset. Additionally, group support can be of importance – solidarity is not just limiting but can also be a source of support, knowledge, help, and finance.

## Experiences in the Netherlands

The increased refugee flows in 2015 and 2016, mainly, but not exclusively, from Syria and Eritrea, sparked a renewed interest in immigrant entrepreneurship possibilities. This was generated both by demand from refugees as by municipal and national agendas on immigrant labor market participation. The complexity of the institutional context of the receiving society created a demand for more support, especially from those who would not be characterized as 'ideal entrepreneurs'. Different municipalities and different organizations initiated start-up programs for refugees (and in some cases, other recent migrants).

First, a short description of the Dutch context is given, followed by a description of selected programs. The selection of the programs was based on different sources. The municipality of The Hague asked for an evaluation of the program they supported, The Test Garden. To evaluate this program, a comparison with other start-up support programs was designed. These programs were selected via [werkwijzervluchtelingen.nl](http://www.werkwijzervluchtelingen.nl)<sup>15</sup> where initiatives, programs, training courses and other resources for (recent) refugees are collected and also via a google search<sup>16</sup>. A final search method was via the Refugee Academy of the Free University of Amsterdam, where two programs presented their initiatives<sup>17</sup>. Not all the programs found were included, partially because of availability, partially due to comparability to The Test Garden. The program had to be centered around entrepreneurship of recent refugees/status holders. In the selection, different locations in the Netherlands were prioritized without focusing on the main cities. Five programs were selected: Lomax, Krachtbedrijf, ROZ Group, Brilliant Entrepreneurs, and the UAF. Interviews with Refugees Forward were also included at a later stage.

The programs were first contacted by Jamie Looy, a student of the program Small Business & Retail Management at The Hague University of Applied Sciences. She interviewed the programs about intake procedures. At a later point in time, generally after a period of six months, the programs were interviewed again and asked about their successes, the barriers, the trajectory.

15 <http://www.werkwijzervluchtelingen.nl/initiatieven.aspx> (22/08/17; 28/05/18)

16 In Dutch on "*ondernemerschap en statushouders*", "*ondernemen statushouders*", "*vluchteling ondernemen*": "*entrepreneurship and status holders*", "*entrepreneur status holders*", "*refugee entrepreneurship*"

17 Meeting Refugee Academy, LolaLik, Bijlmerbajes, Amsterdam, 1 December 2017

There was no standard interview protocol, the interviews were tailored to each organization.

The Test Garden collaborated with Kim Plaizier. She interviewed the candidates of the program. The interviews were set up in close communication with the project managers and the researchers. All candidates' names were changed for privacy reasons. The stories of these candidates were used to illustrate the different components of starting a business in the Netherlands as a recent refugee. These background stories are told separately throughout this chapter<sup>18</sup>.

## **Rami**

Rami was interviewed on March 20, 2018. He is a refugee from Syria. He spent 1 ½ year in an asylum seeker center (AZC) after which he was assigned an apartment in The Hague. He was an electrical engineer in Syria: he worked for the fire department where he was responsible for cameras and alarm systems. His specialization is 'remote engineering' of electrical systems. He also was an entrepreneur in Syria: he owned a large restaurant and he was 'in the trade'. He spoke about employment with a large construction company in the Netherlands, but he realized he did not want to work for a boss anymore.

In the Netherlands he saw an opportunity in trade: he noticed how Syrian newcomers were in need of cheap furniture and other items to decorate their new homes. He also realized that existing second-hand stores were selective in their acquisition and only reused undamaged items.

He wants to start a business in second-hand goods where he will first restore the items. He already works with flooring. Second-hand laminate flooring is offered through websites such as Marktplaats by individuals, for free. He will pick up the flooring, restore it, and lay it for customers. He adds service and quality to the (free) second-hand products.

Besides catering to Syrian customers in the Netherlands, he also has connections in Syria with whom he would like to trade. One of his potential partners has already placed an order for a thousand washing machines. The partner is also looking for other domestic appliances. The items can be shipped through the harbor of Rotterdam.

Rami has already registered his company in the Chamber of Commerce, which started a bureaucratic web of confusion for him. He just wanted to start but is looking for capital to buy a van and to rent storage space. He thought he could arrange this through The Test Garden but is disappointed by the rules and waiting periods. He wants to arrange everything in the correct legal manner. He does not seem to comprehend the details of the Bbz-route'. He explains that he doesn't need the support, he is simply looking for a loan to start his company on a larger scale.

## Program description and intake phase

The different programs have varying ways to acquire and select candidates for their program.

### The Test Garden

The Test Garden was linked to the municipality. Candidates were first selected by the municipality: the municipality was a first gate-keeper. The Test Garden did not have information on the selection procedures on the municipal level. They submitted the potential participants to two follow-up procedures: a qualitative questionnaire and a personal face-to-face interview. The questionnaire asks for general human capital characteristics such as age, education, language, years of experience in entrepreneurship or labor market experience. It also includes questions about the quality of the business idea and the possibilities of innovation.

The selection process by The Test Garden excluded some of the candidates that the municipality suggested, for different reasons. Some of the candidates were still too busy with the civic integration courses, some of the candidates did not have adequate language knowledge. One of the candidates had a business idea that looked like a pyramid scheme, something not eligible for support. Some of the candidates dropped out after the first intake meetings.

### Alonzo

Alonzo had a small company in computer advice and support, he also worked in the restaurant sector in Venezuela. He was interviewed in May 2018. He wants to start a tortilla company.

His first idea was to start a small restaurant, a takeaway place. He realized the starting costs would be too high and adapted his idea to a business making fresh tortillas. He noticed that there are a lot of Mexican restaurants in the area that are looking for good, fresh tortillas. He now makes them by hand, but he would like to invest in a larger place. Once the company is up and running, he would like to expand his business. He wants to improve his Dutch and he would like to combine his tortilla-making with work in the IT.

The Test Garden supported Alonzo mainly through network building. They helped him find his way through all the bureaucracy. He was able to write a business plan and wants to submit it in June 2018. He followed a course on the tax system in the Netherlands and he would like to learn more about the tax rules for companies. He would like to meet people that have already started their businesses: at The Test Garden he mainly meets people that are in the same position as he is.

## **Lomax**

The intake phase for Lomax starts with an in-depth personal interview with the candidate. The focus is on the personality and motivation of the candidate: is the person a potential entrepreneur? Since most candidates do not have a paper 'trail' from the country of origin, the interview is elaborate. Lomax has no other way to retrieve information. In this first interview, they also explore different business opportunities with the potential entrepreneur. They encourage business take-overs as part of the start-up approach.

Lomax is a consultancy firm. They offer language support and help the potential entrepreneur develop their business idea and business plan. The goal of their support is not to help as many as possible to start a business: their approach is broader. They help the candidate to find a meaningful place in the Dutch labor market: through entrepreneurship or via a different route.

Lomax works in eight municipalities and consults with 25 recent refugees (February 2018). Seven of them are close to starting up their own businesses. They were able to help avoid a disaster for one of the candidates: he was going to buy a business, but the previous owner turned out to be unreliable. Lomax had a slow start in 2015 and was able to grow in 2017. The program uses the Bbz- regulations.

## **Krachtbedrijf**

Krachtbedrijf is one of the companies that does not just support new refugees on the route to starting a business, they also support people leaving shelters (after abusive relationships). The company looks at entrepreneurship as a way to activate people – economically and socially. The writing of a business plan is not just to start a business but also to take control over one's life – Krachtbedrijf started its work with (mainly) women that left shelters to start a new life. The company works in the province of Noord-Brabant but has coached groups in different parts of the country.

During the intake phase, Krachtbedrijf looks at entrepreneurial attitude, language knowledge, the stability of the entrepreneur's situation, status, and the business idea. Josette Dijkhuizen, the founder of Krachtbedrijf, is responsible for the intake interview.

## **ROZ Group**

The ROZ Group is a collaboration between different private and public organizations in the east of the Netherlands in the Twente region. They work with fourteen municipalities in the area and are active in different aspects of and routes to entrepreneurship and social enterprises. The selection of candidates is done by a representative of the municipality who looks at three characteristics: the business idea, ambition, and knowledge of Dutch or English. The workshops and training sessions are done by external partners Mindt and Delitelabs, in group sessions.

## Brilliant Entrepreneurs

The program of Brilliant Entrepreneurs is aimed at female entrepreneurs. They developed a program for female refugee entrepreneurs in the Netherlands, based on the program they have already employed worldwide: *"The starting point of this tailor-made training program is talent development. We add to this story. We add to knowledge, matchmaking and a business mission, leading to innovation and a boost for the female entrepreneurship. Results achieved with the Brilliant Entrepreneur have been impressive and described as life changing"<sup>19</sup>.*

The intake session of Brilliant Entrepreneur is not based on a questionnaire, the story of the entrepreneur is central. They listen and look at ambition, language knowledge and professional background. The focus of the program is on empowerment and independence but also on sharing stories and building networks. The goal is labor market participation.

The organization supports about 300 female entrepreneurs worldwide. They started with programs in 2014 and focus on the development of talent: *"The nice part of talents is that you can use them in multiple ways. If you just see your talent as 'you are excelling in football', then you are done when you are 30. But if you look at your broader talent, insight, game skills, teamwork, then you can use it for many purposes."*

## Abdel

Abdel found himself stuck in the Dutch rules and regulations, which is why he asked for help from The Test Garden. He wants to start a Syrian food chain; he has the money to start his business, but he got stuck in the system when he tried to apply for a mortgage. He wants to start a family business.

The family had a flooring company in Syria. They moved the business to Dubai, but Abdel does not see much room for that type of business in the Netherlands. He also thinks there might be less cultural- and language barriers for a restaurant than for a flooring business. He realizes he is not the only one that wants to start a restaurant: he saw in a report of the municipality of The Hague that three Syrian restaurants open in the city every month. He does not see that as discouraging.

He mainly needs support with the legal and tax regulations. He has his own financial capital to start a business, has already registered with the Chamber of Commerce and formally started his own company. He does not need the Bbz-support, he is looking for advice.

---

19 <https://www.briljanteonderneemster.nl/for-refugees/> (20/08/17)



## Fatiha

Fatiha fled the war in Iraq in 2008. She tells in the interview of May 2018 that there were already problems in her city of Mosul in 2003: she had a hairdresser's shop but it had become hard for women to be part of the labor market. In the Netherlands, she had to wait for her status for eight years: she was not allowed to work during that time. She has had her residence permit since 2016. She worked on her civic integration exams but had a hard time starting up after not being allowed to be active for so many years. She did pass the exams but realizes she is now 10 years older and has not been able to work for a long time. She would love to work as a hairdresser again. She loves the profession and had worked in it for 15 years. She tried to start as an employee, but nobody has hired her so far. She would prefer to work for somebody because of the costs of starting her own business. But since she failed to find employment, she now works with The Test Garden to start her own company. She has been writing her business plan with her son.

She considered starting a business from home but realized she does not feel safe enough to do so. She doesn't like having strangers in her house. She also prefers to have a 'real' start, to start with a business. She has a large network and has confidence that they will help and support her once she starts. She does depend on the Bbz-provisions or on a bank loan to finance the business.

## UAF

The UAF, a fund that started as a support foundation for higher educated refugees, has a long history supporting refugee entrepreneurs. Their program for entrepreneurs started in 2006. They supported seven groups between 2010 and 2013, of which, about 30% of the candidates followed the full trajectory. Between 2014 and 2017 they supported 43 candidates, in an individual program in collaboration with OKB, an organization of experienced entrepreneurs in the Netherlands. They select candidates on their business idea, their language knowledge and education level, and their willingness to invest financially in the program.

The OKB is an organization of experienced (retired) entrepreneurs that counsel current entrepreneurs. The organization was founded 35 years ago. They advise and support in any state of business development and existence. They do not just support recent refugees but advise and support any (potential) entrepreneur. The duration of the program is 6 months <https://www.ondernemersklankbord.nl/>

## Refugees Forward<sup>20</sup>

Refugees Forward works closely with Team Academy and the Amsterdam Centre for Entrepreneurship (ACE). The latter two are responsible for training courses and workshops for the potential candidates.

---

20 The first interview with Refugees Forward was conducted by Mieke Hes, master student at the Free University of Amsterdam.

Personal development, cultural sensitivity, and 'economic empowerment' are central. The goal is to support people to start their own businesses. Refugees Forward works with two types of mentors: a mentor who is an expert in the field and a student who supports the starting entrepreneur in a variety of ways. The organization stresses the importance of community.

### **Coursework, workshops and other professionalization methods**

The program of The Test Garden starts with a training course to develop a draft version of a business plan (business model canvas, Appendix 3). The candidates are supported by a mentor from the local business community (OKB). Their goal was to assist 12 entrepreneurs to a financed business plan in 2017; the goal for the succeeding years is to support between 25 and 30 starting entrepreneurs annually.

Lomax offers different forms of support: they employ eight consultants, three of whom speak fluent Arabic. They help with language problems and they help the candidate find his or her way on the Dutch labor market. They do not offer courses or workshops, but they consult the candidate about the educational opportunities on offer elsewhere. They work with the Bbz in eight municipalities.

The program of Krachtbedrijf is composed of different phases. Initially, there is a two-month general program followed by a training course lasting six months. During this program, candidates follow an online learning program and are counseled on an individual level. They can follow different workshops and courses. After the first two months, they have another interview to see if they qualify to continue the program. They have to finish writing their business plans after eight months and submit their Bbz-requests to the municipality. They work in groups to create and enhance networks. The groups are organized in two locations: one in the south of the Netherlands and the other in the center of the Netherlands. *"Entrepreneurship is about making a new start, the business is a tool. So, if somebody changes their ideas during the program, we will look at other options. We have a broader approach than just starting a business, our program is about developing an enterprising mindset."*

The ROZ group offers a different program for each candidate. Recent refugees are first introduced to entrepreneurship in the Netherlands (program Star-t). This is followed by individual counseling. ROZ also focuses on network formation through group work. By August 2018, 32 recent refugees have followed the program.

The program by Brilliant Entrepreneurs in the Netherlands takes three months: *"Through our 3-month pilot project you will get to know your own talent and lay the foundation for your own enterprise. The program consists of 5 half-day training sessions in the area of Utrecht/ Utrechtse Heuvelrug, assignments between the sessions, collaboration with fellow participants and network meetings"*

The UAF organizes support through the OKB for the first year, in which the first six months are dedicated to writing a business plan. The coursework is dependent on the previous knowledge of the potential entrepreneur: it ranges from market research, development of networks, personal qualities and financial aspects.

Refugees Forward supported around 20 status holders in a start-up weekend (October 2017), the first full program was run with 15 potential entrepreneurs. *“Newcomers are coached in the development, launch, funding and growth of their ideas. We actively involve the student community to inspire deep interconnection between newcomers and Dutch society. We facilitate the entrepreneurial and personal connection between newcomers and students through entrepreneurship modules, as well as through our buddy system that brings students and newcomers together in setting up inspiring businesses”<sup>21</sup>.*

## Experiences in the field: The Dutch context

In the Netherlands, a complex system for immigrant and refugee integration exists, paralleled by a complex system for participation for all inhabitants. The regulatory context is further complicated by the decentralization to the municipal level of the implementation of (and responsibility for) national legislation. In this chapter, only a small part of the context is described.

### Regulatory context: decentralization

Recent refugees in the Netherlands that have been granted (temporary) status are relocated to municipalities. A municipality is responsible for the status holder as soon as he or she is assigned to that community. This does not just have consequences for integration and labor market participation in general but also for entrepreneurship opportunities. The national legislation is implemented on a municipal level. Municipalities do not always follow the same implementation strategies.

The Bbz, Besluit Bijstandsverlening Zelfstandigen or the *Decision Welfare Support Self-Employed* are examples of national legislation that has been implemented on a local level.

The Bbz program is linked to a participation program – which is designed for all inhabitants. Recent immigrants are included in mainstream programming while also being part of specific legislation for newcomers. The civic integration and participation procedures are a second national policy where local responsibility has created different approaches throughout the country. The national policy is privatized. Each newcomer has to pass the integration exams

---

21 <https://www.refugeesforward.org/> (22/08/17)

## In short: Table 2

Program	The Hague Test Garden	LOMAX/Pip	Kracht-bedrijf
Started	2017	2015	2013
Target group	Status holders (refugees with residence permit)	Welfare recipients and status holders	Traumatized people (among which status holders)
Focus	Entrepreneurship	Entrepreneurship, personal growth	Entrepreneurship, empowerment
Type of enterprise	Small businesses	Small self-employed	All types
Financial contribution of client to program	Some contribution when mentorship starts	none	none
Financial contribution to own business	Dependent on financial situation	None, at a later point some if possible	Not a requirement
Approach to business idea	Business Model Canvas training + connected to OKB mentor	Extensive plan, focus on motivation, qualities of entrepreneur, market analysis	Extensive document mapping the plan
Services	Training for business model; mentors from OKB	Support packages tailor-made	Online learning combined with workshops, business visits and counseling
Selection criteria	Business idea, knowledge Dutch or English, status holder, previous experience	-	Business idea, stable situation, permit holder, housing, knowledge of Dutch, passion
Process of the program	Two intake sessions followed by a training course and assignment of a mentor. Support when needed.		Intake form; information meeting followed by a personal interview.  Online learning, workshops, business visits, consultancy moments

within three years. They receive a loan in order to select a program suited to their needs, and if they do not complete the exams in three years, that loan becomes a debt (with a maximum of 10.000 euro). It is thus up to the individual to pass the coursework. They have to select a (local) school to complete the integration process. The payments for the school are organized through the loan. In The Hague, the Taskforce Status Holders was started by the municipality to assist mainstream departments in housing, communication, integration, labor market participation and neighborhood support. In other municipalities, support systems were organized differently. The different organizational systems are only described in this report when there was an explicit relationship to the experiences of the program or the participants.

Brilliant Entrepreneurs	UAF	ROZ Group	Refugees Forward
2017	2006	2005	
Female refugees	Higher education status holders	Status holders	Status holders
Job or Entrepreneurship	Entrepreneurship	Job or Entrepreneurship	Entrepreneurship
All types	All types	All types, often traditional small businesses	All types, aim for innovation
none	None	none	
Not a requirement	Not a requirement	Not a requirement	Not a requirement
One sheet with basic ideas: goals, ideal customer, long-term vision and first steps of implementation	Own format by candidate: earnings model, customers, market, finance options	Open	Dependent on business
Workshops on talent development	Personal coach through OKB	Tailor-made	Tailor-made
Female, professional background, ambitious, knowledge of Dutch or English	Higher education, knowledge of Dutch, business idea and knowledge of the sector	Business idea, knowledge of Dutch or English, ambition	Business idea, knowledge of English, motivation, ambition
One intake meeting, five information sessions, network meeting and individual support	Intake form and meeting	Questionnaire; intake meeting of 45 minutes; individual support  Start-T	

## Mohamed

Mohamed is a filmmaker from Syria, he was interviewed in April 2018. He has been in the Netherlands for four years now and he has tried to work in different ways. Film and video are his passion - he would like to follow a master's program which is why he moved to The Hague. He decided to start his own company so that he could work and go to school at the same time. In the film and video industry, most people work freelance. He has already worked in a number of different productions. He looked for support from The Test Garden to get a grasp of the business side of his company. He hired an accountant and has found other entrepreneurs to ask for advice. He would like to buy a van and materials to make a documentary. He aspires to the style of Netflix or the BBC. That is his dream, his goal. He tries to focus on that dream, and not so much on the barriers that he encounters. He is passionate and has been able to find a lot of help.

## Decentralization and the Bbz

There are different aspects of the Bbz that create barriers for the support programs and the entrepreneurs. First, the process takes a lot of time. Lomax is in favor of creating 'parallel processes' where candidates can pursue different steps in entrepreneurship simultaneously, instead of linearly. They could talk to banks, look for spaces, etc. while going through the steps of the Bbz. Refugees Forward stresses the importance of a quick start:

"(...) it is important that governments start to see the urgency of the problem. And that the processes should go much faster, and that the structures for creating new initiatives and supporting initiatives should be put in place at a faster pace. Because ultimately, for us, it is not about supporting people starting their own business, it is about supporting people finding employment, work. There should also be large investments in that goal if you want to avoid problems in the long term. And it is something that has to happen soon, because if people are stuck in welfare for four, five years, it becomes really difficult for them to become active again. And if you consider that these people have been on the run, it means that they have not been active on the labor market for six, seven, eight years. That makes it really difficult and I do not understand the lack of urgency."

The ROZ-group confirms: *"it is crucial to activate people as soon as they arrive. You do not want them inactive and lose the connection. Governments are trying to speed up different processes related to the first years of status, but there is still a lot of work to do."*

All interviews reveal that the implementation of the Bbz is not ideal. Civil servants are in a difficult position: they want to help people out of the welfare system, but they cannot approve of high-risk proposals. Lomax: *"The municipality will also be held accountable if a business or a plan fails. They will not get a positive response if things don't go well. And the municipality has the responsibility to care: they feel responsible when they approve – so for them, the Bbz is very high risk, on different levels."*

The Bbz is a national program that is implemented at the local level. This has led to differences in interpretation at the local level. In some municipalities, the expertise is not available, the civil servants have not been equipped to evaluate business plans:

"The Bbz is a municipal policy [in this location]. The civil servant decides. We had Ahmad, which the coach and I thought he had a good business plan, that he was going to make work. But the municipality assigned a third party to review the plan. This third party denied the request on three grounds, and the coach and I both completely disagreed with those points. We could easily disprove those points. But the municipality followed the advice of the third party and did not approve the request. I appealed.

He wanted to start an ICT-business; he was willing to work for pretty low wages. He didn't want to become a millionaire, he didn't want to make large sums of money: he wanted to start building a new life and get out of the welfare system. He could fix computers and buy some accessories. They commented on the hourly wage rate– but we checked this, and it was feasible. They also commented on his language skills, his Dutch was not good enough. But he had already developed a large network himself. They thought the municipality would be too small – but he had a car, and didn't need to stay in one spot all day. Incredible.

They gave him hope and then just cut him off. I could not do anything, there were no alternatives. It was an easy start-up. Now he sits at home, stuck in welfare. The municipality is not helping him, we did all that work for nothing. Such a shame and such a waste of opportunities." (Krachtbedrijf)

Krachtbedrijf thinks the Bbz could be a good way to start a business, but the implementation is lacking: *"When you have such a system, and you do not use it, it is such a shame. The municipality could also support part-time entrepreneurship through the Bbz, but they don't."*

The Test Garden has similar experiences with the municipality and the third party that The Hague employs to evaluate the business plans: *"The business plan is just a small part of a business. Some potential business owners even use others to write their business plan. That is common, you are an entrepreneur, not a writer. Finding opportunities and possibilities, that is more important."* You need to get to know the person and their motivation, something that is not included in the assessment by the third party. They only examine the business plan.

Fatiha, one of the candidates of The Test Garden explains that the process to start a business is very different in Iraq: *"it is really easy to start a business in Iraq, it is not the same as here. Here you have high taxes and you have to pay high rent. [There] It is cheap, a shop is cheap. You hardly pay any taxes."*

Farid, also one of the candidates of The Test Garden is not happy with the IMK, he feels they are too much in the service of the municipality. He also feels they undermine the credibility of the Bbz-provisions:

"The IMK works for the municipality and looks at the plans and rejects a lot of ideas. They want too much security. The IMK man came to talk to me, and I do not think he even looked at my business plan. He just said 'no'. He wanted answers that were given in the plan, and even after I adapted the plan according to his feedback, he still rejected the plan. So, what to do? He knew beforehand (...) The contact person of the municipality was also positive about my plan, but he could not approve it without the IMK. And the IMK man said, 'stay on welfare, that is better for you.' It should not happen like this."

For The Test Garden, the Bbz is a two-edged sword: it creates an opportunity while still keeping people in the welfare system: *"We keep them in the system – but the goal is to become independent of the system. It is kind of a trap that they get lured into."* The continuing dependency on the municipality might not be helpful long term.

In the Twente region, the ROZ-group is responsible for the implementation of the Bbz.

"We are a government organization, we support start-ups in the region, and we implement the Bbz for almost all the municipalities in the region. We organize training, workshops, all kind of networks to implement the Bbz. So, we have been able to find a good fit. Our main dilemma is that our new target group, recent refugees, do not know enough Dutch yet to participate in the mainstream programs. So, we had to develop something separate. And that is what we have done with Mindt, with TIB advice, the University and the municipalities."

Fourteen municipalities are part of their program. There are regional and local differences between those municipalities, but they do collaborate intensively through the ROZ-group. The ROZ group is responsible for the evaluation of the business plans: they advise two municipalities, for the other twelve they decide on the feasibility of a plan. Importantly, *"The power of the network in the region is especially important for the next steps: the financing, the regulations, the networking. That is how we can cooperate and how the cooperation started. This is part of a process that has been going on for years."* As such, the ROZ group can be flexible: *"(...) when somebody needs support, we can say 'let's just see' – there is room in the law. And we do not only support, we also evaluate."*

Refugees Forward pays a lot of attention to the relationship with municipalities. They find that the steps in the Bbz route are best facilitated by the municipality of Amsterdam. They encounter more hurdles in the other municipalities they work with, but they invest in finding solutions and maintaining positive connections. The main issue for Refugees Forward is that people in charge often switch position.

"We find that if people get a negative answer from a municipality, and we start calling and talking to the municipality ourselves, there might be a solution. So, in our program, it is an important aspect: to support people in their contacts, in their negotiations with the municipality. It can start as a bottleneck that can be a severe hurdle and then suddenly not a problem at all. It is impossible for the candidates themselves to fight that battle, to take that step. So yes, this is an important aspect of a support program, an important added value, the relationship with the municipality. Be serious about that, try to mediate, be serious and understand that the client-managers of the municipality try their best but do not always have all the information they need. Especially since a refugee can have multiple client-managers over the course of time."



Krachtbedrijf is looking for ways to work on a larger scale, with more municipalities. It is too time-consuming to have to negotiate the process with separate municipalities, so the organization is now looking at possibilities on the provincial level: *"It can be a refugee who is located in a small town, somewhere in this province, in a village. The civil servant there has a hard time knowing the details of the Bbz, of all the arrangements. And then I have to negotiate with that person? The province has 400 municipalities, you cannot work with each one separately."* The larger cities commonly have a separate desk for (starting) entrepreneurs: *"That is a great starting point [the desk]. But they cannot counsel intensively. They can help the excellent start-ups, the ones that do not need much counseling or coaching. But what I do, is different. We have a very intense, time-consuming program."* The organisation hopes they can work with the province and then include all municipalities but foresees some issues: *"I designed tools to measure the effectiveness of the program, and hopefully this will entice other municipalities to get on board. A next step is a collaboration between municipalities, which is not always easy, as there is often some weird history between many of them. They do not always want to cooperate. That can be a problem with regions, working on the provincial level is easier."*

Lomax is in favor of centralization of the support programs:

*"It works in Sweden. In Sweden all recent refugees that want to start a business can go to a centralized agency. It is not arranged on a municipal level. I see a lot of possibilities there, and I am hoping we will do the same here."*

Last February [2018] we worked with eight municipalities, but we are slowly growing. I don't know the exact numbers. Our access to municipalities is mainly through word of mouth, it is hard to get access. So, it takes a lot of time and effort.

It is not easy; we also have a few initiatives that want to start together. But they live in different municipalities. That creates complications: differences in implementation of the Bbz, different testing agencies."

They do not just face differences between municipalities, they have also encountered differences within municipalities, with different civil servants: *"You can face a very negative person as a contact at the Bbz, and at that point, you know the plan will fail. But at the same municipality you can have a person that is much more willing to work with you, to solve issues with you. The success or failure of an application is very dependent on the person and on the municipality."* Elections can also disrupt the process and change the attitudes at city hall. Lomax is working on the release of an entrepreneurs-app that would be usable on a national level.

Few of the programs are positive about the rules of the Bbz: the process takes too much time, the focus on a business plan creates an approach that is too narrow, and the municipality cannot take too much risk. Also, if a support program wants to work with different municipalities, they have to negotiate individually with each municipality.

Additionally, in The Hague, the municipality was a first gate-keeper in the Bbz-process: they selected candidates that they considered potential entrepreneurs. The Test Garden was dependent on the influx of candidates from the municipality. When the number of candidates declined, The Test Garden had a very small base of potential entrepreneurs.

## Ali

Ali was interviewed in September 2018. It was a difficult interview because of the language barrier. He was in school to become a civil engineer when the war started, and he could not finish. He wants to start a hamburger restaurant where the burgers are cooked on charcoal. He feels this does not exist in The Hague; nobody cooks directly on coals. He used to work in this business in his country of origin, Palestine.

He needed support in finding information. The Test Garden has helped him talking to real estate agents and other formal processes. One of the project managers of The Test Garden can translate for him. He has found a location for his business but is now waiting for municipal approval. He finds it hard to be patient with all the bureaucratic steps he has to take.

## Regulatory Context: decentralization and other provisions

The candidates and support programs do not just experience difficulties with the decentralized Bbz- regulations, the larger regulatory context creates additional barriers. All of the potential entrepreneurs of The Test Garden program experience difficulty with the regulatory system. Mohamed tells:

“Yes, it was really hard. To understand the *regels*, the rules, all those details, it was hard. But from the other perspective, which is that people are really passionate, supportive, most people, for ambitious people. Whenever they see that, ok, you have ambition, they are willing, when they see that you are really serious, to help. So, let's say, it was really fair enough to be stressful from this side of being a refugee or newcomer, but from the other side, if people see there is potential of a successful person in you, then, yes, they were very supportive.”

He explains how important networks are for understanding the rules and regulations. He did not just find support in The Test Garden but could also rely on others. Abdel also relied on others to understand the rules:

"(...) so, I registered at Kamer van Koophandel to start my own business. It was so difficult so I try a lot, I see a lot of locations. We need to rent this location, but then they ask for a business plan and for a lot of papers, so it was so complicated. We have the money, but we, so we don't need to have it from the hypotheek<sup>22</sup> or something. But still the paper, the business plan, in my country, we never do a business plan."

Farid realizes the importance of understanding all the steps in the system: *"I hope that people that have a plan, that they know what the steps are. That they do not just think 'I want to start a business'. That they look at what they need: store, Chamber of Commerce, etc. You have to arrange everything beforehand, especially if you want to borrow money."*

Marlene is the only candidate who is not too worried about the institutional context: she realizes it is complex, but she also tells: *"Yes, it is [difficult]. And that is what everybody says. Even the Dutch, themselves, if you name it, they say, oh it is very hard, you don't know.... but it's like that everywhere. Even in my country. People who never do business, not everyone is a business person by the way, not everyone is a businessperson. Because a person with a business is a risk. If you fear risks, then you never try."*

Brilliant Entrepreneurs and the ROZ-group confirm the difficulties. According to Brilliant Entrepreneurs *"The intake is complicated, we had little response. You walk into a wall of bureaucracy, a giant number of organizations working with refugees and status holders. There is no overview."* The ROZ-group agrees that complex Dutch bureaucracy is a hurdle: *"Communication. There are so many organizations and initiatives that work with recent refugees. Language schools that have schedules, municipalities that have preferences. It is complex. We try to get everybody facing the same direction, but it is not always clear. You are dependent on the attitude of the client manager: if that person is committed, everything can become much easier."*

Municipalities are focused on labor in the mainstream labor market, they are not prepared for supporting new groups to entrepreneurship. Many programs through the municipality focus on applying for jobs, such as courses in writing a resume, courses in job training, etc. There are no standard courses for entrepreneurship.

The focus is shifting, but the support programs are mainly funded on a project basis and have to apply for financial support at different institutions. Krachtbedrijf is mainly funded by Josette Dijkhuizen; Lomax and Refugees Forward apply for funds from different (government) foundations: *"We are applying for a whole year at once next year [for funding for Refugees Forward] but I am not sure if it will work. I have some doubts. It makes it very hard to keep your focus because you always have to think of the next period and how you will organize and finance the support structure. And you depend a lot on people that do their work for free or for very cheap"*. Refugees Forward thinks the government should play a larger role and should

make provisions for a more permanent, structural support system on a national basis: *"I really think it should be tackled on a national level. The municipality tries but their budget and reach are limited. They do not have the same options as the national government does."*

## Regulatory context: Status

Recent refugees arriving in the Netherlands initially receive a temporary, 5-year, residence status. After five years, the IND (Immigratie en Naturalisatie Dienst, *Immigration and Naturalization Service*) will reevaluate if the person/group would still be in a dangerous situation in their country of origin. At the time of this study, most recent refugees had not been in the Netherlands for longer than three years and were still on their temporary status. Some of them were also still working on their civic integration course, the exams have to be passed within three years. This last activity was an additional barrier if the potential entrepreneur had not passed the exams yet. Brilliant Entrepreneurs explains: *"They were extremely limited in their time because of the exams. Language, civic integration, and they are really scared they will not pass. So, there was little room to maneuver, little time to start a business. The integration is really a burden."* The Test Garden confirms that the rules of civic integration are hindering the start-up process. The focus on language and civic integration takes up a lot of time and energy of recently arrived refugees.

A second complicating factor related to refugee status is the complexity of life stories. Every migrant or every entrepreneur has a personal history, but the personal stories of recent refugees are often more complex. The Test Garden had several potential entrepreneurs leaving the program because of their past. One of the candidates lost his eldest son in the war, the candidate was torn between starting a business (also as a distraction) and being with his family to mourn. He was really struggling, which makes it hard to focus on a business plan. Another candidate had to stop due to depression. Brilliant Entrepreneur confirms the impact that personal histories have on the lives of recent refugees:

*"People are damaged, some have serious traumas and are not always stable or focused. We had already discussed half a year ago that she [one of the candidates] would need to look for a space to rent, but she didn't follow up on that. There was a great opportunity for a location, but nothing happened. And I cannot push too much. So, every time we nudge a little bit, we push a little. But it is up to the candidate."*

*Or they crash or they succumb to the pressure of the civic integration demands. The women here have so much to do. They have to arrange a lot; they have a lot to think about. Makes it very complex. And they are here in Driebergen – a village. So, the social interaction is also important, a bit of chatting. To get them out of the house. These women do not trust anybody. And it is important, as an entrepreneur, to build a network, to have social contacts and social interaction, to move in social circles. And that is difficult. Fear, lack of trust, it makes it really difficult. There is too much luggage, they carry a lot of history."*

The past as a refugee has made Fatiha (candidate The Test Garden) fearful of strangers in her house. She wants to start as a hairdresser but does not feel that she can start her business from her home: *"I am scared. I do not want strangers in my home. I am not always there, sometimes my daughter is by herself. I don't want people coming by. It is not safe, and we are from Iraq. The war, the violence, we do not feel safe, it is not safe for us... we have a lot of fear."*

## Marlene

Marlene was also interviewed in September 2018. She is from Uganda and managed a number of companies before she had to leave. She had a store in the middle of town where she would sell items she imported from China. She also owned a beauty parlor. And she sold children's clothes. She would prefer to start a business in the fashion sector, and she would like to keep a close connection to Africa. She wants to combine an online shop with a store in town.

She is writing a business plan and she is looking for a mentor. She was assigned a mentor, but the match was not working. She finds support from the program managers of The Test Garden. She researched potential suppliers from Africa and now has to focus on the Dutch side of the business.

She is connected to Ugandans in the Netherlands and is surprised that nobody started a business yet. She thinks people are afraid of the bureaucracy and rules. She does not consider them problematic: she has a lot of experiences and does not think the situation is very different elsewhere. You just have to start: *"If you fear to fall, you never try to jump"*.

The ROZ group illustrates another aspect:

"In the intake phase, we already need to be careful with who we accept in the entrepreneurship program. Some people should not be starting their own business, they would be better off in the normal labor market. So, we guide them to that track. And for one of the applicants, his background made it clear that he needed general advice, more than anything. He wanted to start a business because he needed money: his father was in a hospital in Syria. So, he wanted to start a business. But after we talked for a bit, he revealed that he had almost finished his master's degree in economics in Syria. So, we helped him apply for a program here, to get funding for him to go to university for another year. He can make more money with his degree than with starting a business – and faster."

Another aspect related to refugee status is the 'new start': people have not had a long time to prepare for the flight, to prepare all the documents or to prepare for a new country. Brilliant Entrepreneurs tell about the story of a Congolese refugee who has been in the Netherlands for a longer time:

"He said – you arrive here as a refugee, and you look up, because in your home country you were up. But it is better to take a hit and to start at the bottom, to look down. And that is really difficult. But the people that start at the bottom again, they will be ok. The people that were ok in their homeland and do not want to start below that position, that is hard. And difficult, especially for men.

We also saw that here; we work with an orchestra. And we had a professional singer from Syria who had to sing with amateurs from everywhere. Or from somebody from Eritrea. And there are tensions between groups. And the professional solo singer has to take on a different role than he was used to, he now has to support others. That is difficult, his professional career becomes an obstacle for a new start. And he has to work in a very competitive market..."

A conversation with an employee of the municipality of The Hague<sup>23</sup> confirms the struggle and complexity: *"status holders carry a heavy load: history, all the rules and regulations, homesickness and they have to take care of their family. They have to live in a completely new culture and environment. The regular participants [of the Bbz program] can focus on entrepreneurship – much more than this group."* She also indicated that the Dutch context is hard to adapt to: most candidates do not need to learn how to be an entrepreneur, but they do need to learn a lot about the Netherlands. One way would be through the courses offered by the Chamber of Commerce or the Tax Office but often, they are not (yet) fluent enough in Dutch to do so. For recent refugees, specific support is needed.

Some of the support programs started with different target groups combined. For Krachtbedrijf, the combination of target groups did not generate better results: there was less networking and cohesion, the histories of the groups are too different. There was not a common story, which was an important aspect of the programs they ran with a single target group. Importantly, different groups have different support needs:

*"I will not do a mixed group again. It does not fit; they have different needs. Refugees need more explanation in things like language, for example. The group out of a shelter are native Dutch speakers. Most refugees already have some business experience in the country of origin while the people from the other group start from zero business experience. So, they have different support needs."*

---

23 Conversation with Marieke Vos, Head of the Department of Participation of the municipality of The Hague (05-09-18)

## Farid

Farid was interviewed in early April 2018. He has a bachelor's degree in mechanical engineering from Syria. He had to work while in school because his dad was ill. That is how he became involved in the restaurant industry. He was a sous-chef in a French-Italian restaurant in Syria. He slowly wants to rebuild his career and sees an opportunity in buying an existing fast food restaurant ('snackbar').

He found a lot of support in The Test Garden program. He was assisted in writing the business plan. He was also supported in communication with the bank and the municipality.

The conversations with the bank were positive but there was a mismatch in expectations. The bank wants to see that 50% of the products will be organically certified, something that is not feasible for the type of business Farid wants to start. The snackbar has a lot of student-customers that do not want to spend much money. Farid has been working in the restaurant for a year and a half, he knows the company and the customers. He did not want to just jump in and start a company, he did his market and product research.

His business plan was not approved by the agency of the municipality. He adapted the proposal, but the plan still was not approved. He is exploring different routes now.

The ROZ Group has had similar experiences. They would like to create an inclusive community where different (target) groups (of the Bbz) work together in one program but they also noticed that recent refugees have different needs:

*"Refugees have an enormous drive and a real entrepreneurial attitude. We have supported people out of welfare through entrepreneurship for a number of years. But recent refugees deserve a separate route, I think. Research shows that a separate route is needed. The main issue is that entrepreneurship here is very different from what they are used to. Obligations, rules and regulations. You cannot just open a window somewhere, buy some stock, and start your business. That side of entrepreneurship. And that you can make a profit, and that you can ask for interest, etcetera."*

The Test Garden adds that status complicates some aspects of the application process because their candidates only have a temporary status. Mortgages, leases, and other contracts are sometimes refused because of their temporary status. The access to finance is limited because of status.

## Financial obstacles

The first obstacle in access to finance for recent refugees lies in the connection of the Bbz to the municipality. The central responsibility of the municipality in the structure of the Bbz also has consequences for financial options. The municipality is not eager to take risks, as Lomax explains: *"The municipality has a maximum through the Bbz, the status holder could borrow a higher amount elsewhere. Municipalities are reluctant. They do not want people to have these debts in this early phase of their stay."*

Mohamed admits the Bbz route is important to him and valuable for the start of his company. But he does not think the Bbz is the only way: *"Well, to be honest, a smart person can always survive"*. He thinks that if the Bbz would not have worked, he would have been able to find other forms of financing. The Test Garden has explored alternative routes for the candidates that need different or additional funding.

Fatiha is one of the candidates who looks into alternative ways to finance her business. Her main focus is on the Bbz- structure, partially because she has a small network with little financial resources. She will need to be in the Bbz structure for a short period; her estimate is that the business will be self-sustainable within four months. Farid also looked for alternative funding. The bank that has been contacted was willing to offer finance but only if the *snackbar* would offer 50% of its products with the label 'organic'<sup>24</sup>. Farid explained:

*"We were talking to a bank for a loan. But it will not be an option because the bank wants to see that 50% of all products have the 'organic label'. But that is not going to work. Organic means more expensive, it means a specific type of customer. Not everybody looks for organic products. The *snackbar* is located in a student-neighborhood, students want some cheap fries, they don't want to pay more for their fries because they are 'organic'. It won't work."*

Refugees Forward is looking at finance options through investors: *"getting a loan from a bank, is not really something we're looking at. I don't think that a bank loan is a good way for refugee entrepreneurs to finance their business."* One of the candidates started a platform with the help of an investor: somebody who was involved as a coach but was interested enough to invest in the business idea.

*"As a program, we connect people through different networks, through the community. That is how they got in touch with each other. It is very helpful to find a Dutch business partner or investor. Some of them are working in this format: not to find finance through a loan but to find a business partner who is willing to invest."* Candidates of Refugees Forward follow the Bbz-route but do not apply for a loan in the process:



"They do not apply for a loan. We have looked at it from different angles, but we advise them not to apply because it severely complicates the process. There are better ways to find money, or you can ask for a very small amount. For a small amount, it is not beneficial for the municipality to ask for outside advice (of the IMK or another organization) because they have to pay for that. So, for a small loan of 4000 euro, they will not ask for an evaluation that will cost them 1500 euro."

They are looking for alternatives. The Bbz is used for income in the first few months of a start-up but not for loans, unless the amount is small.

The uncertainty of the future is a second barrier in finding financial capital for their business. Most candidates have a residence permit for a five-year period. For banks and other financial institutions, this time limit on status is a marker that blocks the provision of loans. Lomax and the ROZ group also found that the temporary status can hinder lease contracts for business spaces. The ROZ group illustrates the problem: *"We have two candidates that are ready to start. One of them – with the ending status – was just denied financial support because of that ending status. His plans were approved, and all was agreed but then the temporary status blocked the whole process. His status ends in 2019."*

Krachtbedrijf works with a zero-budget: not only is it difficult for newcomers to acquire large sums of money, the risk is very high for a starting business. The funding should not be a municipal responsibility but additionally, people are still in an uncertain phase and should not be tied down by a (large) debt. Krachtbedrijf sees opportunities in public-private connections where the municipality should play an active role: *"There are alternatives, and the government should use these. Create something separate, a fund. With a number of investors. It should be possible. But there are few enterprising people working for the municipality, so they will not look into that."*

## Candidates: Characteristics and motivation

As described above, the specific status of refugees in the Netherlands creates certain support needs that other groups do not have when starting a business. The UAF can also make a comparison with the past: they have been supporting starting entrepreneurs since 2006. Their impression is that the most recent group, compared to earlier groups, is more entrepreneurial: *"I think, without having done any research, that for some, in the past, entrepreneurship was plan B. Today we have a different group of candidates, younger, well educated, in a different labor market. So, they do not get their motivation from a lack of work. That is not a reason today."* A second change is in communication: *"A lot has changed in communication since 2006. There is a lot of information through social media, people are in contact through Facebook, there are special sites for Syrians, it almost seems that everybody is in touch with everybody, it is great. They have much more access to information and can access the different programs."* The diversity of businesses is a constant factor throughout the years.

The stories of the candidates of The Test Garden partially reflect the experiences in the UAF. It is difficult to classify them as either 'opportunity' or 'necessity' entrepreneurs.

Rami saw a chance: he realized that refugees need furniture and he saw a large market for second-hand items. He was partially forced into entrepreneurship: he cannot work as a 'hybrid' entrepreneur as he did in Syria where he also worked as an engineer.

Abdel looked for an opportunity: *"So we thought, well okay, we are going to find something easier to start than the business we used to have. Then okay, then we decided to do a kitchen with Syrian food and I mean, I start to try to look what can I do."* He wanted to start a business but is now employed to learn more about the Dutch way of doing things.

Mohamed does not look at the choice between self-employed or employed: he is concerned with the content of his work. He wants to make documentaries and for now, the best way to do so is as a self-employed contractor. He seized that opportunity, also because the sector he wants to work in hardly works with contracts of employment anymore (necessity) because of restructuring in the sector.

Alonzo was an entrepreneur in Venezuela: he had had a business as a computer engineer and had worked part-time in a tortilla factory. He sees an opportunity in The Hague, in the production of tortillas. He would like to not just start one business, but he foresees a future with multiple products.

Fatiha preferred to start in an existing business but she was not offered a job. She feels she is forced to start her own business: *"Yes, I tried to work with others, but nobody wanted to. People would ask me, 'what can you do, where is your degree from?' and I would have to say from Iraq. Some people think I am an old-style hairdresser, with old ideas. But nobody gives it a try. (...) And that is why, yes, ok, I really want to start my own business."*

Farid works at the snackbar that he wants to own. He started to work at the snackbar because he did not want to be dependent on welfare. Now that the place is for sale, he would like to buy it. The dividing line between opportunity and necessity is not apparent. Ali would like to start his own hamburger restaurant. He was an entrepreneur in his country of origin and he sees opportunities in The Hague. He has not looked for a job on the labor market; he sees an opportunity. Circumstances have not pushed him in this direction. Marlene sounds like a born entrepreneur. She owned several companies in her country of origin and is now looking for opportunities in the Netherlands. She is looking at the market and at the communities: how can she start and how can she expand. She fully believes in opportunities:

"Oh, it is very difficult, you will not get access in this country, you won't stay, it is very hard. Yes, but if I decide, what about the people I see? So one day, I went to, someone took me to Beverwijk, the market. So I saw the market, it was full of Arab people. Full of people from other countries. I said: now, if it is very difficult, what about these people? What about these people, why is it easy for these people and why not us?"

She adapts her ideas and experience to the Dutch context.

The Test Garden has collaborated with mentors from the OKB, where former entrepreneurs assist and advise new entrepreneurs and their businesses. One of the mentors was interviewed to map his experiences in The Test Garden. He notices a tension in the program of The Test Garden: there are potential entrepreneurs that are eager to start their business, but they are held back because they have to write a business plan. It slows them down, even if the reasons behind writing a plan are legitimate. He thinks that it is beneficial if somebody was an entrepreneur in the country of origin – he supports the idea of a 'born entrepreneur': *"When I hear about a guy who is just trying out a bit in car trades, and he messes around a bit, trying out stuff, then I think, he has more of a chance than somebody who sits in a corner to write an elaborate business plan."* He realizes the complexity of the rules and regulations and sees these as an enormous hurdle. But he insists on the importance of an entrepreneurial attitude: *"I can help somebody with all the rules and regulations that they face here but if that person does not have a business sense about what to do and how to start then my help won't be enough. I can't help him all the way. It is difficult within the rules of the system for refugees, they aren't allowed much."*

He sees this tension between rules and regulations and the entrepreneurial attitude and the will to start as one of the main problems. He understands the conservative attitude of the municipality but would like to see more options within the system to start a business. He also thinks a 'real entrepreneur' will not be held back by rules and regulations. He is not certain that all the candidates of The Test Garden are suitable to become an entrepreneur. He also warns about the dismissal of out-of-the-box ideas: *"Somebody might have a brilliant idea, but I just don't get it. That is tricky. Because if you really have a great idea – Facebook went sky-high, and I did not foresee that. So, to have such an idea, people might not see the potential."*

He stresses that the candidate has to show initiative and has to be able to apply ideas. You cannot start an innovation on the internet if you do not know how. You need that kind of knowledge. Just like you cannot become a painter if you do not know how to paint. He has also heard stories of candidates that started the program but then stopped responding to messages and did not show up for appointments. The counseling should stop if a candidate is not actively involved.

Brilliant Entrepreneurs only supported two candidates, mainly due to a lack of qualified or eager participants. Shortly after the start, both candidates required different trajectories: *"The first candidate did not really want to start her own business. She wanted to be a teacher, but she was still in the civic integration process. I think she will manage now; she has passed the exams and is volunteering in a school. The second candidate is from Iran, she is an artist. She had an IT business in Iran and also was a designer. She wanted to start as an artist. But she was damaged, she had so much going on. She has fantastic qualities, very intelligent, very creative. But almost too much – she crashed. She will recover but it takes time."*

Both women were part of the labor market in their countries of origin, which is an advantage according to Brilliant Entrepreneurs. Despite their experience, starting a business is still harder for women: *"It remains a culture where the woman takes care of the home. Especially when they have children, they will spend a lot of time at home. The children need to adjust and adapt. It takes time. And then your partner will need to support you if you want to start your own business. And the social surroundings are very important."*

Lomax started with a program that was designed for highly motivated candidates. The original program was composed of five phases. They added an additional start-up phase called 'inspiration' for recent refugees: they discovered that people needed additional information about start-up possibilities in the Netherlands – both refugees and civil servants do not know all the options. *"The program once started to help people that scored high on intrinsic motivation. We added a phase to encourage people."* It is still not easy to find qualified candidates and Lomax would like a faster growth rate.

Lomax supports refugees from different backgrounds. Some of them are from big(ger) cities with a high level of education and a good knowledge of languages, others are from rural areas and have more limitations. According to Lomax, it is most difficult to support people older than 50 from rural areas – language is the main hurdle. In some cases, the support is in their own language.

The ROZ group works with different subgroups in their program: *"We identify three types of entrepreneurs: 1) traditional, with small businesses such as little (grocery) stores or small manufacturing businesses 2) experienced entrepreneurs who do not have to learn much about running a business 3) the incubator and/or accelerator type who wants to do something with entrepreneurship but doesn't know what."* The program is slightly different for each type of entrepreneur. The experienced entrepreneurs are immediately connected to a mentor from TIB (Twente in Business). The 'traditional' group is mainly counseled through the ROZ group. The third group is counseled directly through Mindt/Delitelabs, using Design Thinking to come to a business plan. There are no deadlines, and everybody can work at their own pace. Unlike the ROZ group, Refugees Forward only works with recent refugees: *"we would like to expand and support all people with a refugee background but for now, it is not our focus."*

*We want to support those who benefit most from support right now, those that have a lot of potential but struggle with the bureaucracy. And I think the need is high in this group, it would be a shame if they would not be able to be active in a year or two."*

They have a more stringent selection procedure than the other support programs:

"There were 70 people interested (...) we spoke to 40 people, they had a clear ambition to become entrepreneurs, most of them had been so in their country of origin. But there were also people that were searching for a goal in the Netherlands, for a purpose, not specifically for entrepreneurship. We referred those to other organizations. It was a bit of a search: does the person fit, does the plan fit, their competencies and their motivation, is this really the road to success for that person. (...) If somebody really wants to be an entrepreneur, but they are not sure about the business idea, they would have had five or six ideas already -that is the real entrepreneur, they would have started to take steps already. And so, we try to select those people, those that are most suited for entrepreneurship."

Fifteen candidates were selected out of the 40 people that were interested: based on personal characteristics, on motivation, on business ideas. And Refugees Forward looked at language knowledge (English) and status. In the future, they will stress personal motivation even more. Also, the person needs to have some expertise in the business content itself:

"We had a candidate who wanted to develop an app, but the person had no knowledge of software development, and did not have a capable partner to do this for him. That creates a problem. We do not think it would be a good idea to start a business developing software or apps when you do not have those capacities. If you used to be a baker and you now want to develop software, you have a problem. And we won't start the process with you."

The candidates at Refugees Forward are all highly educated and have a good grasp of English.

The candidates at Krachtbedrijf have a large range of ideas. Some of them did not start their own business but found employment in existing companies, often an easier route: *"One woman was a dentist in Syria, her husband a medical doctor. She wanted to start a daycare center. But now she has an internship at a dentist office, as an independent assistant, which is a much better fit. A daycare center means a lot of bureaucracy. And she was not really an entrepreneur."* Entrepreneurship is a means for Krachtbedrijf, not a goal: for a number of candidates, empowerment or participation was much more important than a business. Krachtbedrijf hopes that about 20% of their candidates will start their own businesses: *"If I could select candidates, if I had a large group from the whole province, I would have a higher rate. But I think – and the provincial board agrees, I do not just pick the select few."* The success of the person is more important – not just for the person but also for his or her family:

"For me, it is not just about entrepreneurship but also about other goals. We are talking about a group of people that want to make a living, we are not talking about high-tech, innovative entrepreneurs. A mother who can find a job after having been in a shelter, that impacts the whole family. A woman who has a job again, an income. It is very important; you are talking about helping people out of their isolated position. And it is not just the person you help, it is the whole family. Even if that person is an entrepreneur for some but not all of their income, it is still important because of so many other effects beyond the economic. It is about self-esteem, about growth."

Brilliant Entrepreneurs has a similar view on entrepreneurship:

"The training is not about a business, not about the technical aspects of starting a business. It is not about accountancy, marketing, those kinds of topics. That is what they can do in workshops and courses. Most of those type of courses do not look at the individual, at the personal side. It forgets that the business is only one part of their lives. Husband, children, family, in-laws. You also need to think about that network, that context. And that takes time. It is not exceptional to find a woman who works 18 hours a day. A large part of the people we work with, wish they had more time for themselves. So, we try to work on that aspect, on that personal side as well."

## **Network building and mentorship**

The short stories of the candidate-entrepreneurs at The Test Garden reveal a diversity of needs. Rami mainly needs access to the 'means of production': he started his business, but he needs capital to buy a van and to rent storage space. Alonzo also needs capital to start the production of tortillas. He also needs information: he needs to understand the tax system for businesses. He already followed a course via The Test Garden. Mohamed wants to buy a van to improve his mobility. He needs to expand his network, and access to connections in mainstream networks would be beneficial. Abdel also needs a network and The Test Garden helped him by creating connections to different partners. He now needs more experience in the sector. He has access to capital but is looking for information on tax laws and regulations. He is also looking for a suitable location. Fatiha needs support writing a business plan. She is dependent on government support for her income and has to follow the Bbz-route to start her own business. The other candidates seem to have less urgency to follow this route. Ali has difficulty expressing himself in Dutch and has a hard time defining his needs. He has an idea and a dream but has only just started exploring his options. He needs support to find his way and to understand the formalities. Marlene has been helped by the expertise of The Test Garden program managers and their network connections. She has a lot of experience as an entrepreneur but does not have enough knowledge of the Dutch context (yet). Farid needs capital to start: he wants to continue an existing business to start a new career in the restaurant industry.

Farid explains the importance of a support program: *"I told him [the program manager] about my plans, he gave me an example of a business plan and he helped me with the numbers. He sent the documents to the municipality and he brought me in touch with the municipality. He helps me, he supports me, he is in touch. Both program managers are always available. They were at the municipality when I had my appointment."* Mohamed had a comparable experience with The Test Garden, he was able to define his goal but needed support with the business side of the plan: *"What really helps is to push you, brainstorm with yourself and come up with solutions."* Through The Test Garden, he also was introduced to other organizations: *"They have been very crucial, as far as networking. When we first met, I sort of explained to them what idea I had in mind. And they have been walking me through every step as far as getting the business plan together, getting the financials in order, seminars, workshops, contact person, a mentor to sort of make the project and go step by step."*

The stories of the candidates of The Test Garden illustrate the importance of network building: with a growing network, opportunities grow. Farid first worked at the snackbar, before he wanted to start his own business. His wife and family helped him write his business plan. Abdel is building a network through his Dutch girlfriend and her family and connections. Fatiha is connected to the Iraqi community in The Hague and in the Netherlands: for her, this is the start of a circle of customers: *"I am in touch with Iraqi families, and they said, when you open your business, we will be there. And we will spread the word in other cities. And there is Facebook, I will make a Facebook page for the business, and an Instagram account."* She also knows people through the school of her daughter. Marlene discovered in her network (of Ugandans in the Netherlands) that there is a demand for certain products. In the other support programs, network building, community development and mentorship or coaching are stressed even stronger. Refugees Forward support the starting entrepreneurs in teams. They work with students and professional coaches from the Dutch business community:

*"At the start of the program, we select the candidates as a team, together with the coaches. We do the intakes and we have a selection day where they also speak with the coaches. They discuss their business idea but also their personal motivation. We select the people with everybody involved, our team, the students, the coaches. And then we form teams. We have people work together at first, in couples, and we try different couples before we compose the teams. So people have had some interaction with each other. The teams are composed of multiple (candidate) entrepreneurs, two students, a coach and a member of our team. It is an intensive collaboration, you meet 3 to 4 hours a week as a team, in addition to the individual support."*

The team of Refugees Forward is there to coordinate the support and to assist the entrepreneur in their contacts with the municipality. The students support the candidate with practical issues; the coach is an expert on entrepreneurship in the Netherlands. The community is important for Refugees Forward:

"The community is fun, but importantly, it adds to efficiency. You have a lot of different people helping out. It adds to the quality of the support and it increases the quality of networks around the entrepreneur. Additionally, it is a group of people that is very involved, and the candidates do not feel that they are on their own. They feel supported, even though in the end, they have to start the business by themselves."

The network building and diverse support teams have created a business community with new opportunities. For example, one of the coaches decided that he wanted to become an investor in one of the businesses. Refugees Forward organizes pitches to attract outside interest in the business ideas of the candidates.

Brilliant Entrepreneurs stresses the importance of mentorship and networks. Their training focuses on recognizing your own weaknesses:

"To have a mentor is very helpful for people. Somebody to help them, somebody to introduce them in their network. Building or expanding your network is very important, and not being afraid to ask for help is almost more important than financing. Communication. And to know where your strengths are – so if you aren't good in languages, don't hesitate to ask for help. Don't force yourself."

At Krachtbedrijf, the support program works in groups, to strengthen ties between members. In that way, they can share experiences among themselves. They can talk about their successes and failures and do not need an (external) expert for support. It saves time and money. And it is a way to help people out of isolation, which is especially important for people who are placed in completely new surroundings.

Coaches are part of the program at a later stage, after the three-month introduction phase. They are specialized entrepreneur coaches, recruited from the personal network of the founder of Krachtbedrijf. She has worked with coaches before, people who were entrepreneur themselves, but she prefers to work with professional coaches. Entrepreneurs are not always the best in assisting and coaching others, and often are too busy to be part of an intensive program.

The ROZ group equally stresses the importance of network building and they would love to have more of a focus on an 'inclusive community'. Mindt would like to have non-migrated entrepreneurs and refugee-entrepreneurs work together, for example: *"The refugee entrepreneurs really focus on pricing. They want good and cheap. We tell them to aim for a higher price, we are used to a margin of 80%. But they prefer to be more honest."* 'Value' can have a different meaning, and he thinks that native Dutch entrepreneurs can learn from refugee entrepreneurs. The interaction would be beneficial for all.



For The Test Garden, the selection and training of mentors is something they think they can improve on. It is important to incorporate people from the field in the process but they need to be informed about the specific circumstances of recent refugees. They need to realize that refugee entrepreneurs are in a different position than 'native' entrepreneurs. The mentor needs to have some cultural sensitivity, and not just advice based on their own norms and values. Mentors are often focused on market research and profit margins, the financial side, but recent refugees that want to start a business also need support in other aspects.

## **Good practices: mentorship**

During the first conference of the EMEN network<sup>25</sup>, an important focus of the meetings was on mentorship in programs that support migrant/refugee entrepreneurs. The experiences of different, mostly German, support organizations were mapped. For mentoring/coaching, the following points were of importance:

### **Characteristics of a mentor/coach<sup>26</sup>**

In the process of assigning a mentor, certain steps are important. Matching between mentor and mentee is a first: the mentor and mentee need to 'fit', need to like each other. The mentor should not be assigned, there needs to be an element of choice in the matching.

The mentor needs to be prepared for a long-term counseling and advising process. The mentor needs to be open to the needs of the mentee. 'Migrants and refugees' are not a homogenous group, custom-made support is important. Their needs and resources (social, human, and financial capital) are very diverse.

### **Competencies of a mentor**

The mentor needs to have 1) knowledge of the local market and possible customers 2) knowledge about the possibilities and market strategies which are available and suitable for that market and those customers 3) flexibility in language. Mentors also need to be business savvy: to have a feeling for the business. The counseling trajectory is in the language of the host country, but the mentor should be able to adapt to the mentee. Sometimes English or the language of the mentee might help to clarify. Using two languages can also be helpful in making sure mentor and mentee are on the same page.

### **Soft skills of a mentor**

The mentor should be able to place the business and the entrepreneur in context. Intercultural competencies are central. The mentor needs to create structure and strategy, based on the needs of the mentee. The mentor needs to motivate but within reason. The mentor needs to be able to support the mentee to gain independence. An open and holistic attitude is important. Trust and respect and an inclusive environment are key. The mentor is somebody who listens, supports and advises.

---

25 European Migrant Entrepreneur Network (April 23 and 24 2018, Munich, Germany)

26 The term mentor and coach and the differences were shortly discussed. The choice was made not to spend too much time on terminology but to focus on content. In this text, mentor is used.

### **System support**

The support programs cannot conclude that the mentor needs to have (had) experience as an entrepreneur. Knowledge of the bureaucracy is important, along with knowledge of the system. The mentor needs to know the local market and the local and regional circumstances. There are 86 different residence permits in Germany for third-country nationals, the coach needs to have some knowledge (or access to knowledge) about the conditions and rules for third-country nationals who want to start a business. The mentor/coach needs to be able to find the information within the bureaucracy.

### **Networks**

Different aspects of network building were pointed out: the mentor has a network that the mentee can be introduced to; the mentor should have knowledge of networks that could be of importance to the mentee. The mentee has a network that should not be ignored, and the (national) community or diaspora can also be of support. Overall, the different networks should be activated and where possible connected to support the starting business. The networks should be mapped and both the mentor and mentee should consider different ways in which the networks can be helpful.

## **Conclusions and discussion**

The stories of The Test Garden, some of their candidates, the other support programs and others that are involved all illustrate a complex picture where multiple variables are interacting in the start-up stories of businesses by recent refugees. Their practical experiences complement the existing literature on immigrant businesses.

The stories of the start-ups do not tell much about businesses that have started. In the short period that recent refugees have lived in the Netherlands, few of their companies have started. This is due to a number of factors; too many factors to describe a causal relationship between the program of a support organization and the start of a business. It is not possible to conclude which support program is most successful; it is, however, possible to point at the factors that can be limiting or facilitating. The findings confirm research that has recently been done in the Netherlands on this subject.

## In summary

	Literature	Support organizations
Legal context	Civic integration requirements; asylum procedure; discrimination; Bbz construction; Tax system	Decentralization and policies; project-based support; duration Bbz; financial options Civic integration
Group characteristics	Networks	Networks, flight history
Motivation and personal characteristics	Opportunity or necessity  Language; knowledge of new society; education; gender; labor market experience; status; length of stay	Selection options/possibilities and methods  Language; knowledge of new society; education; gender; labor market experience; status
		Hybrid entrepreneurship and entrepreneurial mentality; mentorship and community

Throughout this report, different levels or contexts have been used: government, local labor circumstances and labor market, the group, and individual characteristics.

In the literature, a number of factors are named that hinder (fast) labor market participation and entrepreneurship. The civic integration courses and the asylum procedure are among the elements that demand of a lot of time and effort from newly arrived refugees and that block easy access to the labor market. The support programs do not systematically list these aspects as problematic. Most of the programs only admit candidates that have passed their civic integration tests (or are in an advanced stage) and that have been admitted with a (temporary) status. The indirect effect could be noticeable because of the long duration of (forced) inactivity. The candidates themselves do indicate the demands of the civic integration course as hindering their dreams to start a business.

The candidates of The Test Garden also express their difficulties with the Dutch regulatory system. The regulatory context is a common topic of the conversations with the support programs. The Bbz provisions and the municipal implementation create barriers and complexities. Some municipalities support the programs, others are more conservative in their implementation of Bbz regulations. In The Hague, the municipality played an important role in the selection of candidates, in the east of the Netherlands, the municipality was a close partner of the start-up program and in Noord-Brabant, negotiations with the province were started to implement a program on a larger scale. Decentralization and municipal implementation of programs are seen as an important – if not the most important – factor in starting a business as a recent refugee.

The Bbz route takes time: the provisions can be especially helpful in the early phases of a starting business but the start of a business is often postponed too long. In the support system of the ROZ group, specific programs for specific subgroups were developed. The

needs of the candidates are different depending on education level and experience. Gender also plays a role: for some women, it is not just harder to start because of their background and family situation, they also have to battle stereotypes.

The programs try to select on the personal characteristics and motivation listed in the literature. The realization that certain personal experiences are beneficial to entrepreneurship is commonly shared. On the other hand, the support programs are not just there for the 'perfect candidates'; the target group is larger. One of the reasons is that activation is often defined in a broader sense than simply the start of a business. Also, municipalities are a partner through the Bbz provisions that do not just exist for the selected few. On the contrary, the Bbz exists to help people out of welfare. Some of the candidates were not as motivated as they seemed at the start; candidates also have complex lives. The history of flight and the possibility of trauma only make the selection and process more complicated.

Status and entrepreneurship are a main thread in this report. There are different aspects related to the (temporary) status that hinder entrepreneurship. Not all of these aspects are mentioned in the literature. Research on refugee entrepreneurship is scarce, both internationally and most especially on a national level. The stories of the candidates do not all tell the same story. Status and entrepreneurship are related through the demands of the civic integration course and through the complex personal stories of the new arrivals and the possible traumas at origin and in flight. For refugees, there was very little preparation possible for the new start. Unlike migrants in general, refugees commonly had to leave more unexpectedly and could not prepare for their new situation beforehand. The needs of refugee entrepreneurs are thus very diverse and do not always coincide with the needs of other migrants or natives.

Most municipalities are focused on participation in the normal labor market. Municipal support is concentrated around courses and workshops to achieve this goal, there is less knowledge and support for the route to entrepreneurship. Most of the programs are started on a project-basis: they need to apply for continuation every few years. This hinders continuity and absorbs valuable time.

In the literature, a common division is made between 'necessity' and 'opportunity' entrepreneurs. That division is hard to detect among the candidates or in the stories of the support programs. The personal stories of the candidates of The Test Garden show more of a continuum where necessity and opportunity both are important. In general, for the refugees, it is difficult to find a suitable job in the normal labor market, but not all have looked in that direction. Some immediately started to look for opportunities in entrepreneurship. They were often entrepreneurs in their country of origin, where more options in 'hybrid entrepreneurship' were possible: self-employment was combined with other types of employment to obtain an income. There is little talk of discrimination, but people lack

chances because of language or diploma validation. Structural discrimination is part of the story but not experienced as such.

Generally, immigrant entrepreneurs do not start their businesses with the support of mentors or coaches. The support from networks is important and often mapped in the literature. Similarly, networks are vital for recent refugees starting a business. Network building is part of all the programs, to a greater or lesser degree. Mentorship is also part of the programs: some work with mentors, some with professional coaches. Overall, the importance of mentors is not just linked to direct support in the local knowledge of setting up a business but also in the connections of mentors and their networks. The support programs also provide new connections and insight into the Dutch and local 'business culture'. Some of the programs defined strict goals, such as a certain number of businesses that would need to start by a certain date. These goals are difficult to reach because of all the complexities. Some of the 'failures' in light of those goals could be counted as 'successes' if the goals were defined more broadly. People deciding not to become an entrepreneur can be a route that is much more beneficial for themselves, and for society. Empowerment, confidence and self-awareness are also important effects of a training course in entrepreneurship. An entrepreneurial attitude does not necessarily need to result in self-employment.

## Recommendations

### **Bbz trajectory**

The process to start a business in the Netherlands takes time: more time than the support-programs initially thought. There are different reasons for the lengthy trajectory: the candidates are still working on their civic integration and language courses; they have to start a new life. Importantly, the Bbz procedures are hindering the start of the new business. Support trajectories of four to six months are not realistic, more time is needed..

### **Bbz and municipality**

The stories of the ROZ-group show that close cooperation with the municipality can make the process more enjoyable and efficient. The program is still adapting and improving but it seems that there are fewer obstacles and barriers in the Twente region than in other parts of the country. It is important to make sure that close cooperation and communication can continue, also when staff changes or new refugees arrive. The information flow should be continuous.

From the analyses of UNCTAD (2010), one of the main conclusions is that 'optimizing the regulatory environment' is a key aspect to improve the chances of successful entrepreneurship. A lack of rules is not beneficial because of the lack of framework or protection for the entrepreneur; too many rules are hindering in different ways. There should

be an analysis of the rules and regulations on different governmental levels to assess where simplification and clarification can be implemented.

### **Flexibility**

The support programs are designed to help recent refugees start their own businesses. Most trajectories (implicitly) have a larger goal: empowerment, activation, integration or economic self-sustainability. Those goals do not necessarily need to be reached through self-employment, in a number of programs entrepreneurship is a means, not an end. It would be helpful if the Bbz regulations would allow for a similar approach. Activation and participation are important goals for municipalities, and those are reachable through different routes, including hybrid entrepreneurship or employment in the normal labor market. Each evaluation of the programs needs to look at the variety of consequences of the support routes, and not just at the number of businesses started.

### **Finance and status**

Finance options through the Bbz arrangements are limited. It is not desirable that municipalities invest large sums of money at the start of (risky) businesses. Other options should be explored, preferably in coordination with municipalities and government. It is important to connect these options to the temporary status of recent refugees: currently, their finance options are restricted because of that status.

The status is temporary: most recent refugees were granted a five-year status. Banks, credit providers, but also landlords or business owners do not know the conditions or chances of status renewal in the near future. It is understandable that they are hesitant to sign contracts for a duration longer than the residency permit. The government should arrange for options to reduce the insecurity and to guarantee that if people start a business, they can continue regardless of the situation in the country of origin.

### **Target group and selection**

Most of the programs are aimed at and designed for recent refugees in the Netherlands. There are several problematic aspects to the limitation of this target group. Firstly, there needs to be a continuous flow of recent refugees starting a business. If fewer refugees arrive or if more refugees become settled in the Netherlands in different ways, programs might find it difficult to continue or to grow.

Support in their own language is seen as positive in some cases. It can help define the idea and it can solve possible errors due to language problems.

The experiences with recent refugees indicate that there are specific aspects where extra support is needed, as compared to support for non-migrated groups. There are differences in knowledge and experiences that need to be recognized.

There are ways to create a broader base for the support programs, if specifics are kept in mind. Make sure that the target group does not become so broad that the range of questions

becomes too large. Support for recent arrivals and people that do not (yet) speak the language well or do not have much knowledge of Dutch society could be included in the programs.

### **Characteristics of entrepreneurs**

Higher educated, male, Dutch and English-speaking recent refugees (with a permanent residency permit) that were entrepreneurs in their country of origin but are open to new ideas and have ideas that are not based on necessity – those are the entrepreneurs that have the highest chances of success. The stories and the literature illustrate that these characteristics enhance the chances of success. Most of the entrepreneurs that share these characteristics, do not need support programs: they will find ways to start a business without (intensive) support programs. The support programs are extremely important for those who are potential entrepreneurs but that do not possess the 'right' characteristics. If programs could just select the perfect candidates, they would all be very successful.

The programs are mainly designed to support those that need help to start a business. The 'entrepreneurial attitude' is a basic characteristic that is relevant, it seems. The initiative has to come from the entrepreneur, not from the support program. It may take time, but that should not be a limitation, as long as the program does not seem to invest more (time) than the candidate.

### **Mentorship**

In the past, mentorship in migrant entrepreneurship was not a standard procedure. Migrant entrepreneurs were not formally supported, only through mainstream programs. The recent programs do use mentor and mentee relationships to support the starting entrepreneurs. It would be interesting to see how migrants used mentorship in the past and where the support was needed or used the most.

An interesting comparison would be to look at mainstream support programs for entrepreneurs. Characteristics of non-migrated entrepreneurs and the trajectories they take can be compared to those of migrant and refugee entrepreneurs. There may be different needs in different subgroups but there will also be commonalities.

At the EMEN Conference in Munich, 'good practices' revealed that a mentor should be selected carefully. A successful entrepreneur is not necessarily a good mentor, people without entrepreneurship experiences can be very valuable mentors. A successful mentor has a broad network, not just for knowledge and information but also for contacts. The mentor and mentee should be matched, a personal connection is important in the process.

### **Long lasting and structural**

Support programs and starting a business are long-term projects. The support programs use their experiences to improve their support. Their trajectories are flexible and fluid, that adapt

to the desires of the entrepreneur and to the contexts. Starting a business in a new country where the demands of integration and language are time-consuming, is complex. There are many different support programs, in this report, but only a limited number were discussed. Most of these programs needed time to find a way through the barriers, obstacles, rules and regulations. Most of these programs did not have time to exchange information or work together with the other programs. It would be advisable to create a structural exchange of information and experiences. It might be even more efficient and effective to try to organize support programs on a larger scale, not just on a municipal level. Importantly, the programs should not be dependent on subsidies and (changing) municipal governments for their existence. Long term, structural support systems would be very beneficial.



## In summary:

### Regulations and context

Maintain good relationships with the municipality

Explore all business options with the municipality

Integrate the demands of civic integration legislation in the program  
(law changes in 2020)

Look at the needs and interests of the entrepreneur

Tax regulations: advise and organize workshops but also recommend good accountants/  
bookkeepers (network!). An entrepreneur does not need to know all the ins and outs

Importance of flexible constructions: hybrid entrepreneurship, social cooperations,  
other forms of entrepreneurship

Status and finance: look for alternative forms of finance

### Entrepreneur

Evaluate the importance of language knowledge for the business

Do not create false expectations, be realistic

Experiences of the entrepreneur

Dutch market

Earnings model

Make sure the entrepreneur takes and maintains the initiative

### Support and mentorship

Type of entrepreneur and needs in support 1) motivation 2) business sense

Mentor: good training and matching

Talent development

Community: networks, support, knowledge, belonging



# Literature

- Aliaga-Isla, R., & Rialp, A. (2013). Systematic review of immigrant entrepreneurship literature: Previous findings and ways forward. *Entrepreneurship & Regional Development*, doi: <http://dx.doi.org/10.1080/08985626.2013.845694>
- Antenbrink, P., Boers, I., Burgert, H., Kusters, L., Lamboo, D., de Neyn van Hoogwerff, A.S., Streppel-Kroezen, M. L. (2017). *Inburgering. Eerste resultaten van de wet inburgering 2013*. Den Haag: Algemene Rekenkamer.
- Baycan-Levent, T., & Nijkamp, P. (2009). Characteristics of migrant entrepreneurship in Europe. *Entrepreneurship & Regional Development*, 21(4), 375-397.
- Betts, A., Sterck, O., Geervliet, R., & MacPherson, C. (2017). *Talent displaced. The economic life of Syrian refugees in Europe*. Oxford: Deloitte/Oxford University RSC.
- Bizri, R. M. (2017). Refugee-entrepreneurship: A social capital perspective. *Entrepreneurship & Regional Development*, 29(9-10), 847-868.
- Boissevain, J. (1984). Small entrepreneurs in contemporary Europe. In R. Ward, & R. Jenkins (Eds.), *Ethnic communities in business. Strategies for economic survival* (pp. 20-38). Cambridge: Cambridge University Press.
- Chrysostome, E. (2010). The success factors of necessity immigrant entrepreneurs: In search of a model. *Thunderbird International Business Review*, 52(2), 137-152.
- Collins, C. J., Hanges, P. J., & Locke, E. A. (2004). The relationship of achievement motivation to entrepreneurial behavior: A meta-analysis. *Human Performance*, 17(1), 95-117.
- de Lange, T., Besselsen, E., Rahouti, S., & Rijken, C. (2017). *Van azc naar een baan. De Nederlandse regelgeving over en praktijk van arbeidsmarktintegratie van vluchtelingen*. Amsterdam: Universiteit van Amsterdam.
- Dumond, J., Liebig, T., Peschner, J., Tanay, F., & Xenogiani, T. (2014). How are refugees faring on the labour market in Europe? A first evaluation based on the 2014 EU labour force survey ad hoc module. OECD/EC. doi: <https://www.oecd.org/berlin/publikationen/Arbeitsmarktintegration-von-Fluechtlingen-EK-OECD-Arbeitspapier-092106.pdf>

- Engbersen, G., Dagevos, J., Jennissen, R., Bakker, L., & Leerkes, A. (2015). *Geen tijd verliezen: Van opvang naar integratie van asielmigranten. Door gelijktijdig te werken aan huisvesting, taalverwerving, opleiding en werk verliezen overheden bij de integratie van asielmigranten met een status zo min mogelijk kostbare tijd.* (No. WRR-Policy Brief 4). Den Haag: WRR.
- Engbersen, R., Dorenbos, R., & Lagunas, D. (2018). *Ondernemerschap: Een kans voor statushouders? Een verkenning door de ogen van ondernemende nieuwkomers.* Den Haag: Platform 31.
- Entzinger, H. B., & Stijnen, P. J. J. (Eds.). (1990). *Etnische minderheden in Nederland.* Meppel/Amsterdam: Boom/Ou.
- European Commission. (2008). *Entrepreneurial diversity in a unified Europe. Ethnic minority entrepreneurship/migrant entrepreneurship.* Brussels: European Commission.
- Faist, T. (2010). The crucial meso-level. In M. Martiniello, & J. Rath (Eds.), *Selected studies in international migration and immigrant incorporation* (pp. 59-90). Amsterdam: IMISCOE/ Amsterdam University Press.
- Fong, R., Busch, N. B., Armour, M., Cook Heffron, L., & Chanmugam, A. (2007). Pathways to self-sufficiency: Successful entrepreneurship for refugees. *Journal of Ethnic and Cultural Diversity in Social Work*, 16(1/2), 127-159.
- Granovetter, M. S. (1973). *The strength of weak ties.* *American Journal of Sociology*, 78(6), 1360-1380.
- Granovetter, M. S. (1995). The economic sociology of firms and entrepreneurs. In A. Portes (Ed.), *The economic sociology of immigration. Essays on networks, ethnicity, and entrepreneurship.* New York: Russell Sage Foundation.
- Huijnk, W. (2018). Werk, bijstand en de ervaren financiële situatie. In J. Dagevos, W. Huijnk, M. Maliepaard & E. Miltenburg (Eds.), *Syriërs in Nederland. Een studie over de eerste jaren van hun leven in Nederland.* (2018-14 ed., ). Den Haag: Sociaal en Cultureel Planbureau.
- Joyce, P. (2018). Newcomers in the north: Labor market integration of refugees in northern Europe. *Migrationpolicy.Org*, February 27
- Klaver, J., Mallee, L., Ode, A., & Smit, W. (2015). *De integratie van statushouders of lokaal niveau: Belemmeringen en oplossingen.* Amsterdam: Regioplan.

- Kloosterman, R., & Rath, J. (2014). Immigrant entrepreneurship. In M. Martiniello, & J. Rath (Eds.), *An introduction to immigrant incorporation studies. European perspectives* (pp. 195-225). Amsterdam: University of Amsterdam Press.
- Kloosterman, R., Leun, J. v. d., & Rath, J. (2010). Mixed embeddedness: (In)formal economic activities and immigrant businesses in the Netherlands. In M. Martiniello, & J. Rath (Eds.), *Selected studies in international migration and immigrant incorporation*. Amsterdam: IMISCOE/Amsterdam University Press.
- Konle-Seidl, R., & Bolits, G. (2016). *Labour market integration of refugees: Strategies and good practices*. (No. IP/A/EMPL/2016-08). Brussels: DIRECTORATE GENERAL FOR INTERNAL POLICIES/Policy Department A: Economic and Scientific Policy.
- Light, I., & Gold, S. J. (2000). *Ethnic economies*. San Diego: Academic Press.
- Light, I., & Rosenstein, C. (1995). *Race, ethnicity, and entrepreneurship in urban America*. New York: Aldine de Gruyter.
- Luthans, F., Norman, S. M., & Jensen, S. M. (2007). The value of the psychological capital of immigrant entrepreneurs. *International Journal of Business and Globalisation*, 1(2), 161-175.
- Lysias. (2018). *Onderzoek naar ondernemerschap onder statushouders*. ING Nederland fonds/VluchtelingenWerk Nederland/Lysias.
- Mars, G., & Ward, R. (1984). Ethnic business development in Britain: Opportunities and resources. In R. Ward, & R. Jenkins (Eds.), *Ethnic communities in business. Strategies for economic survival* (pp. 1-19). Cambridge: Cambridge University Press.
- McClelland, D. C. (1961). *The achieving society*. Princeton NJ: Norstrand.
- Molenaar, K., & Nijhoff, K. (2017). Migrant entrepreneurs, the new supermen and wonderwomen? *DeFine*, 5: 1, 16-21.
- Molenaar, N. (1983). *The small entrepreneur really does know it: Small scale industry promotion in developing countries*. Delft: RVB.
- Molenaar, N. (2009). *Enterprising migrants in the driver's seat. Dreams across borders become reality*. Den Haag: IntEnt Foundation.
- Molenaar, N. (2014). (2014). SME financing for disadvantaged and underrepresented groups. Paper presented at the *Access to Business Start-Up Finance for Inclusive Entrepreneurship*, OECD.

- Naude, W., Siegel, M., & Marchand, K. (2017). Migration, entrepreneurship and development: Critical questions. *IZA Journal of Migration*, 6(5)
- OECD. (2010). *Open for business: Migrant entrepreneurship in OECD countries*. OECD Publishing. doi: <http://dx.doi.org/10.1787/9789264095830-en>
- O'Reilly, K. (2012). *International migration and social theory*. Houndmills: Palgrave Macmillan.
- O'Reilly, K. (2016). Migration theories. A critical overview. In A. Triandafyllidou (Ed.), *Routledge handbook of immigration and refugee studies* (pp. 25-33). London: Routledge.
- Penninx, R., Munstermann, H., & Entzinger, H. (Eds.). (1998). *Etnische minderheden en de multiculturele samenleving*. Groningen: Wolters-Noordhoff.
- Portes, A., Haller, W., & Guarnizo, L. E. (2001). *Transnational entrepreneurs: The emergence and determinants of an alternative form of immigrant economic adaptation*. (No. WPCT-01-05).
- Portes, A., & Jensen, L. (1989). *The enclave and the entrants: Patterns of ethnic enterprise in Miami before and after Mariel*. *American Sociological Review*, 54(6), 929-949.
- Portes, A., & Rumbaut, R. (1996). *Immigrant America. A portrait*. Berkeley/Los Angeles/London: University of California Press.
- Portes, A., & Sensenbrenner, J. (1993). Embeddedness and immigration: Notes on the social determinants of economic action. *American Journal of Sociology*, 98(6), 1320-1350.
- Rath, J., & Schutjens, V. (2016). Migrant entrepreneurship. alternative paradigms of economic integration. In A. Triandafyllidou (Ed.), *Routledge handbook of immigration and refugee studies* (pp. 96-103). London: Routledge.
- Rath, J. (2000). A game of ethnic musical chairs? Immigrant businesses and niches in the Amsterdam economy. In S. Body-Gendrot, & M. Martiniello (Eds.), *Minorities in European cities. The dynamics of social integration and social exclusion at the neighbourhood level*. London/New York: MacMillan/St. Martin's Press.
- Razenberg, I., & de Gruijter, M. (2017). *Hoe kunnen gemeenten werkgevers ondersteunen bij het aannemen van vluchtelingen?* Een verkenning. Retrieved from <https://www.kis.nl/publicatie/hoe-kunnen-gemeenten-werkgevers-ondersteunen-bij-het-aannemen-van-vluchtelingen>

- Solano, G. (2016). *Immigrant self-employment and transnational practices. The case of Moroccan entrepreneurs in Amsterdam and Milan*. Enschede: Ipskamp Drukkers.
- Stanley, E., & Morse, R. (1965). *Modern small-scale industry for developing countries*. New York: McGraw-Hill.
- Valerio, A., Parton, B., & Robb, A. (2014). *Entrepreneurship education and training programs around the world. dimensions for success*. Washington DC: World Bank.
- van der Plicht, E. (2016). *Achterlaten en opnieuw beginnen. Vluchtelingen in Nederland, toen en nu*. Amsterdam: Prometheus.
- van der Veen, M., Wakkee, I., & van Nispen, L. (2016). Ondernemerschap: Een persoonlijke keuze. *Een onderzoek naar kenmerken & behoeften van aspirant ondernemers*. Utrecht: Kamer van Koophandel.
- van Meeteren, M., Mascini, P., & van den Berg, D. (2015). Trajectories of economic integration of amnestied immigrants in Rotterdam. *Journal of Ethnic and Migration Studies*, 41(3)
- Volery, T. (2007). Ethnic entrepreneurship: A theoretical framework. In L. Dana (Ed.), *Handbook of research on ethnic minority entrepreneurship. A co-evolutionary view on resource management* (pp. 30-41). Cheltenham: Edward Elgar Publishing.
- Waldinger, R., Aldrich, H., & Ward, R. (1990). *Ethnic entrepreneurs: Immigrant businesses in industrial societies*. Thousand Oaks, CA: Sage Publications.
- Waldinger, R. (1989). Structural opportunity or ethnic advantage? Immigrant business development in New York. *International Migration Review*, 23(1), 48-72.

# Appendix 1: interviews and meetings

Interviews of candidates by Kim Plaizier

Report Jamie Looy: Statushouders en zelfstandig ondernemerschap.

Onderzoeksopdracht lectoraat FINE. February 2018 (interviews with elected programs about the start and intake phase)

MigrantInc/EnterStart: Karlijn van Arkel 12-07-17; Karlijn van Arkel and Saba Fakes 07-12-17

Lomax: 20-01-18 Mario van Teijlingen; 04-10-18 Theo Huizing

ROZ groep/Mindt: Marte di Prima and Jaap Fris 17-07-18

Krachtbedrijf Josette Dijkhuizen 14-08-18

UAF: Priscilla van der Vegte 20-08-18

Brilliant Entrepreneurs: Yvette van Dok 17-09-18

Meeting Refugees Forward 22-07-18 and interview by Mieke Hes 15-06-18; interview Diederick van der Wijk 02-10-18

Meeting Refugee Academy 1 December 2017

EMEN meeting Brussel 7-8 December 2017

EMEN conference München 23-24 April 2018

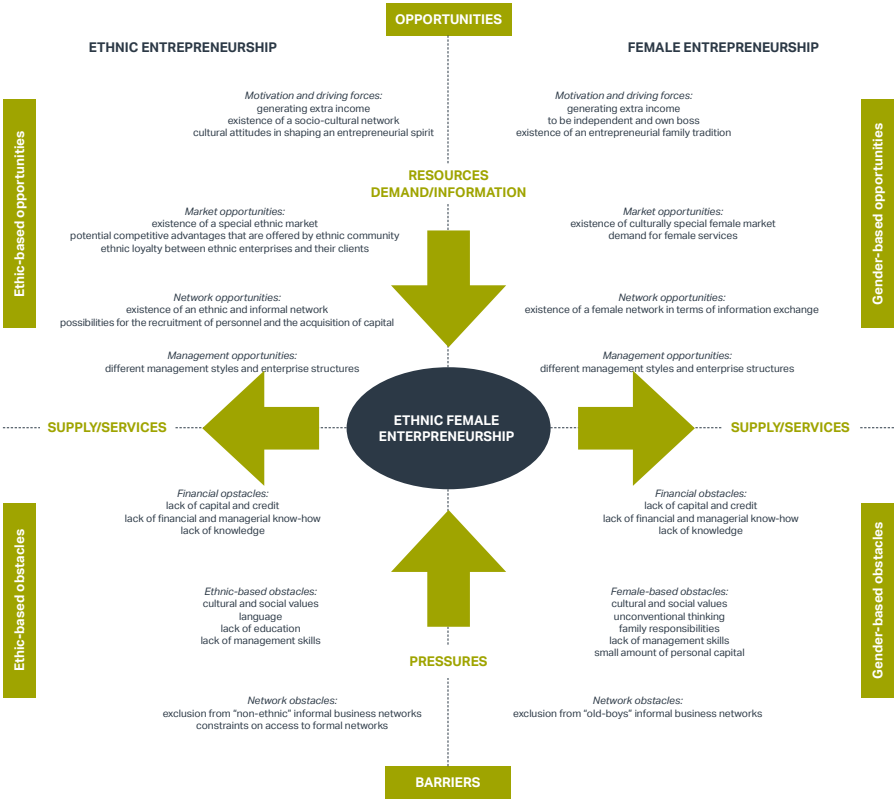
Pitch RefugeesForward 22 July 18

Conference Delitelabs 27-28 September 2018

Meeting Refugee Academy 2 October 2018



# Appendix 2: Context women and entrepreneurship



# Appendix 3: Business Model Canvas

Key Partners		Key Activities		Value Propositions		Customer Relationship		Customer Segments	
<div>Partner 1</div> <div>Partner 2</div> <div>Partner 3</div> <div>...</div>		<div>Activity 1</div> <div>Activity 2</div> <div>Activity 3</div> <div>...</div>		<div>Proposition 1</div> <div>Proposition 2</div> <div>Proposition 3</div> <div>...</div>		<div>Relationship 1</div> <div>Relationship 2</div> <div>Relationship 3</div> <div>...</div>		<div>Segment 1</div> <div>Segment 2</div> <div>Segment 3</div> <div>...</div>	
		<div>Key Resources</div> <div>Resource 1</div> <div>Resource 2</div> <div>Resource 3</div> <div>...</div>				<div>Channels</div> <div>Channel 1</div> <div>Channel 2</div> <div>Channel 3</div> <div>...</div>			
Cost Structure				Revenue Streams					
<div>Cost 1</div> <div>Cost 2</div> <div>Cost 3</div> <div>...</div>				<div>Stream 1</div> <div>Stream 2</div> <div>Stream 3</div> <div>...</div>					

100

**The Hague University**  
Johanna Westerdijkplein 75  
2521 EN Den Haag

[www.thehagueuniversity.com](http://www.thehagueuniversity.com)

