



Combating Inequalities through Innovative Social Practices  
of and for Young People in Cities across Europe

**WP7 Case Study: Innovative Practice ‘Buzinezzclub Rotterdam’**

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**City: Rotterdam**

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## Cover page

<b>Buzinezzclub Rotterdam</b>	
<b>Fostering an entrepreneurial attitude among young unemployed people</b>	
<b>City</b>	Rotterdam
<b>Pilot type</b>	Case study of an existing Socially Innovative Practice (SIP)
<b>Type of target group</b>	<ol style="list-style-type: none"> <li>1. Motivated for integration into mainstream society but in need of support;</li> <li>2. Aiming for ‘alternative’ ways to get ahead, with sufficient competences and/or social support: young people with the dream of setting up a business. <i>Also working with those:</i></li> <li>3. Living day by day, opportunistically. Given up hope and lacking competences, social support and motivation to change.</li> </ol>
<b>Type of practice</b>	<ol style="list-style-type: none"> <li>1. Learning and counselling; social capital; matching/bridging;</li> <li>2. <b>Stimulating and enabling entrepreneurship; co-creation; “communing”;</b></li> <li>3. Empowerment: developing ambition, competences and social network;</li> </ol>
<b>Aims/objectives in brief</b>	<ol style="list-style-type: none"> <li>1. To foster an entrepreneurial spirit among young jobless people in Rotterdam (aged 18-27);</li> <li>2. To activate young people, stimulate a different mindset;</li> <li>3. To reduce the duration of dependence on social assistance or help young people to remain out of social assistance;</li> <li>4. To create a financial return on investment.</li> </ol>
<b>What needs, what inequalities</b>	Fight inequality in chances / deprivation and promote socioeconomic mobility. Young unemployed people with limited social networks, living in more deprived areas, from families with a low socioeconomic status. Often young people without a proper basic qualification (education).
<b>What (activities in brief)</b>	Personal coaching & group counselling focused on developing personal development and business plans Establishing networks within business communities Long term coaching from volunteers

<b>Who (actors)</b>	<p>Participants (members):</p> <ul style="list-style-type: none"> <li>• Buzinezzclub (for profit) &amp; Foundation Young Entrepreneurship (non profit)</li> <li>• Volunteers from the business community</li> <li>• Partners: municipality, private investors, charitable funds and private companies.</li> </ul>
<b>How (involvement of the actors, their roles)</b>	<p>Participants work on own their business- and personal development plans</p> <p>Professional coaches and volunteers from business communities promote an entrepreneurial spirit &amp; coach one-on-one.</p> <p>Partnership with private investors and municipality</p>
<b>Scope: number of the participants of practice(s)</b>	<p>Two groups yearly, with 40 participants each (Rotterdam). New Buzinezzclubs started in The Hague (2014) and Drechtsteden region (2015), (120 participants yearly). This case study focuses on Rotterdam.</p>
<b>Duration (when the project/practice started)</b>	<p>In place since 2009, major adjustments in 2013.</p>
<b>RESOURCES</b>	
<b>Financial</b>	<p>Investments: €880.000plus: Social Impact Bond (SIB), and investments of the owner for activities up till 2018 (SIB contract ends 2019).<sup>1</sup></p> <p>SIB: investment of €680.000 to direct 160 unemployed young people without basic qualifications in 2014 and 2015 back to school or to employment.</p> <p>Costs per participant: €5.500</p> <p>Investors receive a return of up to 12% in case of a reduction in expected social assistance expenditure.</p>
<b>Personnel</b>	<p>3 members of staff at headquarters, 3 trainers / coaches for Rotterdam, 9 trainers / coaches in total 40 volunteers (2014).</p>
<b>Other</b>	<p>Main office and training centre located in a creative hotspot (large office buildings waiting for redevelopment, hosting flex-offices, creative businesses) very close to the city's administrative and financial centre. Strong connection to business community.</p>

<sup>1</sup> Figures for Rotterdam only: additional funding from charitable funds for the rollout of the BUZINEZZCLUB to other regions.

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## Introduction

The Buzinezzclub addresses the unemployment of young people with few chances on the labour market. It is a private, for profit, initiative aimed at developing entrepreneurship among young people on social assistance by broadening their network and their skills. The young participants, consequently referred to as ‘members’ (of the Buzinezzclub), receive support, consisting of group training and workshops by professionals and individual coaching (partly by volunteers) in developing their ideas into realistic business plan, or towards new plans for picking up education again or for more successful ways of trying to enter the labour market. It is an innovative provision because:

- (a) it starts with the wishes and motivation of young people instead of the possibilities on the labour market
- (b) it focuses on stimulating entrepreneurship rather than on direct routes to education (getting a qualification) or the labour market
- (c) the organisation is working with new forms of financing in a public-private partnership, rather than via direct subsidies and/or contracting out schemes
- (d) it has, unlike more traditional re-integration initiatives a clear long-term focus that is reflected in various aspects of the practice (financial model, coaching, monitoring). The Buzinezzclub managed to launch the first Social Impact Bond in the Netherlands, with the city of Rotterdam, ABNAMRO Bank and Start Foundation.<sup>2</sup>

## 1. Evaluation methodology

This evaluation is based on a combination of desk research (existing evaluations, websites, year reports, project descriptions, newspaper articles), semi-structured individual interviews and focus group meetings in 2014 and 2015 (see appendices 1 and 2). Existing literature on the Buzinezzclub is scarce. We only came across one limited evaluation of Youth interventions commissioned by the municipality on three projects, including the Buzinezzclub. The Economic Development Board Rotterdam used a model on the expected time that people receive social assistance, developed by Ortec Finance, to estimate the results of the Buzinezzclub programme on the length of dependence on social assistance.

The Buzinezzclub is monitoring its results and quantitative impact and provides the Youth Counter with information on a regular basis. The main outcomes are published on its website. The aggregated results were shared with the researchers during interviews. Within the framework of the Social Impact Bond information on reductions on social assistance expenditures is also collected and monitored by accountancy firm Deloitte. This information is not public yet.

We spoke with 15 participants (members in the Buzinezzclub terminology), with the general director and with three members of staff, one of them a former participant who now combines working at the Buzinezzclub with her own business in photography. We introduced our research briefly to a group of 25 participants at the start of a training day, spent some time at the training centre and were informally talking with members and staff. After that we had a

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<sup>2</sup> An established Venture Philanthropy Fund that makes both grants and Social Investments. Start Foundation creates, preserves and makes jobs accessible for disadvantaged persons who have no or limited access to the labour market in the Netherlands, with a ‘hands-on, venture philanthropy’ ‘actively cultivate alliances, identify aligned interests, foster mutual accountability and ignite positive change’. [www.startfoundation.nl](http://www.startfoundation.nl).

group interview with 5 members. The contact person of the Buzinezzclub at the Youth Counter of the municipality was also interviewed. All quotations are from interviews conducted for the Citispyce-research project, unless indicated otherwise. In addition, the discussions with representatives of provisions and public officials during meetings of a local working group on improving the intake and referral process for young people in Rotterdam (see WP6 Rotterdam pilot description) provided input for this evaluation.

## 2. Project/Practice Design

### 2.1 Social Issue(s) addressed

One out of five young people between the age of 15 and 27 in the Netherlands do not attend a school or college, have no job and are not actively looking for one either. A growing group of 75.000 young people are thus ‘far away’ from the labour market. They have a gap in their curriculum, become less attractive to employers and run the risk of becoming dependent on social assistance schemes for a long time.<sup>3</sup> Statistics show that Rotterdam is a city with many deprived neighbourhoods, a high concentration of ethnic minorities (with a low socioeconomic status), relatively high levels of health problems, high unemployment rates, below average school results, high drop-out rates and in general a relatively low level of education (Spies & Tan, 2013). This leads to the (re)production of social inequality on the macro-level. Research also reveals that many young people do not know how to behave in a formal business environment, that support of parents is below average and peer pressure is not always positive. Therefore social inequality is (re)produced on the meso-level of neighbourhood, and social networks of family, friends, neighbours and peers. In addition, forms of unintentional self-exclusion underpin the status quo that leads to social exclusion on a micro-level. (Tan & Spies, 2014).

The largely privatized sector of labour reintegration in the Netherlands has a bad reputation, due to a focus on quick placements with limited chances on real employment and economic upward mobility in the past. The Buzinezzclub presents itself as an alternative for quick and ‘one size fits all’ trajectories, because of its orientation to the wishes and strength of its participants. Moreover, it argues that its target group is often not tempted to follow the rules: they want to do things their own way. In general, standard trajectories create resistance and corrective actions have little effect. Some young people are motivated better with an approach based on their own (unique) qualities and talents. It requires showing real interest in what they want. At the same time, the Buzinezzclub states that the level of many existing trajectories for new entrepreneurs-to-be is too high, as they assume either a professional education or a lot of general knowledge. *“The coaching trajectory of the Buzinezzclub has been designed especially for this young target group, with big dreams but few tools”*.<sup>4</sup>

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<sup>3</sup> <http://nos.nl/op3/artikel/2028055-75-000-jongeren-maken-gat-op-hun-cv.html>

<sup>4</sup> Assessment Committee Youth Interventions, 2014: p. 18

## 2.2. Project goals and plans

### *'Official' goals, philosophy, core beliefs and values*

The Buzinezzclub is there to tackle – together with its partners - the major societal problem of youth unemployment and the uneven distribution of chances for upward mobility in society. The Buzinezzclub wants to break through the vicious cycle of limited social support, limited education and (self)exclusion where unemployed young people find themselves trapped in. As the founder/general director expresses: *“Chances in the Netherlands are distributed very unequally, I want to give young people from a bad neighbourhood the same chances as someone from a well-to-do street.”* In order to achieve that, he states that it is essential to approach young people and their dreams differently: *“We say to them: We take you seriously, we don't call you a social service receiver or client, but a member. We put you in the centre.”* The Buzinezzclub wants to offer a new positive, stimulating and challenging environment for its members. *“The Buzinezzclub believes that every person has the potential to make his dreams come true. At the Buzinezzclub young people are VIP because of their ambitions, and their chances are centre stage.”* In cooperation with the municipality, funds and corporate sector, the members are supported and offered *“an eco-system of coaches, fans and advisors. At the same time they learn that ambition implies responsibility, and taking matters in their own hands.”*<sup>5</sup>

*“Many young people on social assistance dream of a future in which they are pulling the strings. However, they often don't know where to start or they are set back by personal circumstances. The Buzinezzclub offers a way out and invests in the potency of these young people. We're taking their dreams seriously and give them the tools to use their own talents through an intensive coaching trajectory. We start with their own talents, look from there and coach them in an entrepreneurial attitude, in taking charge over their lives. Together we make a plan for their future, with realistic steps towards their personal dreams. Depending on the plan, the Buzinezzclub is directing towards either choosing a suitable education, referral to a job or starting one's own business. Besides that, individual personal problems are tackled in order to prevent that these are getting in the way at the moment of starting or succeeding at the Buzinezzclub. This way young people become entrepreneurs of their own lives.”*<sup>6</sup>

In short the main goals are to contribute to:

- young people setting up and maintaining a business, following education or having a job
- a lasting decrease in social assistance expenditure on the target group.

The two main goals are concrete and measurable and directly address the social issues at stake. The goals are closely interconnected. Underlying supportive goals are efforts to; stimulate an entrepreneurial attitude among young people, help people tackle personal problems, combat feelings of distrust and promoting trust in social networks and institutions, foster self-confidence, help promoting a positive perspective on personal development, education and entrepreneurship in neighbourhoods, families and in peer groups.

The Buzinezzclub used to work with the following targets: a positive outflow /placement of two thirds of the participants:

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<sup>5</sup> General director, Leo van Loon in Year Report 2013: p. 4

<sup>6</sup> Year report 2013: p. 6.

- 22% was expected to start a business after finishing the Buzinezzclub-programme,
- 22% to find a (flex) job
- 22% to (return to) school / education

Because the old targets were considered to be unrealistic, these have been adjusted in 2013, with the positive outflow / placement now set at 60%:

- 10% heading to become an entrepreneur,
- 30% to find a (flex) job
- 20% to (return to) school / education

Specific targets related to the expected savings on social assistance expenditures are formulated within the Social Impact Bond (SIB) agreement. ABN AMRO and Start Foundation both invest €340.000. The aim is to save €39,70 per day per person on social assistance expenditure in order to receive a maximum interest of 30% in 2,5 years against a risk of at maximum 57% in 2,5 year.<sup>7</sup> More specific details are not yet public.

#### *Other goals*

There has not been an approach in place yet to fully explore and measure the other, underlying goals, although the Buzinezzclub has the intention to invest in this and has sought cooperation with a research institution for evaluation (no follow up). Like the other organisations in the local 'landscape of provisions' for young unemployed (and vulnerable) people, the Buzinezzclub is obliged to permanently monitor progress on the individual level with the Dutch version of the SSM, the self-sufficiency matrix.<sup>8</sup> The SSM distinguishes 5 levels of self-sufficiency of persons: Acute problem, Not-, Barely-, Adequately-, Completely-self-sufficient. This is based on sufficiency in 11 domains: income, day-time activities, housing, domestic relations, mental health, physical health, addiction, daily life skills, social network, community participation and judiciary. In addition, investor Start Foundation demands coaches and participants to fill in the so-called 'Work Star' format that aims to clarify where the client 'stands' on his or her way to obtain and keep a job. It scores progress on e.g. challenges, stability, goals and motivation, social skills and skills to find work.

#### *Crucial elements*

The Buzinezzclub helps young people to develop personal plans in an entrepreneurial spirit. The Buzinezzclub stresses that learning to dream is the basis for activating young people from deprived neighbourhoods or with parents with a low socioeconomic status and limited social networks. Once the adolescents start to create their own dreams (again) the Buzinezzclub tries to give them insight in the steps needed to get there.

Personal coaching, tailored assistance, is the second key element. Thirdly, processes in the group reinforce individual growth: the success of one member inspires and motivates other participants. Fourthly, the participants are brought into contact with a network of professionals that are willing to give advice and coach. It is possible to meet new people, find

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<sup>7</sup> Van den Broek & Koekoek (2014). Presentation workshop Divosa Social Impact Bond, 15 May.

<sup>8</sup> This version is developed by the public health service of Amsterdam and the municipality of Rotterdam. The Youth Counter was one of the first departments to implement it. <http://www.g4-user.nl/sites/default/files/files/Self%20Sufficiency%20Matrix%20-%20EU%20pilot.pdf>



new possibilities for internships, etcetera. Members are inspired to see the Buzinezzclub as a 'family for life'.

Learning to dream, to present, soul-searching, working on a positive attitude towards possible problems will lead to possible business chances and to more determination and endurance in finding a job or re-entering school.

### *Main components and phases*

Four days a week they are coached to find out what they want and how they can reach this in what Buizinezzclub calls a 'mini-MBA'. After three weeks they need to know which direction to take first to reach their goal (although there is room to change later in the program). Not all business-ideas can be executed yet. Sometimes this means they opt for a job (to earn money to invest), sometimes they go back to school first. Other participants abandon their original idea of setting up a business completely.

In line with the main goals, the activities are tailored towards the different routes that the participants choose to follow. Those who decide to set their sights on entrepreneurship develop their business plans and explore the market. They receive specialised training and coaching on this, just like others heading for school or a 'regular' job obtain. But whatever their choice, all participants present their future plans in a pitch after 9 weeks. After six months the official trajectory is finished. Regionaal Bureau Zelfstandigen, a regular public support service for start-ups (linked to the social service), can support the young entrepreneurs who leave the Buzinezzclub. But if they wish, the Buzinezzclub links their members to a voluntary professional buddy for two years as well.

### Main phases:

1. If relevant at the intake and within the first weeks, personal problems such as debts or other obstacles are tackled. Smaller problems are taken care of by the coaches. For more complex problems (large debts, insecure housing situation) specialised public services are consulted, or people are sent back to the Youth Counter for specialised help and care<sup>9</sup>
2. The Kick off: a first event where new participants are introduced to the program, to the coaches and to former participants.
3. Main 6 month programme, 4 days a week:
  - Writing a business plan and a personal development plan;
  - Inspiring workshops by young, successful entrepreneurs and experts: e.g. developing an entrepreneurial attitude, personal branding and presenting, coping with difficulties, project management and time management;
  - Individual- and group coaching;
  - Internship in the sector he/she wants to have a business or a job;
  - Personal trajectory with coaching, networking and financing for making the first steps possible;
  - Coaching and visiting networking events in order to make education, job or business a success.
4. The Fly Out: the event in which the Buzinezzclub hands out certificates to the participants who succeeded, realize the transition into either education or employment in a ceremony.
5. On demand linking members to a coach ('buddy') up to two years.

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<sup>9</sup> With the region's provisions for mental health care, for example.

The Youth Counter is notified when persons do not attend the activities, do not cooperate or leave the programme entirely. Before sanctions are put in place, the coaches of the Youth Counter and Buzinezzclub and the person in question discuss the reasons and make new plans.

## ***2.3 Competences and resources required***

### *Role of paid staff*

The programme works with trainers/coaches who can teach and support young people in developing new skills and competences. They need to be able to connect with the members. The coaches are specialised in either guiding people towards education or regular employed or towards entrepreneurship. They are responsible for both group training and individual coaching.

### *Role of volunteers*

The impact of the programme is also depends on the time and energy that volunteering professionals and business owners are willing to spend. These experts are invited to participate in the training programme (guest lectures). to help the participants fulfil a short internship and – most important - to align themselves for a longer period of time, preferably two years or more, to one or more participants who they support and coach. Important in this respect: the national charity fund Oranje Fonds accepted the Buzinezzclub in its ‘growth programme’, helping them to set up a non-profit pillar and develop a pilot-program to attract volunteers from the business community. In 2014, 40 of such experienced volunteers, were active in the ‘Buzinezzclub community’.

The underlying idea is to organise a ‘Buzinezzclub economy’<sup>10</sup> in which jobs, internships, business-ideas and coaching opportunities are shared within a strong network with large and small enterprises, new and established entrepreneurs and businesses and experts.

A smooth cooperation with the Youth Counter and policy departments of the municipality is also essential according to staff and stakeholders.

The director/founder invests with his own holding (Popvox) in the Buzinezzclub. Previously the Buzinezzclub worked on contracts with the municipality for getting people off social assistance, and now with a Social Impact Bond-agreement (SIB). Additional funding was received from a number of charitable funds. Part of this funding was used to open a second branch in the city of The Hague (2014) and a third in the Drechtsteden region (2015).

## ***2.4 Degree of organization***

The practice works on all (micro- (individual), meso- (friends, family, and neighbourhood) and macro- (opportunities)) levels, although on the meso-level, friends, family and

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<sup>10</sup> Buzinezzclub innovation programme.

neighbourhoods are only indirectly involved, due to the fact that the Buzinezzclub is operating city-wide and is located at a genuine city-centre location. Instead, the Buzinezzclub works on creating ties between the members and between members and local business circles.

The Buzinezzclub is an organised practice in which there is room for improvising and always widening its network, in order to reach its (commercial and social) goals in Rotterdam, and work on its aim to settle in at least 10 cities.

## ***2.5 The logic of intervention***

The main target group consists partly of young people eager to start a business, willing to invest in the difficult journey towards that goal. In terms of the typology, they are: aiming for ‘alternative’ ways to get ahead, with sufficient competences or at least with the motivation to obtain them. They find inspiration in connecting with others, are inspired by the idea of co-creation and gladly accept coaching. They do, however, lack social support, have very limited access to relevant local networks, are often poorly educated and do not have the financial means to invest in a business start up. A second, much larger, group consists of those who do not know (yet) what they want, those who find it hard to develop an image of their future in terms of work and further education. Part of this group is motivated to make changes, others are not. The Buzinezzclub tries to make them ‘entrepreneurs of their own lives’.

The practice is aiming especially at social integration (SID). There is an element of redistribution (RED) in that the project aims to provide unemployed young people with knowledge and networks to start their own businesses. Also, the focus on becoming ‘the entrepreneur of your own life’ and the attention on developing personal skills contains some elements of the third logic (MUD), of elevating morals and incorporating standards of normality.

The practice can be placed in the third quadrant of the typology of social innovation.

## ***2.6 Transfer adaptations***

The practice originated in Rotterdam and was developed there. The practice has been transferred to two other regions. Adaptations in the programme will be discussed in section 4.8.

# **3. Organisational context of implementation**

(Since December 2012) the ‘for profit’ Buzinezzclub is imbedded in a structure with the non-profit foundation ‘Promoting Young Entrepreneurship’. This non-profit organisation does not deploy any activities itself, but delegates the operation of the activities via contracts to the Buzinezzclubs (profit) in the cities, with a headquarters in Rotterdam. The non-profit foundation provides advanced payments to the executive organisation the Buzinezzclub. The

financial risks lie with the for-profit branch. Two staff members of Buzinezzclub also work part-time for the foundation 'Promoting Young Entrepreneurship Buzinezzclub employed 10 people in 2014 (mostly partime jobs).

The Buzinezzclub trainingprogramme starts twice a year, in spring and in autumn. The capacity of the groups is 40 participants. Since the Social Impact Bond (SIB) came into operation, the municipality has the obligation to 'deliver' 40 participants. All participants are selected by the municipal Youth Coaches. All are unemployed and without basic qualifications.

The permanent coach at The Buzinezzclub is an important link between the participant, the municipality (i.e. Youth Counter) and the voluntary Buzinezzclub coach. When members show little effort and participation falls behind, the Buzinezzclub coach communicates this with the youth coach at the Youth Counter. The young person will be invited for an interview with both professionals. Since it is mandatory for young people to participate in one of the provisions if they are not at school or do not have a job, inadequate participation does have consequences for social assistance. This is made clear right from the beginning. Buzinezzclub coach and municipal youth coach can, however, decide that someone is better off at another provision, e.g. in case a person needs specialised care.

### *History*

The Buzinezzclub is an idea from a social entrepreneur who started a facility for young creative entrepreneurs in an old grain silo on the south bank of the Nieuwe Maas in 2008: The Creative Factory. He created a creative hub by offering young start-ups a cheap and flexible place to work, meeting places and some support. One of the success factors was the involvement of professionals for advice and training. In 2009 Rotterdam was the Youth Capital of Europe. In a discussion on unemployment of deprived young people the social entrepreneur argued that there is more economy in these young people than professionals expect. Built on this idea, the Buzinezzclub was established. The concept is similar to the concept behind the Creative Factory but participants of the Buzinezzclub receive far more support. There is a Buzinezzclub in Rotterdam since 2009 and new ones were established in The Hague (2014) and Drechtsteden (2015). The Buzinezzclub is accessible for those on social assistance in the (wider) city (area). The ambition is to start Buzinezzclubs in at least ten cities.<sup>11</sup> At the moment, the resources seem to be sufficient to support 80 people per year in Rotterdam: 40 in September and 40 in March.

### *Quality standards*

The Buzinezzclub is not working with general quality programmes that award certificates. However, quality is taken care of in various ways. There is a weekly team consultation, in which progress of all participants is discussed. The quality of the program is evaluated by asking (former) participants for feedback on the workshops and training offered on a regular basis. At the moment this happens by approaching participants one-by-one by phone. The Buzinezzclub is developing an online follow-up system with automatic and more frequent evaluative questions. The Buzinezzclub has developed an expanded training program, in which the key values and rules for behaviour at the Buzinezzclub are formulated. Twice a year, after finishing the trajectory, the files of the participants are handed over to the municipality. When problems occur there is frequent and daily contact with the contact person at the Youth Counter, who has access to the pathway-registrations of the individual

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<sup>11</sup> Year report 2013.

participants. As mentioned before, the Youth Counter (SSM), Start Foundation and the SIB-framework also require monitoring.

#### *Degree of integration in local structures*

The Buzinezzclub is one of the few remaining provisions in the ‘landscape of provisions’ of the municipality of Rotterdam that are *specially designed* to help *young* unemployed, vulnerable people between 17-27 years of age to find (further) education or a job and that receive substantial financial support.<sup>12</sup> The municipal Youth Counter, and thus Buzinezzclub, are obliged to work in line with national legislation. This includes a ‘School First’ approach and a ‘search period’ of one month in which young people who have applied for social assistance at the Youth Counter have to look for school or work themselves without receiving any public assistance. Provisions such as the Buzinezzclub are not allowed to help people during that period, unless Youth Counter staff decides otherwise (which happens occasionally depending on personal judgement of Youth Counter coaches and/or personal circumstance of the client involved.). With these rules the national government hopes to promote self-sufficiency and fight inactivity among young unemployed people. A second important rationale is to bring down the number of young people living on benefits by erecting barriers to social assistance.

#### *Policy context*

The municipality strives to positively connect young people to society, wants to prevent them from getting in a downward spiral in case of personal problems and wishes everyone to obtain a starting qualification (‘School First’). The Self-Sufficiency-Matrix mentioned before is used by all organisations working with vulnerable young people in Rotterdam to measure self-reliance and helps directing people towards school, work or care. Yearly, approximately 7500 young people visit the Youth Counter. Approximately 2500 of them receive a form of support. New policies are designed at the Department for Societal Development.

#### *Practice linked to other practices/services?*

The organisations is – under the current agreements - not allowed to refer or attract participants to/from other services, other than through the Youth Counter. Reference of participants to general or specialised public or private services catering for needs such as debts, housing or mental care is communicated with the Youth Counter, and mostly coordinated by this office, although the Buzinezzclub coaches try to solve smaller problems themselves or assist their clients to solve them themselves. Of course the Buzinezzclub has established close links with businesses and business circles and networks.

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<sup>12</sup> The others are Challenge Sports and De Nieuwe Kans (The new Opportunity). In addition, young people with severe mental health problems are also directed to a programme in which a range of care suppliers cooperate: Aan de Slag met Zorg (Get Active with Care). Beside this, some small, mostly temporary, initiatives at the neighbourhood / District level receive limited financial support.

## 4. Project implementation and outputs

### 4.1 Targeting of the program

Young unemployed people aged 17-27 (in exceptional cases up to 29) who are registered at the municipal Youth Counter and receive social assistance are the *only* potential clients of the Buzinezzclub. Employees of the Youth Counter decide who is suitable for The Buzinezzclub and has to go to the intake there. They do so with help of the self-sufficiency matrix and a general division of the available services in clusters of services' (such as schools, support-programmes towards schools and employment (including Buzinezzclub) and care). Potential participants of the Buzinezzclub are in need of support, but do not have acute and complex needs on housing, mental care or debts, although in reality problems in these areas do exist and sometimes frustrate attempts to complete the Buzinezzclub pathway. In exceptional cases, related to the complexity of the individual problems they are dealing with, people can be sent back to the Youth Counter during the first week(s),

Referral of the 'right' people who want to develop a business plan requires excellent contact with the Youth Counter, and a thorough understanding of the Buzinezzclub methodology by the youth coaches at the Youth Counter. In the past the Buzinezzclub experienced difficulties in getting its message across to the 40 youth coaches at the Counter. Their complaint was that many youth coaches do not see entrepreneurship as an option for their young clients who face many smaller or larger problems. Moreover, many young people do not share their entrepreneurial wishes (or actions), as they are there to apply for an allowance in the first place. It would be more beneficial for the Buzinezzclub if they would be able to present themselves to young people at the Youth Counter directly. That way taking part in the Buzinezzclub would be much more the choice of the young person himself, rather than being sent to a reintegration pathway. This fits better with the Buzinezzclub philosophy, that engaging in entrepreneurship should be a conscious choice. The Youth Counter is not willing to change its policies on this point, it strives to make their clients responsible for their own choices, but within a limited range of possibilities ('flavours') to choose from. The Counters' youth coaches decide whether they will inform their clients about the Buzinezzclub or not. Related to this, the Assessment committee on Youth interventions (2014) points to the fact that knowledge on the size and characteristics of the group of young people with 'business-dreams' is completely absent. As a consequence, there are no specific criteria for referral available to the coaches.

At the moment young people who are not on social assistance are excluded, as there is no financing for participation of these young people. In the past, the Buzinezzclub has looked for opportunities to cater for this group too, but lack of funding and the choice to focus on people who cannot develop their plans without support, made them stopping exploring this route. The Buzinezzclub also does not accept participants with serious mental health issues. Psychological problems are diagnosed by the youth coach of the Youth Counter during the first interview (i.e. on the basis of a testimonial of a General Practitioner). This information is not always shared with the Buzinezzclub, and sometimes it only becomes clear during the intake at the Buzinezzclub. Young people with an allowance from the 'Wajong', a special support for people who were disabled before they are 18 years old (among whom young people with mental health problems) are invited for the intake. However, in general, it is not possible for the Buzinezzclub to provide the coaching this group needs. In addition, this target group cannot always keep up with the pace of the trajectory.

Despite the dependence on the municipal referral system, forms of free publicity are seen as important and organised through the website, flyers and articles in newspapers (e.g. after the introduction of the SIB and a visit of Queen Maxima to Buzinezzclub, The Hague). Potential members might ask their municipal coaches to be referred to the Buzinezzclub and publicity can also help in disseminating the Buzinezzclub-concept.

#### ***4.2 Addressing needs***

At first sight the programme is more suited for people with business dreams than for people without any plans, or those who opt for education or ‘regular’ employment. In reality, the programme is partly individualised: within the programme-format and with an obligation of finally choosing for one of the three routes (entrepreneurship, job, school), the participants have freedom of choice and are able to organise field-visits and internship according to their own wishes: *“Everyone is good at something, so a positive solution is always possible. What that will be? We will find out together with you.”*<sup>13</sup>

It is, however, an individualisation within limits dictated by the rather detailed agreement between provider and commissioner of the service and local and national regulations, such as School First. It sometimes leads to disappointment, like in the case of member Adjied, who had pretty concrete business plans but ran into some obstacles, asked for advice at the Chamber of Commerce but felt he needed more support. But when he turned to the Youth Counter for support, they put him on the track of getting back to school. *“The Youth Counter is not going to stimulate you to start a business., even if your plans are in a really advanced stage. I did market research for my products but this wasn’t approved: ‘you are already into sales, and that is not allowed’. I had to come to the office and explain. On the one hand they want to stimulate you, on the other hand they’re blocking all your attempts.”* Although Adjied is now developing his business plans at the Buzinezzclub, his Youth Counter coach still wants him to get back to school and first finish his education.

#### ***Monitoring of the success factors and results***

Monitoring of the key goals and output takes place in different ways and by different agencies (see section 2.2). In addition to this monitoring, that leads to a clear picture of the short-term results, long term research on outcomes (both qualitative and quantitative) has not been conducted yet although all facilities in the ‘landscape of provisions’ and the relevant departments in the municipality underline its necessity. The Buzinezzclub is working on organising its own online monitoring system, to be able to follow the participants for 3 years after ending the programme. It should also be accessible for the voluntary coaches and the members themselves. The professionals have a clear vision on the difficulties of bringing this ambitious attempt to a good end. These include, e.g. losing track of mobile phone numbers, and people providing non-information or exaggerating their success or hiding their failures. Whether this attempt will be successful remains to be seen.

#### ***4.3 Empowerment, engagement and choice***

The participants have limited influence on the structure and general content of the programme, although they can choose between the different routes towards education, jobs or

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<sup>13</sup> Flyer Buzinezzclub The Hague.

entrepreneurship, with implied differences in part of the content and of the nature of the support they receive. Moreover, they are invited to express what issues and problems they want to tackle and receive assistance on. As a general rule, confirmed by the information we obtained from the participants, they take the opportunities to choose and fine-tune their programme.

The Buzinezzclub-programme demands a fair deal of energy and endurance of the participants. The participants' role could probably be best described as active actors since they are explorers of their own capabilities and solutions. The members are far more than just consumers: the director emphasizes that only "*if the members are successful, the Buzinezzclub will be successful*" ( meaning able to earn money). While there might be a fair deal of rhetoric and PR in sentences like these, it is clear that successfully participating in the programme requires the active and self-styled involvement of the participants. They have to use their strengths and work on their weaknesses whilst developing and fine-tuning their plans. A simple example of the freedom of choice for the participants is the possibility to switch from the entrepreneur-group to the work-and-education-group, even in the 9th week of the programme, when the entrepreneurs are going to pitch their business plan for potential financiers. According to one of the coaches, it is possible that a member only then realises: "*I don't have enough skills or means yet to do what I want. I need to go to school or earn money first*". One young man even realised two new business plans after his pitch. On the other hand, as indicated before, *before* they enter the Buzinezzclub, their freedom to choose is rather limited.

#### ***4.4 Stakeholders involved***

See sections 2.3 and 3.

#### ***4.5 Competences and resources involved***

In addition to sections 2.4 and 3, the following aspects have to be mentioned here.

The Social Impact Bond (SIB) is a financial construction to formalize a partnership, in which private parties invest in solving a social problem that costs the government a lot of money. The government pays back with the money it is saving, including possible interest. In December 2013, ABN AMRO Bank and Startfoundation invested in the Buzinezzclub to form the first Social Impact Bond in The Netherlands with the municipality of Rotterdam. The Buzinezzclub promised to coach 160 young unemployed persons without a basic qualification towards work or education in two years' time. This trajectory does not cost the municipality of Rotterdam anything, unless the municipality saves money on the expected duration of the social assistance of a certain young person. If the municipality saves money, the Buzinezzclub and partner investors receive a part of this economization of allowances. In this Social Impact Bond, interest can rise to 12% on a yearly basis. The faster young people move out of the allowance system, the higher the interest. On the other hand, the Buzinezzclub and investors are running financial risk; the municipality does not. As various sources indicate, the economic interest of the municipality is to send participants who are expected to be on benefits for the longest time. This way, possible tendencies towards creaming off the unemployed, and subsequent exclusion of the more problematic population within the target group, are blocked. This may explain why there has been some confusion, or covert struggle,



over the ‘right’ participants for the project since the Buzinezzclub has to reduce the time on benefits as much as possible to be able to give its private investors a financial return on their investments. The possible economic (dis)advantages for the municipality and private investors are not particularly high, but for the future of the Buzinezzclub and the further dissemination of the SIB in the Netherlands, the outcome of this first SIB in the Netherlands is important.

The SIB is more than a straightforward ‘no cure no pay’ construction, since it is an expression of the (public-private) partnership idea. According to the owner / director a SIB construction has clear advantages compared to ‘traditional’ commissioner – service supplier relationship, since it is an agreement in which the municipality is also responsible for certain efforts. The municipality’s Youth Counter has to ‘deliver’ a fixed amount of participants. This makes the government “*a trustworthy partner, and not one that can choose to send you first zero and the next time 100 people*” (General Director). Buzinezzclub will continue to focus on SIBs but a diversification of its business model seems likely. In Drechtsteden (since 1 January 2015) the Buzinezzclub and Drechtsteden worked out a different form of private-public cooperation in which the Club receives a preliminary payment ‘on risk basis’ (but that risk is based on a relatively low level of success). This construction has advantages in terms of cash flow (a lower need for pre-financing). Beside this, Drechtsteden does not have to pay interest to the (private) investors.

The Buzinezzclub also attracted funding in a more traditional way from regional and national Charities. These charitable funds invested mostly in the rolling out of the project to new cities, the development of the voluntary approach and the acquisition and training of volunteers. Investments were also made in improving the method and the systems to monitor the personal development of the members and giving all (voluntary) coaches and young people insight in the progress made.

#### ***4.6 Barriers and drivers for implementation***

##### *Drivers*

According to our analysis, the main drivers for implementation seem to be:

- Long-term strategy of the founder/owner of the social enterprise
- Connections with the business community (funding, volunteers, incidental support)
- The way in which members are durably linked to the programme and goals of the Buzinezzclub.
- Financing on the basis of results rather than effort. This may also partly lead to perverse incentives for both the municipality and Buzinezzclub, but it provides a general incentive in line with the philosophy of the project.

##### *Barriers and challenges*

Since the Buzinezzclub is quite successful in terms of attracting funding and showing positive results, it is clear that it managed to overcome various obstacles. However, our evaluation shows some remaining barriers and challenges.

An important operational barrier is the fact that – although seen as a target group with relatively light problems - many potential participants have debts and other problems that prevent them from fully concentrating on the programme. A Buzinezzclub coach emphasises

that all coaches invite the members to come to them in case of personal problems: *“Are you in debts, do you have a housing problem: tell us! From the first session on we’re calling them to come to us. We emphasise this all the time! In general, some trust building is necessary first, but then they come to us with their problems”*

The Dutch re-integration system for young people is focussing on School First, and is less suited for ‘entrepreneurial spirits’. There is almost no information on the number of young people with ideas and capacities for setting up businesses and there might be more people than initially expected. According to the view of the Buzinezzclub founder, entrepreneurship could be a more fruitful way to avoid a future with insecure and poorly paid labour and a limited social network: *“The system has only few incentives to pull people out of their situation.”*

Regarding the activation of young jobless persons, according to the Director one of the *“key problems is that the municipality is a monopolist. If they don’t send organisations like us participants we have a problem. And we don’t get funding nor are the young people entitled to social assistance, if we try to get them in/attract them directly.”* At the same time, the fact that the Buzinezzclub is one of the few organisations allowed to deal with the ‘monopolist’ gives it a clear advantage. Under the Social Impact Bond-agreement, the relationship between municipality and Buzinezzclub has shifted from a supplier – contractor relation to one between (private and public) partners. But the SIB is not only a blessing. Under the SIB, the Buzinezzclub increasingly has to work with participants who are not motivated, or who try to persist in resisting any offer for help from the municipal agencies, other than obtaining the monthly benefit. The Youth Counter signed to the obligation of filling the Buzinezzclub trajectories and if they do not have 40 ‘suitable’ or at least motivated individuals, they have to send less motivated others as has been the case lately (September 2014, March 2015). *“We have to send less motivated people to the Buzinezzclub to meet our obligations”*, states a municipal representative.<sup>14</sup> On the other hand, *“a person who would match perfectly with the Buzinezzclub, but does his or her intake in for example December misses this opportunity”*, although they can obtain support from the regular local starters desk of the Chamber of Commerce. A coach explains that the Youth Counter expects young people to remain active in bettering their chances, even if they already know they’ll start an education after finishing the Buzinezzclub programme: *“One is obliged to follow a trajectory or do voluntary work. The Buzinezzclub is one of these possible trajectories. We used to have more members at The Buzinezzclub who really wanted to become an entrepreneur. But now we have more young people that are sent, among whom a group that doesn’t want to be here”*.

The Buzinezzclub would prefer to inform potential participants visiting the Youth Counter directly, but the municipal policy is, other than in The Hague where the Buzinezzclub can organise speed-meet opportunities, to provide information on the limited ‘flavours’ available only through the Youth Coaches at the Youth Counter. The Buzinezzclub depends on its good relations with the Counter and its contact person there. The youth coaches of the Youth Counter have gained more information concerning the Buzinezzclub programme, personal links have developed, and more coaches have a feeling of what the programme tries to establish with the participants. Since the staff at the Counter changes quickly, it is important to keep investing in direct contact.

The assessment committee Youth Interventions (2014) assessed three interventions namely the Buzinezzclub, Challenges Sports and En Route<sup>15</sup> and lists as a point for improvement that the Buzinezzclub programme is not embedded in theory on re-integration nor based on knowledge of ‘what works’ in youth interventions. The Buzinezzclub Founder/General Firector holds as “*a major wish to think further on the programme, and connect it with scientific knowledge*”, although he is suspicious towards programmes developed ‘behind desks’.

**4.7 Innovativeness**

Key areas of innovation include:

- The contribution of the Buzinezzclub to raise awareness for the fact that it is important to work with the personal drive (dreams and intrinsic motivations) of young people and to develop a good programme for this.
- The attempts to develop a third path for personal development and economic independence, besides steering on education and (often unskilled, low paid and insecure) labour.
- Way of funding: Social Impact Bond
- Establishing real and lasting connections with the business community on different levels to ensure sustainable impact of the programme:
  - individual coaching
  - providing an easily accessible, yet professional network to young people

The intervention addresses young people with an entrepreneurial attitude.

*Levels of innovative solution and key stakeholders:*

Level → Innovative element ↓	Individual Strategies	Informal Networks	Institutional solutions	Solutions in networks of actors (mixed)
Build a programme around personal drive young people	X			
Promote entrepreneurial attitude	X	X		
Innovation in funding & pps: Social Impact Bond				X
Establish sustainable connections with business community		X	X	X

<sup>15</sup> Currently no longer part of the landscape of provisions.

### *Key dimensions & place in typology*

The Buzinezzclub model works on diminishing the distance between young people from relatively deprived neighbourhoods and mainstream society by building trust, working on capacities and knowledge, changing behaviour and creating new connections and opportunities. In this way, the model bridges the gap between the *competences* of the participants and those required for becoming successful as entrepreneurs or employees. Moreover, it also addresses motivational issues. The intervention can be placed in the third quadrant, as addressing entrepreneurial young people aiming for alternative ways to get ahead, with sufficient basic competences or at least motivation to develop these. The de facto target group partly matches this quadrant. These participants do, however, lack social support, have very limited access to relevant local networks, are often poorly educated and do not have the financial means to invest in a business set up. A second, much larger, group consists of those who do not know (yet) what they want, those who find it hard to develop an image of their future in terms of work and further education. Part of this group is motivated to make changes, others are not.

The Buzinezzclub achieves its own results mostly with the type of participants that the intervention addresses. The logic of the intervention is also used for working with other target groups, through adjusting the aim of “supporting people towards entrepreneurship”, to “supporting people to become entrepreneurs of their own lives”.

### **4.8 Success factors and conditions**

The Buzinezzclub model was developed while the business was running, which makes it impossible to speak of an original ‘project design’. Some changes were also demanded by the new business model (i.e. the introduction of the SIB). We can, however, identify some changes that were implemented during the last few years (a) the introduction of volunteers to extend the individual coaching-phase (b) the Buzinezzclub moved away from a ‘success ladder’ (from inactivity via education and regular jobs with entrepreneurship as ultimate goal) as model towards a more open, more flexible, but perhaps also more vague idea of fostering an entrepreneurial spirit among young jobless people.

#### *Critical success factors*

From our interviews with participants, the following factors emerge. In their opinion, the working elements of the method are:

- It is a group intervention, with a positive and activating tailor made approach
- There is individual coaching available and personal problems can be solved.
- Participants become a member of a team that will not let them down. The members feel part of an informal mutual support network.
- Members know that they can receive further support in the future from the Buzinezzclub staff and volunteers.
- Members are being introduced into a professional network with people they normally would not meet.

The following quotes illustrate these key factors:

*“On the first day I noticed: ‘Okay, this is not – what I’m used to - simply learning how to write a job application letter or improving a resume. This is deep thinking’. That scared me a bit”.* (Female, 23, unemployed )

*“You get more self-confidence, you get the message that you really can do what you want. You aren’t treated as a number but as a person. They approach you as a person with his or her own abilities. (...) I expected to be seated behind a computer and do stuff myself, with the possibility to ask questions when needed.”* (Female, 25, employed)

Later she explains that the support is not just an injection of positivity: *“In the beginning I was overconfident. I thought I could start my Bakery tomorrow. Now I’m more realistic: I need more means and there are financial risks. That’s why I am following a course to become a beautician as well”*.

Another participant also expected *“to be thrown into some group, do some assessment, get the results and project finished”*. This expectation was based on experiences of friends, he only heard of bad experiences. *“People here are really enthusiastic, they seem to believe in their work, they’re not like ‘we’ve got to keep them busy’ “*. (Male, 23, unemployed)

Our general conclusion on the basis of a review of all sources is that the critical success factors are:

- Connection with the motivation and character trait/personality of young people is the key to success. Acknowledgement that many factors can lead to inactivity and that trying to solve hindrances on specific domains is essential but not enough. Placing the ideas and dreams of young people in the centre is a way to make this connection and from thereon work on solutions on various aspects of life. *‘Taking them seriously, motivates young people. (...) They make a business plan for an enterprise and a business plan for life. That’s their strength.’* (Representative Youth Counter)
- Positive, individualised support, aiming at fostering an entrepreneurial attitude and related changes in behaviour. *“Even though we now also have to send less motivated people, Buzinezzclub is able to change things for the better in the behaviour of them”*, a public official states. Creating a safe environment, allowing people to make mistakes, helping people to explore and reconsider their dreams are essential elements of this approach.
- Connections with the regional business community are crucial: sustainable multi-annual coaching can be offered through collaboration between permanent staff, voluntary professionals and entrepreneurs. The contribution of these voluntary professionals varies from an incidental workshop to structural coaching of young persons for an average of two years.
- Members are active ambassadors for new members. The Youth Counter coach estimates that 80% of the participants are positive about the programme they receive at the Buzinezzclub. Creating a ‘family feeling and emphasising ‘once a member, always a member’ contributes to this.
- Long-term orientation: investing in long lasting relationships and networks, volunteers who work for some years on the goals that the members formulated during the group coaching trajectory in the first half year. As a volunteer expresses<sup>16</sup>: *“They’re missing the tools to realise their dreams, and the insight that it goes step by step, one does not reach the top at once. I feel that as a volunteer I can be a real help in this, next to the work the Buzinezzclub delivers for these young people. It is about trust, unravelling*

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<sup>16</sup> Year report 2013, p.18

*the dream into practical pieces and showing them that one can always start over again.”*

## **5. Project results: impact (effect) and outcomes**

It is difficult to draw a line between direct results (effects) of the programme and the outcome, or between intended and unintended outcomes. As mentioned in section 2.2 data on results are collected by the Buzinezzclub for the municipality through the Self-sufficiency matrix and for municipality and private investors within the framework of the Social Impact Bond. Furthermore, the organisation monitors the development of its participants through a ‘member follow up system’ although this system is still subject to changes and adaptations. In this section we present the main results that are monitored and reported.

Since 2009, more than 400 young people participated in the Rotterdam programme of the Buzinezzclub.

According to Buzinezzclub, the placement of participants in the Rotterdam programme<sup>17</sup> (i.e. people finishing the programme) included:

- 5-10% took follow up steps to start a business/company (next to job/education).
- 40% found a job
- 20% continued in education<sup>18</sup>

The total number of people leaving social assistance and becoming ‘active’ was measured at various moments in the past, although due to differences in the target group and significant changes in the programme itself (e.g. the introduction of volunteers for post-programme coaching) figures are hard to compare. A limited research by the Economic Development Board Rotterdam on figures obtained from different departments of the municipality revealed that between 36% and 67% of the participants were following education, at work or busy setting up a business during or just after the trajectory, with an average of 43%.<sup>19</sup> The author of the study mentions a discrepancy between the estimations by the Buzinezzclub of the percentage of successful outflow (80%) and the percentage of young people that in reality no longer depended on benefits. This research also presents figures on the percentage of people returning to social benefits, after first ending it (on average 24%).

Other research<sup>20</sup> seems to indicate that in the long run more participants than the before mentioned 43%, namely up to 70%, are staying out of social assistance. It is important to measure results over longer period of time, but since most young people tend to leave social assistance at one point or another, it is difficult to link the results 6 months after leaving the programme to the Buzinezzclub intervention alone.

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<sup>17</sup> The Hague first year figures are similar : 10% business, 40% job, 20% education. Earlier figures were higher (Rotterdam 2010 pilot): 15%, 49%, 21%.

<sup>18</sup> Assessment Committee Interventions Youth 2014: p. 24.

<sup>19</sup> EDBR, in Assessment Committee Interventions Youth, 2014: p. 30.

<sup>20</sup> Including a smaller study of Buzinezzclub and Regionaal Bureau Zelfstandigen, social office Rotterdam, showing that 70% (93 out of 133) participants was active after one year (Assessment Committee 2014: p. 22).

Whatever the case, the estimations by the General Director for the groups that started autumn 2014 and March 2015 are more moderate. For the group that started March 2015 the expectations were that 60% of those who started will have no social assistance benefit after six months. Of them, at least 30% will have found work, 20% will start a new trajectory in education and 10% will have started to run a small business. The autumn 2014 group proved to be extremely difficult to handle in terms of motivation. The team is nevertheless 'satisfied' that after five months a 40% outflow out of the social assistance scheme was achieved. Earlier years also showed strong fluctuations in the number of positive placements and in the number of participants that managed to stay out of social assistance.

A more precise way to measure the impact of the programme seems to be to look at a possible reduction in expenditure on social assistance among Buzinezzclub participants compared to groups with a similar profile. An essential outcome result that was fundamental to starting the Social Impact Bond is on the reduction of the number of months on social assistance: young people who joined the Buzinezzclub spent 6-7 fewer months on social assistance than other comparable young people on social assistance. These findings date back to 2013. The SIB outcomes on 2014 are not public at the moment of writing (June 2015), but Deloitte, as auditor of the SIB, will circulate the achievements on the outcome (only in terms of months of social assistance payments avoided), later in 2015 The Buzinezzclub participants will be compared with a control group with a similar profile.

Important effects of another nature include the improvements in the level of self-sufficiency (as measured through the Self-Sufficiency Matrix<sup>21</sup>) and underlying enhancements in skills and knowledge, in trust in social networks and institutions, self-confidence and in a more positive attitude towards education, work and entrepreneurship. At the same time we have to acknowledge that the impact on actual entrepreneurship seems rather modest and lower than the past (and in the meantime adjusted) goals and plans said to strive for. And whether or not the members develop an entrepreneurial attitude, can only be judged by statements of the members themselves, or indirectly by improvement in the level of self-sufficiency (beyond the scope of this case study). It is hard to judge the outcome here: is 5% – 10% of new entrepreneurs among this target group low or high? One thing is clear: much effort is needed to get to these outcomes.

#### *Other Outcome*

Members often stack activities. They combine an education or a part-time job with setting up/running a business. Exact figures on this are not available.

A wide range of business ideas were developed and start-ups by former participants have seen the light in the field of fashion, music, design, social enterprises, lifestyle, food, photography, painting & decoration.

The positive results and outcomes, and also the way they are communicated, did attract new, private funding beneficial to the target groups (and the city).

#### *Side effects and unintended outcomes*

Related to the previous point, these new businesses can contribute to new economic activities in various neighbourhoods and the re-use of abandoned shops, offices or factories.

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<sup>21</sup> Although to date the SSM is more a selection and placement instrument than a tool for monitoring individual progress and other outcomes.

A positive side effect could also be mentioned: closing the gap between young people with dreams but without means and social networks and those who do, and the fact that successful professionals and entrepreneurs get connected to less privileged individuals.

Next, the indirect motivation of family members, friends and peers by the experienced successes of the members, and their stories on the steps they have taken. Thus the members could develop into positive role models.

The Buzinezzclub points at the long term impact of its programme and claims that it can prove that 50% of the positive outflow follows directly from its programme, but that another 10% could not be accounted to the programme, although a relationship would be likely. Improvement in examining the impact is necessary. Qualitative research is especially essential to assess other outcomes (such as personal development), including longitudinal studies into the careers and other developments in the lives of the former Buzinezzclub members.

#### *Cost benefit analysis*

A comparison with similar practices is difficult to make. The cost per client (€5.500) is higher than that of Challenge Sports (€3.500), but lower than those at The New Opportunity (although until 2016 there is no calculation or financing on costs per client at The New Opportunity) that has a more difficult target group. All eyes are set at the figures that will be produced from 2015 on within the Social Impact Bond agreement: these will show the possible savings made on social assistance. The higher these savings, the higher the profit (interest up to 12%) will be for the private investors. The savings are calculated as a reduction in the number of days the Buzinezzclub members will receive assistance, compared to the forecasted time of receiving assistance (based on specific variables and historical numbers).<sup>22</sup>

The Buzinezzclub was successful in attracting additional funding from charitable funds for improving its programme and dissemination to other cities. It is too early to say what the social returns on these investments will be. It is clear, however, that total investments in the Buzinezzclub are much higher than those within the SIB alone. The same has to be noticed for the results: these do exceed the savings on social assistance. Together with the dynamic character of and changes in the intervention, this makes it difficult to estimate the total costs of the project against the savings on social assistance or to make a comprehensive calculation of costs and benefits at this moment.

## **6. Final reflections**

### ***6.1 The role of the pilot/project/practice***

Figures seem to indicate that in the Netherlands more young people than ever start their own business and that this group continues to grow at a high rate, also among lower educated youth. Starting your own business can be a way out of poverty when traditional ways of career making through the educational system are blocked, and for poorly educated people jobs are increasingly temporary, low paid and insecure. But the rate of failure of these attempts to run one's own business is also high.

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<sup>22</sup> See also presentation of SIB program manager of City of Rotterdam at OECD, Paris, 15 April, 2015.



The impact of this particular project in Rotterdam on underlying problems such as debts, unfinished education and, in some cases, the lack of a stable home situation is limited. However, the impact on the mind set (motivation), behaviour and level of participation of approximately 80 young people per year is substantial. Moreover, a broader impact on families and peer groups and on the economic vitality might be expected.

## **6.2 Innovation**

In terms of WP3, the Buzinezzclub can be considered to be mostly concerned with bridging: connecting participants with knowledge and people that can help them. Communing and building trust are also important elements of the approach. In terms of WP6 the Buzinezzclub aims to support young people aiming for alternative ways to get ahead, with sufficient basic competences or at least motivation to develop these. The philosophy is, more or less successfully, also applied to other types of participants, in supporting them to become entrepreneurs, or developing an entrepreneurial spirit.

Key areas of innovation include:

- The contribution of the Buzinezzclub to raise awareness for the fact that it is important to work with the personal drive (dreams and intrinsic motivations) of young people and to develop a good programme for this.
- The attempts to develop a third path for personal development and economic independence, besides steering on education and (often unskilled, low paid and insecure) labour.
- Way of funding: Social Impact Bond
- Establishing real and lasting connections with the business community on different levels to ensure sustainable impact of the programme:
  - individual coaching
  - providing an easily accessible, yet professional network to young people

## **6.3 Success factors**

All sources examined, our conclusion is that the critical success factors are:

- Connection with the motivation and character trait/personality of young people is key to success. Acknowledgement that many factors can lead to inactivity and that trying to solve hindrances on specific domains is essential but not enough. Placing the ideas and dreams of young people in the centre is a way to make this connection and from thereon work on solutions on various aspects of life. *‘Taking them seriously, motivates young people. (...) They make a business plan for an enterprise and a business plan for life. That’s their strength.’* (coach municipal Youth Counter)
- Positive, individualised support, aiming at fostering an entrepreneurial attitude and related changes in behaviour. *“Even now we have to send also less motivated people, Buzinezzclub is able to change things for the better in the behaviour of them”*, the representative of the Youth Counter states. Creating a safe environment, allowing people to make mistakes, helping people to explore and reconsider their dreams are essential elements of this approach.
- Connections with the regional business community are crucial: durable multi-annual coaching can be offered through collaboration between permanent staff, voluntary

professionals and entrepreneurs. The contribution of these voluntary professionals varies from an incidental workshop to structural coaching of young persons for an average of two years.

- Members are active ambassadors for new members. A representative of the municipal Youth Counter estimates that 80% of the participants are positive about the programme they receive at the Buzinezzclub. Creating a ‘family feeling’ and emphasising ‘once a member, always a member’ contributes to this.
- Long-term orientation: investing in long lasting relationships and networks, volunteers who work for some years on the goals that the members formulated during the group coaching trajectory in the first half year. As a volunteer expresses<sup>23</sup>: *“They’re missing the tools to realise their dreams, and the insight that it goes step by step, one does not reach the top all at once. I feel that as a volunteer I can be a real help in this, next to the work the Buzinezzclub delivers for these young people. It is about trust, unravelling the dream into practical pieces and showing them that one can always start over again.”*

#### **6.4 Policy recommendations, transferability**

The reputation of Dutch commercial enterprises active in the field of job-re-integration and activation is - to put it mildly - not very good. Re-integration businesses are often described as ‘cowboys’, mainly active in the field to ‘make easy money’, albeit under conditions (contracts) set by the public authorities. A range of studies underlined the poor performance in terms of lasting effects and (other) outcomes of the highly commercialised Dutch re-integration market. Poor quality of the programmes / activities offered, the absence of tailor-made, individualised support schemes and sub-optimal commissioning of services (focussing on short-term output rather than on outcome) are especially mentioned as problematic. The Buzinezzclub claims to be the opposite of the acclaimed ‘hit and run’ mentality of many re-integration firms. And there is ample evidence that this is true, in theory and practice. The Buzinezzclub works on long-term goals, and experiments with forms of private-public partnership new to the field.

The Buzinezzclub focusses on young unemployed people with limited or no basic education, a limited social network and often problems regarding, income, debts, but with an above average potential for learning, personal growth and entrepreneurial spirit. However, we tend to think that their approach can also lead to positive outcomes for ‘more difficult’ groups, although not for those with multiple and severe problems. For them working on normalisation of their hectic existence is hard enough.

The entrepreneurial spirit of the founder led to a new approach to funding these interventions. This case study presented some interesting innovations, attracting abundant attention with the first Social Impact Bond in the Netherlands. The other side of the coin is that the private funding might hinder transparency and the dissemination of (working elements in) the model.

The practice has potential for further dissemination and the ambitions of the Buzinezzclub itself are high: in at least 10 cities local clubs/networks should emerge. A major challenge will be to create sufficient volume, in order to be attractive as an important partner for new municipalities and private investors, while at the same time keeping a clear focus on fostering an entrepreneurial attitude and contributing to new successful businesses.

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<sup>23</sup> Year report 2013, p.18

### *Policy recommendations*

The case of the Buzinezzclub shows that a combination of interventions on behaviour / mind set, tools for personal develop and practical leads towards the labour market is promising. In offering this combination, the Buzinezzclub is not unique.

The Buzinezzclub shows that commercial enterprises can contribute to public values and goals, as long as public or private investments into these businesses are aimed at long-term, sustainable results.

The Buzinezzclub example draws attention to the fact that the capacities of (vulnerable) young people should not be underestimated. Although many lack the right resources and have a limited social network, their creativity and endurance can help them find their way in society after a sometimes difficult start. Moreover, it illustrates the importance of helping young people explore different routes. Public and private actors should not limit their actions to bringing young unemployed people to unskilled work, or bringing this work to them.

The case reveals a discrepancy in (local) policies between the proclaimed emphasis on the responsibility of young people to choose their own path towards self-sufficiency and the rather directive pre-set route towards school, work or care, for which in reality the primary decisions are made by the coaches of the municipal Youth Counter, not by the young people involved.

This case also highlights the importance and difficulties of setting up a local monitoring system – even for a local authority with a relatively good record on monitoring and evaluation - focussing on keeping track of young people over a long period (2- 5 years) of time.

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<http://www.g4-user.nl/sites/default/files/files/Self%20Sufficiency%20Matrix%20-%20EU%20pilot.pdf>

## **Appendix 1 Respondents**

- founder/general director Buzinezzclub
- management assistant, Buzinezzclub
- coach, project leader Buzinezzclub Rotterdam
- coach Buzinezzclub Rotterdam
- representative of the Youth Counter Rotterdam
- 15 participants: 5 female, 10 male, age 18-27, 13 of them from minority groups (Caribbean / Surinam, Eastern Europe), mainly born in the Netherlands