



Category of Good Practice: Entrepreneurship

Good Practice's title: Business Development Platform (BDP)

Aid to employment

Main objective

The aim of the practice is to facilitate start of social businesses and create jobs to people living on welfare benefits in immigrant dense and excluded areas by linking microfinance, and provide administrative and legal coverage.

Key words:

Entrepreneurship, Self-help, Empowerment, incubator

Type of organization: Non-profit

Country: Sweden

Year of inception of the good practice: 2010

Services and products provided: Training, tutoring, availability of a physical space, administrative and legal coverage

Number of clients: 19

Website: www.neem.se

Address: Vasavägen 9, 642 31 Katrineholm (Sweden)

Institutional profile

NEEM - Network for Entrepreneurs from Ethnic Minorities is a Non-governmental organization, change agent working in three strategic directions:

- Consequent contribution to achieving the national gender and integration goals
- provide business development services with a special focus on women with international backgrounds.
- In collaboration with research institutions provide new knowledge on female immigrant entrepreneurship in order to influence necessary changes.

The organization was started in 2002

Mission of the organization

Integration through Entrepreneurship.

Governance structure

As an NGO, NEEM has a constitution and is governed by a democratically elected board composed by representatives from community groups together with the target group. The board has an executive role.

The board is elected by the General Assembly that meets once per year or when deemed necessary according to the constitution. The General assembly provides the direction of activities and approves the yearly activity plan and budget presented by the board.

The organization is run by a management team with diverse experiences in business and social activities. The management team reports to the board.

Good Practice

Introduction

Self employment is a good alternative to generate income, especially for people with special difficulties to access the labor market. The objective of encouraging people who are economically inactive or active in the unofficial economy to take a risk as a formal entrepreneur is undermined if the welfare benefit system gives perverse incentives. This can happen if for example recipients of unemployment benefit or social security lose the right to benefit as soon as they start trading, even though they may not yet know whether their business idea is viable. A reliable welfare bridge is therefore a necessity.

Explanation, methodology and processes

The Business Development Platform (BDP) is an innovating complementary platform to the known services of incubators. Additionally to training, tutoring, availability of a physical space, BDS offers to its users an administrative and legal coverage. This has the following advantages:

- Possibility of testing their products/ services from a legal platform without much financial risk
- No obligation to acquire all the business management knowledge
- No obligation to change jobs,
- Not having to deal with any “red tape” or procedures,
- Not having to do administrative and accounting tasks
- Not having to change work permit status (this is applicable in some European countries according to legal legislation respecting immigrant permits and status for business creation)
- It allows to begin immediately

Process:

Stage 1 –

Initially, the 'candidate business' works up his idea while remaining unemployed in legal terms. He or she continues to receive unemployment benefit while developing a marketable product or service, testing the market and establishing a client base. The BDS handles the business administration and accounting.

Stage 2

The entrepreneur agrees a part-time employment contract with the BDP, and in return pays over 10% of sales. He or she continues to build up the business, as well as receiving training and administrative support. Meanwhile he or she benefits from social insurance cover.

Stage 3

When the business is self-supporting, the entrepreneur can choose to join the BDP as a member or the business can spin off as a totally independent entity.

Target group and accessibility

Migrant women on welfare benefit ,who need to generate income because they are unemployed.

Innovativeness

- In Europe there are hardly any similar experiences and even less with a social focus.
 - It is a complement to existing incubators and entrepreneurial training programs.
- Furthermore, this tool alone is sufficient for many simple initiatives that require no infrastructure.
- The BDS can provide coverage to many different productive activities.
 - This service is relatively cheap, since no infrastructure is required.
 - It allows spaces and experiences to share physical or virtual services for entrepreneurs: Joint stores, joint purchasing, shared services, etc..

Relevance given the context

In the present crisis affecting all European countries in different ways, it is obvious that one of the alternative to come out of the trends is to foster the microentrepreneurship. If they are no available jobs, people will have to look for self-employment options. Although a lot of training and support already exist in this sense as well as very efficient incubators services, we believe that it is not enough and that new tools should be created specifically in the phase of starting the activity itself

Adaptability to other contexts

Easily transferable to other contexts

Efficiency

Price for basic coaching for a group of maximum 12 persons , for 12 weeks and 16 hours per week is € 2 538 per participants * 12 = € 30 456

Price for follow-up individually and in group to 12 persons in 18 months is € 3,807 per participants * 12 = € 45 684

Total price for a group of 12 persons for 24 months is € 76140

Each participant gets a minimum of € 38,554.3 as social welfare benefit per year X 12 = € 462 651,6 *2 years = € 925303,2

The investment for BDS for 2 years is equivalent to 8,2 % of the total welfare benefits. After two years the society will save € 925303,2

Outcomes

There are 2 BDP established

Sustainability

Need driven: Since the businesses in the platforms are based on a known and accepted community needs, it is much more likely to succeed in the long run

Local ownership: The entrepreneurs participate and play a core role in the identification, design, implementation, and monitoring and evaluation, it's easier to achieve sustainability when there is a strong sense of local ownership.

Political : Since the platforms fits Government policies, they have much better prospects for sustainability as they have high-level political and institutional support both during implementation and beyond. We work closely with the the municipalities and we will strive to deepen the collaboration and get more support.

In practice: Refugee to a successful entrepreneur

Somalis have in recent years become one of the largest immigrant groups in Sweden and are expected to continue to be so in the foreseeable future. At the same time, Somalis have experienced one of the lowest employment rates among all immigrant groups, which during the last ten years has consistently been below 60 %. Somalis also have a smaller share of self-employers compared to other immigrant groups in Swedish society.

Ruqiya Ali a Somali entrepreneur has managed to go from a struggling refugee on welfare benefit to a successful business owner after 2 years in the BDP.

Further readings

(if existent, one or two documents to complement the information provided)