

A smiling woman with dark hair, wearing a white short-sleeved shirt and a green apron, is seated in front of lush green plants. The background is a soft-focus garden scene with various green leaves and some purple flowers. The top half of the image has a semi-transparent green overlay containing text.

They are not yet seen... but...

Hybrid Entrepreneurship emerging in a changing society

Klaas Molenaar

THE HAGUE
UNIVERSITY OF
APPLIED SCIENCES



They are not yet
seen... but...

Hybrid Entrepreneurship
emerging in a changing society

Klaas Molenaar



Publisher and place: The Hague University of Applied Sciences, The Hague

Year of publication: 2016

Design: The Hague University of Applied Sciences

Printer: OBT B.V., The Hague

ISBN: 978-90-73077-78-2

Copyright © 2016 The Hague University of Applied Sciences

All rights reserved. No part of this edition may be reproduced, stored in an automated database, or published in any form or in any way whatsoever, whether electronically, mechanically, by photocopying, recording or in any other means, without prior written permission from the publisher.

In so far as reproduction of this publication is permitted, based on Art. 16b and 17 of the Dutch Copyright Act 1912 legal dues must be paid to Stichting Reprorecht, Postbus 882,1180 AW Amstelveen. For the use of one or several parts of this publication for an anthology, a reader or other works of compilation, the publisher must be contacted.

They are not yet seen... but...

All over the world entrepreneurs drive changes. They develop new products and services, inspire others and take decisions that result in growth of their businesses. But the world around entrepreneurs is changing and so are entrepreneurs. Life-long self-employment or permanent wage employment are of the past. And the way people perceive self-employment is changing as well. And so must our thinking.

Changes in our society call for policies and programmes in support of enterprising people. Diversity, mobility and connectivity offer new opportunities for enterprising people. Markets are changing, become more accessible and there is less need to be bound physically to one place for an entrepreneur.

New avenues for business are open thanks to our improved access to information, our connectivity globally through social media and our ability to travel freely and frequently from one country to another. With less focus on life-long (self) employment people now combine paid work (or unpaid – house- work) with self-employment, or opt for just part-time entrepreneurship. New, hybrid forms of enterprising emerge. This combining of work with self-employment is rather common in developing countries, but in Europe it is a phenomenon not yet reported on in statistics and for which policy makers and service providers have no answers yet. Neither exist clear definitions or classifications.

This book may serve as an eye-opener: hybrid entrepreneurs are indeed around us and deserve our attention. The research unit Financial Inclusion and New Entrepreneurship of The Hague University of Applied Science challenges policy makers, academics and service providers (such as educational institutes, business advisers and financial institutions) to pay more attention to hybrid entrepreneurs, those enterprising people who intend to create new values for a fair and sustainable society.

They might not yet been seen, but they exist.....

Reader's guide

In four chapters we discuss new forms of enterprising emerging in our society and that have not yet been recognized fully by policy makers, practitioners and service providers.

In *chapter one* we discuss major characteristics of entrepreneurship, entrepreneurial competences and the role entrepreneurship training can play in business development and business creation. We also seek ways to describe various forms of enterprises, ranging from (part-time) self-employment to out of necessity to medium sized, growth-oriented enterprises. A detailed description of a selection of entrepreneurial competences is presented in the annex of this book.

In *chapter two* a number of structural changes in society are discussed and we assess how mobility, diversity, connectivity and technological innovations offer new opportunities in society and call for new forms of enterprising.

Those new forms are discussed in *chapter three*, with special emphasis on the hybrid and virtual entrepreneurs who seek their place in society.

In *chapter four* we present a number of challenges for policy makers and service providers and invite them to adjust their way of working in order to meet the demands of the new, hybrid entrepreneurs. We also submit a way to categorize the various forms of hybrid entrepreneurship. We hope this book makes the reader to think outside the box, to learn from experiences in developing countries and to carry out further research into hybrid entrepreneurship.

Contents

They are not yet seen... but...	3
Readers guide	4
1. ENTREPRENEURSHIP AND ENTERPRISE DEVELOPMENT	6
1.1 Entrepreneurship and entrepreneurial characteristics	7
1.2 Objectives to promote entrepreneurship are manifold	10
1.3 Various types of enterprises	13
1.4 Business creation, entrepreneurship development and training	15
2. CHANGES CALL FOR CHANGED ATTITUDE	20
2.1 Mobility, migration and diversity	21
2.2 Connectivity	23
2.3 Technology and Innovation	24
2.4 Globalisation	25
3. NEW FOCUS AND NEW FORMS	26
3.1 A different focus on business	27
3.2 New forms of enterprising	32
3.3 Hybrid entrepreneurs and new delivery systems of business support	37
3.4 Hybrid entrepreneurs seek new financing	42
4. CHANGE POLICIES, CLASSIFY AND MAKE IT VISIBLE	46
4.1 Call for changes in policies	47
4.2 Towards classifying hybrid entrepreneurship	49
4.3 If not seen yet: Look beyond statistics and make it visible	52
4.4 Learn from developing countries	53
Literature	56
Acronyms	60
Appendix - what makes somebody a successful entrepreneur?	61
About the author	65

1.

.....
***ENTREPRENEURSHIP AND
ENTERPRISE DEVELOPMENT***



People take initiatives to set up economic activities to generate income, create work for themselves and others; and they add value to society. This is done by different people with a wide range of competences. The success of any business venture (whether it is a marginal income generating activity, a micro, small or medium enterprise) depends on the right – enterprising or entrepreneurial- person. Over the past decades much has been done to improve our understanding about entrepreneurship and more particularly about entrepreneurship for micro, small and medium enterprises (MSME). But new forms of enterprising are emerging in our society. The life-long self-employed fully occupied in his or her business seems to disappear. Still to know how the new breed of enterprising people can best be supported a proper understanding of entrepreneurship, entrepreneurship training and business creation is needed.

1.1 Entrepreneurship and entrepreneurial characteristics

Over the past decades much has been done to improve our understanding about entrepreneurship and the role entrepreneurship can play in society. The word ‘*Entrepreneurship*’ is used in different settings by various organisations dealing with the promotion and development of Micro, Small or Medium Enterprises (MSMEs) but it is often confused with business management and we still see attempts to promote management programmes as entrepreneurship development¹. There is however a growing consensus that entrepreneurship development and business management to promote both new and existing MSMEs are two distinct areas of intervention and that in each area training, counselling or advice are needed.

We follow the definition of ‘entrepreneurship’ that the OECD introduced in the Entrepreneurship and Innovation Programme (EIP), which reads as follows (OECD, 2015): *“Entrepreneurship is the phenomenon associated with entrepreneurial activity, which is the enterprising human action in pursuit of the generation of value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets.”*

Keywords in this definition are: Entrepreneurial activity, Enterprising human action, Generation of value and Creation or expansion.

There are many interpretations of ‘business development’ and very few commonly accepted definitions. But overall there is general consensus that it relates to bringing about development in existing businesses (whether small, medium or large) and that it relates to managing, administrating, controlling and planning of processes. Training and advisory services are related to developing, broadening and deepening knowledge and skills and not so much in developing entrepreneurial traits or competences in people.

¹ Many US Text books make that “mistake” but we see the same happening in some SME development programmes such as in Improve Your Business programme of the International Labour Organisation (ILO)

Over the years, much has been done to improve our understanding about entrepreneurship and in particular about entrepreneurship for self-employment, MSME promotion and its development. Following the basic principles in learning, we can make distinction between training in developing (technical) skills, building up (management) capacity and deepening and broadening (entrepreneurial) attitude in people. It has been gradually accepted that in entrepreneurship development we deal mainly with attitudinal aspects and less to managerial capacities (related to business management training) and technical skills (central in vocational training level).

The view in the 70ies of the past century was that businesses would emerge and develop if there would be adequate services such as infrastructure, financing, technological support and market opportunities. People would then see those opportunities and start businesses. Economists assumed that people were rational and would exploit any improvement in the environment and would subsequently generate economic returns. But in many parts of the world people did not react automatically to such changes in the environment.

McClelland (McClelland D. C., 1961) attributed the difference in individual behaviour to a psychological trait which he called 'the need for achievement' (labelled *nAch*). Entrepreneurial traits are the basis for entrepreneurship in his view. Individuals were expected to respond in a consistent manner to a variety of situations. Most Entrepreneurship Development Programmes (EDPs) based in his ideas in the early stages can be considered Achievement Motivation Training (AMT), primarily aiming at activating and developing the need for achievement in people.

Later on, Small Business Management and Business Planning inputs were added when it was found that AMT alone produced many start-ups but no survivors in business. After questioning the concept of *nAch* as the single trait to which success in enterprise can be attributed, McClelland and others embarked on a research that distilled critical characteristics or competences that distinguished successful from failing entrepreneurs.

MSI (Management Systems International -New York) identified ten Personal Entrepreneurial Characteristics (PECs). Those PECs can be used to detect and select people on their entrepreneurial attitude, can form the basis for entrepreneurship training and hence are the pillars for business creation and business growth programmes (MSI, 1990).

Two international development organisations played an important role in the disseminating those insights and ideas: the Gesellschaft für Technische Zusammenarbeit² (GTZ)) and the International Labour Organisation (ILO). ILO had a laudable start with two special business creation programmes in 1982-1987 in Kenya, the Special Programme of Assistance to Refugee Entrepreneurs in Kenya (SPAREK) - and the Assistance to Business Creation programme (ABC), but unfortunately never systematised its experiences. GTZ did a

² Nowadays known as GIZ - Gesellschaft für Internationalen Zusammenarbeit

tremendous job in this area with the CEFE programme (Competency based Economies through the Formation of Enterprises), that is used in many countries nowadays. CEFE has also been well documented and systematization takes place continuously.

In projects and programmes of the aforementioned organisations efforts have been made to cluster the various competences or entrepreneurial characteristics around a limited number of key variables. An overview of the generally accepted ones is given in *table 1*. Clustering like the ones presented allows the operationalisation of the same in for instance training, promotion, selection and motivation programmes.

Table 1 Attitudinal Characteristics Of Real Entrepreneurs

Characteristic	Description of the entrepreneur
Initiative	Takes actions that go beyond job requirements or the demands of the situation. Does things before being asked or forced to by events. Acts to extend the business into new areas, products or services.
Sees and acts on opportunities	Looks for and takes action on opportunities. Sees and acts on opportunities (business, educational or personal growth). Seizes unusual opportunities to obtain financing, equipment, land, and workspace of assistance.
Persistence	Takes repeated action to overcome obstacles that get in the way of reaching goals. Takes repeated or different actions to overcome an obstacle. Takes action in the face of a significant obstacle.
Information seeking	Takes action to get information to help reach objectives or clarify problems. Does personal research on how to provide a product or service. Consults experts for business or technical advice. Seeks information or asks questions to clarify what is wanted or needed. Personally undertakes research, analysis or investigation. Uses contacts or information networks to obtain useful information.
Concern for high quality of work	Acts to meet or beat existing standards of excellence. States a desire to produce work of high quality. Compares own work or own company's work favourably to that of others.
Commitment to work contract	Places the highest priority on getting a job completed. Makes a personal sacrifice or expends extraordinary effort to complete a job. Accepts full responsibility for problems in completing a job for others. Pitches in with workers or works in their place to get the job done. Expresses a concern for satisfying the customer.
Efficiency orientation	Finds ways to do things faster or with fewer resources or at a lower cost. Looks for or finds ways to do things faster or at less cost. Uses information or business tools to improve efficiency. Ensures proper balance between costs and revenues.
Systematic planning	Develops and uses logical, step-by-step plans to reach goals. Plans by breaking a large task down into sub-tasks. Develops plans that anticipate obstacles. Evaluates alternatives. Takes a logical and systematic approach to activities.

Source: Prepared by author and compiled from various methods and programmes discussed

Table 1 Attitudinal Characteristics Of Real Entrepreneurs (cont.)

Characteristic	Description of the entrepreneur
Problem solving	Identifies new and potentially unique ideas to reach goals. Switches to an alternative strategy to reach a goal. Generates new ideas or innovative solutions.
Self confidence	Has a strong belief one's own abilities. Expresses confidence in own ability to complete a task or meet a challenge. Sticks with own judgment in the face of opposition or early lack of success. Does things that appear to be risky.
Assertiveness	Confronts problems with other directly. Tells others what they have to do. Reprimands or disciplines those failing to perform as expected.
Persuasion	Successfully persuades others. Convinces people to buy a product or service. Convinces people to provide financing. Convinces people to act in support of the business Asserts own competence, reliability or other personal or company qualities. Asserts strong confidence in own company's or organisation's product or services.
Use of influence strategies	Uses a variety of strategies to affect others. Acts to develop business contacts. Uses influential people as agents to accomplish own objectives. Selectively limits the information given to others. Uses a strategy to influence or persuade others.

Source: Prepared by author and compiled from various methods and programmes discussed

Nowadays we know that there are indeed various attitude related variables that do play a role to determine whether somebody is (potentially) an entrepreneur. But it also understood that in developing enterprises and promoting entrepreneurship, we need to pay attention to situational factors that affect entry and survival in business as well and assess both sets of factors in designing appropriate strategies for action.

1.2 Objectives to promote entrepreneurship are manifold

The objectives to promote and stimulate entrepreneurship are manifold. Stakeholders might have different ones than the persons seeking self-employed as a career. The more commonly known objectives for policy makers and service providers comprise:

- Adding wealth to society through economic growth;
- Creating businesses in certain segments of the business sector;
- Creating jobs;
- Generating income;
- Promoting social participation;
- Empowerment.

Policies to promote entrepreneurship and stimulate enterprises can only be effective if they are in line with expectations and goals of entrepreneurial people. Their reasons to engage in self-employment are slightly different from the policy objectives (Molenaar, 2008). Positive reasons to start a business might be:

- It can be a desire for freedom (to become one's own boss);
- It can be the wish to ensure a (better) income for oneself and his/ her dependents;
- It can be the conviction that one's ideas become reality through self-employment;

And negative ones are :

- It can be driven by dissatisfaction at work or at home;
- It can be an alternative to unemployment;
- There can be the need to survive.

Those reasons seem to be of varied nature, but they all have in common the belief that self-employment is the way forward. And the challenge for policy makers and service providers is to see that their objectives dovetail well with those of the actual actors i.e. the people who want to become self-employed.

To promote entrepreneurship one also needs to look into the contexts in which entrepreneurs operate and live. Those are: the cultural context, the political context, the institutional context and last but not the least the actual physical and natural environment people live and work in. Those contexts are related to four distinct but interrelated levels of intervention: the awareness, policy, institutional and service delivery level. A proper match and logical relationships between all levels will contribute to a balanced development of enterprises.

Assessments of the status of developments at each level generate insights about the possibility that the sector will develop and entrepreneurship indeed will develop. In cases of observed mismatches corrective measures can then be taken. That again is then the basis for an overall development process, with the right type of policies and programmes to develop and implement. The APIS tool has proven to be effective for such assessments, and for determining intervention actions. (see *table 3*)

Table 2 The four levels of intervention - APIS Model

	Intervention Level	Details
A	Awareness level	The level whereby one can ask whether the society at large accepts entrepreneurship and would be willing to support it and for which reasons. Willingness and positive attitude to support the sector and a positive attitude toward interventions and programmes launched are needed for effective policies.
P	Policy intervention level	This is the level whereby one will ask whether the overall set of policies, procedures, regulations and rules within the country and society is conducive to developing entrepreneurship and business creation. Again one could analyse here to what extent policies so far developed have been positive ones and adequately supporting the sector and to what extent further adjustments are required. This not only at national level but also at provincial, district and municipality level.
I	Institutional Intervention level	The implementation of the various entrepreneurship development policies and programmes will depend on the presence and the quality of institutions and organisations. Both their objectives and their capacities need to be assessed. Furthermore the question to be looked into is whether the overall set of institutions present in a country is the adequate one.
S	Direct service support level	Programmes launched and services offered must meet the needs of the intended target and client groups. Are the services offered the appropriate ones and are they regularly adjusted to changes in the market. What can be the expected effects of the services offered?

Source: Adapted by the author in 2002 a, concept developed by N. Molenaar and Th. A. Moor (1998) and based on results of global evaluations of SME programmes.

Next is to find what drives people to set up an enterprise and become self-employed. They can be driven into self-employment out of necessity, might like exploit an opportunity or wish to set up a business with a clear view in growth or consider such an integral part of one's (modern) lifestyle. There are thus four distinct options:

- *Necessity driven entrepreneurs*: individuals who have no access to formal, wage employment or with relatively low social security benefits who decide to engage in come generating activities to service and thus become “entrepreneurs” to sustain their livelihood by necessity rather than choice;
- *Opportunity driven entrepreneurs*: people who decide to exploit an opportunity and engage in self-employment or enterprises, start thus their own business, despite having a clear plan to do so and pursue with the idea (and eventually continue, stop or sell at attractive prices like in the IT sector happens);
- *Growth oriented entrepreneurs*: individuals with clear entrepreneurial talents, and capabilities who decide deliberately to start and develop a business with relatively high capital accumulation or job creation potential- often with great innovation capacity and clear market orientation; and
- *Lifestyle entrepreneurs*: individuals for whom working independently and for one's own account is seen as an investment in self-development which often are realised in creative industries or social enterprises.

See also *table 3*.

Table 3 Major motivations to engage in entrepreneurship

Categories	Major form of enterprise	Entrepreneurial competences	Situational conditions	Managerial capabilities	Additional observations
Necessity-driven entrepreneur	(Part time) self-employment; simple micro enterprises	Enterprising qualities to survive	Economy forces people into self-employment	Simple managerial skills to keep things going	Will leave activity when economy improves
Opportunity-driven entrepreneur	Micro and small enterprises	Competences to set up and develop enterprise and sense of ownership	General enabling environment, well-functioning economy and major services	General managerial capabilities	Will stick to business once set up and adjust to economic developments
Growth oriented entrepreneur	Small and medium enterprises	In particular competences related to creativity, vision, drive to grow	Enabling environment and presence of quality services (broad set of financial and business development services)	Well-developed managerial capabilities and skills	Depending strongly on the macroeconomic conditions and innovative / restructured economic environment
Life style entrepreneurs	Self-employed, micro and small, but often in hybrid forms in combination with work and other forms to generate income	Competence related to drive for self-development	Enabling and creative environment and alternative forms of financing and rendering other services; requires adjustment of prevailing policies and programmes	Managerial qualities to combine various forms of being active and productive	In many circumstances crossing physical and legal borders

Source: Author (2010), based on various consultancy reports.

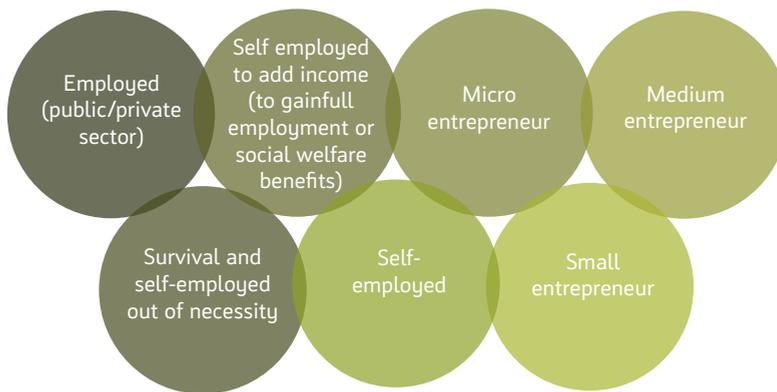
1.3 Various types of enterprises

The economic activity people can set up depends on their aspirations but also on their entrepreneurial capabilities and of course on their asset base. The latter can be divided into three capitals: the human, financial (or material) and social capital. Not all enterprising or entrepreneurial people will possess the same sets. Hence the type of businesses they intend to set up and are capable of setting up, developing and managing will differ. Those can range from survival activities to generate some additional income, to self-employment, micro-enterprises and small or medium enterprises exploiting opportunities and aspiring growth.

Making a clear distinction between the various economic activities is a prerequisite for design and implementation of policies and programmes. The classification presented in figure 1 has been widely accepted over the past decades. It covers all type of economic activities in which the entrepreneur still plays a dominant role (or can play so). The necessity entrepreneur is found more at the left side, while opportunity and growth-oriented entrepreneurs are found more amongst small and medium enterprises (on the right end).

At both extremes such presence becomes indeed less prominent: in medium enterprises we often see the founder/ entrepreneur adopting gradually the role of investors/ co-shareholder with a less dominant role in daily, operational decision making. And at the other extreme community based organisations and NGOs sometimes take up the role of the actual entrepreneur in their desire to support the destitute or less privileged persons. The latter work indeed hard to survive, but have little say over the decisions related to their economic activity with the NGOs in the driver's seat.

Figure 1 Classification of income generating activities and types of businesses



Source: Based on classification by Farbman and Lessik (Gosses, 1989) and further adapted by the author (Molenaar, 2013)

This classification should be seen as a continuum since there are always some overlaps between categories apparently showing some transgression from one category to a next one. However evidence exists (Mead & Liedholm, 1998) that graduation from for instance self-employed to micro small or medium enterprise level hardly exists.

The classification also helps in describing more in detail the various types of entrepreneurs as given in table 4.

Table 4 Classifying micro, small, and medium entrepreneurs/ enterprises

Type of economic activity	Indicative number of jobs affected	Other characteristics	Entrepreneur's objective/aspiration
Employed (in public or private sector)	Maximum one full time fte	Part-time or full time	No entrepreneurial aspirations, but might be enterprising
Survival and self-employed out of necessity	Less than one fte	Mostly part-time labour Temporary, and sometimes seasonal activities	Not focusing on economic expansion but aiming at survival
Self-employed to add income (to for instance gainful employment or social welfare benefits)	Less than one fte	Mostly part-time labour	Not focusing on economic expansion but aiming at generating additional income next to main source of income
Self-employed	One fte	Activity often related to professional qualities of owner;	No real vision to expand
Micro-enterprise	1-10 employees,	Fixed business premises, family labour	Little orientation to growth and capital accumulation Stabilization of income
Small enterprise	10-50 employees	Fixed business premises; formally operation, duly registered,	Profit/growth oriented
Medium enterprise	50-250 employees	Fixed business premises; formally operating, duly registered,	Vision to grow through innovation and diversification; export driven

Source: Based on classification commonly adopted (Molenaar, 1998) and further adapted by the author (2014).

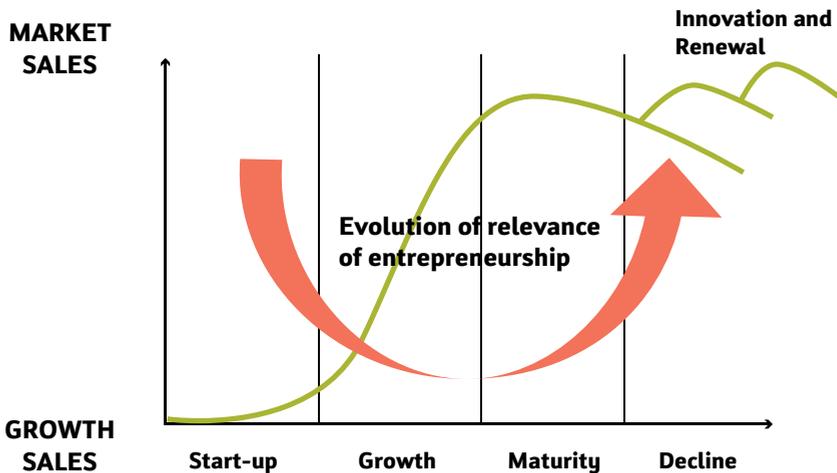
Likewise it is important to take into account that for each country or region different connotations of the respective segments will be required as well.

1.4 Business creation, entrepreneurship development and training

People seem to confusingly refer to business creation and entrepreneurship development as two of a kind. Those are however related to different learning processes. Entrepreneurship development deals mainly with detecting, unleashing entrepreneurial initiatives, with training entrepreneurs and the subsequent strengthening and deepening of enterprising attitudes. In business creation programmes indeed entrepreneurship training is needed but next to that more elements are taken up such as business advisory services, market orientation, technology information services and financing.

In business creation programmes a focus on entrepreneurship is needed at the early stages but with the enterprise growing and becoming a more formalised and structured organisation attention needs to be given to developing managerial qualities. From idea to launching a new business venture, from mobilizing resources to organizing operations entrepreneurial talent and acumen are indispensable but gradually as well are managerial capabilities and technical skills. Once the enterprise has been established and commenced to function managerial capabilities count more than the entrepreneurial talents. At all stages entrepreneurial strength, vision and decision making competences remain important although not that dominant as in the start-up phase. Liquidity crises, unexpected changes in the market, fast growth with the related contracting of personnel and deploying gradually more assets, all call for a mix of entrepreneurial and managerial decisions. But to tackle such problems and find solutions, managerial aspects play a more dominant role. Only after a number of years in the final later stages of the business life with diversification planned (in products, markets, technology, structure) or even closure of the business foreseen entrepreneurial qualities and competences are needed again. (see figure 2)

Figure 2 Business life cycle and attention to entrepreneurial aspects/qualities



Source: Developed by author –2016– partly based on general discussion on business life cycles (CEA, 2015)

The relevance of entrepreneurship in the different stages of the business cycle is quite the same for small, medium or micro enterprises. They all go through the same stages (launching, growing, consolidation, diversification, decline, closure) and for each stage entrepreneurial attitudes are required and managerial steps need to be taken irrespective the size of the firm. The consequences of going through the different stages in micro, small or medium firms might be different in terms of money, technology or number of people involved, but not the entrepreneurial effort. But in all stages and for each type and size of business listed earlier the entrepreneur ultimately is the deciding and decisive factor, something that policy makers and practitioners serving the private sector need to take into constant consideration (Molenaar & van Dijk, 1983).

Entrepreneurship training received a serious boost in the 80ies when the achievement theory was adopted in various enterprise development programmes. TechnoNet Asia and UPISSI of the Philippines were the first to develop entrepreneurship training along the theory of McClelland, assuming that entrepreneurship could be promoted and even developed. V. G. Patel and his Entrepreneurial Development Institute in India built further on this and revealed in their later work that the entrepreneurial traits are most important factors for success in business. (Patel, 1987)

International donor organisations played an important role in furthering the thinking about Entrepreneurship Development Programmes (EDPs) and Entrepreneurship Education and Training (EET) and linking it with business creation. The first attempt to broaden this towards business creation took place in the Small Business Promotion Project (SBPP) where the new Business Creation approach was developed by GTZ in Nepal in the period 1982-1985. Building business creation programmes around entrepreneurship development was later given impetus in the two programmes in Kenya earlier mentioned: the UNHCR sponsored Special Programme of Assistance for Refugee Entrepreneurs in Kenya (SPAREK) and the Netherlands Government supported Assistance to Business Creation programme (ABC). Those initiatives contributed to a better understanding of the process of blending entrepreneurship development with functional management training, business advisory services and financing for starting SMEs (Molenaar, 2009).

In table 5 an overview is presented of the various entrepreneurship characteristics dealt with and trained in EET programmes of selected organisations.

Table 5 Entrepreneurial characteristics as applied by various organisations (in business creation programmes)

Entrepreneurial elements as included in CEFE programme	Entrepreneurial characteristics as used/ developed by ILO- KAB/ ILO- SPAREK and SEON/IntEnt	PECs (as defined by MSI)	ENTERPRISE and RADAR elements as used in EET
<ul style="list-style-type: none"> • Self-starter? • Self-confident? • Persistent? • Achievement motivation? • Independent? • How feelings about other people? • How about leading others? • Take responsibility? • How in organizing? • Good hard worker? • Can make decisions? • Can be trusted? • Can keep promises? • Good health conditions? • Starting up new things? 	<ul style="list-style-type: none"> • Risk taking • Self-confident • Optimistic • High achievement needs • High independence needs • Power needs • Creativeness • Foresight • Managerial abilities • Persistence and hard working • Taking personal responsibilities • Ability to motivate and persuade 	<ul style="list-style-type: none"> • Opportunity-seeking • Persistence • Commitment to work/contract • Demand for quality and efficiency • Risk taking • Information seeking • Goal setting • Systematic, planning and monitoring • Networking and persuasion • Self-confidence 	<p>E = Energy T= Task Focused E=Empathy R=Resourcefulness P=Planning R=Risk Taking I=Innovative S=Skills E=Endurance</p> <p>R= Results' Focused A= Approach Conscious D= Deployment Driven A= Assessment Seeking R= Review Prepared</p>
<p>In case majority of answers to these questions are 'yes' or 'high' -> hints that you might have entrepreneurial traits 'by nature'</p>	<p>In case most are answered with 'yes' or 'high' -> indicates again you have entrepreneurial traits; by nature, or as a result of actions you took to 'scale up' your personal traits.</p>	<p>If tests show that you have various PECs it could imply that you have entrepreneurial traits by nature. PECs can be developed i unstructured, e.g. on the job, ii Structured, e.g. through training.</p>	<p>Most of those attributes are similar to PECs</p>

Source: Various reports and lecture notes combined by author (2013-2015)

Already in the 80ies it was felt that entrepreneurship development programmes as offered till then would still be of a remedial character. Entrepreneurship as a career was not yet developed strongly but rather seen as a way out of unemployment. Gradually it has been recognized as an internal part of education and training and hence attention shifted to formal education. Numerous initiatives have been deployed to internalize entrepreneurship in formal education and it was acknowledged that such could be quiet effective if such would take place already at an early stage. Initiatives in the field of enterprise education programmes were first be add-ons to existing training programmes at secondary and polytechnic school level such as the ones developed in the late 80ies

for 12/14 till 17-years old students developed by Durham University Business School (DUBS) under a British Steel grant. Later more structural changes have been triggered of to integrate entrepreneurship training in formal education (Gibb, 1993).

Nowadays attention to entrepreneurship education is being advocated strongly and considered as an essential element in primary and secondary education (European Commission EG Enterprise, 2013). Entrepreneurship education can have manifold objectives ranging from instilling an enterprising attitude needed to function properly in an ever-changing environment to unleashing entrepreneurial initiatives resulting in the creation of new businesses. And it is believed that it is not something that can be taught and studied at one single moment but forms part of lifelong learning processes. (EU, 2014).

2.

.....
***CHANGES CALL FOR
CHANGED ATTITUDE***



In 2008 the European Commission financed a research on Ethnic Entrepreneurship in Europe. In the concluding part of the final report, explicit reference was made to some changes in our society that affect the way people (in the future) will act and set up business (IMES and Triodos FACET, 2008). Changes that have to do with:

- *Mobility migration and diversity*
- *Connectivity (through social media)*
- *Technology and innovation, and*
- *Globalisation (of markets)*

Those changes require us to adjust our vision on entrepreneurship, our expectations from enterprising people and the way they will set up businesses (Molenaar, 2013). And it will requires us to think about new forms of enterprising.

2.1 Mobility, migration and diversity

People travel, migrate, visit and cross borders at any time and in many ways. Refugees, migrants and travellers, they all cross borders, both physical and virtual ones. Sometimes for longer periods, sometimes for very brief spells. But they do leave their environment and are exposed to other ways of organising, cultures, norms, markets and environments. Mobility has become an integral part of our life. The global passengers' mileage by plane for the period 2013-2030 will grow with 4 to 5% annually³. The same holds ground for travel by car, rail or sea. A continuous growth in flights and airline passengers results in stronger personal and business links.

In addition the absolute number of people who migrate annually came to over 230 million in 2014. And migrants do not stay in the country of residence. They as well travel, sometimes with restrictions having to obtain visa or even special permits, but more and more freely for instance for those living in the EU Schengen area. Migrants alone already count for over 2% of the world population that left their area of origin (IOM, 2014).⁴

The crossings of borders by an ever increasing number of people have two major effects: (i) People see different ways of organising life, of producing and selling and pick up new market ideas by combining impressions and ideas. (ii) Mobility also triggers of mixing of cultures, peoples and ways of doing business and organising life. It thus results in a more diverse and complex society in which we live (Reynal-Querol, 2005).

Looking at the refugee problems the world is confronted with like in 2015, it seems difficult to predict how many people annually will travel. Still multi-annual analyses show that per annum not more than 3% of the world's population decide to migrate (structurally) and leave the country/ place of residence permanently. And although this percentage has been rather constant over the past decades, the relative changes in some countries indeed lead to changing in composition and thus in diversity.

³ <http://www.statista.com/statistics/269919/growth-rates-for-passenger-and-cargo-air-traffic/> on 8 Oct 2014

⁴ The effects of the 2015/2016 refugee influx in Europe has not been considered here.

Some countries experience a positive migration effect that eventually also results in more diversity in such countries. Interesting to note that this is mostly taking place in more developed economies. (see figure 3) There it creates a more diversified society. They become endowed with a more diverse population composed of people who have learned to look across and beyond borders and who bring different ways of working, living and enterprising with them: an enrichment of society at large. (United Nations, 2013).

Figure 3 Average annual rate of change of international migrants



Source: United Nations, Department of Economic and Social Affairs Population, 2013

Beyond this Diaspora a growing number of (frequent) travellers and the people connected globally through the social media see and seek new opportunities. In a more diverse society people are connected now globally as never before. Access to knowledge and training have changed our direct environment as well. The prospective (migrant) entrepreneur wishing to set up a new business abroad or in the country of origin nowadays is a well-trained, educated individual endowed not only with an enterprising attitude but also with financial and social capital. Likewise the third and fourth generations of the Diaspora have more social, human and financial capital available and are willing to deploy that across borders. They do so not necessarily with the intention to (re)migrate, but rather wish to exploit new opportunities arising in the country of origin (of parents) in combination with their work and their life the country of residence. They will link two worlds (economies) and transfer ideas and technologies (even more relevant than just remitting money) picked up in the countries they live in and travelled to/ through.

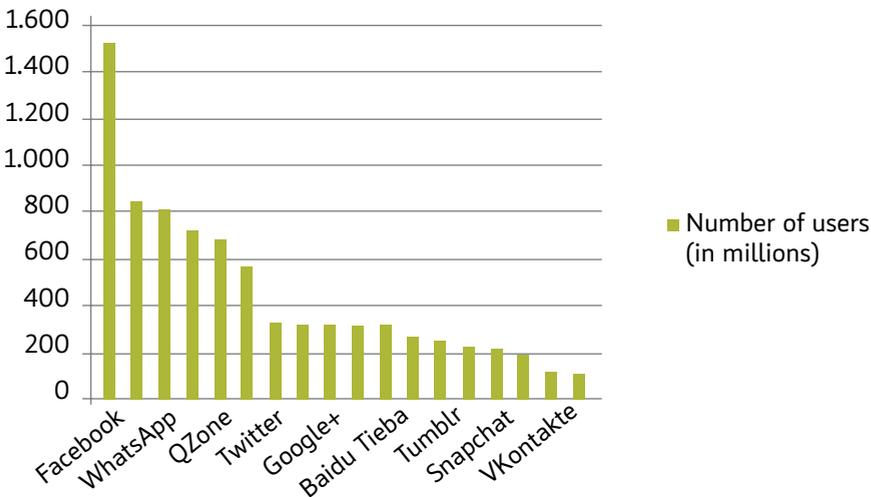
Transnational business development is becoming an integral part of our society as a result of the initiatives of both the Diaspora and other people who dare to look across borders. For both the more relevant issue is the fact that there exist specific barriers hampering the successful launching of new business ventures by foreigners. Barriers that exist for foreign investors as well as for the migrant entrepreneurs, although the latter have indeed some advantages over the first group. But in a diverse society they have more opportunity to forge new alliances as well.

2.2 Connectivity

Connectivity is a second phenomenon that has tremendous effect on the way we organise business and markets. In 2013 the number of mobile phones in use was 6.6 billion and there were 2,1 billion broadband connections (ITU, 2014). The real market demand comes from the developing world with nowadays 5.4 billion mobile subscriptions – that is 78 percent of all global subscriptions – compared with 5.2 billion in 2013. And those are seen as more than just phones, they are connectivity devices.

The number of people connected through social networks has increased significantly as well. See figure 4.

Figure 4 Global social networks ranked by number of users 2015



Source: Statista 2015⁵

Those social networks provide us with information and data on for instance new technologies and markets, they can tell us how prices for products develop and they can allow us to stay in contact with markets far away from home. Negotiating with the prospective buyers or with the suppliers is done via Skype; visits seem not to be needed anymore. Travelling on the ultra-fast train from Amsterdam to Paris, a young Ghanaian studying at one of the Universities in The Netherlands can work on his tablet, searching for information on special business platforms accessible at any place and at any time, and eventually buys shrimps from suppliers in Thailand to sell those to clients in Senegal. Registered as a self-employed with the Chamber of Commerce in Amsterdam, where the self-employed lives, he works on that train passing through Belgium carrying out this cross-border transaction. The business adviser who wants to visit this starting entrepreneur will not

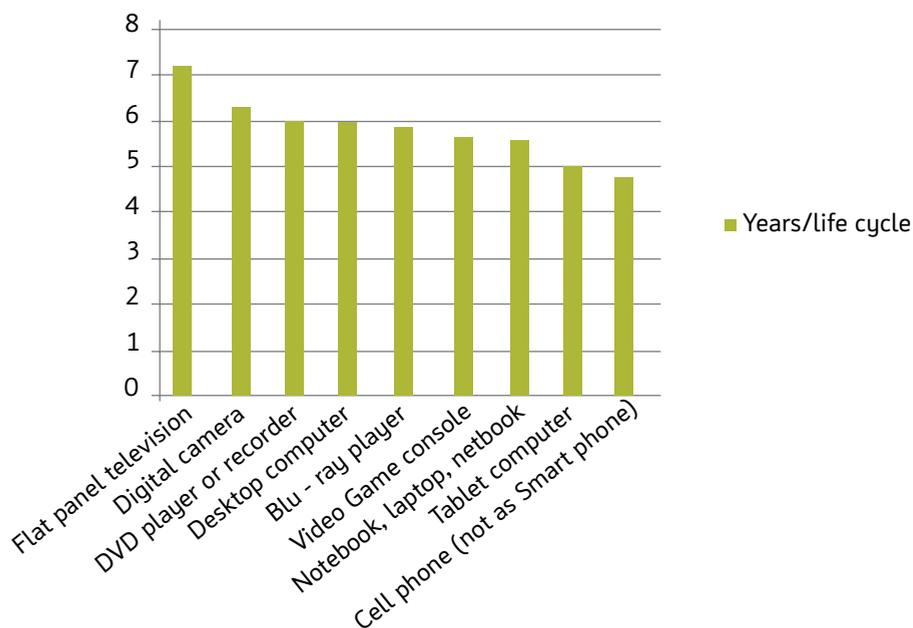
⁵ <http://www.statista.com/statistics/272014/global-social-networks-ranked-by-number-of-users/> read on 29th October 2015.

know where to find him. Connectivity has changed our way of doing business and allows us as well to organise ourselves in a different way than we were used to. And connectivity and mobility makes us more difficult to trace and be found physically.

2.3 Technology and Innovation

In our daily life we experience continuous innovations and technological (and related social) changes. Innovations that lead to new products and services, but all with an ever shorter life cycle. An example is the expected lifetime of the device mostly used these days, the Smart Phone. It is estimated to be 4.3 years (2014)

Figure 5 Technology and life cycles



Source: CEA, CE Product Life Cycle Study (August 2014)

With changing technology the horizons for businesses are not “indefinite” anymore. Whereas a few decades ago it was normal practice to expect a business set up to have a lifetime of 20 to 30 years, the new entrepreneurs intend to earn back their investments in a very brief period. The expected lifetime of the products forces them to act this way. And on top, the horizon for the entrepreneurs of their own business is a different one. They do not intend to stay in business for long periods neither. It requires a different visualisation of the future in business from the one we were used to think of. Policy makers and financiers will have to take such into account as well while setting up support programmes or appraising applications for financing.

2.4 Globalisation

Increased mobility, more connectivity, ongoing migration processes and improved modes of transportation for shipments and transfer of goods, money and people have changed the way we organise ourselves socially and economically worldwide. Not only have ways of being connected increased also the relative and unit costs for connecting and transporting have gone down considerably.

Although the total percentage of migrants per annum has been rather stable and around 3 % of world population (UN, 2013), the absolute number of migrated people in various countries has indeed changed. In some it has significantly increased in others gone down due to such migration. This again leads to blending and mixing of values, social cultural views on life and indeed on business practices. This may be observed in slight changes in our society like opening hours of shops, but is also seen in people's perception of markets or the way businesses are conducted (and financed).

This globalisation process calls for fundamental changes in the way we look at markets and the way we operate on such markets. But it also calls for a different way of looking at physical markets, borders and places of operations of businesses. In the past the physical location and place of operating of a small company would be clear. The place of registration often was in the vicinity of the place of residence of the owner and markets would be local and regional ones. International markets would be conquered gradually, based on the belief that one cannot operate internationally if (s)he would not have succeeded locally. Nowadays registration is not only done through the internet. The place from where the prospective owner carries out the necessary steps to register is irrelevant. The enterprise can even be a virtual one with a single owner operating from any place; a person who likes to seek alliances and cooperation with others (individuals or other companies) when the market so dictates or opportunities arise. The new entrepreneur might agree on selling goods, services or products with a customer in South America, buying goods in Asia, or instruct a producer to start operations somewhere in Europe. Financing may be arranged through the cloud and business advisers will have difficulty in finding a door to knock on. The business has become global (and virtual!).

3.

.....
***NEW FOCUS AND
NEW FORMS***



Society at large offers a variety of opportunities for enterprising people. Presently enterprises are not only set up for economic return. Social issues may also trigger of entrepreneurial initiatives and new forms of enterprises are emerging.

People not necessarily dedicate all their time to one single activity for the rest of their life. They may operate as small entrepreneur for a number of years, and then opt to become formally employed or may even choose to combine self-employment with work. Such hybrid and mixed forms are opted for more often. (Molenaar, N, 2013).

3.1 A different focus on business

Entrepreneurs are making important changes in society. They are developing new products and services, creating jobs and generating profits. As the world changes, so do the role and position of entrepreneurs. Smaller ones are as important as large corporations and are working alongside non-governmental, community based or grass roots organisations so they can reach the less privileged as well. Structural changes are noticeable in the focus of enterprises: entrepreneurs are not just focusing on profit only, but seek ways to internalize their social responsibility in various ways.

Adding value is not always interpreted as adding profit, financial gains or profit maximization. It can also refer to adding value to the quality of life, the sustainability of our society or contributing indirectly to social causes, even peace building in post-conflict areas. The result of this is a wide range of concepts related to business development, the more commonly known being:

- Corporate Social Responsible Businesses (CSR);
- Corporate Social Enterprises (CSE);
- Bottom of the Pyramid Businesses (BOP);
- Social Businesses or Enterprises (SB or SE);
- Post conflict enterprises (PCE); and
- Transnational Diaspora Enterprises (TDE).

Corporate Social Responsibility and Corporate Social Enterprise (CSR and CSE)

Corporate Social Responsibility (in businesses) was traditionally related to charity work done by companies who intend to do some good in the local community they are operating in. This may vary from community development, sponsoring sports events, support cultural institutions or disadvantaged groups in society. It is often opted for to create a positive image for the company amongst (internal and external) stakeholders and other relations. This rather passive way is better coined as “Corporate Philanthropy”.

But companies may opt for a more active way and indeed acknowledge their responsibility in society at large and translate such in strategies and business decisions. The more common form is the recognition of the long-term impact of the companies’ functioning on the physical environment it operates in. A still passive way to translate such understanding is to comply with rules and regulations that society introduced to protect the environment, to create better safety and health standard within businesses or to adhere to fair pay systems.

The real bold step to take is to internalize within the company social responsibility as an integral part of all its strategic and planning decisions and subsequently introduce structural changes in the culture and organisational set up of the company that may make this possible. To reach this level very much depends on the conviction of owners and top management that such is indeed needed. And that it needs to be pursued not only for the survival of the company but for the functioning of the company as integral part of society at large. See figure 6 (Bonini, S., 2009).

Figure 6 Social businesses or enterprises (SB and SE) – four distinct levels



Source : Author (2015)

Social Enterprise/ Business (SE/SB)

The term social enterprise is used in different settings. It has strong roots in the philanthropy for instance in the United States where the term is associated with 'doing charity by doing trade'. In other countries it is linked to 'doing charity *while* doing trade'. In other countries with strong cooperative movements it is also linked to community organising and democratic control of capital and mutual principles.

Nowadays the general consensus in Europe is to consider organisations social enterprises (or social business) when the intention of the founder or owner(s) is to seek answers to problems in society in a sustainable way. And by setting up and running a business. The economic return is then primarily seen as a necessary condition for its sustained growth of that business.

A social enterprise is thus an organisation that applies commercial strategies to maximize improvements in human and environmental well-being. This may include maximizing social impact rather than profits for external shareholders. Still there might be a drive for

commercial and financial returns which leads to making distinction between social enterprises for-profit and those that are (traditional) non-profit organisations (Borzaga C., 2004). Actually no special legalisation is needed for social businesses to be created. Prevailing legislation often makes such already possible. Founders of social businesses may opt for any legal form for their social enterprise, which can be that of a private limited, sole proprietorship but also that of a co-operative, mutual, community interest company or a charity organisation.

For social enterprises key is the commitment to seek impact, which ought to be the cornerstone in the mission of the business. Some may not aim to offer any benefit to their investors, except where they believe that doing so will ultimately further their capacity to realize their social and environmental goals, although there is a huge amount of variation in forms and activities. Social enterprises differ thus from CSR companies as they have been explicitly set up to tackle a social issue.

Social entrepreneurship offers a strong opportunity to address a variety of challenges society is currently facing. These challenges include social, financial and economic exclusion resulting in poverty, lack of service to less well-off including health care provision and clean water supply, (youth) unemployment and environmental degradation. And in our changing society with changes in the way people look at businesses, the social enterprise is opted for more often by young professionals. This might also be triggered off by the fact that governments tend to withdraw from social service delivery and seek relations with the market and private sector operators to take over such tasks. This again offers new market opportunities as well.

Bottom of the Pyramid (BoP)

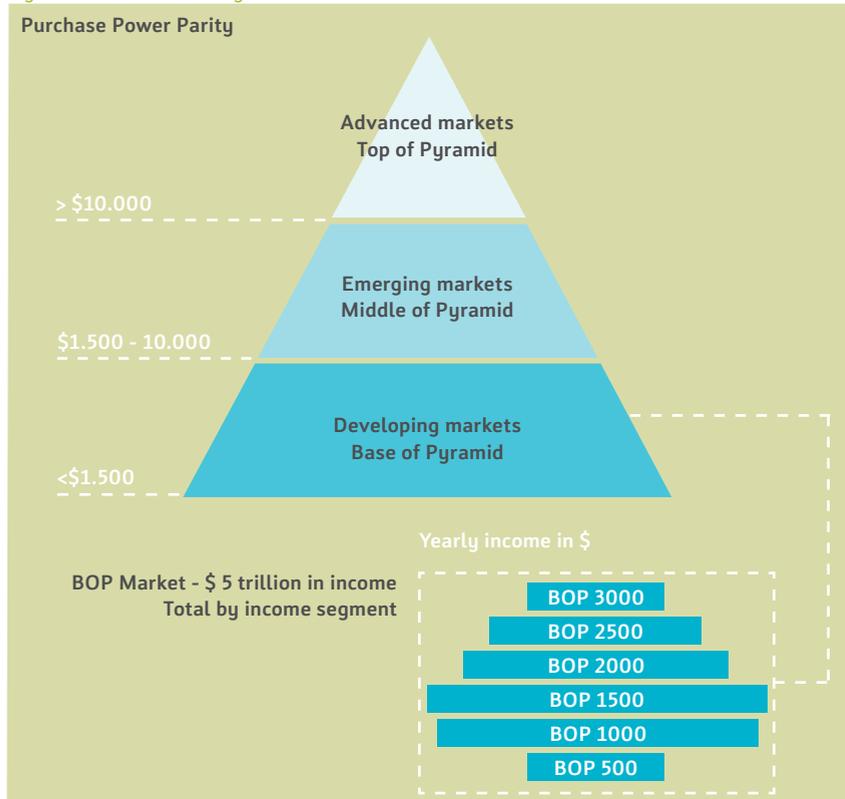
The 'Bottom of the Pyramid' (BoP) focus for entrepreneurs is related to two interdependent points:

- The understanding that 4 to 5 billion individuals have an annual per capita income of well below US\$ 1,500; they live primarily in Asia, Africa and South America in the poorer areas often in the vicinity of poles of wealth and high incomes. But they also have needs goods and services and are to be seen as a market; and
- The understanding that for businesses it must be possible to design, develop and sell goods and services to that market and that such can be a viable and sustainable business strategy.

The Bottom of the Pyramid refers thus to a numerous market of value demanding consumers, resilient and creative entrepreneurs, producers, business partners and innovators. Because they are largely excluded from formal markets, there is a strong demand for innovative products, services and technologies that provide access to basic needs. These markets grow fast, but have an underutilised productive sector. The concept of addressing the needs of the poor through business was introduced in 2006 (Prahalad, 2006). Stuart Hart

and the BoP Learning Labs that emerged further developed it (see figure 7). “Engaging people at the BoP as producers, consumers and entrepreneurs is key to improving their livelihood and driving economic growth for both communities and the private sector.”⁶

Figure 7 The Bottom of Pyramid visualised



Source : “The Fortune at the Bottom of the Pyramid” by C.K. Prahalad

BoP business strategies focus on approaches by which companies can both begin to serve these demographics and do so in a way that is profitable and growth-oriented. A BoP strategy can also lead to new products for new markets offering new opportunities for the very poor, albeit that the main drive remains just selling products and services at still an attractive profit (Hart, 2010). Stronger companies are seen capable to do so. Various NGOs, academics, and individuals see the BoP as a set of business strategies designed to just sell especially to poor people to serve them not necessarily to make profit⁷.

But it is also important to note that a huge volume of both formal and informal commerce already exists among BoP populations (by some estimates, upwards to \$5 trillion dollars per annum year), and that there also exists a countless number of local enterprises serving them.

⁶ <http://www.bopinc.org/about-us/base-of-the-pyramid> date:20-6-2014

⁷ Interesting site to follow this discussion: NextBillion.net of WRI

Numerous individuals with creativity, innovate power, drive to leave poverty behind and imagination are creating their own businesses and markets. Looking at the world differently and accepting that any person can be a customer, markets become not only larger but also force one to be creative and innovative to meet the needs of the poorer strata, sometimes referred to as BoP version 2.0 (Brinq, 2015). Society at larger will benefit by such efforts often facilitated through structural partnerships of private as well as public entities.

Transnational, Diaspora Enterprises (TDE)

Great ideas have no borders. Our world has become more diverse with new ways of working, running businesses and supporting new ventures. At all levels of society people of distinct race, religion and cultural background are living, working and actively participating. The traditional migrant, i.e. the one who has already stayed for long periods in the country of residence, is now accompanied by short-staying migrants. Second and third generations have mingled and integrated even further. Also by travelling people have become more open to new influences and have copied and/ or adopted new ways and styles of running and developing businesses. The Diaspora looks across borders for more opportunities, blending two worlds and thus contributing to a more diverse society. Over time, we have come to understand that enterprising migrants integrate successfully in society by setting up new businesses. The Diaspora can play an active role in the economies of both the receiving and sending country. Because their initiatives built on the actual transfer of know-how, experience, and resources, they become a nexus between two societies and can contribute to development in both. Three interacting phenomena that play a role in such processes: (i) Entrepreneurship development, (ii) Migration and (iii) Integration, together having an effect on the actual contributions of migrants to the development of the countries of origin or of residence (Molenaar, 2009).

There are various forms of TDE that have emerged over the past years. Most of all it is the result of initiatives taken by different people such as:

- First generation migrants setting up business in the country of origin and intending to settle there more permanently;
- Second / third generation migrants often of higher education intending to invest in business in the country of origin with more economic objectives i.e. return on their investment and a possible contribution to economic development;
- Migrants who support relatives in the country of origin by making money and know-how available to set up new (micro/ small) businesses;
- (EU) nationals with special ties with countries with significant migration flows (marriages, frequent business/trade, previous development work) who become emotionally attracted investing in joint ventures.

Those groups deploy talents and commit assets at their own free will and without much external help or assistance. The development of TDE can also be explicitly pursued as part of an overall development policy. Such policies might result in the emergence of structural trade and business cooperation between two countries resulting in special

corridors between the country that receives many migrants from a specific country and that same country (for instance the corridor Sweden – Ethiopia or the Netherlands – Morocco corridor).

A special feature is the choice by the Diaspora and other transnational entrepreneurs to start a business in a post conflict area, the so-called Post Conflict Entrepreneurship (PCE). Here again the drive is often not the pursuit for money but rather the wish to contribute to building a more peaceful and stable society. War-torn countries lack the necessary legal structure and policies and programmes as well as the institutional network that facilitate the emergence of businesses. The new entrepreneurs launching their venture under such circumstances have indeed a broad focus. They are driven by solidarity and a sense of co-responsibility for building a new life and future. Being aware of the various bottlenecks and barriers is needed on top of a sense of reality and the capabilities to consider such as opportunities rather than problems. Financial returns are also not expected on the short term.

3.2 New forms of enterprising

The new focus on doing businesses and setting up enterprises as described in the preceding chapter is indeed directly related to changing attitudes of entrepreneurial individuals who seek new ways to attain their objectives.

Our society is changing because of mobility, diversity, globalisation and connectivity and so are our expectations. The (labour) market offers new opportunities and a wealth of unexpected possibilities. We see “Life-long (self) employment” and “life-long unemployment” gradually disappear and being replaced by other forms of self-employment: it can now be a part-time activity; it can be picked up intermittently or in combination with other activities (hybrid entrepreneurship). People want to become economically active (and be independent). They do not want to stay on one course for the rest of their life but consider it logic to constantly adjust the way they work and live. This is not only true for those being out of work and depending on social welfare; lifestyles change as well and with it the way people organise their life and work.

Full time, part-time or hybrid

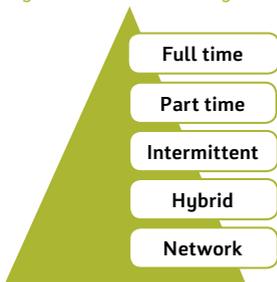
Explorative research by The Hague University of Applied Sciences (THUAS) reveals that at the beginning of this century, more than 30% of the self-employed combined that with wage employment or with social welfare benefit (although often in the informal economy since laws prohibit this combination). So next to the traditional, full time entrepreneur, new forms of entrepreneurship are becoming more prominent in European countries such as:

- The *part-time entrepreneur*; the person without other wage employment, often taking up household tasks (unpaid work) or the retired one who operate a few days a week as an entrepreneur (or self-employed persons);

- The *intermittent entrepreneur* (or intermittent self-employed), the person who engages in wage employment for a given period then becomes self-employed and maybe later seeks employment again;
- The *hybrid entrepreneur* who combines simultaneously formal wage employment (or social welfare benefit) with self-employment either as freelancer or as small - or micro entrepreneur (EIM 1999);
- The *network entrepreneur*, the full time entrepreneur employing people is being outnumbered significantly by the self-employed without any intention to employ people; he or she rather seeks to collaborate with other self-employed in case work so demand.

See also figure 8.

Figure 8 Full time and hybrid forms



Source: Design by author

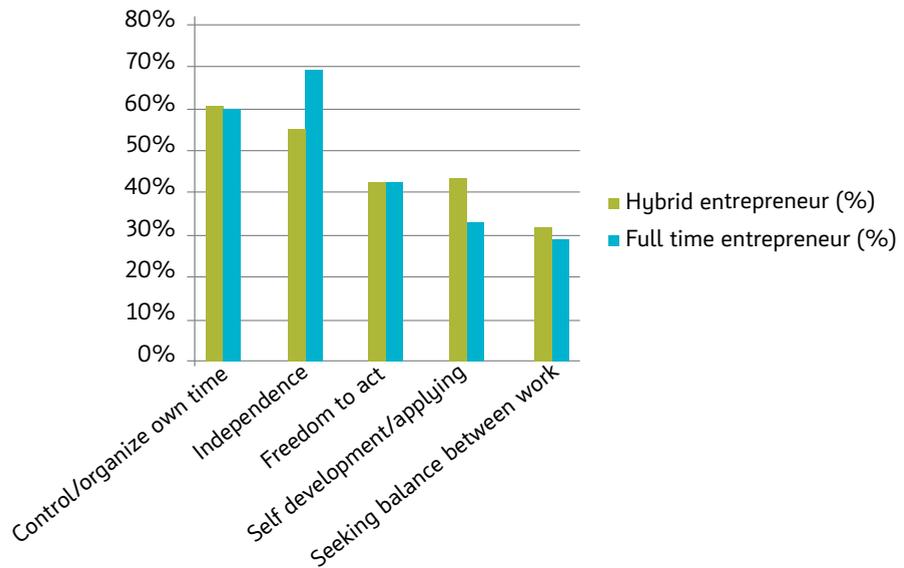
Also the step from wage employment to self-employment (Braams, N., 2009) is not a drastic one anymore, but rather a gradual process not necessarily ending in a situation where one type of economic activity is replaced by a different one. Combinations are sought for more often.

Reasons are manifold

A variety of reasons can be quoted why somebody would opt for hybrid entrepreneurship. In 2014 a list of reasons why people wish to become self-employed was drawn up. This might be illustrative as well for those who opt to combine self-employment with work or any other type of economic activity. (CBS, 2014).

Research in Sweden (Folta, T., Delmar, F., Wennberg, K., 2010) revealed that many hybrid entrepreneurs opt for the combination of work and self-employment not so much for financial reasons but rather for social- psychological ones. The hybrid form offers them the opportunity for self-development and creativity by turning what looked like a hobby into business. Secondly, it serves as a shelter, starting a business with fewer risks at least it was perceived like that. And it is a way to develop know-how and gain experience (Haasnoot, H., 2012). See also figure 9.

Figure 9 Motives to opt for hybrid entrepreneurship



Bron H. Haasnoot 2012

Already in 1999 Visee argued that hybrid entrepreneurs considered stability in income and social insurance (against medical costs and disability for work) more important than full entrepreneurs (Visee, 1999). At the same time the deployment of personal assets (such as experience, own savings, cooperation or support by employer, working with a business partner) influenced as well the degree of hybrid entrepreneurship.

Raffie and Feng argue that hybrid entrepreneurs seek ways to minimize business risks by combining self-employment with paid work. This may as well be an explanation of why hybrid entrepreneurs seem to survive more than full-time entrepreneurs. (Raffie & Feng, 2014)

All together major reasons we have identified the following reasons why one may opt for hybrid entrepreneurship:

- hybrid entrepreneurship is seen as a means to reduce risk while starting;
- hybrid entrepreneurship is a learning ground before embarking on full time self-employment;
- hybrid entrepreneurship offers the possibility of reducing the opportunity cost of self-employment and allows the person to continue benefitting from wages;
- hybrid entrepreneurship is a way to participate in society actively while depending on (and benefitting from) social security;
- hybrid entrepreneurship as a means to add income;
- hybrid entrepreneurship as a step in a process to get out of unemployment and/ or dependency on social welfare (and participate in society);

- hybrid entrepreneurship is chosen for reasons of self – development (freedom creativity, independence);
- and very relevant at present it can be chosen as a lifestyle, as a way of life combining work or other activities with self-employment without aspiring to engage into 100% self-employment and/ or 100% wage employment for personal development reasons or as new way to operate and function in society seeking control over one’s own life not only economically but also socially and culturally.

Hybrid entrepreneurship around us

The statistics about hybrid entrepreneurship and hybrid entrepreneurs (HE) are scarce. This can be attributed to the fact that this category is not being included as a rubric to account for.⁸ Whenever we came across discussions and data about hybrid entrepreneurship it was noted that such are more country or location specific. Based on selected country specific reports it may be argued that HE is indeed on the rise. But hybrid entrepreneurship not necessarily is chosen as a first step towards fulltime self-employment. It can also be a deliberate choice to organise life and work this way.

The first more explicit references to the existence of hybrid entrepreneurship and its possible importance were made by Folta and his colleagues in a publication in 2010. (Folta T. D., 2010). He reported that in Sweden 44% of the self-employed can be labelled hybrid and 21% of the self-employed who started did so in a hybrid way. This could also indicate that quite a number of the self-employed decided to continue as hybrid entrepreneur after their start to ensure a stable and reasonable income.

By the end of 2014 the Netherlands counted 1.4 million registered companies (CBS, 2014) of which 1.1 million fell in the category: ”registered as sole proprietorship / self-employed”. A closer look into those statistics reveals that 300.000 can be classified as sole proprietorship with at least one employee (such as bakeries, groceries, barbershops) and 800.000 as self-employed without employees. The latter category has indeed experienced fast growth over the past years from 250.000 in 2012 to over 800,000 in 2014 (CBS, 2014).

Data from the Chamber of Commerce show as well that 12% of all registered entrepreneurs (self-employed, micro and small entrepreneurs) combine self-employment / ownership of a business with formal (wage) employment in either public or private sector. (NUzakelijk, 2011)

It is furthermore reported that the number of self-employed with a second source of income (next to that from self-employment) has risen from 171.000 in 2002 to 259.000 in 2012 (table 6); 56.3% of those consider self-employment as secondary source of income. In other words: wage employment is the main source of income for them.

⁸ During a debate during the 2013 conference on Inclusive entrepreneurship OECD professionals admitted that HE was not reported on in statistics (EU Eurostat for instance) *“since we did not define this as a category”*

Table 6 Economic active people with a second wage paid job in the Netherlands (2002-2012)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Number of persons economically active with a second (paid) job	407	421	434	445	471	529	559	552	541	532	544
Employed with a second paid job	237	242	241	250	263	296	307	306	298	284	285
Total Self-employed combining with other sources	171	180	193	195	206	233	251	245	243	249	259
Self-employed with secondary source of income from other self-employment	32	36	34	32	35	41	48	44	46	47	53
Employed with self-employment as secondary source of income	88	91	106	108	116	133	143	141	135	138	146
Self-employed with secondary source of income from formal employment	51	53	53	55	55	59	60	60	62	64	60

Source: CBS 2015, adjusted by author

About 110.000 of those (registered) hybrid entrepreneurs consider the self-employed activity as the main source of income. Informally operating hybrid entrepreneurs without being registered with the Chambers of Commerce have not been included neither the pensioners or students who respectively combine their pensions or study with self-employment. In 2012 the EIM reported that 15% of the self-employed operated as hybrid entrepreneur (EIM, 2012). And in 2015 the national statistics bureau of the Netherlands reported that 100.000 generate an annual net income of less than Euro 6,700. The logical conclusion is then that those 100.000 can only engage in such activity if they have a second source of income⁹.

Also in the Netherlands the ECE reports (ECE, 2014) that in two years the number of students that combine study with entrepreneurship has doubled from 3% to 6%, but more interesting is to note that at some universities of applied sciences this percentage ranges up to 17.8%.

⁹ See also Volkskrant 27th January 2016, page 15 Self-employed without a problem?

In the past two years (2013/20-14) the Financial Inclusion and New Entrepreneurship (FINE) research group carried out a number of practice based research activities to demonstrate that hybrid forms of entrepreneurship indeed exist. It was indeed triggered off in reaction to attitude amongst policy makers and service providers who claimed that such forms of combining work and self-employment would be very rare.

- A quick explorative survey amongst 25 staff members of the faculty “Social professions” of The Hague University of Applied Sciences revealed that 13 (52%) of them are active in economic activities (self-employment), of whom five (5) had officially registered themselves as self-employed with the Chamber of Commerce¹⁰ (20%). This was rather a homogeneous group mainly composed of persons with a relatively higher educational background.
- In 2013/2014 a survey was carried out in Laak Noord, one of the urban neighbourhoods of The Hague. A total of 338 persons were interviewed, of whom 31 could be classified as hybrid entrepreneurs (9,1%). The urban neighbourhood is characterized as a relatively deprived area with limited economic activities.
- In a third survey (2014) amongst 476 persons randomly chosen we found that 61 persons would meet the criteria of a hybrid entrepreneur (12,8%). This randomly chosen group had no common denominators.
- A qualitative, explorative study amongst hybrid student entrepreneurs (Bouziane H., 2015) revealed that they spend about 25 hours on self-employment next to (full-time) study, consider the hybrid form an attractive way to start a business with less risk and low investment costs. Once started as hybrid student entrepreneur they tend to continue with this form of combining work and self-employment and expect to get satisfaction from self-employment and income and other , social benefits from formal work.
- In 2014/2015 the research unit FINE of The Hague University of Applied Sciences carried out a larger survey in The Hague Municipality area. The local authorities of the Municipality of The Hague consider it important that more citizens participate actively in the local economy. Stimulating hybrid forms of enterprising might be relevant. To understand more to what extent hybrid entrepreneurship already exists and in what form, it co-financed a survey. The study revealed that by June 2015, 13.4 % of the labour force¹¹ in the city of The Hague can be classified as a hybrid entrepreneur; in certain neighbourhoods it could reach even more than 16,6%. The hybrid form occurs mainly in two age groups; that of 45-64 years (48%) of age and a group of 25-34 years (23%) old. (van den Heuvel, 2015)

3.3 Hybrid entrepreneurs and new delivery systems of business support

A wide range of new BDS

Business Development Services (BDS) include a broad array of business services aimed at individual enterprises. These services range from market information to training and counselling of entrepreneurs. They can be operational, addressing an enterprise’s day-

¹⁰ In The Netherlands it is compulsory for anybody who wish to engage in business transactions to register formally with the Chamber of Commerce and Industry

¹¹ The total number of people who are eligible to work (including employed and unemployed people)

to-day operations, or strategic, addressing medium and long-term issues related to market access or competitiveness of a business. They may be provided directly or indirectly, as stand-alone or as so-called embedded services, and free of charge or at a price. And they were traditionally delivered in person: an adviser would visit and consult an entrepreneur, or vice versa.

A closer look reveals that there is indeed a wide variety of services that can be categorized as *Client Development Services*, *Entrepreneurship Development Services* and *Business Development Services*. Each type of support services has its own relevance for a particular client group and is offered in its own way. See table 7.

Table 7 Support services categorised¹²

Type of services	Details of services/ characteristics	Target groups (primary)
General information and orientation	Informing people in general about market / economic developments and related business opportunities. General information about policies and programmes	Self-employed, people enterprising out of necessity
Client development services	Raising awareness amongst clients on basic personal (financial) situation. Generally aimed at preventing harmful situations (e.g. over-indebtedness, unhealthy)	Self-employed, micro enterprises; Clients are often in survival mode and not in position to pay for these services.
Entrepreneurship development services	Helping individuals to raise awareness on entrepreneurship as a career choice, develop such competences and prepare them for the start of their own business. Also basic business skills training	Starting micro and small enterprises; Focus on clients aspiring to set up a business from a positive choice, not so much out of necessity.
Business development services	Supporting existing small business owners to improve their operations, ranging from business advice, technical skills training and linking entrepreneurs to markets (Value Chain Development).	Growth focused SMEs

Source: Author adapted from earlier consultancy work (2011, DPRN)

In the 60ies and 70ies in the past century BDS were normally offered in combination with financing. Examples are the comprehensive support programmes offered through Industrial Estates in India, an approach later also transferred to other countries (Tanzania or Kenya), or the national SME support programmes offered by vocational and technical training institutes in Latin America (such as those offered by SENATI in Peru or SENA in Colombia).

¹² Please note: excluding technical skills training and excluding representative bodies (for policy advocacy or general support) such as Associations of MSMEs or Chambers of Commerce

There are two major ways of BDS linked to financing:

- The *Integrated approach* whereby clients are expected to make use of a complete package of financial and BDS services often to be paid for by the clients through the interest rates charged on the financial services; and
- The *interrelated approach* acknowledging that SME will benefit from either BDS or financial services but necessarily would need finance or BDS at the same time.

In the earlier years in SME development programme considerable attention was paid to the development of business advisory and industrial extension services¹³. The 80ies and 90ies, however, are characterised by virtual neglect of these types of services. The overemphasis on micro enterprise development and the related minimalistic approach singling out (micro) loan delivery as the more effective tool for enterprise development has led to neglecting business development services. Subsequently modes of delivery have not changed much over time.

In the 80ies it was argued that the costs of business development services were too high in relation to the investment size of enterprises. Furthermore, the effects of these services, particularly the immediate effects, were negligible. This argument may be true for micro enterprises; however, it does not mean that business development services should no longer be used to assist SMEs.

We could thus be in a typical catch-22 situation:

- small entrepreneurs have not made any demands for business development services, because they are not offered and not known to them, and
- business development services are not offered because small entrepreneurs did not request these services.

But hybrid entrepreneurs especially are not seen yet. Subsequently services are not yet adapted to their needs. And the hybrid entrepreneurs do they know how to make use of the services available.

There is a growing understanding that SMEs in general not only need general advisory services but also specific marketing related services and technological information services. Innovations have taken place the past decades in EU funded programmes in Eastern and Central Europe (ECE) and the countries of the former Soviet Union. Considerable efforts have been put into the development of technology information services through so-called business communication centres, market information programmes and business plan development services.

¹³ The UNDP/Netherlands/ILO/UNIDO thematic evaluation "Development of Rural Small Industrial Enterprise: Lessons from Experience", provides an in-depth insight in the numerous pitfalls encountered in small and micro enterprise development and promotion programmes (Keddy, 1998). It also laid the foundation for renewed efforts on the basis of a better understanding of the required policy adjustments. The studies by State University of Michigan on the effectiveness of small and micro enterprises and the work of Stewart a.o. stressed the importance to focus on the impact of macroeconomic policies for SME development. (Gosses, 1989)

Also much is expected from business incubators and business plan challenges. But all those programmes are offered mainly to small and medium entrepreneurs, whom were expected to devote all their time, assets energy and resources on a full time basis to their businesses. Services for the solo self-employed are hardly existent, neither are there special projects yet to come to business development services for hybrid entrepreneurs.

New modes of delivery of BDS maybe suitable for hybrid entrepreneurs

The new focus and moreover new forms of organising and setting up enterprises also call for a new way of organising and delivering business development services. And the increased interconnectivity and blurring or even disappearance of physical borders demarcating the area of operations of both the enterprises and the BDS service providers indeed force us to do so. The new part-time, intermittent or hybrid entrepreneurs also need BDS albeit in different forms and in different modes of delivery. And questions that (s)he may pose are not anymore related to the business part solely, but may cover a wider range of issues including the way to combine work with self-employment, but it may even go further and not be directly related to self-employment or business issues but be related to daily life.

The Internet, Web, Mobile technology and social media offer many new opportunities and challenges and call for new approaches in providing services to entrepreneurs. In finance this is definitely the case. Transactions in financial services have indeed become more cost effective and the outreach has improved considerably. The emergence of those new innovations force traditional service providers such as banks or even microfinance institutions to rethink their own future. People seek assistance in the cloud and crowd and bypass the existing organisations. But so far little has happened in changing the modes of offering business development services, but when it happens it shows great potential. (see also table 8) For instance in the area of training we see intensive efforts to reach more people on cost effective manners through *e-learning*, and *blended learning* systems both in entrepreneurship education and in business management training.

But counselling, mentoring and advisory services are still offered in rather a traditional way, as a one-to-one service and in a physical way e.g. the mentors, coaches or advisers visit the clients. Sporadically efforts are made to use internet as is the case with the so-called *tele-coaching* approach like experimented with in Germany with Firmenhilfe or Debtline in the United Kingdom (Jung, 2006). But again it is still a method with one professional guiding and assisting one entrepreneur at the time.

In the cloud there are numerous experienced and knowledgeable individuals who could be of advice to MSME entrepreneurs. There are some *platforms* that link an individual adviser with one small or micro entrepreneur like the Coaching Platform developed by Qredits¹⁴ (the Netherlands) or a Coaching Cloud where individuals or organisations can find a coach (United Kingdom)¹⁵.

¹⁴ <http://qreditscoach.nl/>

¹⁵ <https://www.coachingcloud.com/>

Till date it is however still difficult for entrepreneurs to make effective use of the knowledge and experience that certainly floats around in the world. An entrepreneur with a question can indeed make use of *Crowdsourcing*, but he needs to know how to filter then the many reactions (s) he will receive after sending a question, problem or businesses opportunity to the cloud. Various insights and a range of different answers might together lead to more profound understanding, reactions, information or guidance. The cloud might be a platform that offers more than just one answer, reaction. But it can also confuse.

The many reactions received must then be assessed on relevance and filtered by themselves to find what is useful or not. The way questions have been formulated also determines who will react and how such persons will react.

Table 8 BDS, new delivery mechanisms and status

Area of BDS	New delivery mechanisms	Status/development
Information	Open source platforms	Fully in use
	Data bases	Fully in use
Networking	Virtual networks/ social networks (IT/ WEB)	Gradually gaining importance
	Hubs	Emerging ; also on for-profit basis
	Incubators	Widely in use; not yet for (hybrid) self-employed
Training	Informal meeting places	Gradually used more
	E leaning	Well-developed systems
	Blended learning	-do-
	Self-learning	-do-
Coaching and mentoring, counselling	Crowd sourcing	Some systems not yet fully developed nor in use
	Crowd advising	Under development
	Peer to peer (P2P) advice	Growing rapidly
	Tele coaching	In use
	Coaching platforms	In use

Source Author 2015

Effective and focused use of experience, knowledge, and information by people in the cloud by the SME sector is expected to come from *Crowdadvising*. It is a system presently under development by FINE of THUAS and Department of Computer Science of the University of Stockholm where the entrepreneur is assisted (with guidelines accessible through internet and the Web) to articulate clearly an issue and formulate the right question(s). The question (with the right key words) is then launched into the cloud and sent to (pre-registered) persons who presumably could have an answer or the required information.

Their reactions and answers are clustered, ranked and filtered again before sending back to the entrepreneur. He or she will not have the time and energy to go through long lists of answers, opinions and advice. The filtered answer however can indeed be of use.

The traditional physical and location-bound forms for entrepreneurs to meet, consult or guide other SMEs through Chamber of Commerce or Associations of Small Entrepreneurs become less important. The hybrid, new entrepreneurs prefer to cooperate in temporary and virtual networks, that are not location bound and cross borders. They participate in networks or groups through the *social networks* (LinkedIn, Facebook, Flickr, and Instagram). While developing their new ideas and launching their businesses this might be very intensively, once in operations those groups will change again.

The self-employed also seek social and physical (face-to-face) contacts with mind-like people This can be either on a more ad-hoc manner, whereby they make use of open public places (bars, caf  s) to meet at set times with other self-employed. It can also be in a more formalised way in *business development centres, special incubators for the self-employed and business Hubs*. In such cases the self-employed not only seek contacts and advise from others but they can also decide to operate jointly (without losing their hybrid, self-employed status) in the market on a temporary basis to carry out larger assignments.

3.4 Hybrid entrepreneurs seek new financing

Innovations are the engine of development in all business sectors. In the financing arena, innovations are needed to adapt services and credit supply to the changing needs of society proper or to the specific needs of people seeking new ways to deploy their talents. While in some cases innovations represent a top-down process, in others, the people and “the crowd”, foster the innovation, and change the way in which financial services are provided.

Two developments in the financial sector are indeed linked to the emergence of new forms of enterprising and facilitate such as well: (i) the fast innovations in IT technologies linked to providing new financial services and (ii) the development of community based, often more self-controlled financing. These developments are linked to two motives:

- The large IT giants wishing to gain more control over data and use data to generate ever growing revenues. They can do so by offering financial services in a fast way at relatively less costs to larger number of customers irrespective of the place of work or residence.
- The desire to regain control over one’s own life and particularly over one’ own money and use that money as an instrument to create value either for society or for oneself.

Both motives may lead to systems with a growing degree of flexibility in financial service rendering enabling the hybrid entrepreneurs to make use of a varied range of financing.

Financial services by IT giants offer chances

In the past decade, new technology-driven innovations have influenced (and disrupted) the financial sector. Some of these innovations can be seen as a natural evolution of the increased connection among individuals, via Web 2.0 technologies creating vast social networks like Facebook and LinkedIn.

The internet offers new opportunities for financial services. And some larger internet companies now offering non-banking services on the web and through the internet, become more proactive as well in offering financial services to their clients. What most have in common is their sense of exploiting the possibility to reach out to a large number of already existing clients through the internet with financial services at low costs. The latter is feasible for them by building their service delivery systems around the already existing IT systems they use for their regular services. Most of those services are rather simple ones such as payment services, automatic offerings of short term loans or insurances, and direct money transfer facilities. More complicated ones such as operating bank accounts, long term loans, syndicated investments and mortgages, are unlikely to be offered.

Larger technology based companies like Apple, Google, Facebook or Amazon will most certainly opt to become virtual players and will not imitate existing general banks (by for instance erecting impressive bank buildings) but for certain will impact the financial services industry. Already by their offering of mobile wallets or integrated payment services, banks would lose access to one of their most vital big data streams: payments insights.

The new players cannot only combine data assessment with offering new financial services, their communication networks (email, social media) also allow them to approach prospective customers proactively with special financial offerings. The biggest advantage the tech or IT giants thus have over banks: their huge customer databases. But that large number of customers has very little influence over decision making by these service providers, nor any control over the way their money is dealt with.. The sole right they have is to decide using the services offered or not. But since they are entangled intensively in the networks the giants have built up already around their clients, the possibility of leaving the system is minimal for them.

While it is difficult to determine exactly how many customers each tech giant has, the numbers in table 9 provide some perspective.

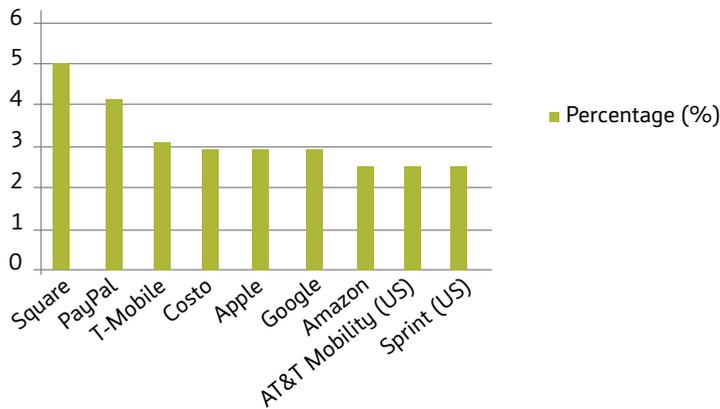
Table 9 Selected high tech giants and issues related to entering financial services markets

Company	Most important link with customers	Major determining numbers	Other factors	Special way to approach customers proactively
Google	Google+	300 million users per month		E- mail capacity
Apple	Apple iTunes	800 million account holders	Most have credit cards on file	Passbooks
Facebook	Active users	728 million daily users out of 1.19 billion	E-money license to operate in Europe	Social network
Amazon	Active users	200 million users	Credit card details of customers on file	Digital store/ mobile devices
Paypal	Registered accounts	152 million active accounts	9.3 million payments daily	Its payment system
T-Mobile	Customers	50 million costumers	70,000 stores and 40,000 ATM in T Mobile Money Network	Mobile phones

Source: Retail Banking Strategies on The Financial Brand, (Marous, 2014) – adapted by author (2016)

And present customers of the traditional banks seem to be quite interested in receiving new banking and financial services from the internet as shown in Figure 10 (Accenture, 2014)¹⁶.

Figure 10 Willingness of customers to accept banking services from IT Giants (US)



Source: The Financial Brands, Accenture 2014 adapted by author (2015)

¹⁶ Square, Inc. provides Square Reader, a credit card reader for iPhone, iPad, and Android devices that enables businesses to accept credit cards payments. It offers Square Register, an application that works with Square Reader to turn a smartphone or iPad into a mobile point of sale, as well as provides payments, sales reports, hardware—register, and other services. The company also provides Square Capital that offers access to funds for growing businesses; Square Cash, a solution for sending and receiving money; and Square Market that enables users to shop online in home, art and design, tech, fashion, accessories, jewellery, baby and kids, food, health and beauty, and other sectors.

Desire to self-control

People have become more connected through the internet, mobile phones and social media, are more mobile and have more access to information and knowledge. They know more and often better than a few decades ago, at least have access to more information, they want to use their talents and want to participate in the decisions about their assets. And this is also found in their desire to be part of processes related to the use of their money. We see the emergence of informal savings and lending groups, the decision to start new cooperative banks, the revival of community based lending and savings, or of mutual insurance schemes set up by self-employed or the elderly, and the increased number of platforms for crowdfunding and Peer-to-Peer (P2P) lending. Those are not just reactions to the failure of the banking system. It also reflects the desire of people to regain control over their own money, to stay in close contact with their money as well as with the people who temporarily make use of it. It reflects their desire to be part of the processes to decide in whom to place trust and to seek new forms to finance activities that are not being recognised neither supported yet by the traditional financing entities like banks.

Self-Controlled Financing Systems (SCFS) set up by people are growing in numbers and in importance all over Europe (EMN, 2014). With small amounts of money pooled together and controlled by the people themselves, they effectively contribute to very concrete projects. Particularly self-employed and new entrepreneurs benefit from those new initiatives. Alternative forms of financing are indeed an answer to their demands (Wardrop R., 2015).

The new, hybrid entrepreneurs will not necessarily see financing having to come from one single source. They rather opt for blended financing combining own savings, with external support from friends or relatives, participating in crowdfunding, seeking help from peers, making use of payment services offered by their mobile phone provider and incidentally approaching a bank for a supplementary loan. This calls for a new way at looking at structuring external financing (for equity as well), and the roles traditional financial institutions such as banks or even specialised SME financial service providers will subsequently change.

People will have varying financial needs not only for their business. They will mix personal and business and seek one single financing package. Traditional bankers and microfinance practitioners should be interested in the changes taking place around them and ask themselves what their role will be(come) within the financial systems with many new players coming up and people seeking the right service packages tapping from various sources, not anymore relying on one single financial service provider.

4.

.....
***CHANGE POLICIES, CLASSIFY
AND MAKE IT VISIBLE***



The changes in society have a direct effect on the way people organise life and work. And they offer new options to look at business, the place it has in life. That will eventually lead to decisions to organise life differently. It may result in intermittent entrepreneurship, setting up businesses on a part-time basis, or combining work with self-employment.

First and probably most important will be the fact that the new entrepreneur will be different from the person that we are used to think of. They are now the young well educated, not necessarily focused on lifelong self-employment, seeking opportunities to be exploited in relatively short time, creative and with a vision not necessarily to be understood by the loan officers of today, with fluid contacts with people all over the world, not feeling restrained by boundaries, less tied to specific advisers, counsellors, mentors or banking relations, and considering economic return not necessarily the most important thing to strive at.

Policies and programmes need to be adjusted to a new reality. Classifying the various modalities of hybrid entrepreneurship is indispensable then; but also a more critical look into statistics as they do not tell us the real world people are creating for themselves. Lessons can indeed be drawn from experiences in developing countries and other societies where self-employment in combination with wage employment or other sources of income such as pensions are rather common.

4.1 Call for changes in policies

We deal nowadays with a growing number of self-employed who set up and develop relatively smaller business with internet technologies, web-based distribution systems and cellphone-based communications systems. Self-employed with a different mindset than the entrepreneurs who were setting up businesses in which they would devote all their time and energy for the rest of their life.

Traditional intervention policies to stimulate the private sector and to bring about a vibrant enterprise sector (with micro, small and medium enterprises) require adjustments. To reach out to a significantly larger number of self-employed, to support and to facilitate them require new policies, rules and regulations.

Virtual, part-time, hybrid forms of doing business, it all may look new to us. And most certainly it is. However policy makers, regulators and other players have not yet adapted their systems to such changes. Traditional fiscal systems to stimulate the start and growth of SMEs seem not to be adequate anymore. Illustrative is the case in the Netherlands: the fiscal subsidy for starting entrepreneurs is now being criticized for not being used for which it was originally intended. It was set up to boost the creation of (micro and) small enterprises. Nowadays over 800.000 solo self-employed make use of it. It places the national government for new problems: not only will it cost the state enormous sums of money, it also disrupts overall the fiscal system with the wage employed seeing self-employed paying less taxes. This again leads to jealousy and social tensions.

The new entrepreneurs seek also new ways to deploy their talents in a variety of ways. They see the market not just as an area where goods and services can be sold but also as a place where entrepreneurial initiatives can be deployed to address a variety of problems. Creating value is not merely seen as creating financial returns; social value can also be a return on investment and might as well be added to the total value generated by the activity initiated.

Changes in lifestyle and entrepreneurship have implications on the way we value, evaluate, assess, appraise and support entrepreneurial or enterprising people. The assessment of such individuals as potentially interesting customers for financiers requires a new way of looking at entrepreneurs. Traditional entrepreneurship assessment tests will probably not be adequate.

The liquidity planning for the combination life, work, and self-employment will gain weight.¹⁷ The evaluation systems need to cover all in-and outflows of cash of all activities the entrepreneur is engaged in or linked to; not only that of the economic activity to be financed also that of his household and ideally of all members as well. Household based evaluations become more relevant than the evaluation of the economic activity proper. Something that originally was applied in microfinance programmes in developing countries.¹⁸

Technological innovations lead to shorter horizons for our businesses: the lifetime of a technology shortens so will also be the time we can earn a living with it. The number of years we are accustomed to enter into our evaluation systems to calculate the Return on Investment (ROI) or Net Present Value (NPV) change drastically. The traditional calculation systems need to be replaced by new ones whereby the long term return on investment (such as ROI/ NPV) is less relevant than the liquidity position of the business and the capacity of the owner (not necessarily the business) to repay external funds. And such repayments will then take place in a relatively short period.

With the rise of information technologies and web based systems as prime productive assets the depreciation systems need also to be adjusted. If a technology has a very short lifetime the fiscal depreciation must be synchronised with it. How to value assets if those are mainly IT/ Web Based?

And when it comes to auditing of financial statements, the question arises how we will deal with the new type of business. How to produce an opinion about the continuity of the firm if the horizon for the owner is rather a short one and the technology applied can be an outdated one within a matter of two to three years? And how to value and report on economic value if part of the funding of the firm is by means of digital money, not

.....
¹⁷ A completely new liquidity planning system covering such aspects was developed for instance by HHYFI, The Hague Hybrid Financing Initiative.

¹⁸ In many micro finance programmes this has been gradually replaced by mere evaluation financing of businesses only reflecting a certain mission drift of the micro finance organisation.

only with internet accounts spread over various countries, but as well with funding with new bits&bytes based currencies, or with goods or services traded with barter trade systems? It places the accounting profession for new challenges.

Organisations become more virtual ones and less bound to one specific location. How to pledge the assets then as collateral for loans? Most certainly traditional ways to guarantee financing need to be reviewed.

The virtual status of businesses will also make it more problematic to organise business advisory services. Owners-entrepreneurs and particularly the self-employed without personnel will not feel bound to one specific place. One day they may work at home, the other day they can be found with a fellow self-employed at cafés, hubs, or special meeting centres. When the entrepreneur is not bound to one specific place visiting him or her becomes impossible.

If companies are not really bound to specific places, new taxation systems are required. Which country will tax the company registered in Sweden, operating via a website hosted in Amsterdam, buying technological services in Mumbai, procuring goods in Dakar, to be sold in Buenos Aires. What is the right place for taxation? And taxation over what?

But also social welfare systems need to reassessed and reviewed. Are these still adequately related to the new ways of forming and running business in combination with work and other activities in life? If people start combining work with self-employment how can their social welfare benefits be calculated? And why will there only be entitlements for social welfare based on the periods one is formally under the wage-employment and not for the periods one is engaged in self-employment?

Likewise insurance systems are placed for an interesting challenge. If one combines work with self-employment entering into a legal conflict with a market party can be caused by either of the two activities or by both. How to calculate such risks and how to cover costs and which premiums to set? And the premiums to be paid, how to collect them, through the employer or through voluntary payment.

4.2 Towards classifying hybrid entrepreneurship

In the literature hybrid entrepreneurs and hybrid entrepreneurship (HE) are described in different ways. Apparently there exist no common descriptions or definitions of hybridity yet. Neither are (uniform) statistics yet available about its existence, growth, evolution and composition. The latter will indeed be difficult in the absence of classification of hybrid entrepreneurship . Assessing the literature available and data so far at hand we have come to a possible classification of hybrid entrepreneurship whereby we have taken into account that hybrid entrepreneurship can take many forms. We subsequently distinguish the following combinations that could be considered hybrid forms of entrepreneurship:

- Combining formal wage employment with self-employment or engagement in an enterprise (micro, small or medium);¹⁹
- Combining unpaid work (household related tasks) with self-employment;
- Combining social welfare benefits or pensions with self-employment;
- Combining public functions with self-employment;
- Combining study with self-employment;

A determining factor in classifying hybrid entrepreneurship is the actual time spent by the person on the self-employment activity. Based on our understanding of the phenomenon as seen till date we have set the minimum at 4 hours per working week, below which we consider the activity as insignificant. The upper limit we have set at five working days (of 8 hours) per working week. In cases where one operates as self-employed for more than 40 hours a week we consider the person as fully self-employed even if (s)he would combine so with a small paid job or other income generating activities.

Table 10 represents the classification that we at FINE till date use in research on hybrid entrepreneurship.

¹⁹ Thereby it is relevant to take into consideration the actual direct engagement and involvement of the entrepreneur in his/ her enterprise; when the entrepreneur becomes a mere investor, we do not take the option into account anymore.

Table 10 Classifying Hybrid entrepreneurship

Classifications	Hybrid Entrepreneurship(HE)	Self-employed/ entrepreneur	Employed	Social welfare beneficiary or pensioner	Household/ -based activities	Public function	Studying/ student
Combinations Formal employment and self employment	If more than one day per working week employed and not more than 4 days self-employed	If more than 5 days per working week self-employed even with a second job	More than 5 days per working week employed even with additional self-employment engagement				
Social welfare benefits or pensions	If More than 20% of social minimum and not more than 4 days self employed	More than 5 day self-employed even when other benefits are received		More than 20% of social minimum and less than 4 hrs per week self-employed			
Housework (Housewife/ houseman)	If more than one day self-employed and less than 5 days housework	More than 5 days per working week			More than 5 days a week (incl. Saturdays and Sundays) even with additional self-employment		
Public functions and self-employment	If less than two days public function and more than one day self-employed	If more than 5 days self-employed even with public functions				If more than 2 day per week and less than ½ day self employed	
Study and self-employment	If more than 1 day self-employment in combination with study	If more than 5 days self-employed even when studying					Less than half a day self-employed

4.3 If not seen yet: Look beyond statistics and make it visible

Hybrid entrepreneurship is not yet being reported on officially in (national) statistics. In the absence of reliable statistics there is then as well a persistent denial that hybrid forms of entrepreneurship exist. This again has a negative effect on policies and programmes. Policies and service delivery are thus not yet promoting, stimulating or supporting the emergence and development of hybrid entrepreneurs.

In many countries statistics do report on (formally) registered self-employed and in some cases even make a distinction between formally registered self-employed with personnel and those without any employees. Recent research published by the OECD touches upon the development of the self-employed in the EU members states lately (OECD, 2015) and highlights the relatively fast growth of this form of enterprising since 2008/2010. Still the OCED makes no distinction between solo self-employed and self-employed with personnel, and does not record on those self-employed who combine such with either wage employment or social welfare benefits. Hence no picture can yet be obtained on the existence and evolution of hybrid entrepreneurship in our modern society.

In the Netherlands in statistics distinction is made recently between solo self-employed (ZZP) and self-employed with people employed (ZMP) (CBS, 2014). In 2012 the National Chamber of Commerce provided the first qualitative assessment of those two groups and reported on the degree in which one combines self-employment with other work (NUzakelijk, 2011). In 2011/2012 it was found that 56.3% of the self-employed probably earn less than the official minimal wage level. An explanation could be that there is a second source of income at household level for them: they work as well as formally wage employed, or the partner generates additional income. Secondly explorative research in one of the neighbourhoods in The Hague by the research group FINE of THUAS revealed that those depending on social welfare and simultaneously engaged in self-employment, will not reveal so. They fear to lose their social welfare entitlements; even when one would generate some additional income on a part-time basis through self-employment and would formally register this, (s)he will lose automatically all such rights. Hence those persons are not counted and their presence does not figure in the (local or national) statistics, Major publications about enterprise creation and the evolution of self-employment (EU – Eurostat or OECD with its annual reports “Entrepreneurship at a glance”) still do not report on hybrid forms of enterprising...“ *hence, they do not exist*”...

Although hybrid entrepreneurs cannot be found in statistics the phenomenon can still be made visible which might help in putting their existence and importance for the economy on the agenda of policy makers and service providers. At The Hague University of Applied Sciences (THUAS), the research unit of Financial Inclusion and New Entrepreneurship (FINE) launched two practical activities to demonstrate the existence of the hybrid (student) entrepreneur.

- It organizes annually a contest of (the most) hybrid student entrepreneurs of the THUAS. The idea is to demonstrate the existence of this form of entrepreneurship. By making it visible we expect that more people will step forward and make it known to their environment that they combine study with self-employment. This again is expected to raise awareness amongst policy makers and service providers about this phenomenon. And to bring them to reflect about existing policies and services and ask themselves whether those are still adequate and in line with reality. In 2013 about 15 hybrid student entrepreneurs presented themselves, in 2014 and 2015 we already had 30 participants annually in this contest.
- And secondly The Hague Hybrid Entrepreneur Initiative, (HHYFI) was set up by FINE as well. With funding from a local development foundation, Fonds 1818 and THUAS a microfinance institution (MFI)²⁰ was created that offers small loans (up to Euro 3,000) in support of hybrid student entrepreneurs. Next to the actual implementation component it serves as a learning environment for students allowing them to run and manage a MFI as part of their formal study. It also is a platform for related research. Those research activities will throw light on questions such as: What is the profile of a hybrid entrepreneur? How do hybrid entrepreneurs arrange financing and what are their needs? how can funding for hybrid entrepreneurs be arranged? Is it possible to create a system whereby transactions are based on the latest (or even future) IT/ web technologies and whereby costs can be reduced without losing the quality of the personal contact between borrower and lender?

4.4 Learn from developing countries

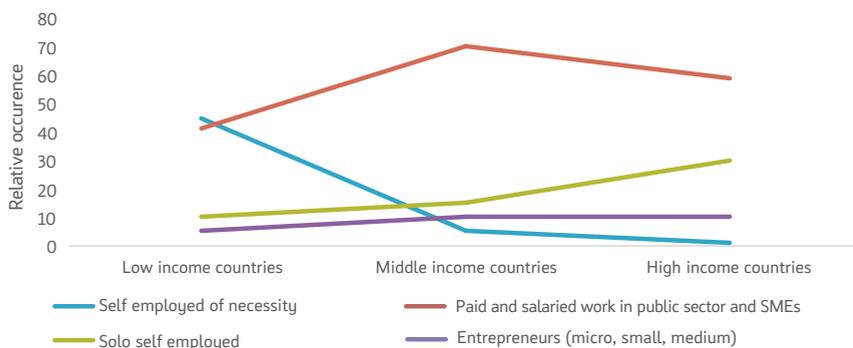
In developing countries self-employment is often opted for out of necessity. In the absence of paid work in either agriculture, industry or the public sector, people have no other choice to earn a decent living or at least earn a little to survive. Combining then work with self-employment is rather common. Many migrants living in our society opt for this form as well and show such new ways of generating income. In low income countries over 50% of all workers are self-employed; in middle income countries this is about 36% (Fields, 2014). Most of them are own account workers who tend to leave this position as soon as regularly paid or salaried work is offered (Gindling, 2013). Self-employment is thus interrupted temporarily once the economy improves, GNP increases and paid and salaried work become an option. Such paid work might be left aside again if new self-employment opportunities arise provided it offers chances for more stable, even increased and sustained income. This intermittent pattern of self-employment, work and self-employment is quite common in developing countries. In larger cities and metropolises like Lima (Peru) or Nairobi (Kenya) we see the number of self-employed on the rise as well. Those are found amongst

- the upcoming upper lower and middle classes who try to generate as much income as possible in a relatively short period to reach a higher level of living and
- the higher educated and higher income groups who also opt for working for one's own account either as solo self-employed in combination with partially wage employment or even in addition to full time wage employment.

²⁰ Formally still a project but acting and presenting itself to the public as were it an organisation, a small micro finance institution

Two different but most certainly interdependent sets of motives play a role in one deciding to go for hybrid entrepreneurship: (i) a financial-economic one i.e. generating additional income and (ii) a psychological one i.e. the desire for self-development related to PECs such a creativity, search for freedom, being one's own boss or the need for independence. A slim economic outlook will certainly play a role in opting for combining different sources of income to ensure that ends meet. In more affluent and technological societies the latter set of motives may be a determining factor. We then see indeed two groups of individuals opting for hybrid forms of entrepreneurship: younger people exploiting IT, internet and social media and the older group setting up part-time self-employment activities, succeeding to live on a reduced but still regular income from wage employment and income from their part-time business. In low income countries the number of solo self-employed out of necessity will go down, the number of registered small enterprises will stabilise or even go down slightly while the number persons deciding to become self-employed to exploit opportunities will increase when economy structurally improves. The rate of (part-time) self-employment increases again in well-developed economies and in high income countries. See also the almost U shaped curve in figure 11.

Figure 11 Evolution of self-employment in different economies



Source : Author (2015) partly based on Fields (2014) and Gindling (2013)

We can indeed learn from developing countries; they accept the existence of the combination of paid work with self-employment and have internalised such in their policies. The so-called informal sector forms even part of national development policies. There engaging in self-employment and not being able to formally register ought not necessarily be considered fraudulent actions as we tend to do in our society: when social welfare recipients do not register formally as part-time self-employed it is considered illegal and will automatically lead to exclusion from social benefits and is not seen as an entrepreneurial initiative to be supported or stimulated. And when such combining is considered normal in developing countries why should it not be in more affluent societies as well?

To understand further the role of the hybrid self-employed in both modern developed economies and in emerging ones further research is warranted. But to be able to design and implement the right policies and programmes their existence needs to be made visible

as well. The growing number of enterprising people seeking ways to combine self-employment and wage employment might be the new job creators. They deserve thus more attention.

Literature

- European Commission EG Enterprise. (2013). *Entrepreneurship Education: A guide for educators*. EC.
- Accenture. (2014). *The Financial Brands 2014*. Accenture.
- Berger, G. U. (1998). *The Economics of Small Business Finance: The Roles of Private Equity and Debt Markets in the Financial Growth Cycle*. *Journal of Banking and Finance*.
- Bonini, S. (2009). *Valuing social responsibility programs*. Opgeroepen op september 8, 2015, van McKinsey Insights & Publications: http://www.mckinsey.com/insights/corporate_finance/valuing_social_responsibility_programs
- Borzaga C., D. J. (2004). *The Emergence of Social Enterprise*. Routledge.
- Bouziane H. (2015). *De ondernemende student*. Den Haag: HHS.
- Braams, N. (2009). *Van ondernemer naar werknemer*. Den Haag/Heerlen: CBS.
- Brinq. (2015, september). *Brinq Blog*. Opgeroepen op september 2, 2015, van <http://www.brinq.com/workshop/>
- CBS. (2014). *Achtergrondkenmerken en ontwikkelingen van zzp'ers in Nederland*. Den Haag: Central Bureau voor de Statistiek.
- CBS. (2014). *Welvaart in Nederland 2014*. Den Haag: Centraal Bureau voor de Statistiek.
- CEA. (2015). *2014 CE Product Life Cycle*. Customer Electronics Association.
- Chanou, A. (2015). *Welke criteria moeten worden toegepast voor de beoordeling van leningsaanvragen van HHYFI?* The Hague: HHS/ HHYFI.
- ECE. (2014). *Global University Entrepreneurial Spirit Students' Survey-National Report for the Netherlands 2013-2014*. Rotterdam: Erasmus Centre for Entrepreneurship.
- EIM. (1999). *Van werknemer naar ondernemer: Een hybride of directe start?* Zoetermeer: EIM.
- EIM. (2012). *Inkomen, vermogen en dynamiek van zelfstandigen zonder personeel*. EIM.
- EMN. (2014). *Policy note on the role of Microfinance & Self Controlled Financing Systems*. Brussles: EMN.
- EU. (2014).

Entrepreneurship Education: A Guide for Educators.

Brussel: EU DG Enterprise and Industry.

Fields, G. (2014).

Self-employment and poverty in developing countries.

IZA World of Labor.

Folta, T. D. (2010).

IFN Working Paper No. 825, 2010

Hybrid Entrepreneurship.

Folta, T., & Delmar, F. A. (2010).

Hybrid Entrepreneurship.

IFN.

Folta, T., Delmar, F., Wennberg, K. (2010).

Hybrid Entrepreneurship.

Sweden: Research Institute of Industrial Economics.

Gibb, A. (1993).

Enterprise Culture and Education, Understanding Enterprise Education and Its Links with Small Business, Entrepreneurship and Wider Educational Goals.

International Small Business Journal, April 1993 vol. 11 no. 3 11-34.

Gindling, T. N. (2013).

Self employment in developing countries.

Washington USA: World Bank, World Development Report.

Gosses, A. M. (1989).

Small enterprises, new approaches.

The Hague, The Netherlands: Ministry of Foreign Affairs, Directorate of International Cooperation.

Haasnoot, H. (2012, mei 1).

Hybride-ZZZP-er-kiest-voor-persoonlijke-ontwikkeling.

Opgeroepen op april 10, 2015, van

www.intelligence-group.nl:

<http://www.intelligence-group.nl>

Hart, S. (2010).

Capitalism at the Crossroads: The Unlimited Business Opportunities in Solving the World's Most Difficult Problems.

Prentice HALL.

Hilpert, A. e. (1998).

Integrating CEFE Components into General and Vocational Training Systems.

Eurobuch.

IEDI, Industrial Enterprise Development Institute. (2015, oktober 4).

Ogpehaald van <http://iedi.org.np/project-b/>.

IMES and Triodos FACET. (2008).

Entrepreneurial Diversity in a Unified Europe, Ethnic Minority Entrepreneurship and Migrant Entrepreneurship.

EU/EC.

IOM. (2014).

World Migration Report 2013 – Migrant Well-being and Development.

Geneva: IOM.

IOM. (2014).

World Migration Report 2013 – Migrant Well-being and Development.

Geneva: IOM.

ITU. (2014).

Measuring the Information Society Report 2014.

ITU.

- Jung, E. a. (2006).
Crisis Intervention Tools & Management of Change in Microenterprises, Best practice Report.
Brussels: European Commission, European Social Fund.
- Keddy, J. S. (1998).
RSIE, Development of Rural Small Industrial Enterprise, Lessons from Experience.
The Hague: Netherlands Government, UNDP,ILO, UNIPD.
- Marous, J. (2014, July 4 August 2015).
Retail Banking Strategies on The Financial Brand, July 2014.
- McClelland, D. (1986).
Characteristics of successful entrepreneurs.
- McClelland, D. C. (1961).
The Achieving Society.
Princeton: Norstrand.
- Mead, D. C., & Liedholm, C. (1998).
The dynamics of micro and small enterprises in developing countries.
World Development.
- Molenaar, N. (1998).
Tomorrow holds another Future, Programme Evaluation on Income Generating Activities of Counterparts of Dutch MFOs.
The Hague, The Netherlands: DGIS.
- Molenaar, N. (2000).
The APIS Model for microfinance programmes.
FACET BV.
- Molenaar, N. (2008).
Microfinance, (only) for enterprising people? ... a diverse market requires a novel approach...
Den Haag, The Netherlands: Hogeschool InHolland.
- Molenaar, N. (2009).
Enterprising migrants in the driver's seat.
The Hague: IntEnt Foundation.
- Molenaar, N. (2013).
Je kunt een rivier maar twee keer oversteken.
Den Haag, The Netherlands: The Hague University of Applied Sciences, The Netherlands.
- Molenaar, N. (2013).
Microfinanciering, waar gaat het dan over?
Den Haag, The Netherlands: The Hague University of Applied Sciences, The Netherlands.
- Molenaar, N. (2015 - forthcoming).
Hybrid Entrepreneurship and other new forms of enterprising.
The Netherlands: The Hague University of Applied Sciences.
- Molenaar, N., & van Dijk, M. e. (1983).
Small Scale Industry Promotion in Developing Countries.
Delft: RVB.

Montalvo, J. (2005 (April)).
Ethnic diversity and economic development.
Journal of Development Economics.

MSI. (1990).
Entrepreneurship Training and the Strengthening of Entrepreneurial Performance (Final Report).
USAID/ MSI - Management Systems International.

NUzakelijk. (2011, 11 29).
Hybride ondernemer in opmars.
Read on 5 3, 2015,
www.nu.nl: <http://www.nu.nl/werk-en-privé/2680584/hybride-ondernemer-in-opmars.html>

OECD. (2015).
Entrepreneurship at a Glance, 2015.
Paris: OECD.

Patel, V. (1987).
Entrepreneurship Programmes in India, Developing New Entrepreneurs.
Ahmedabad: EDI.

Prahalad, C. (2006).
The Fortune at the Bottom of the Pyramid.
Prentice Hall.

Raffiee, J., & Feng, J. (2014).
Should I quit my job? A hybrid path to entrepreneurship.
Academy of Management Journal Vol. 57, No. 4, 936–963.

Rettew, B. (2011).
Defining Hybrid Entrepreneurship.

Reynal-Querol, M. a. (2005, April).
Ethnic diversity and economic development.
Journal of Development Economics.

Symion. (2014, september 16).
Hé ZZP'er: Wees niet timide, wordt hybride!
Symion, Partners in HRM.

United Nations, D. o. (2013).
International migration, Graphs and Maps from the 2013 Wallchart.
Opgehaald van www.unmigrant.org.

United Nations, Department of Economic and Social Affairs Population. (2013).
International migration, Graphs and Maps from the 2013 Wallchart.
Read on www.unmigrant.org.

van den Heuvel, H. (2015).
Ontsnappen aan oude ideeën Hybride ondernemerschap in de gemeente Den Haag.
The Hague: The Hague University of Applied Sciences/FINE.

Visee, W. Z. (1999).
Van werknemer naar ondernemer Een hybride of directe start?
Zoetermeer: EIM.

Wardrop R., B. Z. (2015).
Moving Mainstream, The European Alternative Finance Benchmarking Report.
Cambridge: University of Cambridge.

Acronyms

ABC	Assistance to Business Creation (programme)
AMT	Achievement Motivation Training
BoP	Bottom of the Pyramid Businesses
CSE	Corporate Social Enterprises
CSR	Corporate Social Responsible Businesses
CEFE	Competency based Economies Formation of Enterprise
DUBS	Durham University Business School
EDP	Entrepreneurship Development Programmes
EET	Entrepreneurship Education and Training
FINE	(Research unit) Financial Inclusion and New Entrepreneurship
GtZ	Gesellschaft für Technische Zusammenarbeit ²¹
HE	Hybrid Entrepreneur
IEDI	Indian Entrepreneurship Development Institute
ILO	International Labour Organisation
MSI	Management Systems International -New York
MSME	Micro, Small or Medium Enterprises
PCE	Post conflict enterprises
PEC	Personal Entrepreneurial Characteristics
P2P	Peer to peer (lending or financing)
SB	Social Businesses (SB or SE);
SCFS	Self-Controlled Financing Systems
SE	Social Enterprises
SME	Small and Medium Enterprises
SPAREK	Special Programme of Assistance to Refugee Entrepreneurs in Kenya
TDE	Transnational Diaspora Enterprises
THUAS	The Hague University of Applied Sciences (in Dutch HHS)
UP-ISSI	University of the Philippines Institute of Small Scale Industries
ZMP	Zelfstandige met Personeel – self-employed with employees/ workers
ZZP	Zelfstandige zonder Personeel - solo self-employed

²¹ Nowadays known as GIZ - Gesellschaft für Internationalen Zusammenarbeit

Appendix - what makes somebody a successful entrepreneur?²²

It is commonly believed that being successful as entrepreneur depends on a number of variables. Before beginning a business, it is essential to find out first if one indeed, has the so-called entrepreneurial spirit. How much of the personal characteristics of the successful entrepreneur does (s)he possess? Does (s)he have the right motivations for going into business? Have the events and circumstances of life prepared him/her well for the entrepreneurial role?

Variables that play an important role in the process are:

Creativity and innovativeness

Entrepreneurs believe that there are always new and better ways of doing things. They are creative. And often their ideas may be wild or fancy but this merely indicates their preoccupation with the new and the innovative. They are ever discontented with present ways, no matter how comfortable they are. They think of increasing the comforts. They are imaginative about the products that they sell. They dare to be different in the way they make and sell products. Almost always they are worth the difference.

Knowledge and experience

Although many successful entrepreneurs did not complete secondary school, much less college, they are street-wise knowledgeable. They learn about it well enough so that they don't wholly depend on "experts" to tell them what happens, how, where and when. They also recognise the value of current events: what's going on, where and why. This why they get ahead, much earlier, than most people. They seek information. They usually read widely and educate themselves continuously about things and events. The knowledge they get from others makes them wiser.

On top of this knowledge many starters have learned a lot and gained a wealth of experience while they were employed in a business before or when they were working for others. Even a job as a civil servant will give an individual valuable work experience and insights on what is going on in the business world and what may be required from a person to become successful.

Managerial abilities

The entrepreneur is a leader. He²³ inspires his employee/ staff in a way that makes them willing and able to do things for him. While he definitely controls the business, he is able to delegate some functions to employees so that he has more time for creative activities such as finding ways to improve his product, looking for new markets and expanding his enterprise.

²² Based on lecture notes of author; adapted 2015

²³ Where in this text we use "he " it has to be interpreted as she or he.

He is rational rather than emotional about managing his business. If his venture has grown beyond his capacities, he is willing to take in more people to work with him if they can provide assistance (e.g. funds, expertise) in making his business grow even more.

In the face of pressure (whether from people or from circumstances), he is focused and acts on the basis of what will work best for the business. For instance, when hiring, he hires on the basis of expertise and resource potential for the business, rather than on the basis of friendship or relationship. Unless it will do the business much good, he is not ready to compromise on standards and policies simply because he doesn't want to hurt subordinates, whoever they are. He is decisive and firm, strict but fair, all to attain what he wants to get.

Again the necessary experience in managing people and resources one could gain in previous jobs. Hence the work experience of the clients is assessed carefully in the selection process.

Persistence and hard working

The entrepreneur pursues his goals to the best of his ability. He runs after it as if his very existence depends on it, harnessing for it all his talents, skills, abilities and emotions. His involvement is total. He persists, perseveres and works so hard even in the face of much adversity. He cannot stand unfinished tasks. No stress is too great for him for he thrives under stress.

Energy and mobility

Entrepreneurs make the world go round. They are so full of vigour and vitality it is difficult to resist them. Their energy is catching. They work beyond eight hours daily, much more than the normal capacity of most people. They work and drive themselves so hard it is a wonder where they get the surplus energy. They also tend to be mobile. Boring, routine jobs don't attract them. Unpromising communities exasperate them. They therefore tend to move from one job to another, from one city to another. They are never content with the mediocre or the ordinary.

Goal setting and desire to be successful

Once he has set his mind on a goal, the entrepreneur imagines how he would feel if he should succeed or fail in attaining it. He expresses these desires to himself and to others around him. His emotional involvement with the goal is total. The goal means so much to him that he thinks about it mostly in terms of winning. He gets so preoccupied with winning that he plans his strategies and tactics well in advance. Fearing failure, he identifies possible obstacles and barriers to the goal, and prepares himself to prevent or overcome them. However, he is optimistic despite the possibilities for failure. He is so hopeful and bent on succeeding that he sees the future as bright and promising, not dark and gloomy.

Attitude towards risk

The entrepreneur likes to win but in fair and controlled way. That means he never sets out on anything that is either too risky or too easy. He likes challenging ventures, those that involve moderate chances for success or failure. He feels happier and more pleased with himself when he succeeds in a task where others fail or fear to enter. Unlike the ordinary man, he does not shun risks but almost seeks them. He assesses the risk involved in terms of all his resources.

He asks himself: “Do I have enough technical knowledge, management, expertise, money and personnel to carry out such a plan?”

Are my financial, technical, market, raw material and energy resources adequate? If not, what can I do to make up for the inadequacy? Is the missing element essential to make the business succeed or is it possible to go on without it? Based on his assessment of the situation, he decides whether the venture is worth taking or not. In the selection process many opportunities are therefore created to confront the would-be entrepreneur with risk situations where he has to make some decisions. Assessing his behaviour in such situations will give more insight into his attitude towards risks, and his ability to reduce risk while still maintaining a position of gaining a “little” bit more than under “normal” circumstances.

The use of feedback

Entrepreneurs consistently want to know how well they are doing so that they are often called recognition seekers. They are, in a sense, for they delight in knowing that they have done a splendid job. However, they don't seek feedback just for the pleasure they feel in being praised, but rather to know more about how they perform. Whether positive or negative, the feedback is welcome input to help them produce better and accomplish more. They always view events as learning opportunities, the past as aids in decision making. They look for nasty feedback, digest them and act on them so they cease to be pitfalls in the future. Because they are open to feedback they are flexible. They do not stick rigidly to plans when they have ceased to be workable. Even in planning the business they consult with others (experts, consultants, and friends, relatives) to gain feedback about goals. And they try to be objective.

Personal responsibility for actions and decision-making

The entrepreneur badly wants to be the one responsible for a job well done. He cannot sit in a team as a hardworking member while another gets all the glory that winning brings. He leads and makes things happen while all the others either watch or follow or are unaware of what's going on. He originates ideas and action. He takes the initiative. While others go on dreaming of great things, he actively does his best to get things done. He believes he is personally responsible for the way his life turns out to be. Success to him is a product of personal effort, not luck or fate.

Self-reliance and self-confidence

Entrepreneurs are strong. They have faith in their ability to win and they show it. They pursue life with infectious confidence. While the rest of the world regards the environment as formidable and overpowering, the entrepreneur views it as something that can be conquered and subjugated. He is willing to plunge into the unknown. Because of this, many people find entrepreneurs (especially those who are still starting and have not established their names to back them up) too risky to support. They seem to overestimate their capacities. Overconfident? In a very real sense, they are. It is no surprise to discover that a successful entrepreneur has a history of failure.

Many times over, they have overestimated themselves. But they did not give up when they failed. They kept on going, not losing heart. Perhaps because other people tend to view the entrepreneur as too risky for comfort, he is forced to pursue his activities alone. But with or without others, he can get things done because he is self-reliant and independent. He has learned that he is his own best asset. Money, friends, contacts all of these merely augment and support what he himself has to offer: hard work, ambition and competence.

Ability to persuade and motivate

An entrepreneur can talk in a way that excites other people. He might be poor, with no land, no car, no big family name, and no master's degree. But he has dreams and he talks of his dreams in a way that makes other people dream with him. Therefore, a relative lends him a land title, a friend lends him some money (enough for personal equity), and another friend lends him a car. He talks to a friend who agrees to drive him to a bank, he presents all his acquisitions to the bank manager and he walks away with a loan to start his business. He talks to competent skilled hands around the neighbourhood promises them a good future with him, and off they go to start a business on a small pay and a big-shared dream. All the people he gets in contact with do what they can do for him because they are willing to do it. In other words, he can influence and inspire people.

Achievement orientation

Entrepreneurs are interested not only in the end result (attainment of the goal) but in the process of attaining it as well. They are concerned with excellent performance, setting high standards for themselves. Once they have committed themselves to a goal, they pursue it with a flourish, so to speak. And they do it for the satisfaction that they get from doing an excellent job. Often, they have been described as working with excellence for excellence sake rather than for the rewards that attend excellent completion of a task. In business, therefore, they actually don't work for the profit and are mainly interested in the continuity of the firm.

About the author

Klaas Molenaar (1949), (MA Management Science – Erasmus University Rotterdam) is a hybrid entrepreneur, consultant and academic crossing borders in search for new insights in entrepreneurship and financing. Professor on *Financial Inclusion and New Entrepreneurship* at The Hague University of Applied Sciences. In that capacity leading various research programmes in the field of microfinance/financial inclusion. Fully conversant with all aspects of micro and small enterprise finance (policy, financing, capacity building, service delivery and linking to BDS).

Specialist in Entrepreneurship Development and Training, Economic Livelihood, Financial Inclusion and MSME financing (especially microfinance and SME guarantee funds) and Migration, Entrepreneurship and Development.

“Research conducted by the Financial Inclusion and New Entrepreneurship research group is based on our belief that much can be learned from experiences in developing countries; knowledge that can be used in our industrialised world, whether or not adapted to local circumstances. This way of thinking and working may give rise to a reversed transfer of knowledge, and this in turn forms the basis of a more detailed insight and knowledge that can be used to organise microfinance services and entrepreneurship in Europe in a more effective and efficient way.”

Financial Inclusion and New Entrepreneurship Research Group - FINE

The research group aims to achieve the following:

- To systematize and disseminate knowledge on Financial Inclusion and New Entrepreneurship, both nationally and internationally.
- To undertake practice-based research with a close link to teaching.
- To contribute to the professionalization of lecturers and researchers of The Hague University of Applied Sciences by their active participation in innovation in education and research.
- To contribute to policy debates on Financial Inclusion and New Entrepreneurship.

Leading is our conviction that European countries have much to learn from the evolution of microfinance in developing countries. Feeding back lessons learned (reversed transfer of knowledge South - North) into education and research, can contribute towards more client-focused financial services for entrepreneurs, irrespective of their nationality or socio-economic status. Research activities undertaken are:

- Informal savings and loan groups in the Netherlands
- New forms of financing in the Netherlands
- Hybrid entrepreneurship
- Incubators and entrepreneurship
- Graduation in MSMEs
- Self-controlled financing systems (in Europe)

Innovation in education is undertaken to support students to learn and understand more about value creation in the next economy and the related new forms of entrepreneurship and new type of IT based and self-controlled financing.

They are not yet seen... but... - Hybrid Entrepreneurship emerging in a changing society

Changes in our society call for new ways of enterprising and changes within people lead to a new way of looking at employment and entrepreneurship. Diversity, mobility and connectivity offer new opportunities for enterprising people. Markets are changing, become more accessible and there is less need to be bound physically to one place for an entrepreneur. With less focus on life-long (self) employment people now combine paid work (or unpaid – house- work) with self-employment, or opt for just part time entrepreneurship. New, hybrid forms of enterprising emerge. This combining work with self-employment is rather common in developing countries, but in Europe it is a phenomenon not yet reported on in statistics and for which policymakers and service providers have no answers yet. Neither exist clear definitions or classifications.

This book may serve as an eye-opener: hybrid entrepreneurs are indeed around us and deserve our attention. The reader is challenged to pay more attention to the hybrid entrepreneurs, those enterprising people who intend to create new values for a fair and sustainable society.

They might not yet been seen, but they exist...

