



Migrant & Refugee Entrepreneurial Ecosystems in Europe

Report Summary Presentation

January 28th, 2021

IMPACT
HUB



Agenda

1. Mapping Introduction
2. Key Findings
3. Key Recommendations
4. Good Practices

Why Newcomer Entrepreneurship?

1

Supporting entrepreneurship is an **effective way to include migrants and refugees (newcomers) in local economies**. Migrant entrepreneurs are more likely than natives to start a new business in almost all OECD countries but the survival rate of their businesses is lower than for natives¹.

2

Entrepreneurship can also be **part of the long-term solutions** needed to address the consequences of large movements of forcibly displaced persons.²

3

It's an opportunity to **demonstrate that newcomers are productive contributors** to their host communities and economies.³

4

Economic opportunities for all is one of the top priorities of the UN 2030 Agenda for Sustainable Development and will be key for inclusive post-COVID economic recovery.

- 1) Mestres, J. (2010), Open for Business: Migrant Entrepreneurship in OECD Countries, OECD Publishing, Paris
- 2) Policy Guide on Entrepreneurship for Migrants and Refugees, United Nations, 2018
- 3) [Is migration good for the economy?](#) OECD, 2014

Mapping Objectives



Map key actors supporting newcomer entrepreneurs in 10 markets in Europe



Collect practitioners' insights on current capacities and barriers for newcomer entrepreneurs to thrive at all stages of the entrepreneurial journey as well as the capabilities and constraints of the organisations supporting them



Collect good practices in supporting newcomer entrepreneurs at programme and ecosystem levels



Highlight **opportunities to strengthen support** for newcomer entrepreneurs at programme and ecosystem levels

Methodology

- **Qualitative research** conducted from January to June 2020
- Impact Hub's research team conducted **desk review of academic and grey literature** on refugee and migrant entrepreneurship
- Local Impact Hubs conducted **35 in-depth interviews** with entrepreneur support organisations, foundations and government agencies across Europe and collected their own insights
- **10 markets mapped:** Austria, France, Germany, Greece, Italy, the Netherlands, Spain, Sweden, Turkey and the UK

A photograph of two men standing in a sauna. The man on the left is wearing a dark blue sweater and has a slight smile. The man on the right is wearing a grey sweater, glasses, and has a beard; he is smiling broadly. The background shows wooden slats of the sauna walls and a white bench. A semi-transparent teal banner is overlaid at the bottom of the image.

Key Findings

Key Findings

1. Barriers to entrepreneurship for newcomers
2. Focus of newcomer entrepreneurs
3. Support needs of newcomer entrepreneurs
4. Needs of organizations supporting newcomer entrepreneurs
5. Ecosystem level findings

Barriers to Entrepreneurship for Newcomers

Newcomer entrepreneurs face additional barriers to entrepreneurship

when compared with their native peers, especially related to:

- their legal status
- knowledge of the local context
- their supportive networks
- hosting country language skills
- limited entrepreneurial skills
- access to finance

Entrepreneurship is currently seen as a **viable path for newcomers with higher education levels, secure legal status, and often a secure income** through parallel employment.

For more vulnerable newcomers, vocational training and access to employment are seen as more relevant forms of support and engagement than the entrepreneurial journey.

Focus of Newcomer Entrepreneurs

Sector focus

Newcomer entrepreneurs most often focus on **sectors with low entry requirements** where they can provide value based on their cultural background or experience of resettlement.

The most common sectors across contexts are:

- Food production, gastronomy
- Small-scale trade (import-export) and retail
- Integration-related services for fellow newcomers
- Handicrafts

Social impact focus

Newcomer entrepreneurs are often focused on securing a regular income.

Newcomers often create positive social impacts by providing useful goods and services to their migrant community, through supply chain to the country of origin, or by employing fellow migrants.

Newcomer entrepreneurs are rarely aware of concepts such as social enterprise, however.

Support Needs of Newcomer Entrepreneurs (1/2)



Newcomer entrepreneurs support needs differ from the needs of entrepreneurs who were born in the host country and also differ significantly based on the development stage of the venture.

At the early stages of the entrepreneurial journey (idea and startup), newcomer entrepreneurs **require dedicated support services** to enable them to overcome their additional barriers.

Beyond the start-up stage, newcomer entrepreneurs are often **unable to access existing mainstream entrepreneur support services** due to specific additional barriers related to their migration background and limited local context knowledge and skills.

Support Needs of Newcomer Entrepreneurs (2/2)



Entrepreneur support offerings for newcomers are heavily **focused on the startup stage** with limited provision at idea-stage.

Newcomer entrepreneurs currently **lack access to a coherent pathway of support services** to enable their journey from idea to venture launch, growth and scaling in all studied contexts.

Newcomer entrepreneurs **face additional barriers in access to finance** needed to grow their businesses. Key issues include legal issues around their migration status, lack of local credit history and collateral for loans.

Needs of Organizations Supporting Newcomer Entrepreneurs

Funding to strengthen their organizational capacity, enable further service development, and play an active role in advocacy

Knowledge sharing and learning between practitioners and organizations through European and global networks (e.g. European Migrant Entrepreneurship Network, The Network for Migrant Entrepreneurs to Scale Up and Grow, the Magnet Network, and the The Refugee Entrepreneurship Network) with stronger collaborations needed within local ecosystems

Signposting to support opportunities for newcomer entrepreneurs and **referral systems** between service providers

Capacity building for programme staff

Impact measurement with a coherent impact measurement framework or indicators for newcomer entrepreneurship encompassing business as well as broader integration outcomes

Ecosystem Level: Relative Strength of Domains

Summarising the findings of the national level research, this "traffic light" chart illustrates the capacity of different entrepreneurial ecosystem domains across the studied markets using the Isenberg's ecosystem domains.

- Domains marked green do not pose a significant constraint to entrepreneurship
- Domains marked orange show significant achievements but also space for further development
- Domains marked red are significantly underdeveloped and severely constrain newcomer entrepreneurship

Ecosystem Domain	Capacity Assessment
Infrastructure	Green
Culture	Green
Entrepreneurial support	Orange
Markets	Orange
Research & development	Orange
Human Capital	Orange
Finance	Red
Policy	Red

Ecosystem Level Findings

Newcomer entrepreneur support services exist in all studied markets. They are uneven across markets, however, and **do not constitute a coherent support pathway throughout the entrepreneurial journey.**

There is a **disconnect between the organisations** supporting the social and economic integration of newcomers and the actors involved in entrepreneurial support within local ecosystems, resulting in a lack of collaboration, knowledge-sharing, provision of holistic services, and funding.

Policy and finance domains of the entrepreneurial ecosystem **represent key constraints** for newcomer entrepreneurs; entrepreneurs struggle to access finance to grow their ventures.



**Recommendations
to Strengthen Newcomer
Entrepreneurship**

Ecosystem Level Recommendations

Mobilize long-term collaborations between entrepreneur support organisations, job centers, financial services providers, and social integration community organisations in order to provide continuous entrepreneurial support from the idea to growth/scaling stages.

Advocate to secure long-term funding and policies in favour of newcomer entrepreneurship - including relaxing conditions to start a business, improving access to opportunities to learn entrepreneurial skills and get work experience while awaiting their legal status outcome.

The European Commission as well as national, regional and local governments need to **create dedicated funding instruments** to make risk-tolerant and patient financial support available and channel this to high-potential newcomer entrepreneurs.

Newcomers need to be included in policy and programme-level decision-making processes to ensure that services are relevant and accessible.

Program Level Recommendations

At early venture stages (idea, startup), entrepreneur support organisations need to **provide targeted services** for newcomer entrepreneurs to address specific barriers such as linguistic, legal and bureaucratic barriers.

At later stages these entrepreneurs benefit most from **being included in mainstream support services** and ecosystems such as acceleration and investment-readiness programs and networks of entrepreneurs.

Newcomer entrepreneurs can be supported most effectively through holistic services that **consider their broader social integration journey** and are tailored to the specific circumstances, challenges and strengths of the individual.

Newcomer entrepreneur support programs need to **introduce social & environmental impact concepts**, training and funding opportunities to newcomer entrepreneurs.

CONNECT
CREATE
CHANGE

Good Practices



Good Practices

There is an **emerging body of good practice** in entrepreneur support for newcomer entrepreneurs. The support organisations interviewed for this study shared powerful practical insights into supporting refugee and other migrant entrepreneurs in the following areas of practice:

Programme level practice areas

- Accessibility & inclusion
- Recruitment & retention
- Programme content and format
- Finance
- Building social capital
- etc.

Ecosystem level practice areas

- Ecosystem building & coordination
- Access to information
- Advocacy
- etc.

A man with a shaved head and a beard, wearing a dark turtleneck and light blue jeans, stands in a courtyard. The scene is overlaid with a teal gradient. The text "Thank you." is written in white, bold, sans-serif font across the center of the image.

Thank you.