



MAPPING REFUGEE & MIGRANT ENTREPRENEURSHIP ECOSYSTEMS IN EUROPE

January 2021

A study in
collaboration
with



Preface

The 'Mapping Refugee & Migrant Entrepreneurship Ecosystems in Europe' is a study that has been in the making since the beginning of 2020. When The Human Safety Net and Impact Hub first agreed on the research approach, COVID-19 was still an unknown acronym. Then the world changed. We first thought of postponing the research and wait for the normality to be back. However, it did not take long for us to understand that the pandemic's impact was global and that its consequences were there to last and to affect the lives of all of us.

That realization only meant one thing: we needed this study even more now than before. It should not be a surprise that newcomers like refugees and migrants who lack a safety net are more exposed to the pandemic's effects. And this was proven correct.

The research was conducted between January and June 2020, covering 10 countries. It concluded with concrete recommendations for building a more coherent pathway of support for the entrepreneurs and highlighted the need of offering more support to their businesses after they launch, to boost their resilience and potential to grow. In December 2020, we conducted a validation workshop with a small group of stakeholders to collect input, comments, and ideas on this study. Most participants confirmed the need for an updated mapping of the sector to support practitioners in making informed decisions while developing support services. Workshop participants agreed with the main findings of the study and confirmed that all relevant literature was consulted.

We would like to thank all organizations and individuals who actively participated in the workshop. In alphabetical order: Centre for Entrepreneurs (CFE), EBN, European Migrant Entrepreneurship Network (EMEN), European Venture Philanthropy Association (EVPA), International Organization for Migration (IOM), Groupe SOS, Power Coders, Schöpflin Stiftung, Singa Global, Social Impact, The Entrepreneurial Refugee Network (TERN), Techstars, Youth Business International.

A big thank you goes to Impact Hub and to everyone who made this report possible, and especially to the practitioners who dedicated their time to respond to our questions, contributing to building evidence in the field.

We hope you will benefit from this study and you will make the best possible use to strengthen the growing sector of Refugee and Migrant Entrepreneurs.

Best regards,
The Human Safety Net team

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CHAPTER 1

INTRODUCTION



Introduction

The number of forcibly displaced people around the world increased in 2019 to an unprecedented 70.8 million, of which 25.9 million are refugees¹. Entrepreneurship offers a powerful opportunity for refugees and other migrants to rebuild their lives and contribute to the economy and society of their new home country, often as well as their country of origin, by offering useful goods and services, creating jobs and helping to diversify the economy².

Entrepreneurial support organisations are well-positioned to equip refugees and migrants with the business skills and access to networks and capital they need to start and grow businesses. In order to develop this important service offering effectively, it is critical to collect the good practices and achievements of, as well as challenges faced by, both refugee & migrant entrepreneurs and the organisations that support them. This mapping report aims to fill this information gap.

Project partners

This report has been produced by Impact Hub with kind support from The Human Safety Net.



The Human Safety Net is a global movement launched by the global insurer Generali to unlock the potential of people living in vulnerable circumstances, so that they can transform the lives of their families and communities. Its programmes support families with young children and integrate refugees through work. This movement brings together the strengths of non-profit organizations and the private sector, in Europe, Asia and South America. Learn more at www.thehumansafetynet.org.



Impact Hub is a leading global network of entrepreneurial communities, capacity building programs and collaborative spaces that support impact-driven entrepreneurs and innovators on their journey from intention to scale. Impact Hub supports more than 16,500 impact-driven entrepreneurs in over 100 cities in 55 countries worldwide. Learn more at www.impacthub.net.

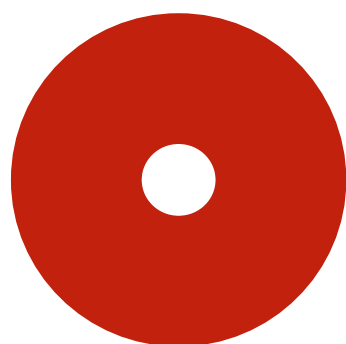
¹ <https://www.unhcr.org/figures-at-a-glance.html>

² Policy Guide on Entrepreneurship for Migrants & Refugees, United Nations Conference on Trade and Development, 2018 [[Link](#)] p.V



CHAPTER 2

METHODOLOGY



Methodology

This study is based on desk review and semi-structured interviews with entrepreneurial support organisations and funders conducted by Impact Hubs in 10 national contexts in Europe in February and March 2020.

The countries included are Austria, France, Germany, Greece, Italy, the Netherlands, Spain, Sweden, Turkey and the UK. Each Impact Hub interviewed 3-5 other support providers, funders or government agencies in their national context and collected their own insights from previous programs supporting migrant or refugee entrepreneurs.

Impact Hub Global conducted desk research on international initiatives, and compiled the findings of the national-level research into this report.

Note on language: This report takes up good practice used by many of the interviewed entrepreneurial support organisations in referring to refugee and migrant entrepreneurs collectively as “**newcomer entrepreneurs**”, in order to avoid negative connotations and to emphasise the positive integration of these people into the societies in question.

Where differentiation between refugee and other migrant entrepreneurs is necessary, these terms are used.



CHAPTER 3

RECOMMENDATIONS FOR DEVELOPING SUPPORT FOR NEWCOMER ENTREPRENEURS



Recommendations for Developing Support for Newcomer Entrepreneurs

This mapping exercise reveals that many powerful support services for refugee and migrant entrepreneurs exist in the markets studied. Meanwhile, these organisations and the newcomer entrepreneurs they support can be strengthened further through intentional measures to fill gaps in capacity and service provision. Based on interviews with service providers in the 10 studied markets, the following priority actions are needed to further develop effective support provision for newcomer entrepreneurs across the markets studied:

Ecosystem-Building for Newcomer Entrepreneurship

There is a disconnect between the organisations supporting the social and economic integration of refugees and migrants and the actors involved in entrepreneurship support, resulting in a lack of funding, collaboration, knowledgesharing and holistic services to enable newcomers to start and grow businesses. While several EU-funded projects have stimulated knowledge-sharing at a European level, at the national and city levels concerted ecosystem building efforts are generally absent. National, regional and local governments are positioned to play a key role in ecosystem-building as resourceful duty bearers related to socioeconomic integration of newcomers.

To strengthen their role, there is a need for entrepreneurial supporters to advocate together with policymakers to secure long-term funding and policies in favour of newcomer entrepreneurship, including for example relaxing conditions to allow people to start learning entrepreneurial skills and work experience while awaiting their legal status outcome. Intentional networking to mobilize structured long-term collaboration between entrepreneurial support organisations, public sector labour market integration & entrepreneurship service providers, finance providers, social integration NGOs and community organisations.

Partnerships with community organisations that bring together newcomers are key to making services accessible to these potential entrepreneurs. Further, newcomers need to be included in policy and programme-level decision-making processes to ensure that services are relevant and accessible. Collaboration at these levels would help to situate entrepreneurship within the broader socioeconomic integration process and provide holistic support around the individual newcomer entrepreneur.

Inclusive, Effective & Sustained Entrepreneurial Support

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. These entrepreneurs are often unable to access existing mainstream entrepreneurial support services due to specific additional barriers related to their migration background and limited local context knowledge and skills. It is therefore necessary to take intentional measures to make entrepreneurship support services inclusive and accessible, especially to more vulnerable newcomer entrepreneurs, by assessing the context-specific barriers to entrepreneurship affecting particular (ethnic/gender etc.) groups and collaborating with ecosystem stakeholders to address these identified barriers directly through targeted service provision.

Newcomer entrepreneurs have individual support needs which typically differ from those of their native citizen entrepreneur peers and also differ significantly based on the development stage of the venture. At early venture stages (idea, startup), targeted services are needed for newcomer entrepreneurs to address specific issues such as linguistic, legal and bureaucratic barriers; whereas at later stages these entrepreneurs benefit most from being included in mainstream support services.

Further, newcomer entrepreneurs can only be supported effectively through holistic services that consider their broader social integration journey and are tailored to the specific circumstances, challenges and strengths of the individual. It is therefore crucial to provide a combination of newcomer-targeted and mainstream entrepreneurial support services designed to address the additional barriers to entrepreneurship newcomers face at different stages of their entrepreneurial journey:

- Offer cohort-based support targeting newcomers separately at the idea and startup-launch stages in order to provide specialised services addressing additional barriers of this group such as local language skills, legal status, bureaucracy and knowledge of the local entrepreneurial context, methods and mindset.
- After startup-launch, focus on integrating newcomer entrepreneurs into the mainstream entrepreneurial ecosystem, including by creating structured preparatory pathways into mainstream services such as growth stage entrepreneurial support programs, enabling newcomer entrepreneurs to overcome competitive barriers to access such opportunities.
- Within and beyond cohort-based entrepreneurial support services, provide flexible, holistic and individual mentoring and social capital support for the entrepreneur throughout her entrepreneurial journey, especially by sustaining the connection to supportive entrepreneurial communities with free access to workspace and individual consultation.

Access to Finance

Newcomer entrepreneurs face additional barriers compared with their native citizen peers to access the finance they need to grow businesses. Key issues include legal issues around their migration status, lack of local credit history and collateral for loans. While advocacy towards financial institutions such as commercial banks, microfinance institutions can help to simplify the process and conditions for accessing finance for newcomers, it is critical that the European Commission, national, regional and local governments create dedicated funding instruments to make risk-tolerant and patient financial support available and channel this to highpotential newcomer entrepreneurs.

Social & Environmental Impact

Newcomer entrepreneurs often create positive social and environmental impacts within and beyond their communities, but are rarely aware of concepts such as social enterprise. This results in missed opportunities to access support resources for social entrepreneurs and to participate consciously in the broader transformation to an inclusive and sustainable economy. Accordingly, efforts are needed to introduce social & environmental impact concepts, training and funding opportunities to newcomer entrepreneurs.



CHAPTER 4

KEY FINDINGS:
SUPPORT SERVICES
FOR NEWCOMER
ENTREPRENEURS



Key Findings: Support Services for Newcomer Entrepreneurs

Ecosystems for Newcomer Entrepreneurship

The entrepreneurial ecosystem comprises actors within the following domains³:

- Finance (banks, venture capital, angel investors, foundations, microfinance institutions, public capital markets, and government);
- Entrepreneurial support (incubators, accelerators, industry associations/networks, technical experts and services);
- Policy (national, regional and local government);
- Markets (domestic and international corporations, consumers, distribution, retail and marketing networks);
- Human capital (universities and other educational institutions);
- Infrastructure (electricity, transport, communications etc.);
- Research & Development (public and private research centres & labs);
- Culture (media, government, schools, professional associations and social organisations).

For newcomer entrepreneurs, social and labour market integration actors additionally play a key role, especially job centres and government bodies and nongovernmental organisations supporting refugees and migrants with basic services such as language and other training, legal support etc.).

While the strength of the respective ecosystem domains (listed above) differs from market to market, overall it is possible to identify the status of the entrepreneurial ecosystem for newcomer entrepreneurs in Europe (all studied markets) as visualised in the “traffic light” graph below, wherein red indicates a significant weakness, orange indicates some strengths but potential for improvement, and green indicates that the respective domain does not present a significant constraint on newcomer entrepreneurship.









The most critical weaknesses relate to policy and finance, as explained in the sections below. There are significant achievements but also space for improvement related to entrepreneurial support, human capital, research & development and markets for newcomer entrepreneurs. Entrepreneurial culture and infrastructure do not pose a significant barrier to newcomer entrepreneurship.

³ Entrepreneurial Ecosystem Diagnostic Toolkit, Aspen Network of Development Entrepreneurs (ANDE), 2013 [[Link](#)]

Strength of Entrepreneurial Ecosystem Domains in Relation to Newcomer Entrepreneurs

Summarising the findings of the national level research, this “traffic light” chart illustrates the capacity of different entrepreneurial ecosystem domains across the studied markets.

- 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	
Culture	
Entrepreneurial support	
Markets	
Research and development	
Human capital	
Finance	
Policy	

As the list of organisations supporting refugee and migrant entrepreneurs (presented in Annex 1) shows, there are now many actors providing valuable services in the studied markets. Meanwhile, in all studied contexts these organisations struggle with a lack of long-term funding and insufficient collaboration with other social and economic integration service providers to refugees and migrants. As one Impact Hub explained, in terms that apply to a greater or lesser degree to all markets: *“At city level, actors are often unaware of what their peers are doing. More collaborative ties are needed between the key actors of the entrepreneurship ecosystem (investors, incubators, accelerators, corporations, universities) and the organisations that are supporting refugees/migrants in their process of integration. There needs to be a common journey to support the refugees and identify what support each organization can offer at the different venture stages.”*

Meanwhile, several EU-funded networking projects have stimulated good practice sharing on supporting migrant entrepreneurship across European countries⁴. Regarding refugee entrepreneurship in particular, the Centre for Entrepreneurs in the UK shares resources and facilitates collaboration on refugee entrepreneurship, notably via the Global Refugee Entrepreneurship Summit in London⁵.

Regional Trends in Support

In the countries of Southern Europe & Turkey, where a high number of refugees and migrants crossing the Mediterranean Sea from the Middle East and North Africa (MENA) region first land, humanitarian and development organisations are often the main service providers to a particularly vulnerable target group without confirmed legal status as refugees or migrants. These organisations often provide self-employment (“livelihoods”) support alongside other integration services for refugees (language, legal support etc.). Meanwhile, in Northern European countries which mostly (with Germany being an exception) receive far fewer refugees, many of whom transit from Southern Europe, entrepreneurial support is more often provided by specialist organisations targeting less vulnerable people with clearer legal status and integration prospects. This differentiation is not absolute - support providers of different types exist in each context - but it highlights an important trend. The table below presents the pragmatic categorisation used in this report.

⁴ See summary of EU-funded initiatives for Migrant Entrepreneurship [[Link](#)]
Other resources: [[Link1](#)], [[Link2](#)], [[Link3](#)], [[Link4](#)], [[Link5](#)].

⁵ <https://centreforentrepreneurs.org/networks/refugee-entrepreneurship-network/summit/>

Pragmatic Categorisation of Countries Studied in this Mapping Exercise

Southern Europe	Northern Europe
Greece	Austria
Italy	France
Spain	Germany
Turkey	The Netherlands
	Sweden
	United Kingdom

Targeting & Communicating Entrepreneurial support: Refugees, Migrants or “Newcomers”?

While a minority of entrepreneurial support providers exclusively target refugees, the majority support refugees alongside other migrants. Mainstream programmes targeting native citizen entrepreneurs are also open to newcomers, but typically observe low rates of participation by refugees and migrants, who struggle to compete for acceptance onto these programmes due to additional barriers to entrepreneurship they face.

Most organisations interviewed in Northern Europe target a mixture of refugees and other migrants. These support organisations usually consider refugee or migrant status for basic eligibility to participate in programmes, and select competitively from among this group based on entrepreneurial potential.

While it can be useful to differentiate refugees from migrants in view of their additional barriers to entrepreneurship (described below), support organisations often prefer a mixed targeting and to communicate using the term “newcomers” to avoid the negative connotations that can be associated with the terms “refugees” and “migrants” in national contexts.

Making Entrepreneurial support Inclusive

Across contexts, labour market integration actors and many entrepreneurial support providers consider entrepreneurship 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 typically seen as more relevant. One support provider in Greece, for example, which hosts a large number of asylum seekers without legal refugee status in camps, the majority of whom aim to proceed to other EU countries, report limited success in entrepreneurial support programs targeting this group, and suggest: *“Considering the vulnerability of refugees and local conditions, it is questionable whether entrepreneurship support is most appropriate, or if it is actually more effective to target second generation migrants, who are not preoccupied with securing their basic living conditions”*.

Similarly, the Swedish Agency for Economic and Regional Growth (Tillväxtverket) notes a drawback for newcomers in pursuing entrepreneurship, related to the broader integration process: *“Entrepreneurship can be perceived as a less favourable route to self-sufficiency when applying for a permanent residence permit, since there is a high risk that the company will not be able to provide stable support during the first years”*.

Deliberate measures are needed to ensure that entrepreneurial opportunities are inclusive. In addition to dedicated training programs, financial support from labour market integration support actors could help to de-risk entrepreneurship, enabling more vulnerable individuals to start businesses.

Mainstream vs Targeted Support Services

Newcomer entrepreneurs face additional barriers to entrepreneurship compared with their local peers, especially related to their legal status and knowledge of the local context, their supportive networks, and their local language and entrepreneurial skills (described in the section “Barriers to Entrepreneurship for Newcomers”, below).

Support organisations explain that at the early stages of the entrepreneurial journey, especially idea development and startup launch, newcomer entrepreneurs require dedicated support services to enable them to overcome their additional barriers. After launching their business, however, newcomer entrepreneurs should be included in mainstream support services to support their integration into the entrepreneurial ecosystem. Impact Hub Amsterdam highlights the importance of joint programmes for achieving social and economic integration: *“We think one of the beneficial things of mixing the groups with both newcomers and locals is for newcomers to get integrated and connected with entrepreneurs in the city, and not only with other migrants. True inclusion means making existing programs more accessible, rather than separating the newcomers off into their own group”*.

Availability of Entrepreneurial support along the Venture Journey

Refugee and migrant entrepreneurs do not have access to a clear, sustained pathway of support throughout the venture journey. Entrepreneurial support offerings for newcomers are heavily focused on the Startup-launch-stage, with limited provision at Idea-stage, and almost no dedicated services or efforts to integrate newcomer entrepreneurs into mainstream support programs at postlaunch Growth and Scaling stages.

Impact Hub Kings Cross explains the gap in support along the venture journey and the importance of creating a coherent support pathway that utilizes existing services: *“Most refugee-focused entrepreneurial support is rightly focused on the initial intervention stages, however there is a gap in terms of growth-stage programmes. This leaves still vulnerable entrepreneurs to fend for themselves shortly after taking the large risk of starting a venture. There is a need for clear pathways for refugee entrepreneurs along the entrepreneurial journey, leveraging existing support programmes at various stages into a coherent package”*.

Accordingly, there is a need for support actors to review together the available services in each context and collaborate to create a pathway of support. This planned-out journey through relevant support services for newcomer entrepreneurs would start with dedicated cohort-style idea and business-launch programmes, followed by individual accompaniment to enable newcomer entrepreneurs to access mainstream support services at the business and growth and scaling stages alongside their native citizen entrepreneur peers. Where possible, low-intensity individual mentoring support and sustained access to a supportive community of entrepreneurs should be offered consistently throughout the venture journey.

Challenges for Entrepreneurial support Organisations

Funding

Entrepreneurial support providers across contexts report similar challenges related to inadequate funding frameworks for programmes supporting refugee and migrant entrepreneurs. This shortfall limits support organisations’ staff capacity to provide the individualised services needed by newcomer entrepreneurs and their ability to invest in service development and engage in advocacy and networking to share learning with other actors in the sector.

One support organisation in Spain explained the consequences of limited financing: *"A key challenge is fundraising to guarantee the continuity of our programs and to offer new programmes which could benefit more people. Funding would also enable us to get our own space rather than relying on partners, and we could work more with dedicated staff rather than volunteers - as it is not their main activity, some don't have enough time to develop the programs at the desired speed"*.

Ecosystem Connections

Most organisations are insufficiently connected to supportive ecosystems for knowledge-sharing and learning, although there are some positive initiatives in this area, such as the IQ Network in Germany. Information on entrepreneurial opportunities for newcomers is dispersed, and needs to be made available in accessible platforms alongside other integration information and services. Referral systems between service providers are lacking, and the needed cooperation with employment agencies is absent in all studied markets with the exception of Sweden.

Staff Capacity-Building

Regarding staff capacity-building, even specialised support providers tend to rely on staff experience more than thematic training to make services accessible and appropriate for this target group.

Impact Measurement

Impact Measurement is also a challenge for many organisations. There is no coherent, holistic impact measurement framework or indicators for newcomer entrepreneurship encompassing both business and broader integration outcomes. Examples of good practices exist and could be developed into shared standards enabling coherent measurement of results across support modalities and contexts.

The Role of the Public Sector

National- and city-level public sector organisations are key providers of support to refugee and migrant entrepreneurs, and are critical to providing widespread support services across national contexts. Their role varies widely in different national contexts, however. Broadly speaking, in the studied northern European countries public sector organisations typically provide a range of dedicated business support services and information on starting a business in a range of relevant languages for migrants. In other contexts, meanwhile, there may be no specialised services for entrepreneurs.

Entrepreneurial support providers highlight that entrepreneurship is not widely recognised as a viable alternative to access-to-employment by duty-bearers in almost all studied contexts (with Austria and Sweden being partial exceptions). Research and Advocacy interventions are needed to shift perceptions in favour of enabling newcomer entrepreneurship. The cause of this is in part a lack of political support and public awareness. One support organisation in a context with relatively strong provision for newcomer entrepreneurs commented: *"Even successful funded projects are not talked about in political spheres. Public awareness about successful migrant businesses is heavily influenced by the negative stories that are picked up by the media. Success stories of mainstream businesses with migrant founders are not visible"*.

Entrepreneurial support for newcomers is generally isolated from related integration services, most importantly labour market integration services focusing on access-to-employment. Entrepreneurial support organisations in Germany, for example, highlight that JobCenters are reluctant to refer potential entrepreneurs to entrepreneurship programmes; not least because doing so would affect their own performance against targets related to referrals into access-to-employment programmes. A good contrasting example is the National Employment Agency (Arbetsförmedlingen) in Sweden, which provides funding to the National Growth Agency (Tillväxtverket), which in turn supports entrepreneurship.

Considering the potential contribution of public services, advocacy efforts should focus on persuading policymakers and public sector service providers to offer or scale up services for newcomer entrepreneurs.



CHAPTER 5

KEY FINDINGS:
CHARACTERISTICS
OF NEWCOMER
ENTREPRENEURS



Key Findings: Characteristics of Newcomer Entrepreneurs

Entrepreneurial Motivations: Necessity & Opportunity

Newcomers may be entrepreneurs of necessity or opportunity, depending especially on the availability of employment in the context. Entrepreneurial support organisations support people in both categories, but most often support individuals who choose to be entrepreneurs based on experience working in (family) businesses in the country of origin and prefer being independent.

Women newcomer entrepreneurs reportedly often additionally pursue entrepreneurship for the flexibility to balance work with domestic roles they may fulfil; meanwhile, combining such activities with the domestic roles assumed within cultures can also present barriers to successful entrepreneurship.

Sector Focus of Newcomer Entrepreneurs

Newcomer entrepreneurs most often focus on sectors with low entry requirements (e.g. qualifications) and where they can provide value based on their cultural background or experience of resettlement. The most common sectors across contexts are:

- Food/Gastronomy;
- Small-scale trade (import-export) and retail;
- Integration-related services for fellow refugees/migrants;
- Handicrafts.

Meanwhile, SINGA Germany highlight that Tech entrepreneurship is also pursued: *"In people's minds, refugee entrepreneurship is often imagined as a one-man / onewoman or small-scale business (such as food trucks, catering, supermarkets) and while these entrepreneurs are just as important and valuable, there are also those who would like to start a bigger company with growth-opportunity (e.g. in the tech scene)".*

Impact Focus of Newcomer Entrepreneurs

Newcomer entrepreneurs are usually focused on securing a regular income and do not typically work explicitly with concepts of social or impact-driven enterprise. Impact Hub Madrid note that immediate needs typically trump impact considerations: *"From our experience, the main concern is economic survival, so in the case that entrepreneurship is an option, newcomers prioritize their previous experience (mostly related with selling products, food, beauty services, agriculture). Of course, there are some specific cases of leadership who want to pursue social enterprises".*

Refugees especially can create positive social impacts through their businesses by providing useful goods and services to vulnerable fellow-refugees, through their supply chain to the country of origin, or by employing fellow community members. The Vienna Business Agency finds refugee and migrant entrepreneurs are often interested in supporting their communities in the country of origin: *"Integrating goods from the country of origin into the supply chain, or importing special local goods is a common business practice that creates impact at home and often provides a competitive edge. However, conducting trade with local communities is not always legally straightforward and can become risky if it is an important part of the company value chain".*

FORES in Sweden note an increasing trend towards social entrepreneurship among newcomers, with social enterprise funding falling behind this development: *"Generally, migrants go into the service sector so that they can create profit. But this is changing, as migrant and refugee entrepreneurs are diversifying the sector for more community-driven initiatives. Funding is still targeted towards more profit driven ideas and concepts, so we are missing out on a lot of innovation"*.

Accordingly, there is potential to stimulate awareness of social and environmental impact concepts among newcomers and to enable their access to impact-related funding.

Opportunities for Newcomers to Sustain Existing Businesses

In some contexts, there may be opportunities for refugees and migrants to take over existing family businesses for which there is no succession. In Germany, for example, the International Organisation of Migration notes that many family-run small and medium enterprises in rural areas fail to continue operations across generations, as the youth tend to prefer to move away to urban centres. A programme could support refugees to take over these countryside businesses.

Characteristics of Supported Newcomer Entrepreneurs

Most refugee and migrant participants in entrepreneurial support programs are recognised as having the following common characteristics:

- Highly motivated, hardworking, passionate;
- Already relatively well-integrated into society compared to other (nonentrepreneur) group members;
- Usually have a high level of education & skills - at least high school diploma, usually university degree (although qualifications are often not recognised in the new context);
- May have experience working in a relevant (family) business in country of origin;
- Limited knowledge of the local language;
- Lack of context-relevant entrepreneurial knowledge; unfamiliarity with local legal and bureaucratic requirements.

Barriers to Entrepreneurship for Newcomers

Barriers to entrepreneurship vary depending on the individual profile of the entrepreneur and the institutional context in the host country. Individuals have different legal statuses and rights to start businesses.

Impact Hub Athens reports challenging legal conditions, which are the case in many national contexts: *"Asylum seekers have rights to work six months after they have been registered officially, a process that takes a minimum of one year from the moment of application. Regarding migrants, meanwhile, non-EU citizens have slightly better access to the labour market, which includes self-employment. Migrant workers can only become entrepreneurs after becoming long-term residents. They are required to have adequate knowledge of the Greek language, history and culture to get the long-term residents permit"*.

SINGA Spain, meanwhile, explains how the uncertainty of refugees' situation can inhibit entrepreneurship: *"Refugees face the additional issue that the Government might decide they should be transferred to a different city, which makes it even more difficult to develop a business plan focused on a specific market and to establish a strong network and connexions"*.

Entrepreneurs also have different levels of human capital - especially language skills and familiarity with business methods relevant for the host country -, social capital - access to advisers and support networks, as well as financial capital - especially difficulty accessing venture financing due to a lack of local credit history and collateral for loans.

Vienna Business Agency explains how, beyond limited access to business support, limited social capital can constrain business development in other ways: *"Migrant entrepreneurs tend to focus their products and businesses around their own communities, not thinking of the wider market and how to address customers outside their community, which limits the growth potential of their businesses. Reasons for this could be manifold: migrants may not understand customers outside their communities because they do not have sufficient interaction, fear of rejection, fear of cultural incompatibilities, communication difficulties, etc."*

Refugees especially may face particular additional barriers related to a lack of an established network of their own community to support business growth as customers, finance providers etc., as well as - in some cases - mental health issues related to traumatic experiences, which may influence their ability to focus on entrepreneurial opportunity.

Women newcomer entrepreneurs may face specific additional barriers related to language, cultural norms that exclude them from independent economic activity, access to information about entrepreneurial opportunity, and the difficulty of juggling entrepreneurial activity with family responsibilities that may be complicated by experiences of trauma. Financial barriers are likely to be particularly severe for women newcomers.

Meanwhile, public sector support for newcomer entrepreneurs is more advanced in some contexts than others, with differing levels of support with local language learning, information in target languages and newcomer-focused business support and networking services.



CHAPTER 6

GOOD PRACTICES
IN SUPPORTING NEWCOMER
ENTREPRENEURS AT PROGRAMME
- AND ECOSYSTEM - LEVELS

Good Practices in Supporting Newcomer Entrepreneurs at Programme - and Ecosystem-Levels

There is an emerging body of good practice in entrepreneurial support for newcomer entrepreneurs. Several European Union-funded projects have collected good practices for supporting migrant entrepreneurs⁶. The support organisations interviewed for this study shared powerful practical insights into supporting refugee and other migrant entrepreneurs.

Programme Level

Location

- Offer support programmes near where newcomers live; recruit locally.

Language Accessibility

- Provide interpreting/translation services.
- Offer programmes in English rather than in the local language (where appropriate).

Finance

- Advocate for the legal framework to facilitate refugee and migrants' access to capital.
- Negotiate agreements with banks that have more social and inclusive criteria to facilitate access to credit.
- Strengthen networking work and communicate better the finance options already available.
- Provide specific grants within programmes for refugee and migrant entrepreneurs.
- Promote crowdfunding of resources among this group.

Programme Targeting: From Targeted to Mainstream Programmes

- Provide early-stage idea and startup programmes separately for refugee & migrant entrepreneurs to help overcome specific initial barriers related to language and skills.
- Avoid aiming programmes narrowly to any single political or religious group.
- After venture launch, integrate newcomer entrepreneurs into mainstream entrepreneurial support programs; refer high-potential cases internally to receive further support from other services.
- Support the transition from targeted to mainstream services, e.g. with a targeted programme designed to lead into a mainstream programme.

⁶ See for example the EU-funded international network projects M-UP [[Link](#)] and MEGA [[Link](#)].

Participant Recruitment & Retention

- Work with the target audience in creating the offer to understand where they need support.
- Conduct awareness-raising to open up the mind and interest of refugees and migrants towards the idea of entrepreneurship.
- Offer special “pre-workshops” on how to apply to mainstream incubators, especially targeting later-stage ventures, could be helpful. Work with organisations that have a big refugee/migrant community to blend networks.
- Recruit participants primarily via referrals from trusted organisations working with refugees/migrants on the ground; they can also help to gauge individual’s readiness for the programme.
- Recruit programme participants from within a catchment area local to the community space to increase accessibility and the likelihood they will use the space for more than just workshops.
- Ensure that selection juries are diverse, including entrepreneurs with migration/refugee background.
- Consider applying a quota system to increase inclusion of newcomers.
- Select ventures strictly at the correct venture stage; or divide into distinct tracks within the programme based on stage (early vs later stage).
- Although the programme may be free of charge, implementing a system whereby participants pay a fee upfront which they receive back after completing the programme may boost participant retention.

Programme Team Composition

- Pay attention to the profile of the technical team involved, ensuring strong social skills and sensitivity to deal with this target group.

Core Programme Content

- Conduct context analysis, including the overall economic situation laws, political trends to ensure activities are both relevant to real challenges and feasible.
- Ensure close collaboration between coaches, trainers, program managers, psychological/legal experts for holistic support.
- Adapt the support offer to changing economic realities - develop competency in new areas based on market realities. *For example, Vienna Business Agency developed a profit and loss calculation framework for migrants who want to become self-employed via gig economy platforms such as Uber Eats. This supports migrants in assessing whether self-employment in the gig economy could lead to financial sustainability.*
- Offer mentoring, sharing of best practices and connections to relevant stakeholders as key support programme component to help overcome barriers related to social capital.
- Be respectful with cultural issues and create spaces to listen, learn and understand different cultural perspectives and backgrounds.

Gender-Sensitivity

- Consider the needs of women: have a kids space, and ensure that no men are in the same classroom when necessary to ensure accessibility to women of particular cultural groups.
- Focus on repeated face-to-face with women entrepreneurs to build human capital.

Tailoring to the Individual

- Evaluate the entrepreneurial skills of the potential entrepreneur at the start of the program, listening to and assessing the individual situation and needs; generic group workshops are useful at early-stage only.
- Continuously monitor the development of participants' needs and tailor support elements accordingly.

Creating a Safe Space

- Make inclusion, diversity and sustainability explicit values as this helps to stimulate the same culture among the projects.
- Create first a safe and truth space among refugees cohort in order to they feel comfortable to add value and participate.

Peer-to-Peer Exchange

- Offer peer-to-peer formats such breakfast, allowing trust-building and exchange.
- Create a space for participants to have a voice and share experiences in order to build confidence.
- Enable peer to peer contacts between entrepreneurs at different stages to create a sense of belonging, empathy and transference of knowledge between different types of entrepreneurs.
- Offer open pathways for alumni participation in the programme, strengthening the network for participants and alumni.

Workshop timing and format

- Design the format and timing of workshops to fit with employment/carer responsibilities.
- Ensure that all participants are given the chance to input their preferred time for sessions, as well as providing ideally at least two options for workshops/clinics whenever possible.
- Include some trust-building component in workshops, to overcome hesitation to share ideas and co-create.

Supporting More Vulnerable Entrepreneurs

- Research the living conditions and daily routines of participants (religious practices, meals, community activities etc.), and structure entrepreneurial support accordingly.
- Conducting condensed, short-term programmes (e.g. 15 days not 1 month) can help to reduce drop-out.
- Ensure realistic consideration of limitations - seriousness of participants' interest in business, network, leadership skills, language barriers/bureaucracy - to support programme completion.
- Focus on their motivation and self-esteem around the idea/venture to guarantee the sustainability of the support process.
- Make developing the entrepreneurial mindset central in the programme.
- Set realistic expectations about results of the programme - people in urgent need grasp at hope; deliver on programme promises.
- Count the give & get for the participant: what do they give in order to come? What do they get after finishing the program?
- Cover participation expenses.
- As a minimum, programmes should offer a practical tool to take away: such as a certificate, reference letter, technical skill, languages, internship, funding.
- Provide consistency by sticking to plans and schedules.
- Support participants to create a personal plan with little wins to feel progress as this can help sustain motivation.
- Set a clear obligation to deliver as this builds confidence.
- Develop a "venture builder" approach for migrants/refugees that do not have the resources and could be possible to create mixed teams.

Building Human Capital

- Adapt trainings and workshops orientated to boost entrepreneurial skills to visual and simple language (and in relevant language for the target group).
- Provide entrepreneurial education materials and support digitally and via elearning, but always in combination with in-person support.
- Develop experiential learning processes.
- Simplify startup tools to make them suitable for very early stage startups.
- Give training in accounting and matchmaking with accountants.
- Develop cooperation with universities, especially if they have founding support services.
- Refer participants to existing free training programs.

Building Social Capital

- Create a network among the various relevant local actors around the programme.
- Create personal relationships, follow up on participants progress in the programme in a structured way.
- Keep project partners in regular communication about the participating teams to catch problems.
- Build close cooperation with legal & financial experts.

Mentoring

- Have a full day training session for mentors prior to starting mentor relationships, including a session on inclusivity and best practices for engaging with refugees from a specialist refugee support organisation.
- Train mentors to get into the participant's shoes, without judgement and be sensitive to cultural difference and potential traumatic experiences.
- Where possible, work with mentors who share the same cultural background as the entrepreneurs, as they are able to understand cultural codes and deliver better results.
- Match ventures with mentors based on a diagnosis of needs and fit.
- Match entrepreneurs with consultants with relevant industry-focused experience and network (entrepreneur can conduct short initial calls with 2- 3 preselected consultants and select the best fit).
- Use available resources in the context, e.g. consultants from public sector organisations.
- Address newcomer entrepreneurs' possible reluctance to being consulted or mentored by talking to the participants face-to-face to address any doubts about their own businesses and the value of the programme.
- Organise support in a flat hierarchy - enabling entrepreneurs, especially women - to go to anyone to ask for support.
- Offer Job shadowing with companies run by founders with similar background and in similar industries.
- Recruit retired workers from established companies to help and offer their advice and expertise.
- Follow the results of mentoring sessions carefully, without intervening in the process itself, to ensure a good match is made at the beginning, and ask for feedback regularly. Allow for flexibility to change mentors when the fit is not good.

Networking

- Create opportunities to interact with people from the local ecosystem.
- "Teach networking" by going to events in small groups, making introductions and working on communication skills and personal confidence.
- Support refugee and migrant entrepreneurs to find co-founders who are local/native (where relevant).
- Offer Connections to alumni/ other entrepreneurs in similar situations.

Offering Participants a Platform

- Provide a platform to showcase entrepreneurs at the startup and growth stage (e.g. a fayre/market).
- Offer opportunities to platform participants within the program, for example has caterers for other events of the organisation.

Building Financial Capital

- Do not focus on obtaining capital at the very beginning. It is important to clarify the business model first, and then start generating some income from customers directly. Then use this first proof of concept to attract further financial capital.
- Advocate to policymakers and funders to secure funding for business development.
- Improve cooperation with Job Centers / employment agencies to open up access to grants and micro-loans.
- Promote equity crowdfunding.
- Promote soft loans/ facilitated Microfinance.
- Create a fund for investing in refugee and migrant entrepreneurs.
- Support with identifying opportunities for grants and public funding.
- Support with writing applications for funding.
- Make introductions to impact investors/angels.
- Provide Financial education.
- Support with preparation of applications for credit.
- Where possible, provide a small prototyping grant prototyping (grant to all programme participants).
- For prototyping as well as seed funding grants.
- Provide a transport bursary.
- Provide funding at the end of the program for the best teams to support venture launch and growth.

Performance Measurement & Organisational Learning

- Improve services based on performance measurement and learning, adapting the program and itineraries proposed considering learnings acquired every year when a program cycle is finished (content, duration, time, formats, etc.).

Idea-Stage Support

- Provide an introduction to the market opportunities before supporting entrepreneurs to start businesses (Mentors are good at giving credible information).
- Adapt design thinking and innovation tools to a simple and more visual language to improve their understanding among refugees/migrants.
- Focus on customer discovery, customer journeys, hypothesis design and testing.
- Create validation spaces for commercial strategies or products or services with expert entrepreneurs and corporations related to the issue.
- Offer pitch trainings (although most may not want to participate in the beginning).

Post-Startup Support

- Provide continuous support in the post-start-up phase of the enterprise.

Sharing Results

- Turn the outcomes into success stories which can be shared on multiple channels.

Enabling a Social or Environmental Impact Focus

- The desire to address social /environmental impact must come from an intrinsic motivation, but awareness is also critical, to educate people that social impact and profitability can be aligned, and showcase opportunities.
- Offer Workshops on sustainability and impact, in order to raise awareness and give practical next steps.
- Inform entrepreneurs about funding and support mechanisms that reward impact-driven businesses.
- Launch sectoral or thematic programmes related to impact issues and support refugees in the process of creating the solution.
- Connect participants to established social entrepreneurs, for example via a connectors program whereby social entrepreneurs provide employment opportunities for refugees.
- Utilize existing sustainability networks and partnerships to attract funding for impact ventures to the programme.

The Swedish Agency for Economic and Regional Growth (Tillväxtverket) draws on its knowledge of the needs of businesses and of Swedish regions to build networks to facilitate cooperation and finance efforts to boost sustainable growth. One principal task is helping to ensure that EU funds are invested in projects that promote regional growth and employment.

Focus on the community

The University of Bremen points out that refugees and people with a migration background often do not realize how valuable their experience is for other newcomers so they can be encouraged to found for that target group. However, it is important to consider that refugee entrepreneurs found to survive financially within a short period of time, and targeting financially vulnerable people can therefore be a struggle.

Post-Program Alumni Services

- Assess participants' needs at the end of the program and matchmake with contacts they need.
- Offer post-program coworking membership that gives access to community and space.
- Provide invitations to networking events.
- Offer free workshops that can be joined after completion of the support programme.
- Offer inspirational talks to increase motivation and self esteem.
- Provide updates about funding/investment opportunities.
- Create task forces based on specific industries.
- Create an internship programme in businesses (where relevant).
- Create a mentorship programme with people from the corporate world.
- Provide connections to investors and other supporters post-program.
- Provide access to accountants & lawyers speaking the target language.
- Information portals about legal changes, offered in their language.
- Create cooperation opportunities among the alumni.

Examples:

Impact Hubs' Alumni Package: Impact Hub membership, which involves access to co-working space, community, and exposure to the Impact Hub London Kings Cross network, as well as free business support clinics, events and consultancy hours with Impact Hub programme managers. Access to the workshops of the next year's cohort.

TERN Fellowship gives access to networking opportunities with programme graduates, and business discounts with partner orgs. Graduates become ambassadors for TERN and are given small financial incentives to make referrals, or represent TERN at events and in media.

Ecosystem Level

Concerted interventions by actors across the entrepreneurial ecosystem are needed to improve opportunities for newcomer entrepreneurs. This includes especially coherent approaches by government, entrepreneurial support organisations and social integration actors.

Situating Entrepreneurial support within a Holistic Integration Strategy

- Engage policymakers to build recognition of the economic potential of newcomer entrepreneurship for job creation and creating a more diverse economic system as well as understanding of the systemic barriers newcomer entrepreneurs face.
- Ensure legal alignment with the between policies that boost entrepreneurship among refugees and national legislation that manage the migration integration.
- Better equip the municipality for the guidance of newcomers. Intensification of contact between municipality and status holder is necessary to be able to help them more quickly and effectively.
- Promote entrepreneurship among refugees/migrants as one element of a holistic strategy of integration that also includes access to services, legal protection, cultural orientation etc.
- Invest in language training and related entrepreneurial education.
- Focus initially on building good language proficiency, adequate training and familiarity with local culture as building blocks for a successful integration process. Once these are in place, businesses can be started.
- Guide status holders through the local bureaucracy.

Coordination & Ecosystem Building

- Collaborate strategically with other European support bodies for migrant entrepreneurship.
- Create workshops with key actors of the ecosystem to align visions and share good practices on support for refugee/migrant entrepreneurs.
- Collaborate with refugee associations and educators.
- Work together with different actors to provide different options i.e those who can help better with finance or space provision.
- Take a cross- sector approach to find funding from different sources, e.g. employment agencies.
- Review what others in the space are doing and make a complementary offer (e.g. convening available services).

Qualifications

- Simplify the process of obtaining academic equivalence from foreign diplomas.

Access to Information about Entrepreneurship Opportunities

- Create a unique online portal where newcomers can find all the useful information, not only as a vademecum to create a business but also as an accompaniment after the start-up phase.
- Provide information about entrepreneurial opportunities and requirements in multiple languages - relevant for of each target group.
- Disseminate information through labour market integration actors and networks.

Annex

List of Organisations Providing Specialised Services to Newcomer Entrepreneurs in the Studied National Contexts (Non-Exhaustive)

Below is a list of organizations we have identified as a part of this mapping exercise. Please note that it is not an exhaustive list of all organizations active in this field in each country.

AUSTRIA - Organisations offering specialised support services for newcomer entrepreneurs

Migrant enterprise services [[Link](#)]

Startup Center of the Austrian Federal Economic Chamber (Gründerzentrum der Wirtschaftskammer Österreich) [[Link](#)]

Vienna Business Agency - Migrant Enterprises [[Link](#)]

The Social Democratic Business Association Vienna - Arab Entrepreneurs Working Group [[Link](#)]

Impact Hub Vienna (Implementer of Found! with Deloitte Austria) [[Link1](#)], [[Link2](#)]

ZSI - Center for Social Innovation [[Link](#)]- Implements EU-funded Migrant Entrepreneurs team-up with mentors - MEnt [[Link](#)] and Entrepreneurial Capacity Building for Young Migrants (YMCB) [[Link](#)]

ÖSB Consulting [[Link](#)] implements EU-funded EUStartGees in Austria [[Link](#)]

APAEI: Academy for the Promotion of Adult Education among Immigrants runs Cafe ImmiCo [[Link](#)]

KulturenReich [[Link](#)]

Donau Uni Krems - training course for organisations supporting migrant entrepreneurs [[Link](#)]

FRANCE - Organisations offering specialised support services for newcomer entrepreneurs

SINGA (Paris/Lyon) [[Link](#)]

GRDR [[Link](#)]

SIAD (Résonance Nord/Sud) [[Link](#)]

<http://www.siad.asso.fr/projets/le-parcours-de-l'entrepreneur/>

Bond'Innov [[Link](#)]

Campus France (MeetAfrica) [[Link](#)]

FIA ISM (Skills training for migrant women) [[Link](#)]

APIES [[Link](#)]

ADIVE [[Link](#)]

Elan Interculturel [[Link](#)]

ADIE [[Link](#)]

Cités Lab [[Link](#)]

GERMANY - Organisations offering specialised support services for newcomer entrepreneurs

Deutsche Handelskammer [[Link](#)]

Act Now [[Link](#)]

Entrepreneurs without Borders [[Link](#)]

Indian Business Center [[Link](#)]

IQ Gründungsbüro Saarland [[Link](#)]

Jumpp (women refugees/migrants) [[Link](#)]

Kiron (Online learning platform and community targeted at students with a migration background) [[Link](#)]

Leet Hub [[Link](#)]

LOK Berlin [[Link](#)]

Lotsendienst [[Link](#)]

Migration Hub [[Link](#)]

Parisat – Gesellschaft für Paritätische Soziale Arbeit in Thüringen mbH [[Link](#)]

Pro Social Business e.V. [[Link](#)]

SINGA Deutschland [[Link](#)]

Social Impact Lab [[Link](#)]

Startup Your Future [[Link](#)]

The Human Safety Net [[Link](#)]

Ubuntu Haus [[Link](#)]

VIFRE (online) [[Link](#)]

XeneX Existenzgründungsberatung [[Link](#)]

Universität Bremen (online) [[Link](#)]

GERMANY - Organisations Building Capacity of Support Providers

IQ Network [[Link](#)]

Chancen EG [[Link](#)]

Institut für sozialpädagogische Forschung Mainz e.V. - Heads one of five IQ "Competence Centre for Migrant Entrepreneurship" [[Link](#)]

GREECE - Organisations offering specialised support services for newcomer entrepreneurs

Caritas Hellas [[Link](#)]

International Rescue Committee: Craft Your Business [[Link](#)]

Odyssea [[Link](#)]

Business For Youth (SolidarityNow, supported by Citi Foundation through IRC) [[Link](#)]

G2red [[Link](#)]

ITALY - Organisations offering specialised support services for newcomer entrepreneurs

Museo del Risparmio [[Link](#)]

Dialogue Place [[Link](#)]

OIKOS ONLUS – Organization for International Cooperation and Solidarity [[Link](#)]

Intercultural Hub Mondinsieme (World Together) [[Link](#)]

OXFAM Italia [[Link](#)]

THE NETHERLANDS - Organisations offering specialised support services for newcomer entrepreneurs

Krachtbedrijf [[Link](#)]

DeliteLabs [[Link](#)]

Forward Incubator (Amsterdam) or Refugee Forward (Rotterdam) [[Link](#)]

Makers Unite [[Link](#)]

The First Step To [[Link](#)]

SPAIN - Organisations offering specialised support services for newcomer entrepreneurs

Accion contra el hambre [[Link](#)]

Catalunya Emprèn [[Link](#)]

CEPAIM – Murcia [[Link](#)]

CEPI [[Link](#)]

Ecos do Sur (Galicia) [[Link](#)]

Fundación Mujeres (women) [[Link](#)]

Fundación Tomillo [[Link](#)]

Hello Europe - Ashoka [[Link](#)]

IngeniaLab

Los Molinos [[Link](#)]

Mensajeros de la Paz [[Link](#)]

Red araña [[Link](#)]

Self-emp [[Link](#)]

Singa [[Link](#)]

SWEDEN - Organisations offering specialised support services for newcomer entrepreneurs

Tillväxtverket (The Swedish Agency for Economic and Regional Growth) [[Link](#)]

Stiftelsen Ester (Foundation Ester) [[Link](#)]

Internationella Företagare I Sverige (The International Entrepreneurs Foundation) [[Link](#)]

One Stop Future Shop [[Link](#)]

FORES (Forum for Reform and Entrepreneurship) [[Link](#)]

SFI (Swedish for Immigrants) [[Link](#)]

Almi [[Link](#)]

TURKEY - Organisations offering specialised support services for newcomer entrepreneurs

Habitat Association [[Link](#)]

International Labour Organisation (ILO) / International Organisation of Migration (IOM) [[Link](#)]

Building Markets [[Link](#)]

Relief International [[Link](#)]

Many other international organisations/NGOs

UNITED KINGDOM - Organisations offering specialised support services for newcomer entrepreneurs

The Entrepreneurial Refugee Network (TERN) [[Link](#)]

Centre for Entrepreneurs [[Link](#)]

Impact Hub Kings Cross [[Link](#)]

Consonant [[Link](#)]

The Metropolitan Migration Foundation and the Young Foundation's Community-Level Investment in Migrant Businesses (CLIMB) [[Link](#)]

UNITED KINGDOM - Networks

Centre for Entrepreneurs - Refugee Entrepreneurship Network (REN) [[Link](#)]

www.thehumansafetynet.org

