“Hand in hand: Social and economic inclusion of newcomers”
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Policy Guidance for Facilitating Migrant and Refugee Entrepreneurship

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Supporting the socio-economic inclusion of migrants and refugees, and maximizing their contribution to host economies through entrepreneurial activities

Three-way partnership between UNCTAD, the IOM and UNHCR

The policy guide aims to:

1. Propose a development approach for migrant and refugee entrepreneurship policies
2. Identify a menu of policy options tailored to the needs of specific target groups
3. Provide case studies and good practices for policies, programmes, and initiatives from both developed and developing countries
UNCTAD Entrepreneurship policy framework

1. Formulating National Entrepreneurship Strategy

2. Optimizing the Regulatory Environment

3. Enhancing Entrepreneurship Education and Skills Development

4. Facilitating Technology Exchange and Innovation

5. Improving Access to Finance

6. Promoting Awareness and Networking

Source: UNCTAD, 2012
Empretec network in 40 countries (+29 new requests)

Empretec promotes the diffusion of soft entrepreneurial skills and supports entrepreneurs to build innovative and internationally competitive SMEs.

Four Empretec centers involved in entrepreneurship development for migrants and refugees: Uganda, the Gambia, Malaysia, Jordan.
The UN General Assembly recognizes ‘positive role’ of entrepreneurship for development

The UN General Assembly recognizes “the important contribution entrepreneurship can make to development by creating jobs and driving economic growth and innovation, improving social conditions and contributing to addressing social and environmental challenges”. (RES/67/202)

UN Resolution in 2012: A/RES/67/202
Progress Report 2014: A/69/320
UN Resolution 2014: A/RES/69/210
UN Resolution 2016: A/RES/71/221
Entrepreneurship for Sustainable and Inclusive Development

UN Resolution 2016: A/RES/71/221

Entrepreneurship is increasingly seen as a key component of sustainability and economic inclusion.
Why entrepreneurship for migrants and refugees?

- **Contribution to host countries**
  - Economic development and innovation
  - Creation of new businesses
  - Job creation
  - International trade
  - Social cohesion

- **Contribution to countries of origin**
  - Creation of new businesses
  - Remittances, diaspora investment
  - Transfer of knowledge

- **Benefits to refugees**
  - Economic benefits
  - Social benefits
  - Psychological benefits
The scale of the problem

- We live in a world of unprecedented levels of human mobility.

- Food insecurity, poverty, natural disasters and climate change are also causing people to move.

- Significant flows of refugees and migrants to both developed and developing countries will most likely continue for the next decades.

- Image showing 22.5 million refugees and 65.6 million people.
The scale of the problem/2

- More than a million migrants and refugees crossed the Mediterranean to reach Europe, but developing regions host 84 percent of the world’s refugee and migrant population.
The scale of the problem/3

- Approximately two thirds of refugees find themselves in “protracted situations”. Displacement has become a long-term situation requiring development solutions rather than as a short-term problem to be addressed with humanitarian aid.
The emerging gap between low and high skilled migrants and refugees is an issue to be addressed

- While entrepreneurship among highly-skilled migrants and refugees can be promoted primarily through attractive immigration policies, supporting the growth of profitable and sustainable businesses among low-skilled migrants and refugees will depend on measures to tackle the barriers which prevent migrant and refugee entrepreneurs from diversifying into other business sectors.
Examples of start-up visa programmes

- **Australia**: created a visa specifically for entrepreneurs back in the 70s. Several categories exist for business owners. Recently a new category called Business Innovation and Investment Visa was added that targets and is attractive to innovative startups.

- **Canada**: Entrepreneurs and start-up founders are offered the option of a start-up visa for which the rules and funding requirements vary according to the source of funding the business-owner(s) has/have obtained to finance their business. The program aims to recruit innovative entrepreneurs to the country by linking them with Canadian angel investor groups, venture capital funds or business incubators to facilitate the establishment of their start-up business in Canada.

- **Chile**: Entrepreneurs and start-ups founders can apply to Start-up Chile, an accelerator program that supports entrepreneurs and innovative businesses. Acceptance to the program will grant applicants with a visa to stay for a year.

- **Denmark**: 2-year work and residence permit for non-EU/EEA founders seeking to start and grow their businesses in Denmark. Focus on high-growth and globally minded entrepreneurs, and permits are given for up to 2 founders for 2 years, renewable for another 3 years thereafter.

- **Ireland**: Entrepreneurs and startup founders can apply to the startup visa targeted at innovative companies.

- **Italy**: Italy introduced a groundbreaking startup visa in June 2014, which is reserved for innovative business ideas (a 'standard' self-employed visa is also available). It offers a simplified visa procedure for entrepreneurs by cutting red-tape and providing a range of tax and labour regulation benefits. To qualify for it, the entrepreneur applicant must prove the innovative character of the business idea; and show access to €50,000 in investment capital for the business.

- **Lithuania**: In 2017 in March Lithuania launched a Startup Visa program that made it easier for innovative entrepreneurs from outside the EU to set up operations in Lithuania. The Startup Visa is a new talent attraction scheme that provides a streamlined entry process to the Lithuanian startup ecosystem for innovative non-EU entrepreneurs.

- **Netherlands**: Startup founders that meet certain criteria are offered the startup visa, a one year residence permit. After the course of the year, the startup entrepreneur may be granted an extended residence permit, as long as they satisfy the standard requirements for the Dutch government’s self-employment scheme.

- **New Zealand**: Since 2014 entrepreneurs and start-ups founders have the option of the Entrepreneur Work visa. The visa works in two stages, one to support the settlement in the country and launch of the business. After the first year, the entrepreneur(s) needs to develop the business to be able to stay in the country on the visa.

- **Singapore**: Entrepreneurs and startup founders are offered the option to settle via the entrepass as long as they prove to bring innovation, investment and revenues. The length of stay is dependent on the cash-flow generated by the business and its innovative nature.

- **Spain**: Entrepreneurs are offered a fast tracked resident permit, requiring them to have a government-vetted business plan, health insurance and enough money to support themselves while living in Spain. Visa decisions are promised within 10 working days, and residence permit decisions in 20 days.
Key challenges

Many migrants and refugees experience barriers to entrepreneurship due to a lack of human capital (e.g. language and cultural barriers), financial capital (e.g. access to capital and collateral) and social capital (e.g. access to support networks) that occurs in the move between countries.

In addition to these more general barriers, refugee and migrant entrepreneurs often face additional barriers stemming from multiple factors including:

- lack of the right to work and self-employment;
- lack of recognition of documentation;
- unplanned migration and related psychological effects.

In some countries, registering a new business may mean that migrants and refugee entrepreneurs forfeit their right to unemployment of welfare benefits, and these business-owners may also be required to pay tax and social security contributions before their business even becomes profitable.
The UNCTAD/IOM/UNHCR Policy Guide on Entrepreneurship for Refugees and Migrants

- Structured by UNCTAD's Entrepreneurship Policy Framework (EPF), the policy guide aims to:
  
  1. Propose a **development approach** for migrant and refugee entrepreneurship policies
  
  2. Identify a menu of **policy options** tailored to the needs of specific target groups
  
  3. Provide **case studies and good practices** for policies, programmes, and initiatives from both developed and developing countries
## Case studies carried out by UNCTAD/DIAE research team

### Africa
- Burkina Faso: Sahel Milk, Design for Peace
- Ethiopia: Livelihood Assistance
- Liberia: BSC Monrovia
- Rwanda: Inkomoko, Indego Africa
- Uganda: VST, SSCoS

### Asia
- Japan: Espre
- Malaysia: MED NAWEM
- Myanmar: EDNA
- Nepal: Host Initiative

### Middle East
- Turkey: IMECE, Livelihood (IOM)
- Lebanon: Buzurna Juzurna (BJ)
- Jordan: BDC Skills Exchange

### Europe
- Finland: Startup Refugees
- Germany: JUMPP
- Greece: Changemakers Lab
- Italy: Migraventure
- Netherlands: SPARK MEP
- Portugal: PEI ACM
- Sweden: Ester
- Switzerland: SINGA, Capacity Zurich

### Transition economies
- Ukraine: Livelyhood Assistance

### North America
- Canada: Darzee
- USA: BCNA

### Latin America and Central America
- El Salvador: ADEL
- Costa Rica: Integration
- Argentina: Mirares
- Ecuador: GMA

### Oceania
- Australia: Catalysr
The importance to ground the policy options in a thorough contextual analysis

The contextual analysis should be concentrated on the following three key areas:

- **Local entrepreneurial ecosystems**: Economic opportunities for migrants and refugees depend on the host countries overall entrepreneurial ecosystems (affecting both native and non-national entrepreneurs), but also on factors specific to refugee and migrant entrepreneurship (e.g. local diaspora, relationships between host and home countries, access to/demand for business support services, etc.)

- **Individual competences and skills**: The availability of training programmes and skills development schemes is an important factor facilitating entrepreneurial activities. The scouting of migrants’ and refugees’ capacities is also key to assessing opportunities and developing solutions.

- **Regulations and integration regimes**: The degree to which refugees and migrants manage to seize entrepreneurial opportunities depends on the host country’s integration rules and regulations. Achieving clarity on regulations and local integration schemes is the third element of the context analysis, principally aimed at establishing the parameters of what is possible given an existing framework.
Success story of youth refugee entrepreneurs who have thrived in the urban context

Baghdad Barbers – Finland: Start-up Refugees A group of refugees with prior experience of hairdressing met during the Start-up Refugees programme (Helsinki, Finland) and have collaborated to set up Baghdad Barbers. Initially, it operated as a popup shop; with no permanent location, they offered their hairdressing services at events, festivals and other scheduled occasions and venues. They have now built relationships in Helsinki’s start-up scene, used social media and an online appointment booking system to promote their business, and have now opened a permanent shop in Helsinki.
Map the state of migrant and refugee entrepreneurship in the city, considering the differences within each group

• Identify city-specific opportunities and challenges for migrant and refugee entrepreneurship

• Profile migrant and refugee skills, capabilities and experience, to understand their potential for entrepreneurship

• Identify industries and sectors that provide potential opportunities for entrepreneurship in the city or region
Recommendations provided by programme managers

- Establish strategic partnerships with local, national and international stakeholders

- Carefully assess the capacity of target groups and market needs

- Recruit highly qualified staff and find a balance between professionals, pro bono experts and volunteers

- Make training relevant for the participants (increased revenues) and for the economy (avoid market saturation)

- Make it as easy as possible to establish an NGOs or social enterprises that support migrant/refugee entrepreneurship

- Create public awareness on the positive impact of refugees and migrants on the economy
The benefits of promoting entrepreneurship for migrants and refugees

1. Potential contributions of migrant and refugee entrepreneurship to development in host countries
2. Contributions of migrant and refugee entrepreneurship to development in countries of origin
3. Benefits of self-employment and entrepreneurship for migrants and refugees
Thank You

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