



ONDGO

ENTERPRISE IN MOTION

Developing the Employability Skills of Displaced Persons

Investing in Migrant Entrepreneurship

*Why developing the enterprising skills of migrants
is good for the European economy*

Scientific Paper – Intellectual Output 6

Developed by Vytautas Magnus University on behalf of the ON-D-GO Consortium
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Introduction

Considering the recent dramatic increase in the number of migrants and refugees world-wide, the question of their integration becomes increasingly more important at both policy and practice levels. Vocational participation of migrants and refugees is identified as an important part of their successful social integration. Moreover, it could be also beneficial to the economy and society of host countries (Freudenberg, Halberstadt, 2018).

It was stated that to bring Europe back to growth and higher levels of employment after the economic crisis of 2008, Europe needs more entrepreneurs (European Commission, 2013). According to the European Commission's Entrepreneurship 2020 Action Plan, migrants represent an important pool of potential entrepreneurs in Europe, which should be exploited. Notwithstanding that migrants have higher business creation rates than the rest of the population; they fail more often due to a lack of information, knowledge and language skills.

It seems that support for migrant and refugee entrepreneurs is necessary. According to the Report on the results of public consultation on the Entrepreneurship 2020 Action Plan, the measure on offering these groups tailored support was considered important and very important by roughly two thirds of respondents (both entrepreneurs and business support organisations). So, the question remains what type of support is most valuable for migrant and refugee entrepreneurs and has the greatest impact in this changing environment long-term. Based on the answer to this question, recommendations for education providers and policy makers can be provided.

The ON-D-GO project recognises the need for a new approach to the provision of migrant integration supports. Central to this new approach is the provision of tailored entrepreneurship curriculum with an accompanying suite of flexible and adaptable training resources that will assist VET trainers achieve their economic integration objectives benchmarked against the EU EntreComp Framework.



Purpose of the ON-D-GO Scientific Paper

The purpose of this scientific paper, as part of the ON-D-GO project, is to consider why a focus on developing the business and enterprising skills of migrants might be beneficial and what value added could be proposed. Furthermore, it is important to identify what challenges migrant and refugee entrepreneurs experience and how these could be solved. Based on these considerations, recommendations for policy and future projects are suggested therein.

Additionally, we also consider three more specific issues relating to the topic which are addressed through this scientific paper, namely:

1. the changing role of VET professionals in future education provision with the proliferation of online platforms;
2. the need for bespoke business and enterprise skills development for migrant and refugee communities;
3. the likely benefits for society and the economy if migrants and refugees can be integrated into the formal economy.

Methodology: Procedure and Participants

In order to prepare this scientific paper to inform and fuel the policy debate regarding migrant and refugee entrepreneurship amongst VET education providers and policy makers, we captured the implementation experiences of the ON-D-GO consortium and completed both a scientific literature review and a paper-pencil survey in May and June 2019.

The scientific literature review took a critical account of what had been published on a topic by accredited researchers. Firstly, keywords of migrant or refugee entrepreneurs and entrepreneurship were used in searches of Google scholar platform. The search was restricted to the last 3 years in order to analyse the latest scientific research data. Results of original research and recommendations for future research and practice were the main focus of these articles. Finally, eight primary articles were used for further analysis as their content was most useful



for this scientific paper and the topic of the project.

The pencil-paper survey was used for collecting data from a pre-defined group of respondents to gain information and insights on various topics of interest. Our survey questionnaire consisted of two parts: the first part related to the analysis of EU and national policies supporting migrant and refugee entrepreneurs and the second part of the questionnaire was dedicated to the practice and experience of organisations working with migrants and refugees in the context of entrepreneurship and business development. The questionnaire comprised both open and closed questions with closed questions often using a 5-point Likert scale. The survey sample was composed of 29 professionals namely VET trainers, business mentors, programme co-ordinators, managers, social workers, psychologists, scientists and other similar professionals from the United Kingdom, Ireland, Cyprus, Austria, Italy and Lithuania.

Results of Scientific Literature Review

According to the scientific literature review completed to inform our research on the topic of “Migrant and Refugee Entrepreneurship” and provide new insights, researchers acknowledge the additional value migrant entrepreneurship offers to both newcomers and the host country. They also define critical challenges migrants and refugees experience and suggest future actions. With reference to M. Ram, T. Jones and M. Villares-Varela (2017), rising amount of research and practical initiatives about migrant entrepreneurship is associated with an increase of policy-oriented debates in a number of European countries. Therefore, the topic is relevant and meaningful.

T. Jones, M. Ram and Maria Villares-Varela (2019) argue, that the benefits of migrant entrepreneurship and diversity economics should incorporate not only economic growth, but also its impact on social processes. Their qualitative research in the UK confirmed that even in the case of formidable obstacles migrant entrepreneurship makes a contribution to its adopted locality: e.g. creates employment for their locality, caters to community needs and cushions the social



incorporation of new communities. However, G. Sak, T. Kaymaz, O. Kakoy and M. Kenanoglu (2017) remark that there is a significant shortage of policies and mechanisms to facilitate refugee entrepreneurship in most middle-income host countries. Moreover, they note that integration policies should be designed by taking into consideration specific challenges in different host countries.

A. D. Meister and R. Mauer (2018) discuss the necessity of refugee entrepreneurship incubation, that could help to lighten difficulties (e.g. education and qualification recognition, reception in the host society, accessibility of information and other resources of host country) within newly settling refugees' career development supports. Results of their qualitative case study in Germany suggested that a customised incubation model would contribute to the embeddedness of refugee entrepreneurs and their success. The incubator was proposed to function as a platform for knowledge exchange, introduction to the local ecosystem and network development. This would promote and expand the social, cultural and human capital of refugees in host countries and address the key challenges faced by refugee entrepreneurs. With reference to the results of case analysis (Bizri, 2017), three dimensions of social capital (cognitive – common vision, structural – network ties, and relational – norms, trust, obligation, identification) are important to refugee entrepreneurship. It is believed that social capital transferred among co-ethnic refugees helps to increase one another's chances of entrepreneurial success. The author recommends to policy makers the need to offer special induction programmes that educate refugee entrepreneurs about the long-term support mechanisms available, to organise ethnic events that would bring refugees together and help to develop social networks. Peer development programmes where refugee entrepreneurs could educate each other were also proposed as an efficient mean of support.

Nevertheless, M. Obschonka, E. Hahn and N. ul H. Bajwa (2018) want to call attention to newly arrived refugees' personal characteristics as important factors that predict their entrepreneurial career adaptability and integration processes together with previously mentioned institutional factors and barriers. Throughout the entrepreneurial career process, the person is as important as his/her idea and technical



knowledge about business. Their quantitative research in Germany confirmed that refugees often have to rely on their entrepreneurial cognitions and personality factors in the early stage of integration processes in order to use their adaptive capacities and entrepreneurial intentions. Therefore, development of refugees' personal characteristics (e.g. self-efficacy, resilience, etc.) need to be taken into account in the context of their entrepreneurial skills development.

Finally, Jorg Freiling and Aki Harima (2018) state that eight central themes need to be considered in the future research on refugee entrepreneurship: (1) typical settings of refugee entrepreneurship and refugee entrepreneurship itself; (2) the sequence of events and its consequences; (3) refugees' perspectives; (4) perceptions of their countries of residence; (5) types of businesses; (6) critical resources: enablers and constraints; (7) psychological factors; and (8) outcomes of refugee entrepreneurship. Julia Freudenberg and Jantje Halberstadt (2018) add that there is great demand for practically driven research especially with a longer-term perspective of migrant and refugee integration through their entrepreneurial activities. Also noted was the lack of engaged scholars from different fields that could join their research and really influence policy and practice of migrant entrepreneurship (Ram, Jones, Villare-Varela, 2017).

Results of the Survey: Policy Perspective

The results of our survey helped to gain more information and insights about the policy case for projects and initiatives like ON-D-GO that offer tailored and bespoke supports to migrant and refugee entrepreneurs in different European countries. The respondents of ON-D-GO survey were asked to evaluate the reasons why, in general, migrants and refugees should be supported to start a new business. Among the most important reasons the professionals indicated (see Fig. 1), was the human capital aspects i.e. more creative and proactive people, exploitation of unused potential (Mean/M = 4.55 (on a scale from 1 to 5), Standard deviation/SD = .686), social capital, e.g. networks and relationships (M = 4.55, SD = .632) and economic growth (M = 4.41, SD = .628). Equity, i.e. equal access to labour market (M = 4.24, SD = .739), job



creation ($M = 4.21$, $SD = .833$), business development ($M = 4.14$, $SD = .756$) and prosperity of host country ($M = 4.00$, $SD = .877$) were validated as important reasons for offering support to migrants and refugees. The respondents also mentioned integration, psychological support, and meeting local labour market demands as possible additional value of the proposed support to start a new business.

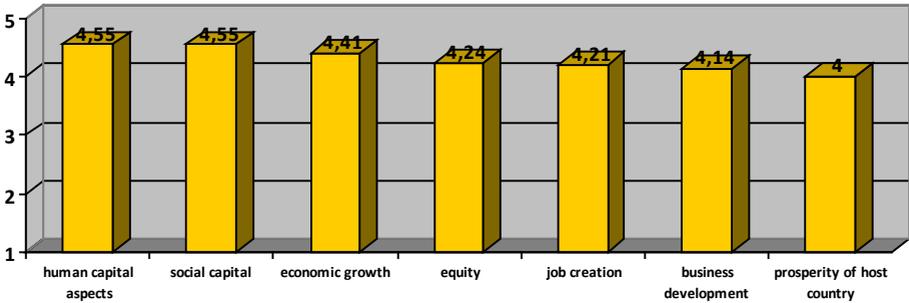


Figure 1. The most important reasons for migrants/ refugees support to start a new business

Furthermore, 82.7% of respondents evaluated that offering tailored support for migrant and refugee entrepreneurs was either important or very important. Additionally, the professionals were asked about the arguments: why developing business and enterprising skills of migrants and refugees were important to them in their professional role. The reasons mentioned can be grouped as follows: a) for migrants, b) for professionals themselves, and c) for society and economic growth. In the professionals' opinion developing business and enterprising skills of migrants and refugees helped to: reduce social exclusion; increase awareness and knowledge about the host country; promote positive and better integration; provide supports across a variety of issues that were needed for prospective business makers (including personalisation and access to government, financial and other resources); and increase their social, intercultural, emotional, self-confidence skills to allow them to achieve their full potential.

For professionals who worked with migrants and refugees at the frontline, stated it was also useful to deepen their understanding of the

specific issues relating to migrant and refugee entrepreneurs. Working within culturally diverse teams and settings; it was important for them to develop their cultural intelligence, critical and lateral thinking, and to know how to deal with emerging human rights issues. They also wanted to avoid creating barriers or unintentionally discriminating against clients especially when working with newly arrived migrants and refugees in a training or mentoring environment. In the third group of responses, it was mentioned that sustainable businesses developed by migrants and refugees could generate income for them as well as add value to the local economy and community, for example, enhance the innovation potential arising from diversity, contribute to the further development of the regions' and European economy especially the ethical business base, increase overall quality of citizens' life by promoting not only economic growth and job creation, but also cultural and social development. Finally, on the topic of migrant and refugee entrepreneurial skills development was the interlinking of work in the field of diversity management or analysis of human factors that are related to business development.

The survey tried to assess both sides of the policy debate, looking at positive and negative aspects impacting on migrant entrepreneurship, therefore the respondents were asked to evaluate the challenges that could be significant for migrants and refugees in starting a business in their own country, as well. The results revealed that the most significant challenges for our target group within the ON-D-GO project were those posed by the regulatory and legislative environment in which new start-ups had to operate often making it difficult to access credit, access local market and transfer business ownership. These resulted in an expressed genuine fear amongst migrant entrepreneurs of potential punitive sanctions in case of failure. Burdensome administrative procedures ($M = 4.10$, $SD = 1.113$); awareness of existing training offers ($M = 4.10$, $SD = .817$); access to entrepreneurial training supports ($M = 4.00$, $SD = 1.00$); policies at European, national and regional levels ($M = 3.69$, $SD = .806$); the cost for the existing training offers ($M = 3.69$, $SD = 1.072$); and the recognition of entrepreneurial endeavours ($M = 3.62$, $SD = .862$) were also highlighted as significant obstacles (see Fig. 2). Additionally, the professionals defined specific challenges (e.g. requirement of a mediator and referee in Austria, local network and



understanding of market opportunities in UK and Ireland).

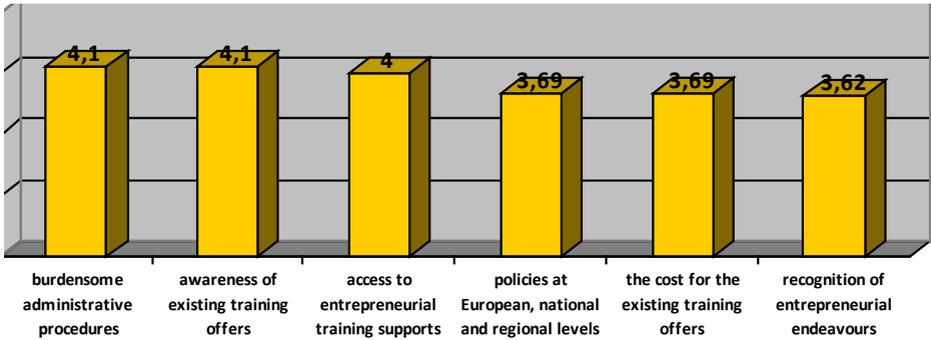


Figure 2. The most significant challenges for migrants/ refugees in starting a new business

Only half of the respondents (48.3%) assessed the existing initiatives and entrepreneurial educational offers for migrants and refugees in their own country as good or very good, 34.5% rated them as satisfactory with 6.9% of respondents assessing the existing initiatives as insufficient (10.3% of survey participants did not respond to the question). The mean of responses ($M = 2.62$, $SD = .852$) did not reach the mean score of the scale (which is 3). Thus, it can be deduced that the ongoing need to share good practices between countries remains desirable, and new initiatives akin to ON-D-GO are still required.

The professionals highlighted various initiatives and entrepreneurial education offers that were available for migrants and refugees in their own country (more or less successful initiatives depending from the country), but a lot of related challenges were shared, as well, for example: a) some organisations offered effective enterprise supports, but little of this was specifically tailored for migrants or refugees, b) these offers were difficult to access for migrants, because of the language skills or other requirements, c) there was a lack of funding for long term initiatives, d) sometimes there were free opportunities for courses, but they were not well known. These challenges must be considered while planning entrepreneurial initiatives for migrants and refugees in the future.

Considering the obstacles that were mentioned and in reference to the European Commission's planned future actions for developing business and enterprising skills of migrants, the professionals who participated in the ON-D-GO survey suggested additional actions that the ON-D-GO consortium could take. First of all, most of the respondents mentioned that the ON-D-GO consortium need to remain fully aware of forthcoming new initiatives, to search for funding opportunities and to develop future projects based on the learned experience of this project. It was important to the respondents that the consortium ensure that the project results are widely disseminated and known in the various EU countries, to share the experience and try to publicise the project even more to ensure that the free open-education resources that are available are used as widely as possible. Finally, the professionals agreed that education is the key. It could be beneficial to use the results of the project, specifically the Learning Resource Toolbox, as part of education programmes in higher education in order to develop enterprising skills among young people from different cultural backgrounds. The ON-D-GO platform, based on Moodle, is of high quality and universally designed to allow adaptation and inclusion in formal curricula. Other suggestions from the survey included specific offers for new initiatives (e.g. modular training, migrant role models, etc.).

Results of the Survey: Practice Perspective

The results of the survey also proposed additional information and insights regarding the practice of different organisations working with migrants and refugees in the context of entrepreneurship and business development in the partner countries. The survey respondents were asked to indicate, what types or format of targeted business support services for migrants and refugees were in their own experience the most useful. According to the professionals, the most useful format of services was face-to-face training ($M = 4.45$, $SD = .686$) and mentoring ($M = 4.41$, $SD = .628$). The respondents agreed that the most useful experiences were those rooted in interactive and participatory approaches, where problems, opportunities and success stories could be shared with an individualised approach and personalised guidance.



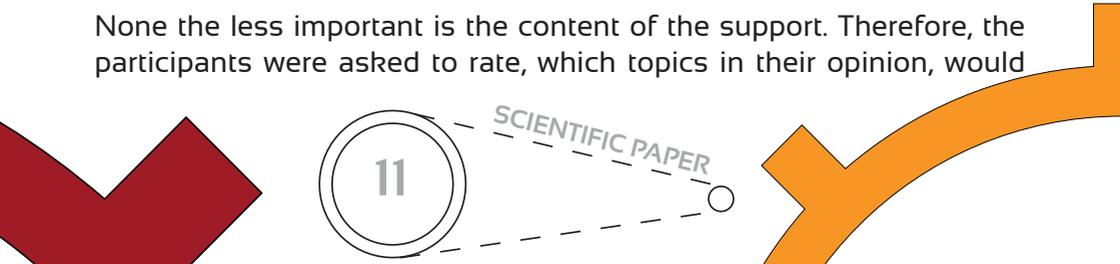
Table 1. Trainings topics that have the greatest impact on migrant entrepreneurship development

Domain	Topic	Mean (SD)
Your business	Financial planning	4.48 (.738)
You	Networking and building strong relationships	4.45 (.632)
Your business	Understanding own market	4.41 (.628)
Your business	Visioning and planning	4.41 (.682)
Your business	Raising awareness of own business	4.28 (.702)
You	Enterprise and enterprising skills	4.24 (.739)
Your idea	Developing own business model	4.21 (.833)
You	Social skills and cultural norms	4.14 (.639)
Your idea	Generating and assessing ideas	4.10 (.817)
You	Motivation	4.07 (.799)
Your idea	Spotting opportunities	3.97 (.731)
Your idea	Creativity	3.76 (.951)

Face-to-face services offer greater benefit because of the possibility to build trust with the client. Due to the relationship that can be built between trainer and trainee, migrants may feel more valued and appreciated. It was believed that this approach has a greater impact because of the human connection; it also provides an opportunity for questions as well as feedback.

Additionally, the respondents referred to sharing experiences via case studies with other entrepreneurs (M = 4.03, SD = .778); consultations in business information centres (M = 3.86, SD = .875); and publicity of success stories (M=3.62,SD=.942) as also beneficial. The online learning aspect was evaluated lowest regarding its usefulness in a business support service context for migrants and refugees (M = 3.14, SD = .990). Nevertheless, this format of service provision was acknowledged as having some advantages in terms of its availability (online, 24 hours) and convenience at a time that suits the entrepreneur. It was also mentioned that the multi-language presentation and the availability of the resources in Arabic can help with language development skills. The respondents agreed that a blended approach that comprised a mix of various types of services (face-to-face, online, case studies) offers the best opportunity to reach many different individuals.

None the less important is the content of the support. Therefore, the participants were asked to rate, which topics in their opinion, would



have the greatest impact on migrant entrepreneurship development. The responses of the professionals distributed as follows (see Table 1):

Although all topics were rated as important: financial planning; networking and building strong relationships; understanding own market; and visioning and planning were rated as the top four. Your business domain was the most crucial for migrant entrepreneurship development. Nevertheless, results are in line with other business statistics. As all of these topics are covered by the ON-D-GO Learning Resource Toolbox, the survey respondents proposed several strategies that could be undertaken to encourage the use of the Resource Toolbox from the ON-D-GO project, namely: a) to disseminate the Resource Toolbox with all interested parties (e.g. enterprise networks, enterprise support organisations, business incubators, governmental institutions, NGOs, funding authorities, chambers, information centres, charities, etc.), b) to promote the Toolbox to the centres and universities who deliver qualifications and learning programmes in the field of entrepreneurship and business development, c) to raise awareness about the Toolbox among the communities of migrants and refugees, d) to use of the Toolbox as a best practice in other projects, training courses and workshops focused on the development of migrants' enterprising and entrepreneurial skills, e) to share it on platforms and across social media channels that are used by migrants and refugees. Because of the Toolbox's rated usefulness; it is likely to have "a snowball effect". It was suggested that the ON-D-GO Learning Resource Toolbox could be also used with multiple vulnerable populations like: prisoners, hard-to-reach youth, disadvantaged women, etc.

The professionals argued that although migrants are resourceful, creative, innovative and enterprising, they face significant barriers accessing traditional forms of employment across the EU. Professionals expressed the need for additional projects and resources to support migrant entrepreneurship into the future. The evidence suggests these initiatives, like ON-D-GO, do contribute positively to migrant integration, sense of purpose and belonging, well-being and positive mental health. The support, offered through the project and others similar, can accelerate their enterprise journey creating jobs for migrants and the local community.

Conclusions

Summarising the key issues that were addressed in this ON-D-GO Scientific Paper; it can be concluded that:

- 1) The main values of migrant and refugee entrepreneurship are:
 - a. the human capital (i.e. more creative and proactive people, exploitation of unused potential), social capital (e.g. networks and relationships, social incorporation of new communities), cultural added value and the economic growth of local communities within the host country;
 - b. more positive and enhanced integration, development of new skills and opportunities to achieve one's full potential and well-being for migrants and refugees;
 - c. broader perspective and possibilities to develop as professionals when working with migrants and refugees.
- 2) The main challenges migrant and refugee entrepreneurs experience are:
 - a. the regulatory and legislative environment, which makes it difficult to access credit, access local markets and transfer businesses coupled with the fear of punitive sanctions in case of failure;
 - b. education and qualification recognition, reception in the host society, accessibility of information and other resources of the host country, shortage of policies and mechanisms to facilitate refugee entrepreneurship;
 - c. awareness of the existing training offers and access to entrepreneurial training support (the lack of the existing initiatives/ entrepreneurial education offers for migrants and refugees specifically).
- 3) The main recommendations for policy and future projects are:
 - a. dissemination of the ONDGO project results and

- additional usage of the ON-D-GO platform as part of education programmes in higher education or with other target groups;
- b. planning and implementing of a follow-up to the ON-D-GO project;
 - c. necessity of refugee entrepreneurship incubation, long-term support mechanisms, ethnic events that bring refugees together and help to develop social networks, peer development programmes and even virtual observatory for refugee integration;
 - d. development of migrants' personal characteristics in the context of their entrepreneurial skills development;
 - e. demand for practically driven research especially with a long-term perspective of migrant integration through their entrepreneurial activities; careful diagnostic study of different hosting countries peculiarities.
- 4) Answers for the additional issues addressed in the scientific paper are:
- a. the most useful experiences working with migrants and refugees were those rooted in interactive and participatory approaches, where problems, opportunities and success stories could be shared with an individualised approach and personalised guidance (e.g. face-to-face training and mentoring). Nevertheless, online learning has advantages because of its availability for everyone at convenient times, reduced costs or no costs, and possible online assistance if there are particular barriers (e.g. language, childcare, transport);
 - b. the need for bespoke business and enterprise skills development for migrant and refugee communities is essential as it can lead to enhanced overall benefits for society and the economy. ON-D-GO project and its results are the best example of this statement.

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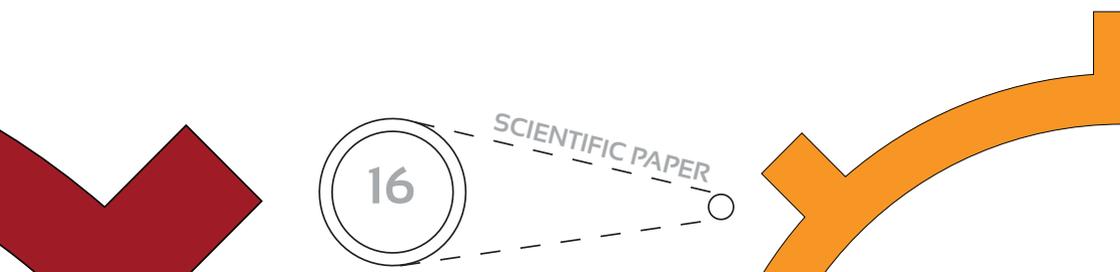
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