

Report 19th meeting of NSI Think Tank, February 6, 2019 on: Entrepreneurship of refugees

Maastricht University School of Business and Economics

Participants

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Jos Kusters	Arcus-Leeuwenborgh
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Presentation Paul Iske (SBE, UM): Entrepreneurship of refugees

After a short introduction round in which members of the academic community as well as practitioners in the business field introduced themselves, Paul Iske (Professor Open Innovation & Business Venturing School, UM) rightfully pointed to the ‘empty seat’: “Where are the refugees?”. This sparks one of the central questions of the discussions that follow. To what extent are refugee entrepreneurs – or those seeking to become an entrepreneur – different from other entrepreneurs in a context such as the Netherlands?

Entrepreneurial attitudes and learning from failures

The EU definition of entrepreneurship as “an attitude that leads to the identification and exploitation of previously unexploited opportunities” seems to be applicable to refugees as much as other migrant or native populations. However, it is also agreed that we expect such an entrepreneurial attitude to be particularly present among refugees, as they “started moving and are looking for new opportunities”. Then why is it difficult for refugees to become a successful entrepreneur in their new country? Iske stresses the importance of learning from ‘failures’. Our exclusionary focus on the success-stories of entrepreneurship is a missed opportunity to learn from failed attempts, especially given the remarkably high share of failures of start-ups (about 90%).

What are the barriers that refugees face when trying to navigate the legal and bureaucratic system? It is important to realize that refugees seeking entrepreneurship do not only strive for a solid business case, but often even more so for a 'value case'. It is therefore necessary to adopt a holistic lens, and explore ways in which social, environmental, cultural and economic issues can be addressed by entrepreneurs, supported by the wider community. Anita van Gils (SBE and Windesheim University of Applied Sciences) notes that there is a difference between 'becoming entrepreneurial and 'becoming entrepreneur'. Do we necessarily facilitate routes into self-employment, or can fostering entrepreneurial skills also bear fruit when searching other forms of employment? Food for thought...

Presentation Laura Brinks (SPARK):

Success factors and challenges: SPARK education and entrepreneurship programs

Laura Brinks provides more insights from the field. Working for SPARK, an NGO that develops higher education and entrepreneurship to cater for young, ambitious displaced people. SPARK is running programs in various countries in the Middle East, Africa, but also in Germany and France. One of the recent programs – the Higher Educational Services Programme (HES) - was implemented in 2016 in Syria, Jordan, Lebanon, Turkey, Palestina, and Kurdistan. Elements of the program are scholarships, educational support (student services), short courses, leadership development and economic empowerment trainings. The trainings can roughly be grouped into two levels:

- 1) Orientation: focusing on the question: do you really want to become an entrepreneur?
- 2) Support: ranging from personnel management, access to funding, components of becoming a (*successful*) entrepreneur.

The success rate in the programs evaluated by SPARK is measured at 50%, which is significantly higher than the average percentage mentioned by Paul Iske. This may be due to the selection into the entrepreneurship-programs.

Brinks presents a few of the successful interventions supported by SPARK. In all cases, SPARK collaborates with local partners (e.g. local NGO's) to launch their programmes that are mainly supporting beneficiaries in setting up small medium enterprises. Coaching one-to-one has proven to be a successful approach, which stresses the importance of paying close attention to the particularities of the individual case. The key role of incubators was furthermore underscored, particularly in agriculture where this can help people add value to their unprocessed products (e.g. grind peanuts and make groundnut past that you can sell for a higher price).

A critical point for SPARK that was touched upon is outreach. How do we reach out in order to get people on board? This is one of the challenges that was followed up on in the group discussions. Brinks furthermore clearly articulates a desire to more strongly collaborate with researchers and other players in the field. "We need to share knowledge and establish a transnational network".

Presentation Jarrod Ormiston (SBE, UM):

Entrepreneurship as a vehicle for social change: research into best practices

Jarrod Ormiston is Assistant Professor at SBE but also closely involved in a large number of initiatives supporting refugee entrepreneurship across the globe. He starts by showing illustrations of the ways in

which refugees, protesters against the arrival of refugees and ‘counter-protesters’ are often depicted by the media. Ormiston aims to provide a counter-narrative to this narrative of crisis and conflict. This is where entrepreneurship comes in, as this “leads to work and meaningfulness at the individual level and has the potential to serve as a vehicle for social change”. An example of such an initiative is *Refugees forward*. This is a non-profit organization that offers newcomers the opportunity to obtain funding, training and expertise for their entrepreneurial projects in the Netherlands, through a supportive community of students, NGO’s and businesses.

Ormiston’s research is based on 120 hours of participant observation (e.g. workshops, pitching events, seminars). He underlines the point that migrants have shown to be more entrepreneurial than ‘natives’. Entrepreneurship among refugees has the potential to not only benefit the individual migrant, but also the host and home country at large. The question now is: how can we draw on the best practices? There are certainly various barriers that we should take in to consideration. Ormiston puts forward five clusters of barriers: regulatory barriers, language and cultural barriers, limited access to finance, lack of support networks and populism and xenophobia. One of the participants points at a sixth group of barriers, being psychological constraints that may impede entrepreneurial activity (e.g. trauma, loss of identity).

So which good practices can we adopt from existing programs to facilitate refugee entrepreneurship in Maastricht? 15 general success factors are presented and serve to fuel the group-discussions. One group discussed the question what the business world could do to facilitate entrepreneurship of refugees. A second group discusses the ways in which educational institutions (UM, ROC Arcus-Leeuwenborgh) could facilitate refugees.

How can the business community facilitate refugee entrepreneurship?

The ‘business-table’ started by picking up the discussion before the break on the question: Why make a difference between native and refugee entrepreneurs? Why create a separate system rather than focusing on an overall inclusive programme while both native and migrant entrepreneurs face similar issues? However, this raises the question why the current support infrastructure does not actively approach entrepreneurial refugees. Some of the attendees who are involved in the *Launchbase* - the pre-incubation program of the Maastricht Centre for Entrepreneurship (MC4E) - indicate that they also grappled with this question. How to open up this local program in Maastricht up for refugees? Although an integration of refugee entrepreneurial programs in these existing initiatives seems to be the best avenue, we should not neglect that there may be specific barriers that apply to refugees, both in terms of outreach and in terms of the entrepreneurial project.

A dichotomy was made between entrepreneurs who want to set up a firm in the Netherlands and those who are likely to return in due time and would like to start up a business in their native country. Moreover, it was emphasized that apart from becoming an entrepreneur, refugees could also be very valuable as intrapreneurs, i.e., employees with an entrepreneurial attitude. For those who want to stay in the Netherlands, a clear message was communicated: let these refugees integrate as soon as possible, enroll in educational programmes and become incubators and start working as soon as possible. This requires

that procedures on the eligibility of a residence status must be speeded up considerably by a substantial increase of the capacity of the immigration and naturalization Service (IND). This will enable them to integrate and contribute to our society faster and provide benefits at many levels (work, language, culture, emotional well-being). An alternative for speeding up residence status procedures, is that refugees should have access to the labour market while awaiting the decision on their asylum claim. Work related projects should be developed for highly educated (knowledge workers), intermediately skilled people with craft skills as well as for those with low or no educational levels. Some specific ways to facilitate 'quick integration' paths are setting up projects in which people from different educational levels could interact. Such projects should be initiated preferably by organizations with a shortage of qualified staff. Refugees may fill these gaps in the labour force; a message that should be more actively send to all organizations in need of skilled employees. Within these intrapreneurial (i.e. entrepreneurial employees) trajectories, one-to-one mentoring with a strong focus on language could be introduced. Moreover, employer organisations (i.e. LWV, MKB Limburg, Metaalunie), the Brightland campuses as well as the Chamber of Commerce should much more actively approach entrepreneurial refugees. This includes setting up theme-oriented groups on innovation and/or entrepreneurship in combination with incubator facilities and one-to-one mentorship. Special attention could be given here to those who had a business in their country of origin before coming to the Netherlands.

In addition, more support should go to refugees who would aim at setting up a business in their country or region of origin. 'Stichting Wereldwijd' in Eckelrade is an example of good practice that focuses on the integration in the Netherlands but also supports a sustainable return.

How can educational institutions facilitate refugee entrepreneurship?

A general observation is that (young) refugees in the Dutch context are often discouraged or even legally prohibited to start a business. Jos Kusters (Arcus-ROC Leeuwenborgh) deeply regrets the fact that his students with a refugee background are not allowed to work because of the scholarship they receive. More internship (pilot-)projects should be developed in collaboration with the business world. Similar barriers are experienced when prior qualifications of refugees are not recognized in the Dutch context. The UM should take a key role in ensuring the recognition of prior qualifications.

Barriers to entering the labour market are also likely to result in social isolation. The creating of physical spaces to stimulate interaction of entrepreneurial people could improve matching and integration. Another idea would be to involve students in projects of social inclusion, perhaps even as a part of the formal curriculum. An extra effort should here be made to get Dutch students 'on board' – as these students are underrepresented in existing projects (e.g. the Refugee Project), while they could be a very valuable link between the refugees and (local) networks.

With all the efforts aimed at fostering entrepreneurship, and the knowledge that failure rates of entrepreneurs are actually quite high, we should ask ourselves: are we doing people a favour by training them to become and entrepreneur? The statistics indeed reveal that only a tiny share of (former) refugees

are becoming self-employed. On the other hand, it should be noted that an entrepreneurial mind does not only serve people in their pursuit of setting up a business, but should be considered an important skill for employment in general. More research is thus needed to obtain insights into the preferences and entrepreneurial endeavors of refugees vis-à-vis other entrepreneurs. Launchspace seems an excellent place to start. When aiming for a more inclusive program, a logical first step would be to reach out to refugees.