



ENTREPRENEURIAL DIVERSITY IN A UNIFIED EUROPE

Ethnic Minority Entrepreneurship/
Migrant Entrepreneurship





IMES

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Examination and evaluation of Good Practices in the Promotion of Ethnic Minority Entrepreneurs



FINAL REPORT

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EXECUTIVE SUMMARY

The study *Examination and Evaluation of Good Practices in the Promotion of Ethnic Minority Entrepreneurs* was commissioned by the Directorate General Enterprise and Industry of the European Commission. The aim was to identify and examine specific measures and support schemes promoting entrepreneurship amongst ethnic minorities, and to select a number of good practices from amongst these measures. A second aim was to identify professional organisations representing the economic interests of ethnic minority entrepreneurs. The study has been conducted in 32 European countries, including the 27 member states of the European Union, the EFTA member countries, candidate country Turkey and Switzerland.¹

Context of the study

The European Commission strongly advocates the creation of an environment conducive to the starting-up and development of entrepreneurship, in particular the small- and medium-enterprise sector (SME-sector). Amongst these small and medium entrepreneurs, the number of immigrants has grown considerably over the last decades. International migration has strongly increased, initially in North-western European countries, but later also in Southern Europe. These Southern European countries have long been sending societies, but have recently turned into receiving societies themselves. Even more recent is the immigration into the Central and Eastern European countries.

In spite of the growth of immigrant entrepreneurship, there may be extra impediments for immigrants to set up business or to expand existing businesses. These extra impediments relate both to internal and external factors. On the one hand immigrants are more likely to lack human, financial or social resources. On the other, they may experience extra barriers and constraints in the institutional environment, that is the political and economic context of the receiving society.

In several European countries, the authorities have aimed at promoting the development of SMEs, by supportive measures facilitating immigrants to start and develop businesses. Much of these policy efforts have focused on improving the operational conditions of immigrant entrepreneurs, for example by providing training and coaching, and other forms of support in the fields of entrepreneurial skills, finance and networking. Other policy efforts aim at removing obstructions in the regulatory framework for SMEs, which may vary from lowering the license-requirements for starters and getting preferential access to credit systems to allowing for a period of trial and error whilst living on social security.

Objectives

This study aims at a comprehensive mapping of policies in the promotion of ethnic minority entrepreneurs in Europe. It is motivated by the desire of the European Commission to create an environment conducive to starting up and developing innovative businesses, especially SMEs, and in particular among immigrants. A detailed description of the various measures supporting immigrant entrepreneurs will be useful in developing, formulating, adjusting and sharpening SME policies in Europe. The study will be instrumental in that process.

In short, the specific objectives of the research are:

- to identify and examine measures and support schemes promoting entrepreneurship amongst ethnic minorities
- to identify existing professional organisations representing the economic interests of ethnic minority entrepreneurs
- to identify good practices in the promotion of ethnic minority entrepreneurs.

From the outset, it was clear that the study would not aim at providing a full overview of all existing policy measures or support schemes that occur throughout Europe. The aim was to collect a broad selection of relevant and interesting cases, which could serve as a basis to eventually draw up a limited number of good practices. These good practices are presented as extended case studies that may be replicated elsewhere and can serve as the basis for newly to be developed policies or programmes.

Concepts

‘Ethnic minority entrepreneurs’ has been understood as entrepreneurs or potential entrepreneurs who are immigrants in the countries concerned. Immigrants are defined as persons who have been born abroad, irrespective of their nationality and whether they are considered ethnic minorities or not in the countries involved. ‘Immigrants’ also includes the offspring of immigrants, the second generation or the native born children of the first generation. In practice, the policy measures and support schemes rarely distinguish between generations of immigrants.

The formation of ethnic minorities may result from international immigration, but may also be related to political developments. We are not concerned with ethnic or national minorities that have come about by historical boundary change (like for example the Hungarians in Rumania). An exception has been made for the Russians in the Baltic States who had been internal migrants and can only be considered as a ‘foreign born population’ after the collapse of the Soviet Union. Another category that is not an immigrant group in the strict sense, but is included in the research is the Roma.

¹ - Initially, Switzerland as a non-EU country was not included in the ToR, but as this case is relevant for immigrant entrepreneurs it was later added, with the approval of the European Commission.

We view an entrepreneur as a person in effective control of a commercial undertaking for more than one client over a significant period of time. This includes self-employed, although they are not always included in businesses statistics. In this study we are not only concerned with policies that target existing entrepreneurs, but also at start-ups and potential entrepreneurs who have not yet started formally and may still operate in the informal economy.

Methods

The countries involved in this research project differ widely as to their immigration histories, economies and welfare regimes. For these reasons, but also for reasons of management of the project, these countries have been divided into four regions:

- (1) North Western Europe I: the Benelux countries, France, Britain and Ireland.
- (2) North Western Europe-II: the Nordic countries, Germany, Austria, Switzerland and Liechtenstein.
- (3) Southern Europe: Portugal, Spain, Malta, Italy, Slovenia, Greece and Cyprus.
- (4) Central and Eastern Europe: Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Turkey.

In each region, the research was managed by a regional coordinator, who formed regional teams of local country researchers. The data collection was done by means of questionnaires to be filled out by the country researchers. All data were electronically stored on a shared website.

The process of data collection was divided in two phases.

- (1) the identification and analysis of policy measures or support schemes and professional organisations;
- (2) the selection of good practices from among the policy measures / support schemes that had been collected in the first stage, and the selection and analysis of case studies.

The selection of good practices was carried out according to a set of predefined minimum criteria and five additional criteria. The five minimum criteria are:

- Topicality: the measure/scheme is still in place.
- Clear objective: the measure/scheme has clearly identifiable aims and objectives.
- Client orientation: the nature and form of the measure/scheme as well as its delivery mechanisms are suitable to ethnic minority entrepreneurs.
- Critical mass: the measure/scheme is targeted at and/or used by a critical mass of ethnic minority entrepreneurs.
- Documentation: the success and/or evolution of the measure/scheme is documented by monitoring or evaluation data.

The additional criteria are:

- Relevance: the degree to which the measure/ scheme leads to tangible results

- Effectiveness: the degree to which the measure/scheme leads to the achievement of its objectives, that is: leads to the desired outcomes or impact.
- Efficiency: the degree to which the resources needed for the implementation of the measures / schemes are used in a way to maximize its success. In short: do the benefits outweigh the costs.
- Innovativeness: the degree to which the measure/ scheme is new or unique, at least in the given context or society.
- Replicability: the degree to which the measure/ scheme may be replicated to other contexts or societies.

For the selection of good practices a two-step process was followed. First 44 policy measures/ support schemes were selected from the total of 146 policy measures/ support schemes that had been identified. From the 44 good practices identified in this way, a more limited number of twelve was selected for an in-depth analysis. For this second selection stricter criteria were applied. First, sufficient information should be available and this information should be of sufficient quality. Second, as far as possible some degree of regional spread was taken into account, since some good practices may work well in some countries but not necessarily in others. We did not include more than two measures per country.

The policy measures and support schemes

In this study, we identified a total number of 146 policy measures or support schemes in the 32 countries involved. They were not evenly distributed across the countries. Most measures or schemes were to be found in the North-western European countries, to a lesser degree in Southern Europe and least in the Central and Eastern European countries. Among the main reasons that explain these distributional patterns are:

- the specific immigration histories of the countries involved and especially the period in which these countries experienced immigration on a sizeable scale;
- the degree to which the countries involved have welfare regimes that include regulatory frameworks and social policies for the economic and social integration of immigrants;
- the national political ideologies vis-à-vis immigrants and national models of immigrant integration that determine to a large extent whether or not specific measures will be created to promote immigrant entrepreneurship.

The 146 policy measures that have been identified differ in several respects. The policy measures were grouped according to their policy level: supranational, national, regional and local. Most policy measures have been initiated at the national, regional or local level, with the majority of local initiatives occurring in the United Kingdom, Germany, The Netherlands and Belgium. The level of policy initiation need not correspond to the funding level: most policy measures are financed by European and/or national funding and most local policy initiatives are (co-)financed by higher-level sources of funding.

The large majority of policy measures identified in this study have contributed to the increased capacity of service delivery to immigrants. These services are aimed at empowering immigrant entrepreneurs by strengthening their human, social or financial resources. The main focus is on enhancing human capital of (aspiring) entrepreneurs (providing information, educational services, training, counselling). Services that foster social networking explicitly are small in number, but many promote networking implicitly. Fewer measures focus on providing financial services, but in fact, many programmes facilitate access to finance by strengthening the entrepreneurs' skills and knowledge. Occasionally, measures provide material assistance, for example incubator services.

To summarize, these types of service delivery focus on the agency of the entrepreneur as opposed to the structural societal conditions of entrepreneurship. Only a few measures identified here focus on structurally enhancing the opportunities for immigrant entrepreneurs. This includes for example the empowering of certain depressed city districts or the structurally embedding immigrants and their organisations into mainstream organisations.

Roughly half of the measures or support schemes focus exclusively on immigrants; the rest focus on a general public, including immigrants². Both seem to have their pros and cons. The most difficult to reach groups or vulnerable groups, seem to be best served by specific measures that advocate a personal or tailor-made approach (services in immigrant languages, intercultural mediators, outreach officers). Participation in homogenous groups of co-ethnics or other immigrants may increase the effectiveness of services as well. On the other hand, participation in multi-ethnic programmes may introduce them to mainstream networks and, hence, foster contacts in the business scene. This may contribute to successfully developing immigrant businesses, since it may facilitate access to mainstream business institutions.

The professional organisations

In this research we identified a total number of 103 professional organisations. These include organisations that work professionally to promote immigrant entrepreneurship and organisations that pursue the same goals otherwise, be it immigrant organisations or mainstream organisations representing the interest of immigrant entrepreneurs. About a third of these organisations are in the (semi-)public sector. Virtually all the others are non-profit organisations, including NGOs and immigrant organisations. The proportion of organisations that target immigrants only is slightly smaller than in the case of the policy measures. Some policy measures that focus on immigrants are actually implemented by generic organisations. As to the activities of the professional organisations, these are similar to the ones that are delivered by the organisations that implement the policy measures and support schemes.

Good practices: the twelve case studies

The twelve case studies that have been selected as examples of good practices come from nine countries and involve the following policy measures or support schemes.

1. Belgium: *Rainbow economy project*

An NGO-project that targets asylum seekers and other recent immigrants, providing them an experimental space to exploit their entrepreneurial skills from their home countries and develop these in the context of Brussels.

2. Finland: *NYP Business Services*

NYP is part of the Business Development Unit (Economic and Planning Centre, City of Helsinki) and offers tailor-made services to immigrants to start-up and run their own business in the Helsinki metropolitan area.

3. France: *Cre'Action*

Cre'Action is a regionally initiated project in the Nord-Pas de Calais, an economically depressed area. It is implemented by an NGO and aims at promoting entrepreneurship amongst unemployed youngsters, in particular from Northwest Africa.

4. Germany: *Q.net*

Q.net is a project in the city of Bremen aimed at increasing the immigrants' chances on the labour market by improving their professional training – thereby seeking to increase the number of business start-ups and decrease the number of failures.

5. Germany: *Unternehmer ohne Grenzen (Entrepreneurs without borders)*

A bottom-up initiative by immigrant entrepreneurs, currently run by a semi-public organisation in the city of Hamburg, providing services to immigrant entrepreneurs and representing their economic interest in the local business circles.

6. Hungary: *Szechenyi Entrepreneurial Programme*

A national policy initiative that aims at the integration of Roma by improving their market position as well as the competitiveness of small and medium sized enterprises. The programme is eligible both for Roma entrepreneurs and for 'native' entrepreneurs employing Roma.

7. Italy: *CNA World-Dedalo*

World-Dedalo is a service providing programme implemented by a semi-public organisation operating in the region of Turin that aims at assisting immigrants in starting-up and running their businesses.

8. Netherlands: *Kansenzones (Enterprise Zones)*

A local policy project in the city of Rotterdam, part of a national urban policy, which aims at strengthening entrepreneurship and economic development of socioeconomically depressed city districts by improving the investment climate.

² - In order to qualify for inclusion in this study at least 30 % of the policy measure's beneficiaries need to be of immigrant background.

9. Netherlands: *Kleurrijk Ondernemen (Colourful Entrepreneurship)*

A local public policy initiative of the city of Zaanstad that aims to strengthen the local economic structure and to stimulate employment by providing support to starting entrepreneurs, especially immigrants and women.

10. Spain: *Lanzadera de Empresas (Business Launcher)*

Lanzadera is a project, run by a non-profit organisation in Madrid, which offers work space and financial-administrative support for immigrants to test their business idea in real conditions without having to resign from their job.

11. United Kingdom: *Ethnic Minority Business Service (EMBS)*

EMBS is a local programme that recently has been mainstreamed into the larger 'Business Bolton Support Unit' – a semi-public organisation that provides a 'one stop' for business advice and support to Black and Minority Ethnic communities.

12. United Kingdom: *East London Small Business Centre (ELSBC)*

The ELSBC is a longstanding private organisation established to increase the social wealth and mobility in the East End of London through the stimulation and support of micro-enterprises and small businesses. One of its successful projects was the nationally funded Incubator Support project that intended to nurture start-ups, particularly in fashion-related industries.

Lessons learned

Below we report the most important lessons learned from the selected good practices. In this study, we have distinguished six types of policy measures or support schemes. The lessons learned are grouped according to these six types:

- Raise awareness among immigrants
- Improve skills and competencies of individual entrepreneurs
- Strengthen the social, cultural and financial resources of entrepreneurs
- Improve market conditions
- Implement favourable regulation (at local, national and supranational level)
- Strengthen intermediary organisations (training bureaus, consultancies, business associations)

Awareness raising among immigrants

To raise immigrants' initial awareness about entrepreneurial opportunities and about the support schemes themselves various activities have been set up and implemented, including:

- Advertising through a variety of media channels. In some cases immigrant media channels were used, in other cases existing mainstream channels were used. In a number of cases new media channels, such as a newspaper and a radio station, were set up.

- Mobilising immigrant community leaders or successful immigrant businesspersons in promotion activities.

Improve skills and competencies of individual entrepreneurs

To improve immigrants' skills and competencies (human capital) a wide array of practices has been carried out, amongst others:

- Offering language courses so as to improve the immigrants' proficiency in the host countries' language.
- Offering multilingual services. This holds especially for so-called outreach officers, i.e. those who are involved in primary service delivery.
- Offering comprehensive packages of support services varying from training, counselling, networking, and incubator services to administrative and legal services. To prevent new forms of dependency of ethnic entrepreneurs it is recommended that these services are offered as part of an on-the-job training.

Strengthen the social, cultural and financial resources of entrepreneurs

Ethnic entrepreneurs, like anybody else, are not operating in a social vacuum, but are embedded in social networks. These networks assume many different forms and can be based on family ties, on ethnic ties, on neighbourhood ties, and can be homogeneous or heterogeneous. In fact, most networks tend to be mixed. These networks can be mobilised for entrepreneurial purposes, and some measures help fostering that process:

- Mobilising transnational networks of ethnic entrepreneurs, i.e. connecting local ethnic businesses with businesses in the home country or elsewhere.
- Promoting the formation of ethnic business associations as a means to formalize informal social networks.
- Connecting (in)formal networks of ethnic entrepreneurs with mainstream business associations.
- Taking the gender dimension of social networks into account.
- Providing soft loans or income substitutions for starting entrepreneurs.

Improve market conditions

We have not found much evidence of policy measures aimed at improving market conditions. Nonetheless, there were experiments aiming at:

- Offering immigrants a place to use entrepreneurial skills in 'real' market conditions without having to start a business right away³.
- Creating incentives for entrepreneurs or small businesses—ethnic and non-ethnic alike—in targeted areas.

³ - This is the case in several of the good practices that are described in this report. Here we may refer to Lanzadera, Cre'Action and the Rainbow Economy..

Implement favourable regulation (at local, national and supranational level)

Changes in an economy's regulatory structure have an impact on entrepreneurial opportunities. Various measures aim at changing regulation:

- Identifying regulatory obstacles impeding immigrants from setting up business, including rules and regulations that connect self-employment with educational requirements, permits and registration.
- Validating previous formal training.

Strengthen intermediary organisations (training bureaus, consultancies, business associations)

Intermediary organisations play an important role in supporting ethnic entrepreneurs. Various measures aim at improving their performance, amongst others:

- Including delegates from the Chamber of Commerce, banks, business associations and other intermediary organisations in policy development.
- Communicating immigrant entrepreneurs' success stories, limitations, barriers and their needs to policymakers. Involving representatives from ethnic business associations in discussion forums and policy-making procedures.
- Sharing experiences across intermediary organisations such as training institutions, e.g. through publications or seminars.
- Sensitizing intermediary organisations to the specific needs of ethnic entrepreneurs, and providing training, if necessary.
- Carrying out a needs assessment among ethnic minorities and share the results with policy makers and support institutions.
- Using service providers or counsellors capable of dealing with all forms of diversity: ethnic background, social class, gender, sexual inclination and so forth.

We wish to draw attention to the challenge to strike a balance between uniform general measures and more tailor-made, target-group specific measures. The first may be less responsive to the specific needs of ethnic entrepreneurs, while the latter may result in patronising approaches that emphasize ethnic entrepreneurs' deficiencies rather than their skills and competencies.

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INTRODUCTION

European countries have become countries of immigration – albeit at a different pace and in different periods of time. Whereas some countries have well-established immigrant populations, others have only recently experienced immigration at a sizeable scale.

Immigrants are gradually becoming a more important part of our society, a society that becomes more diverse. By their participation in the labour market and in the Small and Medium Enterprise sector they add value to society. Among immigrants, one of the trajectories towards social and economic integration is becoming self-employed or start-up a business. These two interdependent aspects affect policies and programmes on ethnic entrepreneurship.

The Lisbon Agenda cannot be successfully implemented if larger parts of society are excluded. It is thus logic to formulate and sharpen policies dealing with the promotion of ethnic minority or immigrant entrepreneurship as well.

Both Triodos Facet and the Institute for Migration and Ethnic Studies (IMES) of the University of Amsterdam have undertaken a wide variety of programmes and projects dealing with immigrant entrepreneurship (implementing comprehensive service delivery programmes and carrying out research projects respectively). Together they have been honoured to undertake the assignment on *Examination and evaluation of good practices in the promotion of ethnic minority entrepreneurs* for the European Commission.

The research focuses on measures aimed at the promotion of ethnic minority entrepreneurship originating from public policy initiatives or developed in accordance with public policies. The study presents an inventory of policy measures and support schemes promoting immigrant entrepreneurship. In addition, a selection of existing professional organisations is presented that promote entrepreneurship among immigrants or represent their economic interests. The report finally presents a number of illustrative good practices on promotion of ethnic minority entrepreneurship.

These good practices may broaden our insights on (organising and implementing) the promotion of ethnic minority entrepreneurship in Europe, trigger new ideas and measures, and serve as input for the development of new policies (at national and European level). And this again may contribute to a further integration of the immigrant entrepreneur in a society where in the future diversity will be the key and immigrants are not singled out any more as special target group. On the longer term this will require other non-target group specific policies.



1 THE STUDY

This study was commissioned by the European Commission. It aims at contributing to the development of policies aimed at promoting immigrant entrepreneurship. At the same time, the research relates to several issues relevant to the study of immigrant entrepreneurship. In this section, these policy and theoretical contexts will be touched upon briefly to put the research objectives into proper perspective and to discuss the main concepts that are central to the empirical research.

1.1 Policy context

The European Commission strongly advocates the creation of an environment conducive to the starting-up and development of entrepreneurship, in particular the small- and medium-enterprise sector (SME-sector). In line with the growing importance of immigration in most European countries, the importance of ethnic minority businesses has also increased significantly. In this study the focus is specifically on this SME-sector among immigrants and their offspring.

The extent to which immigrant or ethnic-minority entrepreneurship develops differs considerably across Europe. Whereas in some countries, entrepreneurship among immigrants lags behind that of the general population (see e.g. Kloosterman & Rath 2003), in other countries immigrants start proportionally more businesses than the rest of the population. Several factors can explain this difference across Europe. The start-up, development and growth of SMEs depends on two crucial factors: the entrepreneurial attitude of prospective entrepreneurs and the business environment.

In the case of immigrants and their offspring, there may be extra impediments (or opportunities for that matter). Immigrants may lack human, financial or social capital to become successful entrepreneurs, or may experience extra barriers and constraints. The opportunities for immigrant entrepreneurs are thus contingent on the characteristics of the market and regulation of the SME-sector at different scales.

In several European countries, the authorities aim to promote the development of SMEs, by introducing support measures facilitating immigrants to start and develop businesses. Much of these policy efforts focus on improving the performance of immigrant entrepreneurs, for example by providing training and coaching, and other forms of support in the fields of entrepreneurial skills, finance and networking. Other policy efforts aim at removing obstructions in the regulatory framework for SMEs, which may vary from lowering the licence requirements for starters and getting preferential access to credit systems to allowing for a period of trial and error without losing the right to receive social security benefits.

This study aims at a comprehensive mapping of policies in the promotion of ethnic minority entrepreneurs in Europe.

Up till now, there has not been much systematic exchange of information and best practices between the Member States on this issue. Besides, there are very few studies that include the post-socialist countries. The current study is meant to fill this gap.

1.2 Theoretical context

Immigrant entrepreneurship has long been an important field of study, especially in classical immigration countries like the United States and, more recently, also in several European countries. The relevance of this field of study relates to at least two important policy areas. Immigrant businesses do not only contribute to the economic development in certain sectors or cities of the receiving societies, but entrepreneurship may also be a viable route for the economic incorporation and, thus, integration of immigrants and their children. However, this does not hold true for all immigrant groups to the same degree. The rate of self-employment and the success of immigrant businesses vary. Depending on the circumstances in the receiving society and the background of immigrants, some groups are more likely than others to successfully start-up their own business.

Studies of immigrant entrepreneurship have departed from different points of view and perspectives. Some argue that immigrant entrepreneurship is a response to blocked opportunities in the general labour market and that, as a consequence, the growing number of entrepreneurs need not be an indication of success. Rather, self-employment is viewed as an economic dead-end for immigrants. Long working hours, unpaid family labour and low incomes are some of the indicators that support this dead-end hypothesis. At the other extreme we find the point of view according to which immigrant entrepreneurship is seen positively as a viable route to upward social mobility.

In contemporary studies on immigrant entrepreneurs, it has been commonly agreed that first generation immigrants often serve their own ethnic community with products or services and thereby develop their own 'ethnic markets'. It is suggested that immigrant businesses operating within co-ethnic markets are eventually doomed to a marginal existence, and need to break out of the ethnic market in order to succeed. Others have pointed to the one-sidedness of this view and have questioned the inevitability of this breaking out.

Explanations on the success or – perhaps better – the degree of success of ethnic entrepreneurs have often stressed the role of individual entrepreneurs and their resources in terms of human, cultural and financial capital, that is: the emphasis is on the agency of the 'ethnic' actor. On the other hand, there are those who emphasize the economic, social and political conditions that immigrants encounter in the receiving society. Obviously, few would doubt the importance of both – the agency of the entrepreneur and the structural societal conditions. The question is just how and to what degree they influence the development of immigrant entrepreneurship.

Several researchers have pointed to the importance of the 'social embeddedness' of entrepreneurs. In an attempt to reconcile the emphasis on individual characteristics of entrepreneurs with a macro-structural analysis, they stress the importance of social networks in which entrepreneurs are embedded and their relevance to successful entrepreneurship. A more recent approach builds on this approach. This model of 'mixed embeddedness' also includes the political and economic context in the explanatory model of immigrant entrepreneurship, which was often absent in much of the earlier empirical research (Kloosterman & Rath 2003). Political and economic institutions are crucial in understanding both the obstacles and opportunities for aspiring entrepreneurs to start their own business.

The policy context in which ethnic or immigrant entrepreneurship develops and the institutions that govern it are relevant for the present study. These institutions relate to both formal and informal regulations. Engelen (2001) points to the distinction between legislation and regulation. The term regulation should not be taken as a mere synonym for state regulation. In fact, various modes of regulation exist, from formal to informal, and various agencies are involved in regulatory processes, ranging from state agencies (local, national, regional or supranational) and semi-public institutions to non-profit organisations and voluntary associations. Regulatory frameworks can be imposed or enforced, or may be based on voluntary action. Economic actions are always, in one way or another, regulated, even in cases when legislation per se seems non-existent as in the informal economy.

Regulatory regimes sometimes turn out to be obstacles for immigrant entrepreneurs, in particular for lowly skilled immigrants coming from third-world contexts and not used to the complex regulation they are faced with in the countries they moved to. On the other hand, regulation does not always constrain business start-ups; it may also provide an enabling business environment. This is manifested in different ways, ranging from tolerance towards illicit practices to positive action and business support programmes.

In this study we focus on some of the many regulatory mechanisms that occur in European countries, notably regulations that result from public policy initiatives

1.3 Research objectives

The general aim of this study is to identify existing national measures and support schemes destined to support the development of enterprises by ethnic minorities and to evaluate these measures in order to determine good practices in the area. In addition, the study aims to identify existing organisations representing the economic interests of immigrant entrepreneurs. A detailed description of the various measures supporting immigrant entrepreneurs will be useful in developing, formulating, adjusting and sharpening SME policies in Europe.

In short, the specific objectives of the present research are:

- to identify and examine measures and support schemes promoting entrepreneurship amongst ethnic minorities
- to identify existing professional organisations representing the economic interests of ethnic minority entrepreneurs
- to identify good practices in the promotion of ethnic minority entrepreneurs.

This research has been conducted in 32 countries⁴, including:

- the 27 member states of the European Union
- the EFTA member countries, Iceland, Liechtenstein, Norway
- candidate country Turkey
- Switzerland⁵

A full list of all the countries involved in this study is to be found in Annex II.

One of the major challenges of the current research project has been to combine a country-specific approach with a jointly shared framework. This implied first and foremost, agreeing on conceptual issues and definitions.

1.4 Conceptual issues

The divergence in national integration policies and, consequently, definitional and statistical differences makes it difficult to really assess the importance of immigrant entrepreneurship cross-nationally. In some countries immigrants are statistically invisible, whereas in others they may be registered but on the basis of different criteria such as citizenship or country of birth. As a consequence, data on ethnic minority or immigrant entrepreneurs need not reflect the same phenomenon cross-nationally. In practice, our research had to count with the many national definitions of ethnic minorities or immigrants that exist in the countries involved, as well as the way in which ethnic minorities or immigrants are defined as policy categories (cf. Kloosterman & Rath 2003).

The focus of this study is on ethnic minorities that have come about by international migration. For the purpose of this study we consider as immigrants persons who have been born abroad, irrespective of their nationality and irrespective of whether they are considered ethnic minorities or not in the countries involved. The formation of ethnic minorities is often related to international migration, but may also be related to political developments or events. In this study it has not been the intention to collect data on ethnic or national minorities that have come about by historical boundary change (like for example the Hungarians in Rumania). An exception was made for Russians in the Baltic States who had been internal migrants and who can only be considered as a 'foreign born population' since the collapse of the Soviet Union (Münz 2005). Another category that is not an immigrant group in the strict sense, but is included in the research is the Roma. The inclusion of the Roma has been one of the specifications by the EC.

⁴ - Due to problems with the country researchers, no reliable data on relevant policy measures or professional organisations could be collected for Cyprus and the Czech Republic.

⁵ - Added later by the research team with the consent of the European Commission.

The term 'immigrants' needs two more distinctions. First of all, this study does not only focus on first generation immigrants, but also on their native-born children – the second generation. The project also intended to include the third generation, but in practice this is not relevant for most countries. Even in countries with a fairly long post-war immigration history the second generation is only just coming of age and the third generation is, in many cases, too young. In practice, this study therefore focuses on the first and – in some countries – second-generation immigrants (even though, strictly speaking, they are not immigrants). However, in practice no distinctions in this sense are made in the policy measures included in this study.

A second specification relates to the country of origin of the immigrants. We intended to focus on immigrants from less developed countries outside the EU⁶. In practice, however, many policy measures target immigrants from less-developed countries both outside and within the EU. This means that Southern-, Central- and Eastern-European immigrants who have moved to Western-European countries are included – at least to the extent to which they have been defined as target populations of policy measures. The reasons are obvious: most policy measures will be directed to immigrants who are constrained in their entrepreneurial activities by their lack of human or financial capital or by institutional barriers in the country of settlement, and these are most likely to be found among immigrants from underdeveloped or less-developed countries within and outside the EU.

A final definitional question relates to the notion of *immigrant* or *ethnic* in the term 'immigrant entrepreneur' or 'ethnic entrepreneur'. Both notions are to be found in the relevant scientific literature and both terms have their pros and cons. Some prefer 'immigrant entrepreneur' to 'ethnic entrepreneur', to avoid the connotation that the focus is on the ethnic or cultural aspects of entrepreneurship. Others prefer 'ethnic entrepreneur' in order to avoid using the term *immigrant* for native-born second generation. We will use both terms, but emphasise that the term *ethnic* entrepreneurship just refers to the immigrant or ethnic background of these second-generation entrepreneurs⁷.

The second main concept of our project refers to *entrepreneurship*. We define an entrepreneur as a person in effective control of a commercial undertaking for more than one client over a significant period of time. This also includes the self-employed, who in fact are hardly to be distinguished from entrepreneurs, although they are not always included in businesses statistics in some countries. In this study, however, we are not only concerned with policies that target existing entrepreneurs, but also start-ups and potential entrepreneurs who have not yet started formally and may still operate in the informal economy.

1.5 Scope and representativity

The study presents an analysis of policy measures, professional organisations and good practices in 32 European countries. From the outset, it has been clear that the study would not aim at providing a full overview of all existing policy measures or support schemes throughout Europe. Rather, the aim was to collect a broad selection of relevant and interesting cases, which could serve as a basis to eventually draw up a limited number of good practices. These good practices are presented as extended case studies that may be replicated elsewhere and can serve as the basis for new policies or programmes.

Nevertheless, the first research aim was to make an inventory of policy measures and organisations as complete as possible. This was easier in some countries than in others. For instance in those countries where a great number of policy measures or support schemes exist, the study could impossibly cover the entire range of existing practices. In other countries, it was difficult to find any relevant measures at all or the number of measures or schemes was so limited that they could relatively easily be tracked down.

It should be emphasised that this study is about *good* practices rather than *best* practices. It would simply not be tenable to pretend that we have been able to select the very best of the whole of Europe. We have made a well-considered selection out of what seems to be the most interesting practices, but this is not to exclude other existing policy measures or programmes from being considered as good practices.

⁶ - Or more precisely: immigrants from less developed countries outside of the 27 EU member states, the EFTA member countries, Turkey and Switzerland.

⁷ - To be sure, an *ethnic* background is not specific to immigrants alone, but it is only in a context of ethnic contact that ethnicity may become relevant.



2 APPROACH AND RESEARCH METHODS

This sizeable research project, with many countries and researchers involved, required a strict organisational and operational structure and an efficient approach. In this section we give an account of the way the project was set up, how the subject matter was approached and what research methods were used.

2.1 Research organisation

The assignment has been undertaken by Triodos Facet (lead consultant) and the Institute for Migration and Ethnic Studies of the University of Amsterdam (IMES). The team was composed of:

- Mr. Klaas Molenaar Triodos Facet - programme director
- Prof. dr. Jan Rath IMES - programme director
- Mr. Gerrit Ribbink Triodos Facet - senior consultant
- Dr. Mies van Niekerk IMES - senior researcher
- Mr. Joep Vonk Triodos Facet - consultant
- Mrs. Wieteke Gondrie Triodos Facet - consultant

Consultative meetings have been held with the European Commission as and when deemed necessary.

The countries involved in this research project differ widely as to their immigration histories, economies and welfare regimes. For these reasons, but also for reasons of management of the project, the selected countries have been divided into four regions:

1. North-Western Europe-I

This region encompasses Britain and Ireland, the Benelux and France. These countries are characterised by more or less liberal entrepreneurial regimes. Furthermore, Britain, the Netherlands, Belgium and France are ex-colonial powers and have experience with mass migration from their former colonies. Most of these immigrants are now citizens of the country of residence.

2. North-Western Europe-II

This region encompasses the Nordic countries, Germany, Austria, Switzerland⁸ and Liechtenstein. Most of these countries have well-advanced welfare states and relatively strict integration and entrepreneurial regimes, with the exception of Liechtenstein. Its inclusion in this region is simply a matter of convenience.

3. Southern Europe

This encompasses the Mediterranean countries, thus Portugal, Spain, Malta, Italy, Slovenia, Greece and Cyprus. Most of these countries used to be countries of emigration, but this has rapidly changed in the past decade. Most of them are welfare states in which familial considerations play an important role.

4. Central and Eastern Europe

This region encompasses the new EU member states and Turkey. The economies of these states are not as advanced as the other EU-member states, nor do they have the same level of welfare provisions. Mass immigration is a relatively new phenomenon here.

In each region, the research was coordinated by a regional coordinator. He or she recruited the researchers in the respective countries and formed a regional team (see Annex II for an overview of countries, regional coordinators and national researchers). In the two Northwest-European teams this was not as difficult as in the regions of Southern Europe and especially Central and Eastern Europe. This seems related, among other things, to the immigration history of these countries and the degree to which policies and research on immigrants have been developed. Where possible, the regional coordinators recruited local researchers who were familiar with the subject matter, as professionals, as researchers or otherwise. The regional coordinators were responsible for instructing the country researchers; supervising and monitoring the data collection, and communicating on the proceedings to the central project coordinators.

2.2 Two research phases

The process of data collection was divided in two phases:

Phase 1: The identification and analysis of policy measures or support schemes and professional organisations.

Phase 2: The selection of good practices from among the policy measures / support schemes that had been collected in the first stage, and the selection and analysis of case studies.

Each phase started with a central meeting of the project coordinators and the regional coordinators, followed by regional meetings with the country researchers organised by the regional coordinators. For each meeting working papers were prepared, with background information on the research project and guidelines for the data collection. The questionnaires were discussed in detail and country researchers had the opportunity to give feedback from their own country's perspective. Some issues brought up during these meetings led to reconsidering certain elements of the questionnaires or the project guidelines.

⁸ - Switzerland was not foreseen in the Terms of Reference of the study, but considering the importance of the immigrant (entrepreneur) issue in this country, it was included after consulting with the EC.

During the project period, the following meetings were organised:

Phase 1: Policy measures and professional organisations

Central meeting:	Vienna, September 7, 2006
Regional meetings:	
North-Western Europe I	Amsterdam, October 18th, 2006
North-Western Europe II	Osnabrück, October 19th, 2006
Southern Europe	Lisbon, November 3rd, 2006
Central and Eastern Europe	Budapest, November 3rd, 2006

Phase 2: Good practices

Central meeting:	Lisbon, January 19th, 2007
Regional meetings:	
North-Western Europe I	Amsterdam, February 1st, 2007
North-Western Europe II	Berlin, January 26th, 2007
Southern Europe	Malta, February 9th, 2007
Central and Eastern Europe	Budapest, January 27th, 2007

2.3 The questionnaires

The data collection was done by means of questionnaires to be filled out by the country researchers. In the first phase of the research a questionnaire was developed aimed at collecting information on the national context. As explained above (see *Conceptual issues*, Chapter 1), much of this data cannot be used for cross-national comparison, nor were they intended as such. However, they do provide relevant background information for the analysis of the three core research topics. For each of these topics questionnaires have been developed, including the following issues:

Policy Measures/Support Schemes

Key data
Description of policy measures/support schemes
Implementing organisations
Types of intervention and services delivered
Evaluation data

Professional Organisations

Key data
Description of organisation
Target population
Programme/activities/services
Evaluation data

Good Practices

Motivation for selection
Aims and objectives
Target population
Accessibility
Financial aspects
Good-practice aspects: effectiveness; efficiency; innovativeness; replicability; evaluation data

2.4 The data collection

After instructions at the regional meetings, the country researchers were asked to collect the necessary data and to fill out the corresponding questionnaires of the respective research phases. The collected data draws primarily on secondary sources, such as websites, evaluation reports and other documents. In some cases, researchers had to collect additional information by conducting (telephone) interviews or by obtaining primary data from the organisations concerned.

In order to record the data centrally, an interactive database was developed that could be accessed through the Internet. The country researchers entered their data electronically on this shared website. Each participant in the project – from central coordinators to regional coordinators and country researchers – was assigned personal access rights, either passive or active. In this way, the data-collection could be standardised and supervised, and the entire process of data collection monitored. This method of data collection also facilitated the subsequent data processing that was needed to analyse the data.

2.5 Selection of good practices

The selection of good practices has been carried out in a two-step process. First a number of 44 policy measures/support schemes have been selected from among the total number of 146 policy measures/ support schemes that have been identified. The selection of good practices has been carried out according to a set of predefined minimum criteria, which can be summarised as follows.

Minimum selection criteria

Topicality	the measure/scheme is still in place.
Clear objective	the measure/scheme has clearly identifiable aims and objectives.
Client orientation	the nature and form of the measure/scheme as well as its delivery mechanisms are suitable to ethnic minority entrepreneurs.
Critical mass	the measure/scheme is targeted at and/or used by a critical mass of ethnic minority entrepreneurs.
Documentation	the success and/or evolution of the measure/scheme is documented by monitoring or evaluation data.

In addition, we used another five criteria⁹:

Additional selection criteria

Relevance	the degree to which the measure/ scheme leads to tangible results
Effectiveness	the degree to which the measure/scheme leads to the achievement of its objectives, that is: leads to the desired outcomes or impact.
Efficiency	the degree to which the resources needed for the implementation of the measures / schemes are used in a way to maximize its success. In short: do the benefits outweigh the costs.
Innovativeness	the degree to which the measure/ scheme is new or unique, at least in the given context or society.
Replicable	the degree to which the measure/ scheme may be replicated to other contexts or societies.

As a second step, twelve good practices have been selected (see Chapter 5). These have been described in detail (see annex I). The resulting case studies have been used for further analysis to detect salient points and distil lessons. These again served as the basis for the formulation of recommendations for those contemplating to design and develop special policies and/ or programmes for the promotion of ethnic entrepreneurship (in Europe).

2.6 Deliverables

The findings of this research have been laid down in the present report. The draft of the report has been submitted to the European Commission for its opinions and views. Suggestions for adjustments and corrections have been taken into account while formulating the final version of the report.

The report will be accompanied by a Dbase on CD ROM, containing key information on the policy measures, representative organisations and good practices. This Dbase presents a picture of the situation at the date of closing the data collection (June 2007). Any new information that has become available after that data has not been entered into the DBase. Discussions were held with the EC to assess to what extent the collected data can be entered in central data bases of the EC. This needs to be followed up later by the respective officers.

⁹ - For these selection criteria, we have also been drawing on some other studies on good practices, including • ICMPSD: "Integration Agreements and Voluntary Measures", Vienna 2005 (<http://www2.fmg.uva.nl/imes/books/icmps2005.pdf>). Especially for the elaboration of some of the additional selection criteria, we have used this source • UN Good Practices in Gender Mainstreaming, see: <http://www.un.org/womenwatch/resources/goodpractices/guideline.html>

3 POLICY MEASURES AND SUPPORT SCHEMES

The policy measures or support schemes included in this research, focus partly or entirely on immigrants. Most of the countries involved in this study have a national minority policy or integration policy – at least in the form of integration programmes for newly arrived immigrants. Most countries also have a policy to promote economic activities in the SME-sector. However, the way that the various countries involved in this study go about promoting immigrant entrepreneurs varies considerably. In some countries, national policies do not distinguish between immigrants and nationals, like for example France, Greece and Slovenia, but this does not mean that there are no measures focusing on immigrants in these countries. After all, policies are not only initiated by governments, but can originate from several regulatory agencies.

3.1 Overview of policy measures

Policies promoting entrepreneurship in the SME-sector are diverse and not evenly distributed throughout Europe. In this section we present our findings on the policy measures or support schemes that have been identified in the 32 countries involved in this study. In analyzing them, we will focus on the quantity of these measures and their distribution, as well as their character and the type of intervention. Policies aimed at the promotion of immigrant entrepreneurship may focus either on the capacity of (aspiring) entrepreneurs or on adapting the structural conditions to foster entrepreneurship among immigrants. In our analysis we will pay attention to these different aspects, but first we give a brief overview of the policy measures that have been identified and their distribution.

Altogether we identified a total number of 146 policy measures or support schemes in the 32 countries involved. They are not evenly distributed among the regions and countries involved, as is shown in the table below.



¹⁰ - Due to problems with the country researchers, no reliable data on policy measures/schemes or professional organisations could be collected in Cyprus and the Czech Republic, whereas they may exist. No relevant policy measures were identified in Iceland, Liechtenstein and Luxemburg.

Table 1:
Policy Measures and Support Schemes by country and region

Region	Country	Number of measures		Population (in thousands)	Number of international immigrants (in thousands)
North-Western Europe I	Belgium	11		10,419	719
	France	5		60,496	6,471
	Ireland	3		4,148	585
	Luxembourg	0		465	174
	The Netherlands	16		16,299	1,683
	United Kingdom	32		59,668	5,408
	Subtotal		67		
North-Western Europe II	Austria	3		8,189	1,234
	Denmark	3		5,431	389
	Finland	2		5,249	156
	Germany	22		82,689	10,144
	Iceland	0		295	23
	Liechtenstein	0		35	12
	Norway	1		4,620	344
	Sweden	2		9,041	1,117
	Switzerland	3		7,252	1,660
	Subtotal		36		
Southern Europe	Cyprus	0		835	116
	Greece	7		11,120	974
	Italy	5		58,093	2,519
	Malta	1		402	11
	Portugal	5		10,495	764
	Slovenia	2		1,967	167
	Spain	4		43,064	4,790
	Subtotal		24		
Central & Eastern Europe	Bulgaria	6		7,726	104
	Czech Republic	0		10,220	453
	Estonia	0		1,330	202
	Hungary	1		10,098	316
	Latvia	1		2,307	449
	Lithuania	1		3,431	165
	Poland	7		38,530	703
	Romania	1		21,711	133
	Slovakia	1		5,401	124
	Turkey	1		73,193	1,328
	Subtotal		19		
Total			146		

The table also gives the estimated number of international immigrants in each of the 32 countries, including only first generation immigrants¹¹. These data can be used to arrive at a very rough indication for the ratio of policy measures to the number of immigrants in each of the 32 countries. However, one should not attach too much value to these ratios as this study does not intend to provide an overview

of all existing policy measures. Moreover, countries with long immigration histories have sizeable second (and third) generations which are not included in this table. Thus, in these countries (this mostly refers to Western Europe) the (first, second and third generation) immigrant populations are larger than the table suggests.

¹¹ - The data refer to 2005 and are taken from the UN World Migration Stock database: <http://esa.un.org/migration>. The reported number of international immigrants generally represents the number of persons born in a country other than that in which they live. This UN definition does not include second-generation immigrants and is therefore tighter than the definition that is used in the study at hand.

The table shows that most policy measures / support schemes were found in North-Western Europe, in particular in the UK, Germany, the Netherlands and Belgium, and the least in Central and Eastern Europe. We will return to the regional differences later. First, we will give a brief characterization of the policy measures.

3.2 Policy levels and funding

The study aimed at identifying policy measures or support schemes originating from public policy initiatives, and more in particular from national or regional policies. In practice, some initiatives are the result of combined initiatives at several policy levels. In countries with decentralised policies, like France, these measures tend to be rooted in departmental policies, as is the case in Italy and Belgium. In some countries, notably the United Kingdom, many measures to promote immigrant entrepreneurship are locally rooted.¹² Finally, in a few cases, specific initiatives have been developed in the major cities, where most immigrants settle.

Table 2 presents an overview of the relevant policy levels where the measures in this study have been initiated.

Table 2:
Policy level

	Number	%
Supranational	4	3
National	49	34
Regional	42	29
Local	51	35
Total	146	100% ¹³

Most measures originate in national and local policies (34% and 35% respectively), followed by regional policies (29%). Only 4 policy measures can be considered to have been initiated by supranational policies. Some measures, to be sure, were initiated at more than one level at the same time. The policy level where the measure has been initiated and the source of funding, moreover, do not always coincide. For instance, national or local policy initiatives may be financed by supranational funds. In fact, the majority of the measures are financed by national and/or supranational sources. Table 3 lists the main sources of funding.

Table 3:
Source of funding

	Number	%
European Community	32	22
European and other	44	30
National	50	34
Regional	6	4
Local	5	3
Private	5	3
Other	4	3
Total	146	100%

European funding appears to be a major source of funding. If we include the cases in which European funding is combined with other sources of funding, more than half of the measures are financed by European funds, either exclusively or in combination with other funds (52%). Several policy measures have been (co-)financed by the Equal Programme of the European Social Fund. National public sources of funding (i.e. the central government) are covering about one third of the cases (34%)¹⁴. Local funding as sole source of funding is important in only 5 cases, but is quite often combined with (supra-)national funds. The same applies to private funding. Comparing Table 2 and 3, one may conclude that most local policy initiatives are financed or co-financed by higher-level sources of funding.

3.3 Targets and target population

Policies targeted at the promotion of immigrant entrepreneurship may focus on the entrepreneurs or on the environment. Measures that focus on the (aspiring) entrepreneurs can be aimed at enhancing the knowledge, skills and abilities of entrepreneurs; promoting their business network; or facilitating access to financial sources and services. Measures that focus on the environment include removing barriers for immigrant entrepreneurs, combating discriminatory practices towards immigrants, and creating extra facilities for immigrants in order to promote equal opportunities for immigrants.

EMBS convinces your husband and takes care of your kids
The British Ethnic Minority Business Service (EMBS) places a lot of effort on improving the possibilities for female entrepreneurship in Bolton's minority communities. In particular, EMBS attempts to overcome cultural barriers that women face. The programme tries to persuade the immigrant community, husbands in particular, that women should be allowed to work, to participate in training programmes and to start up a business. EMBS also provides childcare to enable mothers to attend events and workshops.

¹² - This seems at least partly related to the founding of the Phoenix Development Fund (in 2000), which is a central government fund distributed to a myriad of micro-projects across England (Friess 2005: 19).

¹³ - The percentages in this table and some of the other tables in this report do not exactly add up to 100 because they have been rounded off.

¹⁴ - This does not include the policy measures which are co-financed with European Union funds, as these fall under the category 'European and other'.

By far most measures or programmes identified in this research aim at providing services to immigrant entrepreneurs and/or raising awareness on self-employment among immigrants. Only a small number of measures or schemes that are included in this study focus on the environment, i.e. on creating or enhancing the opportunities for immigrant entrepreneurs. These measures are analysed more in detail below (see also section 3.4: *Type of measures and schemes*).

As to the target population, we distinguished between immigrants and natives, and between start-ups and existing enterprises. All 146 policy measures identified focus at least partly on immigrants. Table 4 shows the degree to which the policy measures are specifically focused on immigrants or on both immigrants and natives. More than half of the policy measures or support schemes focus entirely on immigrants (52%) and 43% target both native and immigrant entrepreneurs. The remaining 5% - all of them in Central and Eastern Europe - focus specifically on Roma.

Table 4:
Target population

	Number	%
Both native and immigrant entrepreneurs	63	43
Only immigrant entrepreneurs	76	52
Roma	7	5
Total	146	100%

The measures that focus on a mixed target group, often form part of a generic policy aimed at assisting vulnerable or socially disadvantaged groups, like the unemployed or women. Since immigrants tend to be overrepresented among these groups, they may be reached by these generic policy measures.

Among the measures directed only at immigrants, some target specific ethnic or nationality groups, or 'newcomers' and refugees (see the Belgian case study). A special case in this respect, are the measures focusing on the Roma in some Central and Eastern European countries, like Bulgaria, Hungary, Poland and Romania (see also the Hungarian case study).

Belgium: Newcomers test their business idea at a music festival

Newcomers and refugees participating in the Belgian Rainbow Economy project have the possibility to sell their products at the annual *Klinkende Munt* music festival in the city centre of Brussels. This gives starting entrepreneurs the opportunity to test their entrepreneurial skills and the appeal of their products in a safe setting.

As to the type of enterprise phase targeted, most policy measures or support schemes do not focus on a specific group. Rather, they focus on entrepreneurs in various stages of the enterprise development – start-ups and existing enterprises alike. Nonetheless, nearly half of the measures or programmes involved focus entirely on start-ups. Only a very small number of measures (5 per cent) target existing enterprises only.

Lanzadera carefully launches your business

The Spanish Lanzadera provides immigrants a sweet landing when making the switch from employment to entrepreneurship. Lanzadera allows them to make this transformation step by step. In the beginning Lanzadera assumes the administrative burden and provides office premises. Starting entrepreneurs do not have to worry about giving up their normal job, legal requirements and administrative hazards like invoicing.

Special mention should be made of programmes that focus on immigrants and their economic activities in their countries of origin. In this study, three examples of such programmes have been identified.

- The *IntEnt Foundation*¹⁵ (Netherlands) is a private body providing a service programme to immigrants who aspire to set up a business in their country of origin. The programme was developed on the basis of good practices in small enterprise development and reflects in practical way the latest insights on the nexus between migration, development and entrepreneurship. It has a comprehensive approach starting with selection, followed by a tailor-made mix of training and counselling, assistance in doing a market survey in the country of origin, assistance in obtaining bank finance and counselling during the first 18 months after the start-up. The programme is open to entrepreneurs from Ghana, Morocco, Surinam, Turkey, Curacao (Netherlands Antilles) and Afghanistan.
- *Programme Migrations et Initiatives Economiques* (PMIE - Migration and Economic Initiatives Programme - France)¹⁶ aims to facilitate the implementation of economic projects by migrants both in their country of origin and in France. The programme is implemented by several NGOs and operates mainly at the institutional level, targeting institutions or associations specialised in business creation by immigrants from Sub-Saharan Africa (Mali, Senegal, Mauritania, Gabon, Cameroon) and Northern Africa (Algeria, Morocco, Tunisia).
- *Retale* (Reinvestment of Talent in Ecuador - Spain)¹⁷ is a programme of the Foundation Un Sol Mon providing services to immigrants from Ecuador who wish to set up business in their country of origin, either by returning themselves or cooperating with a business partner in Ecuador.

¹⁵ - <http://www.ondernemenoverdegrens.nl/Home.aspx?lang=en>

¹⁶ - <http://www.pseau.org/pmie/>

¹⁷ - <http://obrasocial.caixacatalunya.es/osocial/main.html?idioma=3>

Since these programmes do not primarily focus on economic activities of immigrants in European countries but rather contribute to development in the countries of origin, they were not eligible for further analysis as good practice case studies.

3.4 Type of measures and schemes

As indicated above, some measures target the promotion of entrepreneurship among immigrants by focusing on empowering entrepreneurs by strengthening their human, social or cultural capital, other measures help foster a conducive business environment. In this study, we have distinguished six types of intervention:

- Create awareness among immigrants
- Improve skills and competencies of individual entrepreneurs
- Strengthen the financial, social and cultural resources of entrepreneurs
- Improve market conditions
- Implement favourable regulation (at local, national and supranational level)
- Strengthen intermediary organisations (training bureaux, consultancies, business associations)

The first three types of intervention aim at the entrepreneurs themselves, while the remaining three types aim at the business environment. Some three-quarters of all measures or schemes promote awareness on entrepreneurship among immigrants and over 90% focus on service delivery by intermediary organisations – either exclusively or as part of a more comprehensive approach. A number of measures aim at regulatory change. Among these measures are, for example, tax facilities created for start-ups; relaxing of licensing laws and opening hours; and the creation of economic enterprise zones. Other measures aim at linking service-providers with immigrant business associations or immigrant business organisations with mainstream institutions. Measures that aim at improving market conditions are primarily measures that provide financial support.

It should be noted, however, that these six types of intervention are not mutually exclusive. To give an example, EMERGE in Ireland, raises awareness and provides training and other services to improve the skills of ethnic minorities, but at the same time aims to strengthen intermediary organisations supporting ethnic minority enterprises; to create open communication channels with mainstream financial institutions; and to influence policies in this area.¹⁸

The specific services that are provided in the programmes identified in this study cover a wide range and one measure or scheme may provide more than one service. Table 5 gives an overview of the different services or fields of support that are delivered to (potential) entrepreneurs.

Table 5:
Types of services delivered

	Number of measures delivering the service	% de measures delivering the service
Information	121	83
Advice	121	83
Training	107	73
Networking	96	66
Mentoring	84	58
(Access to) finance	79	54
Other	1	1

Table 5 shows that the services that are provided most are 'advice' and 'information' (each in 83% of the policy measures), with 'training' (73%) in third place, followed by 'networking' (66%) and 'mentoring' (58%). The least common service is '(access to) finance' (54%), though this is still included in more than half of the measures. In other words, most measures or programmes focus on increasing the human and social capital of entrepreneurs, and less on their financial capital. On the other hand, other services may indirectly improve their chances of getting access to finance (for example, assistance in writing business plans).

The services provided are delivered in several ways, by means of workshops, individual counselling, publications, meetings or electronic platforms. Table 6 gives an overview of the delivery mechanisms. 'Workshops' and 'individual counselling' are the most widely used ways of providing services, followed by 'publications' (guides, brochures, etc.) and 'regular events' (seminars and conferences). 'Electronic platforms' are used in over 50 policy measures or support schemes.

Table 6: Delivery mechanisms of services

	Number of measures using the mechanism	% of measures using the mechanism
Individual counselling	110	75
Workshop	101	69
Publications	73	50
Regular events	70	48
Electronic platforms	56	38
Other	17	12

The measures or support schemes also vary in what they charge the participants for the services delivered. In

¹⁸ - www.equalemerge.ie

approximately one third of the cases services are provided for free. In some cases, participants are expected to pay a fixed fee or registration fee, or they have to pay a fee depending upon the services delivered.

3.5 Implementing organisations

The research focused on public policy initiatives and the resulting measures or support schemes set up by public organisations or, when private, by organisations that act in line with these public policy initiatives. In practice, the measures and schemes are implemented by a wide variety of organisations, ranging from public and semi-public to NGOs and other private organisations such as commercial support organisations and private consultancy firms. Table 7 provides an overview of the formal status of the organisations involved in implementing the policy measures or support schemes identified in this study. If we focus on the main implementing organisation per measure (many are implemented by more than one organisation), we may conclude that nearly half belong to the public sector (47%). This goes up to 59% if we include semi-public organisations such as Chambers of Commerce. The rest are private organisations (30%) or NGOs (12%).

Table 7:
Implementing organisations

	Number	%
Public	69	47
Private body	44	30
NGO	17	12
Semi-public	16	11
Total	146	100%

The category 'private body' includes immigrant organisations or immigrant business associations and other non-profit organisations, like small business centres or welfare services. For-profit enterprises are rarely involved as implementing organisations.

3.6 Differences across countries and regions

Regional and cross-country differences account for the wide variety in numbers and character of the policy measures and support schemes. As noted above, some regions and countries have more policies regarding immigrant entrepreneurs than others. In Western-European countries, more policy measures and support schemes occur than in Southern, and especially Central and Eastern Europe. For methodological reasons we may not attach too much importance to the exact numbers, but still the differences are striking.

Among the reasons that may account for these cross-national differences are, first of all, the particular

immigration history of the countries involved. Most North-Western European countries have experienced massive immigration in the period immediately after World War II, and have developed legal frameworks of welfare arrangements earlier than elsewhere in Europe. Southern European countries were countries of emigration in the early post-war period, and many of these emigrants moved as 'guest workers' to North-Western Europe. These countries have only recently experienced large-scale immigration themselves. In addition, they do not tend to have the same welfare systems or social policies as some of the North-Western European countries. This holds even more for most of the Central and Eastern European countries, which have only very recently become the destiny of immigrants.

A second condition that contributes to explaining cross-national variation relates to the national policies on immigrant integration and, as a result, the different conceptions of who is a national and who is seen as a 'foreigner' or 'immigrant'. Countries like France, where assimilationist policies prevail, generally do not develop specific immigrant policies and define the native-born offspring of immigrants as nationals. Likewise, some Southern European countries do not distinguish between nationals and immigrants in their legal frameworks, like for example in Greece and Slovenia. Obviously, this influences the existence of special policy measures and, hence, the smaller number of policy measures and support schemes in these countries found in this study.

In addition, the size of the immigrant population influences the existence or absence of special policies promoting immigrant entrepreneurship. Few or no measures were found in countries with relatively small immigrant populations, like Malta, Norway, Iceland or Liechtenstein¹⁹. These countries tend not to develop specific policies for immigrants in general, let alone immigrant entrepreneurs.

In other instances, countries may not have special policies for immigrants, since the focus is more on national or historical minorities but not so much on the more recent immigrants. This is the case in some of the Eastern and Central European countries, where many recent immigrants are refugees (from countries like Iraq, Iran or Afghanistan). A special case is the Russians in the Baltic States. Although not immigrants in the strict sense (they only 'became' immigrants after the collapse of the Soviet Union) integration policies do focus on the Russians and their native-born offspring.

To summarize, there are many factors that account for the wide variety in policy measures: the type of welfare regime, the migratory momentum, the national ideology on immigrant integration, the size of the immigrant population and national definitions of 'immigrants' or 'ethnic minorities'.

¹⁹ - The exception to this rule may be Luxembourg, which does have a relatively large immigrant population, but no relevant policy measures were identified by the country researcher. This is probably due to the fact that many of the immigrants residing in Luxembourg are from Western Europe and do not need special policies to promote ethnic minority entrepreneurship.

4 PROFESSIONAL ORGANISATIONS

The study's second objective was to make an inventory of professional organisations operating in the field of immigrant entrepreneurship. This does not only include professional organisations working for immigrant entrepreneurs, but also member organisations that represent the economic interests of immigrants – either ethnic business organisations or mainstream organisations representing immigrants. These organisations can target one or more immigrant group and, thus, be multicultural in character, or they may focus on one or more economic sectors.

It was not always clear whether a certain programme should be listed as a 'policy measure' or an 'organisation'. Policy measures may result in programmes or projects that continue for quite some time or are extended several times, and eventually develop into professional organisations. There is, therefore, a certain overlap between the measures/ support schemes analysed in the former section and the organisations described here. One example of a policy measure that evolved into a professional organisation is the Finnish *NYP Business Services*.

NYP houses incubator services in municipality buildings. Entrepreneurs in the incubator of Finland's NYP Business Services can rent office space with furniture at rates well below the market level. Rents per square meter (including internet access, cleaning and security services) amount € 13 whereas the going market rate can be as high as € 35. The rent can be kept this low because the premises are property of the municipality, which implies that the fees are exempt from value added tax.



4.1 Overview of Professional Organisations

In this section, we start again with the distribution of organisations across the regions and countries. Like the policy measures or support schemes, the organisations that have been identified are unevenly spread throughout Europe. Table 8 gives a full overview of all the organisations that have been identified – in total 103 organisations. The Table shows that by far the most organisations were found in the North-Western Europe I (47), followed by Southern Europe (24), North Western Europe II (24) and finally the Central and Eastern Europe region (11).

Region	Country	Number of organisations	
North-Western Europe I	Belgium	8	
	France	8	
	Ireland	1	
	Luxembourg	0	
	The Netherlands	14	
	United Kingdom	16	
	Subtotal		47
North-Western Europe II	Austria	5	
	Denmark	2	
	Finland	0	
	Germany	9	
	Iceland	0	
	Liechtenstein	0	
	Norway	2	
	Sweden	2	
	Switzerland	1	
	Subtotal		21
Southern Europe	Cyprus	0	
	Greece	5	
	Italy	2	
	Malta	1	
	Portugal	11	
	Slovenia	2	
	Spain	3	
	Subtotal		24
Central & Eastern Europe	Bulgaria	3	
	Czech Republic	0	
	Estonia	1	
	Hungary	0	
	Latvia	3	
	Lithuania	1	
	Poland	1	
	Romania	1	
	Slovakia	0	
	Turkey	1	
	Subtotal		11
Total			103

4.2 Type of organisations

The organisations differ as to their character and legal status, as is demonstrated in Table 9. Most organisations that promote immigrant entrepreneurship are public or semi-public (together 32%), followed by NGOs (20%) and other non-profit organisations (15%). Immigrant organisations or immigrant business associations only form a small part of all organisations (together 20%) and the same goes for private organisations (14%).

Table 9:
Type of organisations

	Number	%
Public	23	22
Semi-public	10	10
NGO	21	20
Immigrant organisation	6	6
Immigrant business association	14	14
Other non-profit organisation	15	15
Other private organisation	14	14
Total	103	100%

As for their geographical reach, the organisations differ considerably. Table 10 shows that half of them operate on a national level and one third on a regional (21%) or local (12%) level. Only 18 per cent of the organisations operate beyond national borders, that is: on a European or supranational level (6 and 12% respectively). A large part of the local organisations are found in the UK.

Table 10:
Scope of organisations

	Number	%
European	6	6
Supranational	12	12
National	51	50
Regional	22	21
Local	12	12
Total	103	100%

Most of these organisations are also professional in the sense that they have one or more professional employees. Only a small part of the organisations work only with volunteers, mainly immigrant self-organisations.

4.3 Targets and target groups

The professional organisations concerned differ more in character and type of organisation than in their main objectives, which is the promotion of the economic interest of their members and/or providing specific services to their members or participants. There may be differences in emphasis depending on whether the organisation is a professional service provider or an immigrant organisation. Although in the latter case, some operate very professionally, as for example some organisations in the United Kingdom, where many local initiatives have developed.

Although all organisations focus in one way or another on immigrants, they differ in the degree to which they target immigrants and/or other groups. Table 11 shows that most organisations target both immigrant and native entrepreneurs (62%). The other organisations focus entirely on immigrants, be it immigrants of specific nationality or ethnic groups or immigrants in general.

Table 11:
Target groups

	Number	%
Both native and immigrant entrepreneurs	64	62
Only immigrant entrepreneurs	39	38
Total	103	100%

As for the enterprise phase of the target populations, few organisations focus only on either start-ups or existing enterprises. Virtually all target start-ups, irrespective of whether they also serve existing enterprises or take-overs.

As to the organisations that serve immigrant and native entrepreneurs alike, most of these organisations are mainstream organisations that include immigrants. These organisations may also focus on socially disadvantaged or vulnerable groups or neighbourhoods, thus including immigrants who belong to these categories.

The organisations that work for immigrants only are either immigrant self-organisations or, more specifically, immigrant business associations. These often represent and serve the economic interests of some specific groups like for example the Turks (in Germany, France and Romania) or what is called 'Asians', including Chinese, Indians and Pakistanis (United Kingdom). This corresponds with the groups that have been identified by our country researchers as the main entrepreneurial immigrant groups. The Turks and Chinese seem to be the major entrepreneurial groups, followed by several other groups like Pakistanis, Italians and Ukrainians.

Immigrants take the lead at Unternehmer ohne Grenzen

Immigrants in Bremen proved to be proactive. Not wishing to wait for German politicians, immigrants took their own initiative to promote ethnic minority entrepreneurship. They developed a system of mutual assistance in which already operating immigrant entrepreneurs assist starting ones in overcoming obstacles to entrepreneurship.

4.4 Types of activities and services

The organisations identified in this study provide a wide range of services and almost always deliver more than one service. Table 12 demonstrates the degree to which some specific services are provided by the 103 organisations in total. This indicates the relative importance of certain services.

Table 12:
Type of services provided

	Number of organisations delivering the service	% of organisations delivering the service
Information	93	90
Advice	85	83
Training	72	70
Networking	72	70
Mentoring	59	57
(Access to) finance	54	52
Provision of offices/ work space	3	2
Business plan competition	1	1

If we distinguish between human, social and financial capital, then we may conclude that most services focus on enhancing human resources. Information (90%), advice (83%) training (70%) and networking (70%) are the services that are most commonly provided by the organisations concerned. Mentoring is provided by 57% of the organisations. Access to finance is addressed by about half of the organisations. In a few cases physical work space is provided. One case refers to a business plan competition.

These services are provided by several delivery mechanisms, which are presented in Table 13. Each organisation may use various delivery mechanisms at the same time. This table provides an overview of the frequency that these forms are used and, thereby, indicates the relative importance of each of these delivery mechanisms.

Table 13: Delivery mechanisms of services

	Number of organisations using the mechanism	% of organisations using the mechanism
Individual counselling	76	74
Publications	69	67
Workshops	68	66
Regular events	68	66
Electronic platforms	46	45
Grants/ loans	4	4
Office space	2	2
Other	2	2
Unknown	3	3

The most frequently used forms are: individual counselling, publications (brochures, guides), workshops, regular events (seminars, conferences) and electronic platforms.

The costs for participants or users of services or products vary. In this respect, we only have information on 77 of the 103 organisations. Services are free of charge in nearly a quarter of these cases, whereas in 20 per cent of these cases participants are required to pay depending on the services they use. A fixed fee or membership fee is only requested in a small number of cases (8 per cent).

4.5 Differences across countries and regions

Differences in the distribution across regions and countries also occur here. These coincide largely with the distribution of policy measures and this is not surprising since the reasons for these distributional patterns are much the same. There is a slight difference, though, in the order of regions, with the Southern European region taking a second place and having somewhat more organisations than the North-Western Europe II. However, since the numbers are only very rough indicators for the actual number of organisations, we cannot attach much value to exact numbers (see also section 1.5: *Scope and representativity*).

In addition to the numbers of organisations in the countries concerned, not many differences stand out. Nonetheless, some tendencies may be observed. First, the highest number of organisations is, once again, found in the United Kingdom. Besides the reasons mentioned in the former section on policy measures, this pattern may also be explained by the presence of some large entrepreneurial groups for quite some time now, like the Chinese (from Hong Kong), Pakistanis and other 'Asians'.

As to the character of the organisations, in France the organisations that focus on immigrants and natives tend to be NGOs rather than public organisations, and this seems to be related to the 'detached' role of the government in immigrant integration.

In analysing the immigrant organisations, most appear to be found in Western-European countries like the United Kingdom, Germany and the Netherlands. This may very well be related to the longer immigration history of these countries and the fact that some immigrant groups have been living in these countries for a longer period of time. As a result, some immigrant groups in these countries have well settled communities and dispose of larger social networks including their own organisations and interest groups.



5 GOOD PRACTICES

The study aimed at the identification of policy measures and support schemes for the promotion of immigrant entrepreneurship in the SME-sector of the European countries, and in particular the identification of a selected number of good practices from among these policy measures and support schemes. In this section, we present our findings on these good practices. After presenting a definition of what we understand by a 'good practice', we give an account of how we have selected these good practices and what the selection criteria have been. Next, we describe how we have selected, as a second step, a limited number of good practices that have been further analysed and described as case studies (see Annex I). Finally, we present the main results of these case studies on good practices.

5.1 Definition of good practice

Good practices can be defined in several ways, but one apparently comprehensive and accepted definition is:

*"...a management idea which asserts that there is a technique, method, process, activity, incentive or reward that is more effective at delivering a particular outcome than any other technique, method, process, etc. The idea is that with proper processes, checks, and testing, a project can be rolled out and completed with fewer problems and unforeseen complications."*²⁰

In our case, the analysis of good practices focuses on policy measures and support schemes. In principle, the organisations that carry out these measures and support schemes are not included in these good practices. After all, a good practice is about an activity, a method, etc., while organisations are their 'vehicles'. In practice, however, this distinction is not so easily maintained, because in some cases a successful programme that has existed for some time may become 'institutionalised' and develop into an organisation. Nonetheless, we have attempted as much as possible to stick to the definition given above, and focused on the specific activities, processes or methods that have been implemented.

We have deliberately used the term 'good practices' rather than 'best practices' since we do not pretend to have selected the very best practices. As indicated in the first section, our focus was on selecting an interesting and varied set of good practices.

5.2 Selected good practices

The selection of good practices has been carried out in a two-step process. First a number of 44 policy measures/ support schemes have been selected from among the total number of 146 policy measures/ support schemes that have been identified. These appeared to be unequally distributed throughout Europe. Most good practices have been identified in North-Western Europe, to a lesser extent in Southern Europe, and the least in Central and Eastern

Europe. This difference in degree to which good practices can be found in different parts of Europe, obviously corresponds to the occurrence of policy measures or support schemes in these regions. Table 14 presents an overview of the number of policy measures/ support schemes and good practices that have been identified in the four regions.

Table 14: Policy measures and good practices per region

Regions	Policy Measures / Support Schemes	Good Practices
North Western Europe I	67	19
North Western Europe II	36	11
Southern Europe	24	8
Central & Eastern Europe	19	6
Total	146	44

As regards content, several issues have been distinguished to qualify the policy measure or support scheme concerned as a good practice (see Table 15). The country researchers were asked to indicate what they considered to be the most important issue or issues for considering each of the selected 44 measures/schemes as a good practice. The results are presented in Table 15.

Table 15: Scores of each issue for considering the measure as a good practice

Focus of programmes	Considered good (#)
Non-financial support (for individual entrepreneurs or organisations/ institutions promoting immigrant entrepreneurship, etc.)	15
Financial support or facilities (for individual entrepreneurs or organisations promoting immigrant entrepreneurship, etc.)	12
Promotion of networking/ organisation among immigrants	10
Development of methods in promoting entrepreneurship among immigrants	10
Promotion of enabling environment (e.g. economic enterprise zones; anti-discrimination policy; tax facilities for start-ups, etc.)	8
Other	6

The most important issue for considering specific measures or schemes as good practices appears to be the – otherwise

²⁰ - Source: http://en.wikipedia.org/wiki/Best_practice.

broad category of – non-financial support to immigrant entrepreneurs. However, the difference in scores for each of the five issues does not vary greatly. Nonetheless, the promotion of an enabling environment is the issue that was mentioned least.

From the 44 good practices that were identified in this way, a more limited number of twelve was selected for in-depth analysis on the basis of the following criteria. First, sufficient information should be available on the measure and this information should be of sufficient quality. Second, some degree of regional spread was taken into account, since some good practices may work well in some countries but not necessarily in others. After all, different national contexts lead to different policy measures and, consequently, to different good practices. For this reason, we chose at least one good practice per region, and a maximum of two good practices per country. Table 16 presents the distribution of the first selection of 44 and the subsequent selection of 12 good practices for the four regions in this study.

Table 16:
Selected good practices per region

Region	1 st selection	2 nd selection
North Western Europe I	19	6
North Western Europe II	11	3
Southern Europe	8	2
Central & Eastern Europe	6	1
Total	44	12

The selection procedure has been a cooperation of all those involved in the research project at all levels. In the first round, all country researchers proposed a list of potential good practices to the regional coordinators who, as a second step proposed a shorter list to the central coordinators. In close consultation with the regional coordinators, they selected the final twelve good practices.

5.3 The twelve case studies: a summary

The twelve case studies that have been selected as examples of good practices come from nine countries and involve the following policy measures or support schemes:

Belgium: Rainbow economy project

An NGO-project that targets asylum seekers and other recent immigrants, providing them an experimental space to exploit their entrepreneurial skills from their home countries and develop these in the new context of Brussels.

Finland: NYP Business Services

NYP is part of the Business Development Unit (Economic

and Planning Centre, City of Helsinki) and offers tailor-made services to immigrants to start-up and run their own business in the Helsinki metropolitan area.

France: Cre'Action

Cre'Action is a regionally initiated project in the Nord-Pas de Calais, an economically depressed area. It is implemented by an NGO and aims at promoting entrepreneurship amongst unemployed youngsters, in particular from Northwest Africa.

Germany: Q.net

Q.net is a project in the city of Bremen aimed at increasing the immigrants' chances on the labour market by improving their professional training – thereby seeking to increase the number of business start-ups and decrease the number of failures.

Germany: Unternehmer ohne Grenzen (Entrepreneurs without borders)

A bottom-up initiative by immigrant entrepreneurs, currently run by a semi-public organisation in the city of Hamburg, providing services to immigrant entrepreneurs and representing their economic interest in the local business circles.

Hungary: Szechenyi Entrepreneurial Programme

A national policy initiative that aims at the integration of Roma by improving their market position as well as the competitiveness of small and medium sized enterprises. The programme is eligible both for Roma entrepreneurs and for 'native' entrepreneurs employing Roma.

Italy: CNA World-Dedalo

World-Dedalo is a service providing programme implemented by a semi-public organisation operating in the region of Turin that aims at assisting immigrants in starting-up and running their businesses.

Netherlands: Kansenzones (Enterprise Zones)

A local policy project in the city of Rotterdam, part of a national urban policy, which aims at strengthening entrepreneurship and economic development of socioeconomically depressed city districts by improving the investment climate.

Netherlands: Kleurrijk Ondernemen (Colourful Entrepreneurship)

A local public policy initiative of the city of Zaanstad that aims to strengthen the local economic structure and to stimulate employment by providing support to starting entrepreneurs, especially immigrants and women.

Spain: Lanzadera de Empresas (Business Launcher)

Lanzadera is a project, run by a non-profit organisation in Madrid, which offers work space and financial-administrative support for immigrants to test their business idea in real conditions without having to resign from their job.

United Kingdom: Ethnic Minority Business Service (EMBS)

EMBS is a local programme that recently has been mainstreamed into the larger 'Business Bolton Support Unit' – a semi-public organisation that provides a 'one stop' for business advice and support to Black and Minority Ethnic communities.

United Kingdom: East London Small Business Centre (ELSBC)

The ELSBC is a longstanding private organisation established to increase the social wealth and mobility in the East End of London through the stimulation and support of micro-enterprises and small businesses. One of its successful projects was the nationally funded Incubator Support project that intended to nurture start-ups, particularly in fashion-related industries.

The full case studies are included in Annex I. In section 5.4 we present an analysis of these twelve cases according to their main features and the lessons that can be learned. Tables 17 and 18 give an overview of the most important characteristics of the twelve cases.

Table 17:
Good practices, main characteristics

	Project period	Type of organisation	Target group	Services provided
Belgium, Rainbow Economy	2005 2007	NGO	Immigrants (newcomers)	Training, Advice, Mentoring, Information, Networking, (Access to) finance
Finland, NYP Business Services	2001 – ongoing	Public	Natives and immigrants	Training, Advice, Mentoring, Information, Networking, (Access to) finance, Incubator
France, Cre'Action	2002 - 2007	NGO	Immigrants	Training, Advice, Mentoring, Information, Networking, (Access to) finance
Germany, Q.net	2005 - 2007	Semi-public	Immigrants	Training, Advice, Mentoring, Information, Networking, (Access to) finance
Germany, Unternehmer ohne Grenzen	2001 – ongoing	Semi-public	Immigrants	Training, Advice, Mentoring, Information, Networking
Hungary, Szechenyi Entrepreneurial P.	2003 – ongoing	Public	Roms	(Access to) finance, Incubator (in the near future)
Italy, CNA World-Dedalo	2000 – ongoing	Semi-public	Immigrants	Training, Advice, Mentoring, Information, Networking, (Access to) finance
Netherlands, Kansenzones	2005 – 2008	Public	Natives and immigrants	Advice, (Access to) finance
Netherlands, Kleurrijk ondernemen	2002 – 2009	Public	Natives and immigrants	Training, Advice, Mentoring, Information, Networking
Spain, Lanzadera	2005 – ongoing	Private	Natives and immigrants	Advice, Information, Networking, (Access to) finance, Incubator
United Kingdom, Ethnic Minority Business Service	1987 – ongoing	Public	Natives and immigrants	Training, Advice, Mentoring, Information, Networking
United Kingdom, East London Small Business Centre	1978 – ongoing	Private	Natives and immigrants	Training, Advice, Mentoring, Information, Networking, (Access to) finance, Incubator

Table 18:
Good practices, budgets and results

	Budget period	Budget	Results period	Participants	Start-ups (or grants)	Start-up survival rate
Belgium, Rainbow Economy	2005 - 2007	€ 620.380	July 2005 - April 2006	38	9	n.a.
Finland, NYP Business Services	2006	€ 540.000	2006	980	430	80%
France, Cre'Action	2002 - 2007	€ 1.143.400	2002 - 2006	223 (applicants)	25	n.a.
Germany, Q.net	2005 - 2007	€ 700.000	July 2005 - July 2007	436	148	100%
Germany, Unternehmer ohne Grenzen	2005	€ 280.000	2005	391	150	73%
Hungary, Szechenyi Entrepreneurial Programme	2006	€ 957.000	2006	600 (applicants)	74 (grants)	n.a.
Italy, CNA World-Dedalo	2006	€ 120.000	2006	360 (interested)	130	85%
Netherlands, Kansenzones	2005 - 2008	€ 48.000.000	April 2005 - March 2007	774 (applicants)	304 (grants)	n.a.
Netherlands, Kleurrijk ondernemen	2002 - 2007	€ 385.015	2002 - January 2007	59	43	90%
Spain, Lanzadera	2005 - 2006	€ 54.000	June 2005 - June 2007	260	45	n.a.
United Kingdom, Ethnic Minority Business Service	2006	€ 350.000	2001 - 2006	néant	146	90%
United Kingdom, East London Small Business Centre	2006	€ 1.800.000	2006	4665	406	80%

Note that the table does not always yield a complete picture of the projects' results. The United Kingdom's EMBS for instance, also managed to assist 900 existing enterprises next to the above reported 146 start-ups. For these and other reasons the table does not always allow for an easy comparison of the projects' effectiveness. The data given in the table should therefore be interpreted with care. One should also note that the good practices were not selected for reasons of effectiveness and efficiency alone. Some, such as the Belgian *Rainbow Economy* and the French *Cre'Action*, were included for their innovativeness instead. In fact, several criteria have been used for selecting policy measures as good practices (see also section 2.5: *Selection of good practices*).

5.4 The good practices- salient points

Public as well as private initiatives

In some instances, the policy initiatives from which these twelve support schemes originate are public or semi-public; in other cases they were initiated by NGOs or non-profit organisations, in line with public policy or with public funds. For example in Belgium, France and Spain, programmes have been developed by non-profit organisations or NGOs. *Cre'Action* (France) and *Unternehmer ohne Grenzen* (Germany) deserve special mention in this regard, since they were developed from a bottom-up initiative into a publicly funded project.

Local and national focus

The operational scope of the measures and support schemes varies and does not necessarily correspond to the policy level where the measure originates, nor to the funding level – which in many cases is multi-layered. Whereas some projects or programmes operate at a local, municipality level (e.g. *Kleurrijk Ondernemen* in the Netherlands), others have a regional scope (e.g. the French and Italian project). Since large concentrations of immigrants are mostly found in large cities or in metropolitan areas, quite a number of the good practices are located here (Bremen, Brussels, Hamburg, Helsinki, London, Madrid, Rotterdam).

Social and economic focus

The policy measures of these twelve cases are sometimes part of a social governmental policy to reach the most vulnerable or deprived groups, like the Roma (Hungarian case), the unemployed (e.g. French case) or recently arrived immigrants or asylum seekers (e.g. Belgian case). In some cases the measure or programme focuses more generally on the labour market position of immigrants by providing general professional training (Q.net in Germany; NYP in Finland). Other measures do not focus on immigrants that belong to the most vulnerable groups, like in Italy, for example, where the participants are mainly medium and highly skilled, and usually have a good knowledge of the Italian language. Another example is *Lanzadera* in Spain that targets aspiring entrepreneurs who at least have a job.

Not exclusively targeting immigrants

The good-practice cases also differ as to their target population. Half of the policy measures or programmes target immigrants only, whereas the other half target the general public but with a significant immigrant participation. Some of the programmes are generic, since they work for ‘vulnerable’ groups including immigrants (like the French project) or immigrants and women (as in the Dutch programme *Kleurrijk Ondernemen*). In some cases, the project focuses on specific groups (like the Roma in Hungary) or a limited number of immigrant groups (like Turks and Russians in the Q.net programme in Germany). A special case is the Dutch project *Kansenzones* (Enterprise zones) that focuses on city districts rather than groups, thus addressing structural rather than individual conditions.

Diverse set of services – but often training

The cases differ widely as to the programmes they provide. Most of the programmes provide in one way or another services to immigrant entrepreneurs, varying from individual counselling to training courses, workshops, mentoring and (access to) credit. In some of these programmes, the aspiring entrepreneur is coached during the entire process of setting-up a business and in all relevant aspects. In providing these services, some have specialised in tailor-made services in small projects (like *Cre’Action* in France and *Kansenzones* in the Netherlands),

others provide a large range of services to broad categories of target populations. In the two British cases, for example, the services are provided by longstanding, experienced organisations operating for twenty to thirty years. Next to their general services, they have specialised in reaching out to the ethnic communities and providing their services to immigrants and their offspring.

Networking coming up

Besides providing services in training and coaching, some projects promote social networks of entrepreneurs. In some programmes this is included as one of the targets, in others it is an unintended result of the programme. In one case (*Unternehmer ohne Grenzen* in Germany), the programme explicitly aims at promoting the incorporation of immigrant entrepreneurs into the relevant local business networks and representing their economic interests to the local policy makers.

Financial and physical support

In addition, several measures or programmes focus on delivering financial or material services to the (aspiring) entrepreneurs. This includes the provision of physical space or incubator services (e.g. the British ELSBC; the Finnish NYP; the Roma-programme in Hungary) or to facilitate investment in the business premises or other fixed assets (the Roma-programme; *Kansenzones* in the Netherlands). Assistance in getting access to finance is a service provided by many programmes, but only some provide micro-credit themselves (*Lanzadera* in Spain) or a personal budget to start-up (*Kleurrijk Ondernemen*). An interesting new initiative in this respect is the Muslim Loan Fund developed by the ELSBC in London.

Diverging quantitative results do not allow for easy comparison

There exists a wide discrepancy in the way organisations register and document their practices. The budget of the Spanish *Lanzadera* for instance, only reflects the labour costs of project staff whereas other budgets refer to the total annual costs of the professional organisation implementing the good practice. There are more examples of differences in measurement. The budget of *Cre’Action* for instance, includes the subsidised salaries of its participants whereas the unemployment benefits of participants of *NYP Business Services* are not accounted for. With regard to the reported results similar considerations apply: methods to register participants differ and not all policy measures exclusively target start-ups. Furthermore, as mentioned above, one can not merely compare the projects on grounds of effectiveness and efficiency alone. Instead, one should also take the other selection criteria that were discussed in section 2 into account.

The key learning points from the twelve case studies are diverse and are described in detail in the separate case descriptions (see Annex 1).



6 CONCLUSIONS AND RECOMMENDATIONS

The research presented here focuses on measures aimed at the promotion of ethnic minority entrepreneurship originating from public policy initiatives or developed in accordance with public policies. The study presents an inventory of policy measures and support schemes promoting ethnic minority entrepreneurship and a selection of good practices in this area. In addition, a selection of existing professional organisations is presented that promote entrepreneurship among immigrant ethnic minorities or represent their economic interests. The report finally presents a number of illustrative good practices on promotion of ethnic entrepreneurship.

The research was conducted in 32 countries, including the 27 member states of the European Union, the EFTA member countries, candidate country Turkey and Switzerland. The study aimed at presenting as full a picture as possible of all the policy measures and professional organisations in these countries. It does not pretend to cover all existing measures or organisations, as that would not have been feasible given the time and means available and the vast number of measures at local, regional and national level. The data generated give a fairly comprehensive picture of the present state of affairs and serves as a basis from which to draw a selection of good practices. The selected good practices were analysed in-depth and are included in this report. These good practices may broaden our insights on (organising and implementing) the promotion of ethnic minority entrepreneurship in Europe, trigger new ideas and measures and indeed serve as input for the development of new policies (at national and European level).

In this study, we identified a total of 146 policy measures or support schemes in the 32 countries involved. They are not evenly distributed across the countries. Most measures or schemes were found in the North Western European countries, to a lesser degree in Southern Europe and least in the Central and Eastern European countries. For methodological reasons (explained in section 2), we cannot rely too much on the absolute numbers, but nonetheless, there are striking differences between these regions. They seem to be related to the specific immigration histories of the countries involved and especially the period in which these countries experienced immigration on a sizeable scale. The later this migratory period, the less policy measures have been developed.

There are other explanatory factors, such as the degree to which the countries involved have welfare regimes with regulatory frameworks and social policies for the economic and social integration of immigrants specifically. These regulatory frameworks may consist of policies removing barriers for immigrant entrepreneurs or measures promoting their interests and aspirations. Thirdly, the

national policies towards immigrants and approaches to immigrant integration determine to a large extent whether specific measures are created to promote immigrant entrepreneurship. The same holds true for national definitions of 'immigrants' and 'national minorities'. Another factor that may explain the distributional patterns of policy measures cross-nationally is the size of the immigrant population in the country. Countries with a small immigrant population tend to have few policies promoting immigrant entrepreneurship.

6.1 The policy measures

The 146 policy measures identified differ in several respects.

Level of implementation and funding differ

Most of them have been initiated at the national, regional, and – especially in the United Kingdom – local level. The level at which the policy initiative is taken need not correspond to the level where the funding comes from. Most policy measures are financed by European and/or national funding and the majority of local policy initiatives are being financed or co-financed by higher-level sources of funding.

Mainly services oriented

Nearly all the policy measures in this study are aimed at delivering services to (aspiring) immigrant entrepreneurs. These services focus on empowering immigrant entrepreneurs by strengthening their human, social or financial capital. In large part, the focus is on enhancing the human capital of entrepreneurs (providing information, educational services, training, counselling, etc.). Services that foster social networking explicitly are small in number, but many promote networking implicitly. Only a few measures provide financial services, but many programmes facilitate access to finance by strengthening the entrepreneurs' skills and knowledge. Occasionally, measures provide material assistance, such as incubator services.

Business environment not given much attention

To summarize, most policy measures focus on strengthening the skills and competencies of the entrepreneur, as opposed to creating a favourable business environment for immigrant entrepreneurs. Only a few measures identified focus on enhancing the opportunities for immigrant entrepreneurs by improving the market conditions of the regulatory framework. This includes for example the upgrading of certain depressed city districts or structurally embedding of immigrants and their organisations into mainstream organisations.

Immigrants not always exclusive clients

Nearly half of the policy measures have a more general focus and serve both local entrepreneurs and immigrants; the remaining half of the policy measures or support schemes focus entirely on immigrants. Both approaches

seem to have their pros and cons. The groups that are most difficult to reach or most vulnerable have sometimes been served by specific measures with a personal or tailor-made approach (services in immigrant languages, intercultural mediators, 'outreach officers'). While participation in homogenous groups of 'co-ethnics' may seem to work for some immigrants, it does not automatically promote the formation of inter-ethnic social networks or access to mainstream business associations and markets.

6.2 Professional Organisations

Besides the policy measures, 103 professional organisations were identified. These are organisations that work professionally to promote immigrant entrepreneurship and organisations that pursue the same goals, be it immigrant organisations or mainstream organisations representing the interest of immigrant entrepreneurs.

Mostly non-profit organisations

About one third of these organisations are from the (semi-)public sector. Virtually all the organisations are non-profit organisations, including NGOs and immigrant organisations. About half of the organisations work on a national level, a third on a regional or local level and the rest have a supranational scope.

Limited number targets immigrants exclusively

The proportion of organisations that target immigrants exclusively (as opposed to a general public) is slightly smaller than on average for the policy measures. Policy measures aimed at immigrants are often implemented by organisations with a more general focus. As to the kind of services provided by the professional organisations, these are similar to the aforementioned policy measures.

6.3 Good Practices, Lessons Learned and Recommendations

In this study, twelve good practices of policy measures or support schemes have been selected and analysed in-depth. These measures originate in part from government policies, at various levels. In some instances, they are part of social policies targeting vulnerable or socio-economically disadvantaged groups or city districts. In other cases they aim to improve the general labour market position of immigrants or target more skilled immigrants. There also exist measures that stem from non-governmental initiatives, some of which have been mainstreamed in the course of time.

The sources of funding and the operational scope of the cases involved show a wide variety, as does the range of activities and services that are offered. In this regards, the case studies demonstrate the broad diversity that exist in current practices. The individual lessons learned from these case studies have been described in the case studies included in the annex to the report.

Several recommendations can be made based on the lessons learned from the case studies. In most cases, these recommendations apply in very specific circumstances and for specific problems and thus a thorough analysis of the context and the problems that need to be addressed should precede any policy decision in this respect. What may be seen as a good practice in a certain context or situation may not be appropriate (or even counterproductive) in another context.

As indicated above, some measures target the promotion of entrepreneurship among immigrants by focusing on empowering entrepreneurs by strengthening their human, social or cultural capital, other measures help foster a conducive business environment. In this study, we have distinguished six types of policy measures or support schemes:

- Raise awareness among immigrants
- Improve skills and competencies of individual entrepreneurs
- Strengthen the social, cultural and financial resources of entrepreneurs
- Improve market conditions
- Implement favourable regulation (at local, national and supranational level)
- Strengthen intermediary organisations (training bureaus, consultancies, business associations)

Awareness raising among immigrants

To raise immigrants' initial awareness about entrepreneurial opportunities and about the support schemes themselves various activities have been set up and implemented, including:

- Advertising through a variety of media channels. In some cases immigrant media channels were used, in other cases existing mainstream channels were used. In a number of cases new media channels, such as a newspaper and a radio station, were set up.
- Mobilising immigrant community leaders or successful immigrant businesspersons in promotion activities.

Improve skills and competencies of individual entrepreneurs

To improve immigrants' skills and competencies (human capital) a wide array of practices has been carried out, amongst others:

- Offering language courses so as to improve the immigrants' proficiency in the host countries' language.
- Offering multilingual services. This holds especially for so-called outreach officers, i.e. those who are involved in primary service delivery.
- Offering comprehensive packages of support services varying from training, counselling, networking, and incubator services to administrative and legal services. To prevent new forms of dependency of ethnic entrepreneurs it is recommended that these services are offered as part of an on-the-job training.

Strengthen the social, cultural and financial resources of entrepreneurs

Ethnic entrepreneurs, like anybody else, are not operating in a social vacuum, but are embedded in social networks. These networks assume many different forms and can be based on family ties, on ethnic ties, on neighbourhood ties, and can be homogeneous or heterogeneous. In fact, most networks tend to be mixed. These networks can be mobilised for entrepreneurial purposes, and some measures help fostering that process:

- Mobilising transnational networks of ethnic entrepreneurs, i.e. connecting local ethnic businesses with businesses in the home country or elsewhere.
- Promoting the formation of ethnic business associations as a means to formalize informal social networks.
- Connecting (in)formal networks of ethnic entrepreneurs with mainstream business associations.
- Taking the gender dimension of social networks into account.
- Providing soft loans or income substitutions for starting entrepreneurs.

Improve market conditions

We have not found much evidence of policy measures aimed at improving market conditions. Nonetheless, there were experiments aiming at:

- Offering immigrants a place to use entrepreneurial skills in 'real' market conditions without having to start a business right away²¹.
- Creating incentives for entrepreneurs or small businesses—ethnic and non-ethnic alike—in targeted areas.

Implement favourable regulation (at local, national and supranational level)

Changes in an economy's regulatory structure have an impact on entrepreneurial opportunities. Various measures aim at changing regulation:

- Identifying regulatory obstacles impeding immigrants from setting up business, including rules and regulations that connect self-employment with educational requirements, permits and registration.
- Validating previous formal training.

Strengthen intermediary organisations (training bureaus, consultancies, business associations)

Intermediary organisations play an important role in supporting ethnic entrepreneurs. Various measures aim at improving their performance, amongst others:

- Including delegates from the Chamber of Commerce, banks, business associations and other intermediary organisations in policy development.
- Communicating immigrant entrepreneurs' success stories, limitations, barriers and their needs to policymakers. Involving representatives from ethnic business associations in discussion forums and policy-making procedures.

- Sharing experiences across intermediary organisations such as training institutions, e.g. through publications or seminars.
- Sensitizing intermediary organisations to the specific needs of ethnic entrepreneurs, and providing training, if necessary.
- Carrying out a needs assessment among ethnic minorities and share the results with policy makers and support institutions.
- Using service providers or counsellors capable of dealing with all forms of diversity: ethnic background, social class, gender, sexual inclination and so forth.

We wish to draw attention to the challenge to strike a balance between uniform general measures and more tailor-made, target-group specific measures. The first may be less responsive to the specific needs of ethnic entrepreneurs, while the latter may result in patronising approaches that emphasize ethnic entrepreneurs' deficiencies rather than their skills and competencies.

6.4 Concluding recommendations


In a more general context we would like to make the following general recommendations

6.4.1 Towards a single European policy with a facilitating character

As to the role of ethnic entrepreneurs in society and the possibility to promote and stimulate ethnic entrepreneurship (and the reason for such promotion) it has become evident in this study that at present the situation in each European country is quite different. Programmes that could be identified as good practices are very much bound and influenced by location and situation (and even target group). It will be difficult to promote or facilitate the emergence of one uniform approach in immigrant entrepreneurship in Europe. The European Commission would do better to create a general facility that supports the emergence of country or region specific approaches.

There is not a significant difference between the issues in general promotion programmes for entrepreneurship and the specific promotion of ethnic minority entrepreneurship. However the target-group specific approach that prevails in ethnic entrepreneurship programmes can generate direct benefits in the short term and can lead to creative solutions and innovative service packages for the target groups. However, ethnic entrepreneurs face problems and challenges that are similar to those that mainstream entrepreneurs are facing: the need for a conducive environment to work in, a level playing field and cost effective bureaucratic services. In other words, by developing special target-group specific entrepreneurship programmes one can obtain positive short-term results. If however, one wishes to reach out to larger numbers and promote sustainable business one should take the general impediments for SME development into account.

²¹ - This is the case in several of the good practices that are described in this report. Here we may refer to Lanzadera, Cre'Action and the Rainbow Economy.



Anticipating that the European society will become a more diverse one special policy measures, programmes and organisations focalising on one single minority group will become less effective and perhaps even less desirable. It is therefore recommended that general measures, programmes and organisations become more responsive to all kinds of diversity.

6.4.2 Towards country and location specific policies

The study revealed that building up an institutional capacity and developing institutional know-how requires time. Support extended to organisations that wish to embark on effective programmes to stimulate ethnic entrepreneurship are best assisted with multi-annual support programmes rather than single projects. The latter may be instrumental for innovations and product and service development. The sustainability of any project however, is very much determined by the long-term commitment of the key stakeholders.

At present ethnic entrepreneurship development and promotion programmes often deal with one or more specific target groups. Consultation with the target groups in product and service design and their participation in the organisations rendering the services increases effectiveness. On the other hand, these organisations' tendency to operate in isolation from mainstream SME service systems may negatively affect their effectiveness.

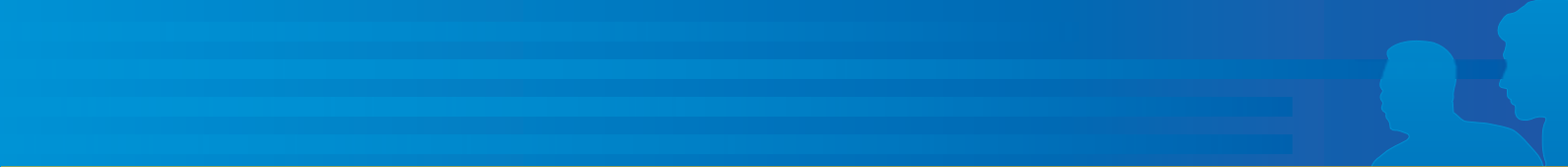
Assistance extended to promote ethnic entrepreneurship needs to embrace all six aspects: raising awareness among immigrants, improving skills and competencies of individual entrepreneurs, strengthening the social, cultural and financial resources of entrepreneurs, improving market conditions, implementing favourable regulation (at local, national and supranational level), and strengthening intermediary organisations (training bureaus, consultancies, business associations). Effective service rendering requires good institutions led by energetic management and endowed with qualified staff; but neither will be effective without proper regulations and policies creating a level playing field.

6.4.3 Continuously update information and share experiences in a diverse society

Good practices are useful to get informed about the way specific challenges have been met and services are offered. However, most good practices are situation specific; elements of those good practices may be illustrative of how things can be dealt with but cannot necessarily be applied in specific situations. In some cases elements of such good practices can be applied more widely but the overall measures often only are replicable with the necessary adjustments and modifications.

The study carried out served as a portrait of the situation as it was in 2007 even without having covered all possible policy measures. Unfortunately however, over a period of two years the present data will have lost its relevance. It is therefore recommended to establish a system allowing continued updating and creating access to updated information for policy makers and researchers. The present study serves as a starting point in that process. The system in place is indeed capable of registering on a more continuous manner the policy measures that deal with ethnic entrepreneurship in general.

Such updating is a necessity given the growing importance of the role that immigrants and ethnic minorities will play in Europe; a society that will become structurally more diverse. Continued updating and linking the results of this study to – similar – studies are essential for effective policymaking and the subsequent adjustments of programmes and continued modifications of strategies of professional organisations. The European Commission can play a catalyst role in that process.







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ANNEX I

GOOD PRACTICE CASE STUDIES

1. **BELGIUM:**
RAINBOW ECONOMY PROJECT,
'NEWCOMERS BECOME ENTREPRENEURS'
2. **FINLAND:**
NYP BUSINESS SERVICES
3. **FRANCE:**
CRE'ACTION
4. **GERMANY:**
UNTERNEHMER OHNE GRENZEN
(ENTREPRENEURS WITHOUT BORDERS)
5. **GERMANY:**
Q.NET
6. **HUNGARY:**
SZECHENYI ENTREPRENEURIAL PROGRAMME
7. **ITALY:**
CNA WORLD DEDALO
8. **THE NETHERLANDS:**
KANSENZONES
(ENTERPRISE ZONES)
9. **THE NETHERLANDS:**
KLEURRIJK ONDERNEMEN
(COLOURFUL ENTREPRENEURSHIP)
10. **SPAIN:**
LANZADERA
(BUSINESS LAUNCHER)
11. **UNITED KINGDOM:**
ETHNIC MINORITY BUSINESS SERVICE
12. **UNITED KINGDOM:**
EAST LONDON SMALL BUSINESS CENTRE

1) BELGIUM:

RAINBOW ECONOMY "NEWCOMERS BECOME ENTREPRENEURS"

1. Basic information

The project Rainbow Economy aims at promoting entrepreneurship among asylum seekers and 'newcomers', based on a national partnership of eight organisations. The project was initiated by *De Overmolen*, an NGO in Brussels, and is an Equal project funded by the European Social Fund, with additional public and private funding.

Implementing organisation

De Overmolen

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As main promoter of the Rainbow Economy project, *De Overmolen* works in close cooperation with several partner organisations.

1. The *European High School of Brussels* (EHSAL), an academic institution offering post-graduate economic training and management degrees.
2. *FJS, Fiscal and Juridical Study Office*, an advisory office specialised in fiscal and corporate law. In the Rainbow Economy project it provides support in legal, fiscal and social matters and organises initiation courses for the target group.
3. *The Hefboom*, an independent enterprise that provides advice and finance (micro-credits) to the target group.
4. *The Beursschouwburg*, an arts centre in Brussels, providing technical assistance to set up a trade fair at the popular summer festival, *Klinkende Munt*.
5. *The RICFB, Regional Integration Centre Foyer*, a public institution in the area of ethnic minority policy for the Flemish Community Commission in Brussels.

These five organisations have signed the partner agreement. At a later stage two more organisations joined the consortium:

6. *Syntra Brussels*, an umbrella organisation of centres for training self-employed, one of which is located in Brussels
7. OOTB, currently called Trace Brussel, (Consultation Training and Employment Brussels)

Implementation period, funding and budget

The Rainbow Economy project will run from July 2005 to December 2007. A previous phase of the project started in November 2004 under the same name, financed by the Urban Fund of the Flemish Community Commission (*Vlaamse Gemeenschaps-commissie*). In July 2005 it received additional funding from the ESF as an Equal project. The total budget for the period 2005-2007 amounts to € 620,380. This budget is composed of several sources of funding:

- Half of the budget is financed through the Equal Programme.
- 40% is financed from (national) public sources: the Urban Fund of the Flemish Community Commission, EHSAL and De Overmolen (through wage subsidies for so-called GESCO-employees – granted by the Flemish Regional Government to vulnerable groups on the labour market, such as long-term unemployed).
- The remaining 10% is financed from private sources: *Beursschouwburg; Hefboom and De Overmolen*.

2. The good practice

Policy context

De Overmolen is an NGO, set up to address social problems in Brussels. Its first project focused on youngsters and prostitution, followed by housing issues and since 2004 asylum seekers and 'newcomers'. In the first half of the 1990s asylum applications increased dramatically in Belgium. Since a disproportionate number of asylum seekers and immigrants in general live in Brussels, this was a logical target group.

The first project focused on training to asylum seekers pending their application. During this period, *De Overmolen* offers them courses on technical skills and professional attitudes and behaviour, which can help them to find a job either in Belgium or in their country of origin (if their asylum request is rejected). This project led to the development of the Rainbow Economy project.

It is financed by the Equal Programme through the ESF agency, Flanders, set up in 2002 to manage and co-ordinate Equal projects, initiated by Flemish organisations. ESF Flanders follows the general mission of the Equal Programme in developing new ideas or tools to combat discrimination and inequalities on the labour market. The programme aims to promote trans-national co-operation. Other core principles are: employability, adaptability, entrepreneurship, equal opportunities and asylum seekers.

Objectives

The objective of the project is to assist recent immigrants to Belgium to set up their own business in Brussels. The main objectives of the project are twofold.

1. To provide asylum seekers and 'newcomers' the opportunity to further develop their entrepreneurial skills acquired in the country of origin and to adapt these skills to the Belgian social and economic context.

2. To take away the financial and administrative-legal obstacles for aspiring entrepreneurs among asylum seekers and 'newcomers'.

Target population

This project targets a specific target group among immigrants: 'newcomers', defined as foreigners who have arrived in Belgium less than a year ago. In practice, the programme also allows asylum seekers to take part in the programme. There is a healthy degree of entrepreneurial 'spirit' among this group. However, this entrepreneurial spirit does not immediately lead to a high number of start-ups. The educational level of this group is mixed, but in general quite low. Nevertheless the project also targets highly skilled immigrants in cooperation with NT2, an organisation that provides Dutch language training for all 'newcomers'.

The programme

The project consists of five phases: the research, training, experimentation (trial), trans-national and dissemination phase. Acknowledging the entrepreneurial spirit of the newcomers, the programme is based on the own initiative of the immigrant. It takes into account the aspirations and skills that the asylum seekers and newcomers already have. The following services are provided:

• Training

Introductory training for aspiring entrepreneurs that provide the basic skills for successful entrepreneurship: marketing, selling techniques, communication, accounting and administration, how to write a business plan, development of a personal business project. Different modules as part of a comprehensive module, coordinated by Syntra. The objective of the introductory course is to have a better access to the business training courses that most of the newcomers need to follow when they want to set up a business.

• Context-Specific Experiments (Test or trial phase)

Participation in local markets at music festivals or during Christmas. For instance, participants can practice their selling skills and test the appeal of their products and services at trade fairs during the popular music festival *Klinkende Munt*, organised in the centre of Brussels every summer. Immigrants also set up a new market called *Micro Marche Midi* (MMM), every Sunday at the train station Gare de Midi, where they sell their products.

• Counselling and Business Advice

This assistance consists of three parts: (1) assistance to candidate participants in catering initiatives; (2) individual assistance and (3) group assistance. For example, in May 2006 nine entrepreneurs in the catering sector decided to form a co-operative. A co-op scheme is interesting for start-up entrepreneurs because they can continue to receive social welfare benefits, as part-time employees of the co-op. In such a scheme the immigrant entrepreneur is guaranteed a minimum income.

• Financing

Participants are supported in overcoming financial and administrative obstacles. They have access to micro financing and the organisation lobbies to remove legal obstacles such as the sales permit, which is granted to Belgians and foreigners who have lived in Belgium for at least 10 years.

There are no financial costs for participants in these activities. The languages used are mostly English and French. The challenge is to identify the 'newcomers'. A network of intermediaries was set up for this purpose, including teachers/trainers in civic integration programmes like OOTB, trade unions, the RICFB, local social welfare agencies and refugee organisations such as *Vluchtelingenwerk Vlaanderen* (Refugee Aid Flanders). Most of these organisations have signed up as partners in the project.

Results

As stated above, the programme has two objectives. In the first place it aims to support potential entrepreneurs to develop their skills. At the same time it aims at ensuring their access to (other) institutions and to overcome legal and administrative obstacles, thus enabling and empowering them to become entrepreneurs. Therefore, the number of start-ups is not the only measure of success, but also the number of participants in different programmes and support services of public and other institutions. Having said this, we may summarize the initial results of this programme as follows:

- Intensive assistance was provided to 38 immigrant entrepreneurs in the 9-month period from July 2005 to April 2006.
- Four entrepreneurs received individual assistance and 9 aspiring entrepreneurs in the catering sector, who later organised themselves in a co-op, were assisted as a group, and 6 entrepreneurs for the Brussels Christmas market. The catering co-op has actually started operating as a business.
- Three editions of the experimental market, linked to the Music festival *Klinkende Munt* have taken place since the beginning of the programme in July 2005.

Evaluations

Since the project is still going on, the full results and evaluations are not yet available. Nevertheless, internal evaluations take place regularly and the training programme has been evaluated by the participants. The most frequent comment that has come out of these evaluations is: 'more focus on practice and less on theory'. Participants want to meet successful immigrant entrepreneurs and learn from their experiences. They also want to meet representatives of the different public and private organisations that provide support to newcomers or entrepreneurs. On the practical side, most of the participants in the training programme prefer evening courses to daytime training. During daytime some of them take language classes and are involved in other activities.

3. Lessons learned

The success of the *Rainbow Economy* project can be assessed by the following criteria.

a. Relevance

The project is tailor-made for the target population, since it is based on a systematic, scientific investigation of the actual needs and demands in terms of entrepreneurship among asylum seekers (Wauters & Lambrecht 2006). In Belgium entrepreneurship is not generally promoted in civic integration programmes for newcomers. The aforementioned study, carried out by one of the partners in the project, EHSAL, confirmed the high share of candidate entrepreneurs among asylum seekers and newcomers.

b. Effectiveness and/or efficiency

The project may not expect quick results given its pioneering nature and the problem of reaching the target group. The idea that entrepreneurship may be a viable avenue towards integration into society, given the propensity of newcomers to become self-employed, is still quite new in Belgium. Nevertheless, the project has succeeded in interesting candidate-entrepreneurs to follow training and/or to try to sell their products at festivals and other types of markets.

The project has also changed the mindset of both trainers and civil servants. Prior to the project few trainers were aware of the entrepreneurial potential of newcomers. Trainers did not believe that newcomers would stand a good chance to start up a business and did not stimulate them to do so. Currently, thanks to the programme, they are much more open towards this idea.

c. Innovativeness

This project is highly innovative in two respects.

- (1) The project targets a group that most integration officials do not see as potential entrepreneurs. Entrepreneurship may be a powerful tool for integrating newcomers in the new society and thus overcoming the obstacles they face when looking for a job in the regular employment market.
- (2) The project is innovative in its approach. The project consists of several phases, in which the individual entrepreneur can learn how to do business in the classroom from a theoretical perspective, and also has the occasion to put this knowledge into practice and testing the business idea by selling his/her products at festival fairs.

d. Replicability

Although the project itself has not yet been replicated, the main underlying idea of promoting immigrant entrepreneurship (especially in food products) at festivals is being put in practice in many places. In Antwerp North for instance, where a wide range of ethnic minorities live, many activities are being developed: Bazaar markets, African Film Festival, Chinese New Year, Chinese Moon Festival, Celebration of the Birthday of the Buddha, etc. On all those occasions, immigrant entrepreneurs can sell their products or services. In Brussels local organisations are lobbying for a night market on Rogier Square, which is completely deserted after working hours. Setting up a multicultural market open at night would make the neighbourhood more vibrant and a nice place to walk around, to shop and/or to eat.

In order for the project to be replicated successfully elsewhere, the coordinator should have a large network with different actors, such as refugee and immigrant organisations, NGOs, public institutions at the local and national level, the research community, and the arts sector. Good relations with public institutions are necessary in order to lobby for simplification (and removal) of discriminatory practices and legislations toward immigrant candidate entrepreneurs. Social workers and trainers in integration programmes should also be sensitised to the idea that newcomers are highly entrepreneurial and they should cater to the needs and aspirations of their clients.



Key learning points

1. It is very important to acknowledge the entrepreneurial potential of newcomers as a viable route to integration into the receiving society. This should also be taken into account in the context of integration programmes for newly arrived immigrants.
2. The promotion of immigrant entrepreneurship should not only focus on individual assistance to entrepreneurs, but also on uncovering and combating the institutional obstacles preventing enterprising newcomers from setting up their own business.
3. An experimental phase, in which aspiring entrepreneurs have the opportunity to train their knowledge and skills in practice without the normal risks involved or losing other sources of income seems to be a promising approach.
4. The practical training of potential immigrant entrepreneurs in various cultural markets and events has a twofold positive effect: it gives the entrepreneurs the opportunity to train their skills in practice, while at the same time contributing to the cultural diversity of metropolitan cities.



SOURCES

Websites:

- Official project-site of Rainbow Economy: <http://www.deovermolen.be/re.html>
- ESF agency Flanders: www.esf-agentschap.be (reports will be put on this site after the completion of the project Dec. 2007)

Documents

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[Entrepreneurship among asylum seekers and refugees]

2) FINLAND: NYP BUSINESS SERVICES

1. Basic Information

NYP Business Services (NYP) originally started its activities under the name *Nuoret Yrittäjät Projekti* (Young Entrepreneurs Project) as a part of the City of Helsinki, Youth Department in 1993. At first NYP only served young entrepreneurs, later it started offering services to both native and immigrant entrepreneurs in general. As of 2001 NYP offers training courses especially targeting immigrants. Currently NYP is part of the Business Development Unit of the municipality's Economic and Planning Centre and is considered the most important service for ethnic minority entrepreneurs in Finland.

Implementing organisations

The Economic and Planning Centre is operating as an expert unit in management and deployment and is in charge of preparing and matching the objectives and strategy alternatives related to developing the city of Helsinki. NYP Business Services itself is an organisation with ten staff members headed by a chief business advisor. In its activities NYP is cooperating with two key partners: the Employment and Economic Planning Centre (T&E-Centre) of the region of Uusimaa, a region in Southern Finland of which Helsinki is part, and the Helsinki Employment Office.

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Implementation period, source of funding and budget

The project started to target immigrants in 2001 and does not have a predetermined end date. The budget is reviewed annually. NYP's total budget for 2006 amounted € 540,000 and is largely funded by the City of Helsinki. The total budget that NYP receives from the municipality includes revenues and subsidies coming from other sources. NYP generates revenues through incubator fees and receives subsidies from the T&E-Centre for giving business trainings and managing a business incubator.

The annual budget is dependent on NYP's results in terms of the number of business start-ups, trainings offered and the number of enterprises in the incubator. In the near future the T&E-Centre of Uusimaa is planning to support NYP with another € 200,000. At the moment this T&E-Centre is only financing the training sessions that NYP offers.

Table 1:
NYP. Sources de financement pour 2006

Source	Category	Amount
City of Helsinki	Total budget	€ 540,000
The City of Helsinki budget includes:		
• T&E-Centre of Uusimaa	Incubator management subsidy	€ 197 000
• T&E-Centre of Uusimaa	Payment for training courses	€ 65,000
• Entrepreneurs in incubator	Incubator fees	€ 30,000

2. The good practice

Policy context

At a national level Finland, through its Ministry of Trade and Industry, only started implementing policies promoting ethnic minority entrepreneurship in 2005. Prior to 2005 the responsibility of organising such services was left to regional level policy makers. In view of the fact that the large majority of immigrants in Finland are residing in the Helsinki metropolitan area it is not surprising that policymakers of the City of Helsinki took the lead in developing initiatives for immigrants through the NYP project. Today, six years after its inception, the project has become a permanent activity that is widely praised for its experience in attending ethnic minority entrepreneurs. At present NYP is regarded as a prototype or role model for setting up similar services elsewhere.

Objectives

NYP's main objective is to help entrepreneurs start up their business properly and to provide its clients the necessary information about running a business. With regard to ethnic minorities NYP's main goal is to facilitate immigrants' integration in Finnish society and to help them starting up a business. Given the small scale of immigration in Finland an adequate integration of ethnic minorities into the Finnish society is extremely important. Without a well developed network with Finnish entrepreneurs and institutions the survival chances of ethnic minority entrepreneurs are modest. The project therefore spends a lot of time and effort helping immigrants to develop such indispensable networks.

Target population

NYP has a regional approach in the sense that it only serves entrepreneurs in the Helsinki metropolitan area. Its counselling services are open to both starting and operating entrepreneurs but access to trainings is restricted to the unemployed or those in threat of becoming unemployed. The project initially started as a general service for (young) entrepreneurs, irrespective of their nationalities. Since 2001 NYP is also particularly targeting immigrants. At the moment around 43 % of its clients are of immigrant background.

The programme

NYP offers three types of services: Business Counselling, Courses in Entrepreneurship and Incubator Services. Even though NYP itself does not offer financial support for start ups its counsellors do assist entrepreneurs in preparing documentation when applying for a loan or a grant elsewhere. Participation in counselling and training sessions is free of charge but NYP does charge a modest fee for its incubator services.

• Business Counselling

Counselling sessions are meant for both starting and already operating entrepreneurs that may need guidance on all aspects of establishing, running and developing a business. An increasing portion (currently 40 %) of the clients making use of counselling services is of immigrant background. In total NYP has attended clients of over 110 different countries, however, most are from Russia and Estonia.

Beforehand the client is asked to read through an introductory package to develop a first sketch of his business idea. During the first meeting the counsellor assesses the client's skills, abilities and motivation and starts helping the client to further develop his business idea. The potential of the business idea is assessed using various profitability calculations. Eventually, in case of a positive assessment, the counselling sessions will result in a fully developed business plan and a business start-up. After having started the business the relation between the NYP counsellor and the entrepreneur continues in case further advice is needed. In some cases the counsellor assists the

entrepreneur in applying for a start-up grant, which is offered by the Helsinki Employment Office.

NYP believes that primary counselling services should be delivered free of charge, especially if they are meant for immigrants. Also, counselling is available to all interested entrepreneurs as NYP does not have a special admission system to select its clients. To facilitate immigrants with language difficulties counselling services are available in Swedish, English, Russian, Estonian, German and Arabic.

• Courses in Entrepreneurship

NYP is offering three types of courses in entrepreneurship:

1. A regular course in establishing a company.
2. An entrepreneur course specifically for immigrants.
3. Advanced courses for existing entrepreneurs.

The courses on offer are announced through the website of the Ministry of Labour, the Helsinki Employment Office, advertisements in local newspapers and multi-lingual brochures available in schools and libraries. All courses, except for the advanced ones, are specifically meant for the unemployed and also serve as a general labour market training. Applications take place through an intake meeting at the Helsinki Employment Office and a subsequent round of interviews at NYP's premises. Prospective candidates are expected to contemplate on a business idea beforehand. Preference is given to candidates with a solid business idea who are expected to benefit most from the courses.

1. Course in establishing a company

This course, which is organised in cooperation with the T&E-Centre of Uusimaa and the Helsinki Employment Office, aims to provide basic knowledge about entrepreneurship and to improve participants' functional abilities in the various areas of running a business. The course is meant for those who are seriously interested to start their own business in the near future. This eight-week course, although it is only given in Finnish, is open for both natives and immigrants. About 20 to 30 % of the participants are of immigrant background.

The teaching methodology is based on lectures, group discussions and individual counselling sessions. The lectures are given by NYP staff and hired experts from other entrepreneurial organisations, unemployment benefit societies, tax authorities, banks and insurance companies. At the end of the course participants present their business plan and also hand in a written version of the plan for evaluation.

Complementary to the lectures and group sessions each participant is also assigned a NYP-business advisor. In individual counselling sessions this business advisor is available for further elaboration on more advanced topics like production and sales volume calculations. After the course this business advisor can assist the entrepreneur when applying for a start-up grant at the Employment Office or a loan at a bank.

Course topics are:

1. Business idea, product development.
2. Different forms of business.
3. Market research, marketing plan.
4. Business economics, taxation, VAT.
5. Public speaking, communication skills.
6. Personal sales skills.
7. Legal issues of a small company.
8. Strategic planning and time management.
9. Risk management.
10. International trade and customs.
11. Establishing procedures.
12. Business plan (written & presentation).
13. Personal business counselling, profitability calculations.

2. Entrepreneur course for immigrants

This course aims to familiarize immigrants with Finnish business culture and to clarify general matters related to starting up and doing business in Finland. The course is taught in Finnish but important key terms can be explained in English, Russian or Arabic if necessary.

Although this course is a little shorter and more accessible than the basic course the teaching methodology is similar: a mixture of lectures, group discussions and individual counselling sessions. Upon successful completion of the course interested participants are stimulated to apply for the regular business course that was described above.

Course topics are:

1. To be an entrepreneur in Finland.
2. Public performing and negotiation skills.
3. Different forms of companies.
4. Business idea as basis for business planning.
5. Development of business idea.
6. Marketing and personal sales skills.
7. Basic financial matters.
8. Taxation.
9. Legal issues of a small company.
10. Business Plan (written & presentation).
11. Practical establishing issues.

• Incubator services

NYP offers its incubator services in cooperation with the business incubator network of the T&E-Centre of Uusimaa. Entrepreneurs in the incubator can rent office space with furniture at rates well below the market level. Per square meter NYP charges a rent (including internet access, cleaning and security services) of 12.80 Euros whereas the going market rate can be as high as 35.00 Euro per square meter. The rent can be kept this low because the premises are property of the municipality, which implies that the fees are exempt from value added tax. Incubator services are open for both native and immigrant entrepreneurs and the average stay in the incubator is about two years. Entrepreneurs in the incubator can also make use of NYP's counselling services.

Results

NYP reaches a fairly large number of (potential) entrepreneurs per year. An overview of the results is given in table 2. This table shows that NYP's clients are establishing an increasing number of businesses per year from 304 start-ups in 2004 to 430 in 2006. Most of the newly established companies are operating in the services sector. NYP's website contains a considerable number of web links to some of the newly established enterprises. The survival rate of these start-ups, in terms of the number of businesses still in operation after 2 years, is estimated at 80 %. Immigrant entrepreneurs showed a slightly lower survival rate of 68 % over the 1999 – 2002 period.

Table 2:
Results of NYP

Service category	Result
Business start-ups	
Total number in 2006	430
Number of immigrant start-ups in 2006	137
Total number over the 2001 – 2006 period	1801
Number of immigrant start-ups over the 2001 – 2006 period	491
Survival rate. Portion of businesses in operation after two years (est.)	80 %
Survival rate of immigrant businesses (period 1999 – 2002)	68 %
Counselling	
Total number of counselling sessions in 2006	1433
Total number of clients in 2006	980
Number of immigrant clients	363
Number of male clients	559
Number female clients	421
Courses	
Number of basic entrepreneur courses (as of 1993)	23
Number of courses special for immigrants (as of 2001)	10
Average number of participants per course	18
Portion of immigrant participants in the basic entrepreneur course	20 - 30 %
Incubator services	
Total number of enterprises in incubator (per July 2007)	14
Number of immigrant enterprises in incubator	10
Occupancy rate	100 %

Evaluations

NYP's services are both externally and internally evaluated. Internally NYP evaluates its counselling services using an evaluation questionnaire. Externally, the Employment Office and the T&E-Centre of Uusimaa, are using similar evaluation questionnaires to monitor the results of its training and incubator services. Past reports show that participants generally are very positive about NYP's services.

Finally, the City of Helsinki, Economic and Planning Centre monitors NYP's activities in terms of quantitative targets. This evaluation has a direct impact on NYP's

activities. The budget, for instance, is contingent on the number of business start-ups, the number of new jobs created, trainings offered and the number of enterprises in the incubator.

3. Lessons learned

a. Relevance

The project is very relevant for immigrant entrepreneurs as it helps them step by step through courses and tailor-made counselling services. Those immigrants that need extra attention in terms of learning about Finnish business culture and the Finnish language have the opportunity to start in a special course for immigrants first. Immigrants who already are more acquainted with the Finnish culture can directly step into the regular business course. Finally, the language skills and international experience of NYP's counsellors foster a fruitful interaction with the immigrant.

The cooperation between NYP and its partners also reassures the relevance of the offered services. A pre-screening of the candidates by the Helsinki Employment Office and NYP seems an adequate way to select the right immigrants for the business courses. The relevance of course topics is also reflected in the positive evaluations that participants give in their evaluation questionnaires.

Although NYP is the best known Finnish service for ethnic minority entrepreneurs there are still some possibilities for improvement. Not all unemployed immigrants, for example, are familiar with the project and some even question the confidentiality of its counselling services. At first immigrants seem to prefer asking advice from a family member rather than having to rely on an unknown public advisor. Finally, immigrants often only start looking for professional support when confronted with serious difficulties. As a way to overcome these obstacles NYP is in close contact with the immigrant community and is also stimulating immigrants to get involved in business counselling themselves.

b. Effectiveness and efficiency

With a relatively small budget NYP has contributed significantly to the number of business start-ups among both natives and immigrants in Helsinki. The 2006 budget of 540,000, for instance, resulted in 430 newly established enterprises. One should note however, that some of the entrepreneurs who started their business in 2006 participated in training sessions during 2005.

c. Innovativeness

Next to the high level of personal attention through tailor-made counselling this project also stands out for its positive side-effects in terms of networking. NYP timely acknowledged that, due to the small scale of immigration in Finland and the correspondingly small size of the ethnic market, networking is indispensable. Without strong contacts with Finnish entrepreneurs and institutions the

chances of success for ethnic minority entrepreneurs will be limited. The advisors believe that networking will raise new and innovative business ideas, fruitful partnerships and will also help to integrate immigrants better in Finnish society.

To stimulate multi-cultural networking NYP has opted to give its regular business courses in mixed groups of natives and immigrants. In addition, the contributions of guest lecturers from Finnish institutions also reinforce the integration of immigrants into the Finnish business world.

d. Replicability

The project seems replicable in other contexts as well. Its innovative elements, the multi-cultural networking and its personal touch in terms of business counselling, are transferable. As the matter of fact NYP is expanding its operations. In 2008 NYP will be offering business advisory services for immigrants from other cities nearby Helsinki.

e. Sustainability

NYP has been in operation since 1993 and has been specifically targeting immigrants as far back as 2001. Given its permanent character within the City of Helsinki's Economic and Planning Centre NYP should be seen as a sustainable ongoing activity rather than a short-term project.

As far as the long-term outcomes are concerned, as expressed in an 80 % survival rate for newly established businesses, the project seems sustainable as well. Unfortunately, this rate is not much more than an educated guess given that NYP does not yet have a systematic follow-up system to monitor entrepreneurs that are not longer making use of its services.

Key learning points

1. A comprehensive approach integrating training, counselling and incubator services can improve results in terms of an increased number of start-ups and a higher business survival-rate.
2. Offering business counselling services in foreign languages can be a way to promote the use of these services for immigrant entrepreneurs that would otherwise not be reached.
3. A two-stage training approach in which ethnic minority entrepreneurs are first acquainted with local business culture prior to participating in more advanced training courses can yield encouraging results in terms of promoted access to training.
4. Especially in countries with a low level of immigration, policy measures should promote networking of ethnic minority entrepreneurs with the local business community. This is important since having strong links to local entrepreneurs and institutions increases immigrants' chances of success.



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3) FRANCE: CRE'ACTION

1. Basic information

Cre'Action was launched by the *Centre d'Education et de Formation Interculturel Rencontre* (CEFIR, Intercultural Education and Training Centre Encounters). The programme aims to enhance the (self-) employment opportunities of young persons with a Northwest African immigrant background. In 2005, Cre'Action was followed up by the programme *De la migration à la création d'activité* (From migration to the setting-up of an activity). This follow-up programme established a network of entrepreneurs dealing with Northwest Africa in order to increase exchanges with this economic area.

Implementing Organisation

CEFIR implemented both the original Cre'Action programme and its follow-up programme *De la migration à la création d'activité*. The NGO CEFIR was set up in 1975 by an Algerian Muslim and a French nun, with the support of the national fund for immigrants' family allowances, to assist immigrants from Northwest Africa. CEFIR aims at promoting intercultural encounters, favouring economic, cultural and social exchange between Europe and Northwest Africa and strengthening the public image of immigrants from Northwest Africa.

In the beginning, CEFIR focused on teaching French to immigrants. Subsequently it developed other activities, which include:

- the reintegration of excluded persons into the labour market (*CEFIR Formation*);
- social housing projects (*CEFIR Habitat*);
- the local development of Northwest Africa through rural tourism, capacity-building, and intercultural learning (*CEFIR International*);
- a radio station called Radio Rencontre, broadcasting in and around Dunkerque;
- the Cre'Action programme, which is run by the newly set up *CEFIR Enterprises*.

In implementing Cre'Action CEFIR cooperates with four local organisations: a business start-up cooperative called *Graine d'Affaires*, a local employment initiative (*Mission Locale d'Agglomération*), a local structure for the social and economic inclusion of young persons of up to 26 years called *La Maison de l'Initiative*, and the Catholic University of Lille. In August 2007 the programme had two full-time employees and five part-timers for project monitoring and training.

CEFIR Enterprises

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Sources of funding and budget

The Cre'Action programme had a total budget of nearly 775,000 for a period of three years (2002-05). The budget for its follow-up programme *De la migration à la création d'activité* was about 368,400 for 2005 to 2007. Half of the funds for both programmes came from the ESF through the European Commission's EQUAL initiative. In the Cre'Action programme about 40% came from public funds (Dunkerque, the nearby town of Grande-Synthe and CNASEA) and 10% from private funds. These private funds came from partner organisations such as the business start-up cooperative *Graine d'Affaires* and CEFIR itself. In the follow-up programme, 34% came from public funds and 16% from private sponsors.

2. The good practice

Policy context

Compared with other French regions, the region *Nord-Pas de Calais*, in which CEFIR operates, has a high unemployment ratio and a low self-employment ratio. This is partly due to the region's economic structure marked by a strong industrial sector, a seaport and the nuclear power station of Gravelines, 20 km from Dunkerque.

Cre'Action originated from CEFIR's long experience of training immigrants. The programme was established by the Regional Council in 2000 in order to boost entrepreneurship in this disadvantaged area. The initiative was furthermore supported by the European Commission's EQUAL initiative and the Regional Programme of Business Start-up and Take-Over in the region *Nord-Pas de Calais*.

²² - CNASEA is a national public establishment under the ward of the Ministry Economy. Payment of public allowances is one of the main activities of CNASEA. It acts on behalf of the State, the European Union and local collectivities as well as other public organisms.

Objectives

The programme has four main objectives:

- 1) Public appreciation: to upgrade the public image of young persons with a Northwest African background in France;
- 2) Self-esteem: to strengthen young immigrants' self-esteem by motivating and supporting them to create their own job and appreciate their culture;
- 3) Economic integration: to assist young immigrants, often having the same qualifications as their French counterparts, in their difficult search for a stable job.
- 4) Exchange: to develop a network of entrepreneurs related to Northwest Africa in order to foster exchanges with this economic area.

De la migration à la création d'activité, the follow-up programme of Cre'Action, builds on the experience of the first programme. While Cre'Action focused mainly on business support for immigrant entrepreneurs, the follow-up programme puts more attention on visibility and communication as well as networking between successful (second-generation) immigrant entrepreneurs and young, starting immigrants.

The objectives of Cre'Action and *De la migration à la création d'activité* are more qualitative than quantitative in nature. The two programmes focus less on the numbers of participants or businesses set up, but more on the quality of services offered such as the amount of knowledge and experience it can transmit to its beneficiaries, which is important for starting a business or finding a job in the labour market. Most programme participants who did not set up a business have found a job thanks to the assistance they received.

Target population

The programme *De la migration à la création d'activité* targets young unemployed persons from 18 to 30 years with a Northwest African background who want to start a business. The programme only supports businesses that highlight the value of belonging to two cultures. This bicultural value can be highlighted in various ways. Examples include: an enterprise in France selling African products, or a transfer of activities that have been developed in France to the country of origin.

Natives as well as persons over 30 years can also participate as long as their project has a Euro-Mediterranean dimension. Special attention is given to women. A 2006 evaluation revealed that the great majority of participants (68%) came from Northwest Africa, 15% had a Turkish or Sub-Saharan African background and 17% were native French.

The programme

CEFIR's business support for young persons with immigrant background relies on relations of proximity and trust. This enables CEFIR to provide high quality face-to-face and

tailor-made business support. CEFIR's work with immigrants in Dunkerque is based on over 30 years of experience. Thus, the association is very familiar with the specific problems immigrants face.

• The first contact

The first contact with would-be entrepreneurs is usually established by CEFIR's local partners in Dunkerque. These direct the entrepreneur to CEFIR if they meet specific criteria. CEFIR then conducts an interview with the person to find out more about the project. If the project appears interesting, the entrepreneur has to present it to a recruitment commission consisting of representatives of CEFIR's partner organisations, CEFIR itself as well as entrepreneurs who have successfully set up their enterprise with CEFIR business support. If the project is approved, CEFIR will assist the entrepreneur to make a business plan. Sometimes the entrepreneur is advised to go to another support structure better adapted to his needs.

• The employment contract

An entrepreneur supported by CEFIR signs an employment contract for six months, receiving the minimum wage on a part-time basis (20 hours per week). The contract gives the entrepreneur the status of an employee and the security of a regular salary. This allows the entrepreneur to satisfy his or her daily needs while setting up the business.

During the first three weeks of the contract a compulsory *integration seminar* takes place twice a week to deal with questions related to business start-ups. These questions relate to judicial and fiscal issues, social security, insurances, sources of funding, communication, marketing and budgeting.

Throughout the entire contract period the entrepreneur is closely monitored and assisted. Monthly follow-up meetings take place to report on project progress and to identify and discuss difficulties. A professional counsellor provides advice on issues such as how to conduct a market study, funding possibilities, fiscal law, management and business regulation. Moreover, depending on individual needs, training courses are organised on project administration, accounting, commercial approaches and the economies of Mediterranean countries.

• Local support and market study

Entrepreneurs can also contact CEFIR's local partners for information or support. Local partners include associations such as the *Maison Euro-Méditerranéenne* in Fes, Morocco, or other partner networks in Algeria, Senegal and Italy.

The local partners are very helpful in the phase of market research. A market study in the country of origin can be relevant for entrepreneurs planning to export products from France to their country of origin. The entrepreneur's salary allows him or her to assume the travel costs for such a trip. CEFIR decides whether a trip to the country of origin is necessary.

²³ - In the original Cre'Action programme financial support was provided for a period of twelve months. This period of support was based on the governmental new services-jobs for young persons programme (nouveaux services-emplois jeunes): assisted contracts for the economic integration of young unemployed persons enabling the employer to receive financial support. In the follow-up programme the support was reduced to six months due to the elimination of this type of assisted contract. The programme is now based on the Employment Support Contract (Contrat d'Accompagnement dans l'Emploi) and the Contrat d'Avenir for the economic insertion of unemployed persons in social organisations, associations and public establishments.

• Information and incubator services

Cre'Action also provides business information and networking services. The (starting) entrepreneur has free access to a resource centre providing documents and publications on different African countries, magazines and economic journals as well as handbooks. Additionally the entrepreneur may obtain business information through a specific Euro-Mediterranean business database which provides information on business between Europe and Northwest Africa.

Logistical support and office equipment (computers with internet access, printer, fax, copy machine, telephone) is also available. Moreover, the Euro-Mediterranean Business Centre (*Centre d'Affaires Euro-Méditerranéen*) in Dunkerque has four offices available for interested entrepreneurs at preferential rates, for up to 48 months. In August 2007, there were three enterprises in the Business Centre.

• Follow-up

When the contract ends and the business is launched, a follow-up is proposed to each entrepreneur, depending on his or her specific needs. CEFIR may assist the entrepreneur through regular telephone calls and visits upon request. At the minimum, the entrepreneur is required to inform CEFIR on the functioning of his or her enterprise once every three months.

Accessibility

Cre'Action is highly accessible to its target population thanks to several factors:

- **Information is easy to get.** CEFIR has its own website and runs its own radio station. Basic information is available on the website; interested persons can download the application form and send it to the association. Moreover, CEFIR works closely with its local partners, most of whom have their own website. An information bulletin is published every 3 months together with the local business support initiatives.
- **No fees.** The programme is free of charge and participants are even remunerated. In Cre'Action entrepreneurs had to pay 45 to cover phone calls and training material; in the follow-up programme participants do not have to pay anything.
- **The programme is locally based.** The programme's implementing bodies are located in the same region as the target population.

Results

A programme evaluation conducted at the end of 2006 provides details about the participants' social and economic background and the programme's impact on their economic status. From 2002 to the end of 2006, 223 entrepreneurs applied for the programme. About 70 % were men. Most applicants were between 20 and 25 years (55%) or between 26 and 30 years (33%) old. All of them

were looking for a job: 78% were unemployed and the other 22% were either at the end of their temporary contract or had just finished their studies. They held relatively high degrees with 76% holding their A-levels with up to five years of studies and 20% had a vocational training. With regard to their origin, 68% had a Northwest African background, 15% a Turkish or Sub-Saharan African origin and 17% were native French.

Out of these 223 applications 48 potential entrepreneurs were selected and signed a CEFIR labour contract. Out of these 48 potential entrepreneurs, 25 actually managed to set up a business. Almost half of the start-ups are active in trade. The others are active in transport, IT, tourism, personal care, communication and construction. The 23 participants that did not set up a business failed to do so due to difficulties to find business premises, a lack of funds or because they found another job.

Moreover, the programme produced:

- A publication on immigrant business start-ups in *Nord-Pas de Calais*.
- A guidebook for business set-ups.
- A CD ROM and a brochure presenting Cre'Action and its entrepreneurs.
- A Euro-Mediterranean Business Centre.
- A website.

Evaluation

Evaluations of businesses assisted by CEFIR take place regularly. One month after the signing of the contract a first evaluation of the business project's progress is made by an evaluation committee made up of CEFIR, representatives of partner organisations and representatives from the relevant business sector. Further project evaluations by the follow-up committee take place every two months. When the contract ends and the business is set up, a follow-ups are carried out to monitor the development of the enterprise.

3. Lessons learned

a) Relevance

CEFIR is offering the right service at the right place. The region *Nord-Pas de Calais* is undergoing a strong restructuring of its industrial economic structure. Unemployment in the region is 3 to 4% higher than the national average. Youth unemployment is especially high and young persons with an immigrant background in particular report having difficulties finding a job. Moreover, a lack of knowledge of Northwest Africa makes other business support structures reluctant to invest in entrepreneurs from this area. In this respect CEFIR fills a gap in the region's business support structure.

b) Effectiveness and Efficiency

From 2002 to 2006, 48 out of 223 applicants benefited from a subsidised employment contract and personal monitoring. About half (25) of the beneficiaries actually started their own business. Participants who set up an enterprise continue to receive follow-up assistance within the framework of the EQUAL II programme *De la migration à la création d'activité*. Those who did not set up a business could use the personal and professional qualifications acquired through Cre'Action to find a job on the labour market.

c) Innovativeness

Cre'Action is an innovative measure with an original approach for promoting immigrant entrepreneurship, notably among young people by hiring them and paying them a monthly salary, while they prepare and develop their economic project. The project simultaneously provides training as well as individual and logistic assistance. Cre'Action can thus be characterised as a paid training programme towards (self)-employment. The follow-up programme *De la migration à la création d'activité* adds another innovative dimension: the promotion of a network of entrepreneurs of immigrant origin.

d) Replicability

The programme can be replicated elsewhere under certain conditions. The programme must target a well-defined group, either of immigrant origin or located in specific areas, with difficulties to find a job. There should be a local focus and an extensive network of partners in order to meet the needs of the target group, to implement the measure effectively and to identify possible sources of funding. Staff should include persons with a multicultural background and expertise in the field of business support. The implementing body must also establish a network of partners in the entrepreneurs' home countries to support the implementation of the programme.

e) Sustainability

When European funding of the programme ends in July 2008, CEFIR plans to continue the programme and to make it financially self-sustainable. To this end, Cre'Action will be transformed into a branch of the future Apprenticeship Training Centre (*Centre de Formation par l'Apprentissage*) which will train Euro-Mediterranean Business Development Agents as part of the Euro-Mediterranean Business Centre.

Key learning points

1. Young immigrants face serious difficulties finding a job or setting up a business. These young immigrants are hard to reach due to their lack of knowledge and trust towards mainstream business support organisations, and vice versa. A support programme with tailor-made services targeting immigrants is necessary to fill this gap.
2. It is difficult to introduce a new programme that focuses on a particular target group in the local business support landscape. A high level of experience and expertise, strong networking and a strong communication strategy are necessary to ensure that such a programme is acknowledged and supported by mainstream organisations.
3. For the new entrepreneur, establishing contacts in a network of entrepreneurs who can pass on their practical experience and know-how is equally important as business training and technical assistance.



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- Ms. Monique van Lancker, managing director of CEFIR

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4) GERMANY: Q.NET

1. Basic information

Q.net operates in the city of Bremen and aims to improve immigrants' chances on the labour market (including self-employment). The project focuses on immigrants' participation in adult education programmes. In particular, Q.net intends to extend and improve existing training programmes so as to increase immigrants' participation in these programmes. In this way Q.net hopes to foster immigrants' job security and to increase the number of successful business start-ups.

Implementing organisations

Q.net is one of the projects run by the North German Network for the Professional Integration of Immigrants (NOBI). The *Arbeiterwohlfahrt Bremen* (AWO), one of NOBI's partners, manages the project. AWO is a worker's welfare organisation that offers a wide variety of services for immigrants, children, youth, old people, women, disabled and sick people. Five of AWO's staff members are working for the Q.net programme on a part-time basis.

Q.Net, AWO Bremen

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NOBI aims to establish an information and counselling network for a better professional qualification and integration of ethnic minorities. NOBI targets adult immigrants, governmental and non-governmental institutions as well as organisations specialised in the field of employment, business start-ups and adult education.

NOBI consists of a network of twelve partner organisations and various strategic partners located in four Northern German states. NOBI's partners are non-governmental service institutions. NOBI's strategic partners cover a wide range of both governmental and non-governmental institutions.

Together with five other development partners NOBI forms a nationwide network for information and counselling called "Integration through Qualification" (IQ). This national network was set up by the German Ministry of Labour and Social Affairs and the Federal Employment Agency. IQ is also supported by the European Community Initiative EQUAL, which is co-financed through the European Social Fund (ESF).

Figure 1 gives an overview of the relation between the different organisations that are involved in the Q.net project.

Implementation period, funding and budget

The Q.net project, which runs from July 2005 until December 2007, is financed by the EU Community Initiative EQUAL and the German Ministry of Labour and Social Affairs. The project is also part of the nationwide IQ-network. Q.net has a total budget of 700,000 for the entire project period. The project managers intend to prolong the programme with a second phase starting in 2008.

Figure 1:

Q.Net. Implementing organisations (EP-NOBI, AWO-Bremen) and sources of funds (EQUAL and Ministry of Labour and Social Affairs).

European level Community Initiative EQUAL European Social Fund	
National level Integration Through Qualification (IQ) Six Development Partnerships	National level Ministry of Labour and Social Affairs Federal Employment Agency
Regional level Development Partnership NOBI Twelve operative partners	
Local Level Operative partner AWO Bremen Implementing Q.net	

2. The good practice

Policy context

Germany has a relatively large immigrant population. In 2005 20% of the population had an immigrant background. Policy makers were late to acknowledge this fact. Thus, specific integration and employment policies for this growing group of immigrant were not developed, in spite of the difficulties experienced by a significant part of the immigrant population. Unemployment among immigrants is twice as high as among native Germans. The outlook is not much better for self-employed immigrants. The business failure rate among ethnic minority entrepreneurs is high.

According to NOBI these high unemployment and low business survival rates are due to a number of factors. First of all, immigrants have a low level of participation in the education system. The drop-out rate among immigrants at secondary schools is high, and immigrants' participation in Germany's dual system of vocational training is low. Furthermore, existing special employment and qualification schemes fail to reach ethnic minorities and there is a lack of business support services targeting this group.

These general problems also exist in Bremen. In 2003, 27 % of the city's foreigners were unemployed. As in the rest of Germany, this high unemployment rate is partly due to the lack of participation in schooling and the mere absence of adequate training services for immigrants. Q.net intends to tackle these problems, stimulating immigrants' participation in continuous education and improving the quality of professional training.

Objectives

The project intends to improve the labour market situation of immigrants in Bremen. Q.net seeks to achieve this goal through an increase in the quality and the use of training programmes for immigrants. In particular, the programme aims to diversify existing counselling and qualification systems according to the specific needs of ethnic minorities. Better tailored training services and the subsequent higher participation rate should eventually strengthen immigrants' employment opportunities.

The programme's specific objectives are to:

- Adapt professional training offers to the needs of the target population.
- Improve the access to information about professional training.
- Interest entrepreneurs for personal development.
- Increase participation in professional training.
- Secure existing and create new jobs.
- Increase the number of business start-ups and decrease the number of failures.

Target population

Q.net targets immigrants of 27 years or older residing in Bremen. It primarily focuses on immigrants of Turkish and Russian background. Both starting and existing entrepreneurs can participate in Q.net's activities.

The programme

Q.net divides its activities into two main groups:

1. General services in the field of adult vocational training and
2. Business development services for starting and operating entrepreneurs.

Q.net's various activities are described below.

• Survey of existing services for immigrants

Q.net first investigated to what extent existing training and consultancy services are relevant for immigrants. The research showed that existing services do not specifically target ethnic minorities.

• Needs assessment among immigrant entrepreneurs and employees

Q.net investigated the reasons for the low participation rate in adult vocational training and the conditions under which immigrants would be willing to participate. According to these studies the low participation rate is primarily due to a lack of awareness of the available continuous education. Time constraints and general dissatisfaction with existing training offers were also often cited to explain the low participation rate.

Immigrants indicated a need for short training sessions that focus on specific issues related to their business activities. These trainings should be given by bi-lingual trainers, preferably with an immigrant background. The results also showed that immigrants would like to develop contacts with business consultancy services and other relevant German institutions. The survey of existing services and the need assessment studies served as input for the development of Q.net's other activities.

• Workshops, seminars and visits

Q.net offers a series of short workshops, one-day seminars and guided visits to relevant institutions. The workshops and seminars cover all aspects of running a business from marketing to insurances. Topics are selected according to the specific needs of the immigrant population. The workshops are not only useful for potential entrepreneurs but are also relevant for immigrants who merely wish to strengthen their position on the labour market through adult education. The sessions are given by staff from Q.net and speakers from immigrant organisations or German institutions such as the Chamber of Commerce.

• Counselling and mentoring services for business start-ups

Q.net offers counselling services for business start-ups. To satisfy the demand for bi-lingual and multicultural counsellors Q.net also uses representatives of the immigrant business community as counsellors.

- **Meetingpoint: Qualitreff**

Qualitreff is a meeting point that is set up for and by immigrants. Its main goal is to stimulate immigrants to start up their own business and to participate in continuous education. During monthly meetings, which are led by former Q.net participants, immigrants exchange their professional experiences. On average twenty persons attend such a monthly meeting.

For the outside world *Qualitreff* also has a relevant function. Immigrants' success stories, for instance, are a valuable input for German media who often bring a too one-sided and negative view on integration issues. Politicians occasionally attend the meetings to familiarize themselves with the immigrant community and its needs.

- **Qualification PASS**

The *Qualifizierungspass* was developed as a tool to raise immigrants' awareness of the need for training. The *Qualifizierungspass* is a target agreement in which the potential entrepreneur stipulates his personal objectives and his need for training. Although the targets are set with the aid of a Q.net staff member the immigrant is responsible to keep record of his own progress. The *Qualifizierungspass* helps immigrants to do so.

- **Publication of a guidebook for business start-ups**

Q.net has published a booklet with essential information for starting entrepreneurs. It contains useful advice on writing business plans and various financial matters. It also gives numerous contact details of institutions and training centres for further information. By means of this booklet Q.net aims to facilitate immigrants' access to information.

Accessibility

For Q.net accessibility works two ways. The programme has to be accessible for immigrants and the programme itself should have access to the immigrant community. Q.net's activities are easily accessible for immigrants living in Bremen and participation is free of charge. Furthermore, Q.net places a lot of effort to break down barriers. It makes use of the contacts of AWO Bremen and cooperates with the immigrant community. To overcome language and cultural barriers Q.net offers its services in German, Turkish and Russian and uses counsellors with an immigrant background. The programme is also promoted in immigrant newspapers, by regional radio stations and during German language courses.

Finally, Q.net is part of a larger network called BEGIN. This is a network of all relevant institutions dealing with entrepreneurs in the city of Bremen. Q.net is the first point of contact for potential entrepreneurs with an immigrant background. Q.net's participants can also take part in activities organised by the other organisations in BEGIN.

Results

As mentioned before the programme operates on two levels. It aims to improve immigrants' participation in adult education to strengthen their position on the labour

market and it fosters entrepreneurship. The programme shows results on both levels. Q.net's overall result is the improved access to information and the higher participation rate of immigrants in training programmes. The very design of a training system specifically targeted at ethnic minority entrepreneurs is the first result. The publication of various studies and information leaflets is another tangible result. Publications such as the needs-assessment studies, the trilingual guide for business start-ups and a booklet with portraits of *Qualitreff* are available on the websites of AWO Bremen and DP NOBI.

From July 2005 to July 2007 436 immigrants participated in one or more training and counselling sessions. Of these 436 participants 71 already had a business when they entered the programmes. The remaining group of 365 immigrants included 148 starting entrepreneurs and 217 immigrants that participated in the training to increase their chances to preserve their current job or to find a new one. All of the 148 start-ups were still in operation by July 2007.

Evaluations

The Q.net project was evaluated by an external evaluator²⁴ that also evaluates the other projects that are part of the national IQ-network. The last interim-evaluation report was published in December 2006.

3. Lessons learned

a. Relevance

The Q.net programmes is relevant for various stakeholders. Firstly, at a national level the programme generates valuable inputs for policy design. This is due to the fact that Q.net is much more aware about the needs of immigrants than politicians are. Secondly, other training institutions are also interested in the programme's results. Finally, it is the very goal of the programme to be relevant for immigrants. The project was set up to identify and serve the specific needs of this group and is successful in doing so.

b. Effectiveness and efficiency

Through the contacts of AWO Bremen and the help of immigrant organisations Q.net has access to its target group. This access enables Q.net to analyze immigrants' needs and to design a training programme satisfying those needs. Q.net's well-designed training packages help immigrant business start-ups to succeed and improve immigrants' chances on the labour market. As such the project is effectively meeting its objectives. Q.net's efficiency is also illustrated by its results. On a 700,000 budget Q.net supported 71 already operating entrepreneurs, 148 start-ups and improved the educational background of 217 other immigrants.

c. Innovativeness

Q.net undertakes a conscious and innovative effort to include its target group in the design of the programme.

²⁴ - The evaluation was carried out by Anakonde: <http://www.anakonde.de>



Thanks to its strong access to immigrants the programme could be developed according to the needs of the target groups. Furthermore, the programme successfully addresses the interests of stakeholders at different levels in society: immigrants, training centres, institutions and policy makers. Q.net raises immigrants' awareness for training, it improves the quality of training services, it creates networks between immigrants and institutions, and it provides valuable inputs to policymakers.

The programme is also praised for its emphasis on networking. Within the Q.net programme networking occurs on three levels:

- Between existing and potential ethnic minority entrepreneurs.
- Between ethnic minority entrepreneurs and consulting agencies.
- Between ethnic minorities, media representatives and politicians in order to raise awareness for the needs of immigrants.

d. Replicability

The programme offers a wide range of activities. All of these activities, including its multicultural approach, can also be used elsewhere. The questionnaire that Q.net used for the needs assessment studies, for instance, is also used in another DP-NOBI project in the city of Hamburg.

e. Sustainability

According to Anakonde, the external evaluator, the sustainability of the programme's outcomes depends on the cooperation between the involved strategic partners. The Q.net programme generates important insights on integration issues. As long as these insights are incorporated by education institutions and German politics the programme's results seem sustainable. The Q.net project itself is also likely to continue. The programme managers are currently applying for ESF-funding to finance Q.net's second phase starting in 2008.

Key learning points

1. Immigrants are often unaware of their need for and the existence of training services. Policy measures should therefore place a lot of effort on promotion. Having good contacts with the immigrant community can be very useful to promote continuous education.
2. A needs assessment is an important first step in designing a policy for immigrants. Such an assessment makes it possible to target immigrants with tailor-made services and raises immigrants' awareness of the existence of such services.
3. The use of foreign languages and immigrant mentors and counsellors promotes the access to training and consultancy services.
4. The media often provide a too negative image of immigrants and integration issues. Immigrants' success stories can be used to improve this image.

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5) GERMANY: UNTERNEHMER OHNE GRENZEN

1. Basic Information

Unternehmer ohne Grenzen (UoG, Entrepreneurs without borders) operates in the city of Hamburg, Germany's second city, which has one of the largest immigrant communities in the country. The project is an example of a successful bottom-up initiative: immigrant entrepreneurs themselves came up with the idea to found an institution to support (potential) entrepreneurs with a migratory background. Since 2000, when UoG was started, the founders have established a wide network of contacts with national, regional and local policy makers.

Implementing organisation

The organisation that is responsible for implementing UoG and guaranteeing an effective allocation of resources is the *Zentrum für Existenzgründungen und Betriebe von Migrantinnen und Migranten* (Centre for business start-ups and companies of migrants). The organisation is semi-public and has 8 permanent employees and, depending on the work load, 4 free-lancers.

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Implementation period, budget and funding

UoG has been in force since 2000. The *Zentrum für Existenzgründungen und Betriebe von Migrantinnen und Migranten* was set up in August 2001 and is funded by the city of Hamburg and the European Social Fund. The annual budget is 280,000. In 2005, UoG also started the project *Dienstleistungsagentur für Migrantenbetriebe* (DLA - Service Agency for Immigrant Businesses), which focuses on existing enterprises and is still in its implementing phase.

2. The good practice

Policy context

Immigrants in Germany are at least as likely to start their own business as native Germans. Especially with the high structural unemployment of the last three decades, setting up an own business has become an attractive alternative for persons with a migratory background. The main problem, however, for immigrants interested in setting up their own business was that specific information and

counselling services concerning self-employment were hard to find. Especially in countries like Germany with a complex labour market regulation, tax system and business regulation this is a problem.

In light of these barriers to self-employment already operating ethnic minority entrepreneurs decided to set up a system of mutual assistance. In this system experienced entrepreneurs help aspiring entrepreneurs to obtain the necessary knowledge to comply with laws and regulations and to get a better insight into business structures and the local market environment. In this sense, UoG is mainly service oriented, but it also addresses aspects of awareness raising, policies and institutional strengthening.

Objectives

The overall aim of the policy measure is to promote economic self-employment by persons with an immigrant background. UoG uses several means to achieve this goal. First, it aims at improving links between ethnic entrepreneurs and existing initiatives. A basic instrument is setting up a network of information providers and advisory services in several districts of the city of Hamburg. A second tool takes the policy dimension of entrepreneurship into account. Whereas native entrepreneurs and their representatives in chambers of commerce and other institutions are well connected to policymakers, entrepreneurs with a migrant background often lack an adequate network. To make up for this drawback UoG therefore also acts as a lobby organisation for ethnic entrepreneurs.

Target population

UoG focuses exclusively on entrepreneurs, both start-ups and existing, of immigrant origin. This is beneficial for the target group as it ensures that services and network activities are tailored to the specific needs of ethnic entrepreneurs. Most entrepreneurs who make use of the services of UoG have a Turkish background²⁵ (53%). The second client group are persons who consider themselves German immigrants (10.5%). These may be re-settlers from Kazakhstan, Russia, Ukraine or Poland, but also persons born in Germany who consider themselves German, even though they are of Turkish origin. About 10 % come from Eastern Europe, 5% from Iran, 5% from Africa and 3.5% from Latin America. The remaining 10 % have a German background.

The programme

UoG parts from the assumption that immigrants and their descendants have a similar or even higher propensity to set up their own business than native Germans. Unfortunately however, immigrants generally have less knowledge of business regulations and the legal and organisational environment for self-employment. Entrepreneurial activity in Germany is more regulated than elsewhere. An overload of bureaucracy and complex laws and regulations has led business associations to lobby for cutting red tape and simplifying tax and labour laws.

²⁵ - Turkish migrant background in this context means either being born in Turkey (irrespective of holding a German or a Turkish passport) or being born in Germany with at least one parent being born in Turkey.

The still relatively strict and highly regulated business environment is a competitive business disadvantage for ethnic entrepreneurs who are less familiar with German legal traditions and administrative routines. The UoG programme, aims to overcome this business disadvantage by providing immigrant entrepreneurs tailor-made counselling and networking services that match the specific business environment of Hamburg. It is worth noting, however, that UoG tries to avoid a paternalistic image and prefers to be seen as an institution that provides "self-help".

UoG offers different services for different purposes. These services are briefly described below.

- **Counselling services:** UoG's counsellors give advice on all aspects of running a business.
- **Seminars and briefings:** Various seminars and briefings are organised on different business aspects. This applies to legal and fiscal issues such as labour law, income and corporate tax, and social security legislation.
- **Training courses:** Courses are presented in financing, production, investment and marketing. These courses are particularly relevant for entrepreneurs who survived the first phase of self-employment and consider business expansion.
- **Business planning:** In order to get public support and/or bank finance it is often necessary to submit a well-written business plan. UoG assists (potential) ethnic minority entrepreneurs in writing correct and convincing business plans.
- **Special services:** This applies to, for example, the organisation of exchange forums and seminars for female entrepreneurs, a fast growing group of entrepreneurs. UoG has also been quite successful in organising events bringing together entrepreneurs and other relevant groups, such as policy makers and bank representatives.
- **Business networks:** UoG established business networks with mainstream business support organisations, local and regional business structures and other relevant institutions. For ethnic minority entrepreneurs having access to these networks can be of high value in solving business problems.

In 2005, UoG started the project *Dienstleistungsagentur für Migrantenbetriebe* (DLA - Service Agency for Immigrant Businesses). This DLA offers free counselling and services for existing immigrant-run enterprises. DLA's main focus is on consolidating existing enterprises and jobs by professionalisation and qualification measures.

Accessibility

A very important aspect of UoG is that most of the services are provided in the main language of the target group (mainly Turkish, but also Russian, English, Spanish and French). This reduces miscommunication and loss of relevant information due to language problems. For instance, the information sheet *Wegweiser für Existenzgründer* (Guidepost for start-ups) is available in Persian, Polish, Russian, Turkish and German.

Most services are free of charge; a participation fee is only requested for special services. This is possible thanks to the external funding of the City of Hamburg and the European Social Fund.

Reaching the target group is a major obstacle for any initiative promoting the self-employment of immigrants. In order to cope with this difficulty, UoG uses different publicity strategies to achieve maximum coverage and a high level of awareness of the services provided. UoG advertises in immigrant media and the free Hamburg magazine *Korrekt*, distributes flyers and posters, edits its own magazine *UOG News*, and appears periodically on the special German-Turkish TV-programme on the channel *Hamburg 1*. The multicultural team of UoG guarantees a kind of "street credibility" which helps to further reduce existing barriers and reservations.

Results

Table 1 gives an overview of the number of clients that made use of UoG's counselling services over the 2001 – 2005 period. In total 1,467 of the 2,090 immigrants that expressed interest actually made use of UoG's counselling services. The intensity of the different types of counselling services is illustrated in table 2. This table gives the average amount of hours spent per client for each type of service.

From table 1 and 2 one can distil the following results. Of the total number of 1467 clients in counselling 596 immigrants (or 41 %) made use of general information or orientation services. The majority of clients (871 immigrants, or 59 % of the total) made use of the more intensive categories of services such as start-up consultation (546 immigrants), business plan creation (178), and follow-up consults (147).

Table 1:
Clients in counselling services

Type of service	2001	2002	2003	2004	2005	Total period
General Information	2	9	62	123	142	338
Orientation Consultation	5	59	78	60	56	258
Start-up Consultation	13	110	176	147	100	546
Business plan creation	6	22	47	43	60	178
Follow-up consults	6	40	31	37	33	147
Totals	32	240	394	410	391	1467

Table 2:
Intensity of counselling services

Type of service	Average duration per client (in hours)
General Information	2.3
Orientation Consultation	3.5
Start-up Consultation	7.0
Business plan creation	17.0
Follow-up consults	5.8

UoG's counselling services particularly reach out to young, unemployed, male immigrants. About half of its clients are between 26 and 45 years old. The gender distribution is skewed towards men (68 % of total clients), and most of the assisted clients are unemployed (68 % of total clients). As regard to UoG's training services a total of 612 immigrants participated in training sessions and seminars during the 2001-2005 period.

UoG undertook a survey to estimate the number of its clients that managed to set up a business. To this end a sample of 79 counselling clients was interviewed. More than half of these clients (41 immigrants, or 55 %) had started a business. The survival rate of these businesses was 73 %. Extrapolating these percentages to the total number of 1,467 counselling clients, one may conclude that UoG generated around 800 start-ups (55 % of 1467 clients) over the 2001-2005 period. This estimation, however, probably is on the high side²⁶.

Next to the direct impact in terms of start-ups UoG also raised awareness for ethnic minority entrepreneurship among local authorities and other business training institutions. In Hamburg for instance, other institutions in the field of business start-ups recognise and use UoG's competencies and experiences. Furthermore, UoG also created an online discussion platform on which immigrant entrepreneurs can share their experiences.

Evaluations

The Technical University of Hamburg-Harburg and the Zentrum für Praxisentwicklung of the University of Applied Sciences of Hamburg (ZEPRA) have conducted evaluations in 2003 and 2006 respectively. The ZEPRA-evaluation indicated that 90% of UoG's clients were satisfied with the programme's services. Even those clients that did not start up a business were satisfied about UoG's services.

The ZEPRA-evaluation particularly praised UoG's for its counselling services on business plans, production site analyses, price calculations, marketing and compliance with laws. On the other hand, the evaluation also indicated a need for improvement in the fields of fiscal issues, state funding and financing. Even in these fields, however, clients regard UoG's services to be useful.

In 2006 UoG's recently started *Dienstleistungsagentur* (DLA) received the Integration Prize from the Integration Council of the City of Hamburg for their project 'Ethnic economies as stabilising factors in underprivileged neighbourhoods'. In 2006, the DLA and Q.net undertook a survey to learn about the qualification requirements of entrepreneurs with an immigrant background. The survey questioned 67 entrepreneurs about their needs for professional training. The survey was undertaken to increase immigrants' interest for taking part in relevant training, and to draw up recommendations for service providers²⁷.

3. Lessons learned

a. Relevance

UoG appears to be a very relevant measure for the target group. This is clearly shown by the large number of 1,467 ethnic minority entrepreneurs that make use of UoG's services. It is also confirmed by the high level of satisfaction among UoG's clients, identified by ZEPRA's evaluation in 2006. It seems that, thanks to the system of mutual assistance, UoG is well aware of the needs of its target population and is capable to act accordingly.

²⁶ - The reported sample of 79 immigrants only refers to the interviews that have actually taken place. The actual sample size was 144, indicating a non-response of 65 (or 45%).

²⁷ - This survey is also referred to in the case study on the Q.net project.

b. Effectiveness and efficiency

The existing evaluations reveal that the measure is quite effective in achieving the goal of compensating the disadvantages of ethnic entrepreneurs. The same holds true for the criterion of efficiency. The money spent to set up and maintain UoG appears to be well invested, given that most clients consider the programme useful for the development of their business. Expressed in budgetary terms UoG annually manages to assist an estimated number of 150 start-ups on a € 280,000 budget²⁸.

c. Innovativeness

The project can be considered innovative because of:

- its thorough analysis of the problems ethnic minority entrepreneurs in Germany face;
- the tailor-made design of measures to deal with these problems;
- the networking with local and regional business structures;
- its promotion of activities through the local media.

d. Replicability

The policy measure can be replicated in other settings. One should keep in mind that UoG was created 'from below', as an initiative of Hamburg-based ethnic entrepreneurs facing particular Hamburg-specific difficulties. In other words, the tools and programmes that UoG developed may not be relevant in other settings. However, other immigrant business communities that wish to start a service of mutual assistance may be able to use a similar approach to develop their own context-specific tools.

e. Sustainability

UoG does not seem to be exposed to the short cycles of the political process and the project therefore seems to be sustainable. This proposition is based on the project's bottom-up character: UoG was set up by entrepreneurs; it is an entrepreneurial rather than a political initiative. Moreover, UoG successfully integrated well-established, widely respected businessmen into its networks. This has given the project a positive and profound reputation.

UoG is actively thinking about its upcoming activities. In the near future UoG hopes to be able to assist immigrant entrepreneurs in their quest for start-up capital. To this end UoG is currently negotiating with a bank and a number of other institutions. UoG also intends to enhance its current training and awareness activities, and to broaden its scope of services by including social housing projects.

Key learning points

1. A strategy of mutual assistance, in which experienced immigrants entrepreneurs assist aspiring ones, is a good way to raise awareness and assure the relevance of the types of services offered.
2. A good knowledge of local market conditions and a strong network with local business structures are necessary conditions for an effective promotion of ethnic minority entrepreneurship.
3. Language is not everything – but without language everything is nothing. This insight appears to be obvious, but is often overlooked in the context of promoting economic integration via self-employment. Without counselling services in the mother tongues of the relevant immigrant groups it is very difficult to reach them.
4. The successful set-up of a business is a lengthy process, which by no means is limited to the founding phase. The successful and sustainable promotion of ethnic minority entrepreneurship thus requires the provision of counselling services in all the different phases of the business life.

If one assumes that the start-up rate under immigrants who did not respond to the survey is lower, one has to conclude that the reported start-up rate of 55 % probably overestimates the true impact of UoG. Over the 2001-2003 period for instance, UoG reported 310 start-ups. For reasons of convenience we estimate the number of start-ups due to UoG's services on 150 start-ups per year.

²⁸ - See the discussion in the Results section for the foundation of this estimation of 150 start-ups per year.

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6) HUNGARY:

SZECHENYI ENTREPRENEURIAL PROGRAMME

1. Basic information

The Szechenyi Entrepreneurial Programme aims to encourage the social and economic integration of Roma in Hungary. In particular it seeks to improve the market position and competitiveness of small and medium sized Roma enterprises. The programme attempts to achieve this by partly financing the investment needs of both Roma-owned enterprises and entrepreneurs that employ Roma. This financial support is distributed by means of a tender procedure which is open to specific groups of entrepreneurs. The priorities in granting the support may vary from year to year.

Implementing organisations

The programme is implemented by the Hungarian Ministry of Economy and Transport and covers the entire country. In its activities the Ministry is supported by the Hungarian Centre for Economic Development (*Magyar Gazdaságfejlesztési Központ*) and the Hungarian Foundation for Enterprise Promotion (*Magyar Vállalkozásfejlesztési Alapítvány*).

The Hungarian Centre for Economic Development (HCED) is a semi-public organisation that was established by the state-owned Hungarian Development Bank in order to channel development funds towards the entrepreneurial sector. In the programme the HCED assists the Ministry in defining the tender procedure and also evaluates the applications of the potential beneficiaries. On top of this, the HCED is responsible for the periodic monitoring of the activities of those entrepreneurs that have been awarded a grant.

The Hungarian Foundation for Enterprise Promotion (HFEP) was founded as a public benefit organisation in 1990. In general it is responsible for the implementation of the government's national work programme for the development of SMEs. HFEP's current role in the programme is rather limited. In the near future HFEP will assist with the establishment of a business incubator in the eastern town of *Mátészalka*.

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Implementation period, funding and budget

The project has been in operation since 2003 and is fully funded by its implementing organisation, the Ministry of Economy and Transport. The project does not rely on supranational funds. Table 1 gives an overview of the annual amounts of funds that were distributed to Roma entrepreneurs over the 2003 – 2007 period. In total the Ministry distributed around 1.2 billion Forint (€ 4.6 million). The project's running costs are included in the Ministry's overhead. Specific figures on the project's costs besides the amount of distributed grants are not available.

Table 1: Distribution of funds to Roma entrepreneurs

Year	Number of grants awarded	Amount distributed in Hungarian Forint (HUF) (1,000 HUF = 3.83 EUR)
2003	77	203,042,000
2004	102	278,600,000
2005	79	218,293,000
2006	74	249,969,000
2007*	N.A.	250,000,000
Total	332	1,199,904,000

* The HUF 250,000,000 for 2007 is the budgeted amount. Actual figures are not yet available.

2. The good practice

Policy context

The programme was designed to facilitate the integration of Roma, a minority group with a long history of severe social and economic exclusion. Historically, Roma are facing higher than average unemployment levels because non-Roma are reluctant to hire them. Unfortunately, self-employment is not an easy option either as Roma generally lack sufficient financial capital to compete with non-Roma firms. Through this policy measure the Ministry intends to tackle these issues. First, by means of financial support the Ministry hopes to improve the market position of Roma entrepreneurs. Secondly, by giving non-Roma financial incentives to employ Roma the Ministry intends to break with current labour market patterns. The latter is an example of positive discrimination. Accordingly, given the long history of social exclusion, one could interpret this policy as a strategy for “redressing present and past injustices” towards Roma.

The Ministry considered it essential that non-Roma would not interpret it as another Roma aid scheme. The latter would have resulted in resistance from the part of non-Romas. According to the Ministry, during the programme's actual implementation process there was neither an explicit nor a hidden resistance towards this policy. On the contrary, the programme could directly count on substantial interest and support in the regions where Roma live in significant numbers.

Objectives

The programme's main objective is to support developments and investments that improve the market position and the competitiveness of small and medium sized Roma enterprises in Hungary. More precisely, the goal is to promote these enterprises' real estate developments as well as their purchases of machinery and equipment.

According to the Ministry of Economy and Transport, the very existence of the programme creates new role models for Roma in Hungarian society. It also publicly encourages and legitimizes entrepreneurship among Roma by creating and promoting a more enabling environment for members of this ethnic group. As such the programme is expected to increase the entrepreneurial spirit among Roma. In the long run the programme should contribute to the social and economic integration of this socially and economically marginalised group in Hungary.

Target population

The project specifically targets the Roma ethnic group. In particular all micro, small and medium sized Roma and non-Roma enterprises that employ Roma are targeted. However, only already operating enterprises can participate. Supporting starting entrepreneurs, even if the

new entrepreneur would be a Roma, is beyond the scope of this project.

The Programme

• Financial support

The programme's main component consists of direct financial support. Through a tender procedure the Ministry offers financial incentives for the investment needs of the targeted enterprises: Roma-owned enterprises and enterprises employing Roma. To each of the various entrepreneurs winning the tender the Ministry provides a non-reimbursable grant. This grant currently amounts to 65 % of the value of the total investment. The programme has a matching-fund requirement. That is, the entrepreneur has to finance the remaining 35 % of the proposed investment himself. The 65 % - 35 % requirement has been in place since 2005. In 2003 and 2004 the Ministry only financed 50 % of the proposed investment. The maximum grant that the Ministry awards per entrepreneur is 5 million Forint (19,000).

In its initial conception the Ministry did not have an outspoken preference in terms of the type of investments or the type of industry that it would support. Annually the Ministry determined on which sectors the programmes would focus in the next call for proposals. In 2007, for instance, priority was given to enterprises proposing investments in real estate, machinery, appliances, commercial vehicles, and information technologies.

Interested entrepreneurs can apply for the grant through the Hungarian Centre for Economic Development (HCED). The HCED analyses all application packages and makes recommendations to the Ministry. The Ministry itself has the final decision in awarding the grants. The HCED, in turn, is responsible for monitoring the entrepreneurs' use of the funds over a five-year period.

• Non-financial support

As a part of the programme the Ministry also organises various information sessions and forums as a way to strengthen participants' understanding of the project and to encourage networking among the participating entrepreneurs. These sessions serve to explain the various steps of the tender procedure and to assist entrepreneurs in filing the necessary paperwork. The sessions also serve for networking since both Roma and non-Roma entrepreneurs are participating; a first step in fostering cultural understanding.

In the near future the project will take on an extra dimension through the launch of a business incubator in the eastern town of *Mátészalka*. This town was chosen for its high incidence of disadvantaged Roma. At the incubator, commercial space will be available for both Roma and non-Roma enterprises. The premises at the incubator will also serve as a training-centre for

entrepreneurs of both groups. In this way, the programme will further promote networking and information sharing between Roma and non-Roma. Rather than isolating Roma through another “Roma-only” support, this new part of the programme intends to assist the social and economic incorporation of Roma into Hungarian society. The Hungarian Foundation for Enterprise Promotion (HFEP) is a strategic partner in this part of the project.

Accessibility

The financial support an entrepreneur can receive is based on “matching” funds: the Ministry supports an important part of the costs of the investment but the entrepreneur has to finance the remaining 35 % himself. Therefore, in order to qualify for the programme potential candidates will have to demonstrate sufficient liquidity to cover the residual 35% of the proposed investment. Furthermore, each participant is required to pay a registration fee of 20 euros. Although the tender procedure and all training sessions are carried out in Hungarian the programme does not suffer from language limitations as most Roma speak Hungarian.

The programme is promoted in various ways. The call for tender, for instance, is publicly announced on the webpage of the Ministry of Economy and Transport. Moreover, the tender is also advertised in the national and local media and through a large number of local activities, so-called citizenship forums, meetings with entrepreneurs organised by local authorities and minority self-governments all over Hungary. Additionally, in one of the regions of Hungary, the Ministry has a permanent representative who is

responsible for informing entrepreneurs, distributing material about the project and collecting feedback from interested and involved entrepreneurs.

Results

The programme has been in operation since 2003. The results presented in table 2 indicate that annually around 80 to 100 enterprises, out of about 600 to 700 applicants, receive support to finance their investments. Unfortunately, Hungarian law does not permit storing data on ethnic background. For this reason the exact portion of Roma-owned recipient enterprises, as opposed to non-Roma, cannot be given. The Ministry however, believes that the majority of grants are awarded to Roma entrepreneurs. This belief is based on the fact that potential beneficiaries have to submit a letter of recommendation from either local authorities or the Roma local minority self-governments. As local authorities are better informed about the entrepreneurs’ ethnic background, this strategy minimizes the scope for abuse.

Table 2 also shows that the distributed grant value of 4.6 million has led to a total investment of approximately 7.9 million. According to the Ministry the programme has resulted in 400 newly created jobs up to 2006.

The programme is widely publicised through information sessions at hundreds of meetings, the aforementioned citizenship forums, per year. Given the large variation in the number of participants per activity, ranging from a mere 20 to an overwhelming 1500, the exact outreach of these citizenship forums is unknown.

Table 2:
Results

Year	Number of grants distributed	Value of grants distributed (in €)	Part of investment paid by entrepreneur	Total investment undertaken (in €)	Number of new jobs created
2003	77	778,000	50%	1,556,000	
2004	102	1,067,000	50%	2,134,000	
2005	79	836,000	35%	1,286,000	
2006	74	957,000	35%	1,472,000	
2007	N.A.	958,000	35%	1,474,000	
Total	332	€ 4,596,000		€ 7,922,000	400

Evaluations

The project is externally monitored by the Hungarian Centre for Economic Development (HCED). The HCED observes how the beneficiaries are using the financial support and how their businesses are performing over a five-year period starting from the date of receipt of the funds. To facilitate this monitoring process participating

entrepreneurs are required to send annual reports to the Ministry, which subsequently forwards them to the HCED. At the end of the five-year period the HCED will carry out a final audit at each of the participating enterprises.

In its evaluations the HCED monitors whether beneficiaries are complying with their commitments. These commitments,

which are stipulated in individual contracts between the Ministry and the beneficiary, may cover a wide range of issues from turnover targets to the number of new jobs created. Beneficiaries that violate these commitments will have to reimburse the entire grant, including interests, to the Ministry. Hitherto, based upon the annual reports, the Ministry expects few, if any, violations of these commitments. The first round of final audits, however, will only take place in 2008.

3. Lessons learned

a. Relevance

In order to remain tuned to the needs of the target population the Ministry organises regular meetings with entrepreneurs all over the country. As a result of these meetings adjustments in the annual calls for tender are made. Examples of such adjustments include the introduction of financial support for information technologies, for marketing, and for quality assessment and assurance. Another way in which the programme proves its power in adapting to the needs of entrepreneurs is through the size of the awarded grants. The Ministry, based on the quality and nature of the applications, may vary the amounts allocated to individual enterprises. In this way the programme suits enterprises of a range of different sizes. The relevance of this programme for the target group is also illustrated by the demonstrated interest from entrepreneurs all over Hungary.

However, at least in theory, some concerns with regard to the programme's setup exist. In particular, the programme may fail to include the most deprived Roma in the least developed regions of Hungary. This is due to the fact that the economic elite in such areas have easier access to scarce resources, economic networks and, accordingly, the grants themselves. As such these elite groups may block the access of the less well-off to the programme. The matching fund requirement, stipulating beneficiaries to finance a part of the investment from internal sources, may also inhibit the most underprivileged Roma from applying. Furthermore, the more affluent firms can apply for higher grants than others can. As a result the programme may actually widen the gap between the haves and the have-nots rather than narrowing it. However, due to the fact that the programme has not yet been officially evaluated, it is too early to draw conclusions on these theoretical drawbacks.

b. Effectiveness and efficiency

According to the Ministry the programme has both resulted in an increase in the entrepreneurial spirit among Roma and an increased tendency among non-Roma enterprises to contract Roma employees. The programme's short-term results are promising as hundreds of Roma and Roma-employing entrepreneurs have benefited. However, there is no evidence yet that the willingness of non-Roma enterprises to employ Roma will hold after the contract with the Ministry expires.

c. Innovativeness

In Hungary itself, the programme is innovative as it is the first project which supports businesses based on their ethnic background. On an international level the programme ties in quite well with other existing positive discrimination schemes.

d. Replicability

As long as sufficient public funds are available the Szechenyi Entrepreneurial Programme seems replicable in other regions where specific groups of society are being excluded. In neighbouring Romania for instance, a country in which the Roma people also constitute an isolated ethnic minority, similar initiatives are already being deployed²⁹.

e. Sustainability

The future of the programme itself seems safeguarded. The Ministry of Economy and Transport currently cites the programme's cost-benefit ratio as a reason to keep and possibly extend the programme.

With regard to the sustainability of the results however, it is not yet possible to draw definite conclusions. The programme supports non-Roma entrepreneurs willing to employ Roma for the five-year period that they are monitored. To evaluate whether the programme leads to a long-term improvement in the situation of Roma a longer time horizon is needed.

Key learning points

1. A positive discrimination scheme towards socially excluded groups yields promising short-term results. However, to judge the long-term sustainability of its results a longer timeframe is needed.
2. Adapting a programme's definitions in response to new demands from entrepreneurs can be beneficial. Part of the Szechenyi Entrepreneurial Programme's success, in terms of the number of awarded grants, is attributable to its flexibility towards the changing needs of the market.
3. A policy measure that involves the distribution of government grants to finance enterprises' investments needs to be well-defined and closely monitored in order to prevent abuse.
4. A grant scheme with a matching-funds requirement may increase social inequality. There may be a bias towards more affluent entrepreneurs since the most underprivileged may not possess sufficient financial resources to qualify for receiving a grant.

²⁹ - The Szechenyi Entrepreneurial Programme also shows some similarities with the Kansenzones project in The Netherlands.



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7) ITALY: CNA WORLD-DEDALO

1. Basic information

The *CNA World-Dedalo* (CNA World-Labyrinth) project is implemented by a semi-public organisation and assists immigrants to start up and run their businesses. The Turin-based project has become a role model and has led to a national CNA World programme with 25 similar projects running all over Italy.

Implementing organisations

The project is coordinated by the Turin office of Italy's *Confederazione Nazionale dell'Artigianato e della Piccola e Media Impresa* (CNA, National Confederation of Crafts and Small and Medium-Sized Enterprises). The Turin Chamber of Commerce and the Sanpaolo Bank support CNA Turin in carrying out the project.

CNA is a nationally operating semi-public institution that was created in Rome in 1946. It represents the interests of crafts and small and medium-sized enterprises. The organisation actively copes with the challenges of these enterprises but is also committed to the growth and harmonious development of the Italian economy as a whole. In this role CNA interfaces with national institutions and authorities in various policy fields including welfare and tax systems, health and credit services, and industrial and labour policies. In brief, CNA seeks to represent the interests of its associated entrepreneurs, to promote business start ups and to deliver a wide range of training and counselling services.

The national structure of CNA consists of 19 regional offices (*CNA Regionali*), 105 provincial offices (*CNA Provinciali*), and a pensioners' section (*CNA Pensionati*). In total the association has 430,000 members. The CNA office in Turin, one of the provincial offices, has 13,500 members.

The Turin Chamber of Commerce (*Camera di Commercio di Torino*) aims to foster the growth of the local economy. It seeks to promote the local entrepreneurial system through training, information and access to finance. The Chamber of Commerce co-finances and evaluates the CNA World-Dedalo project.

The role of the Italian Sanpaolo Bank in the project is rather limited. The bank delivers one of the trainers for the business training programme and advises immigrant entrepreneurs seeking financial support. The Sanpaolo Bank does not support the project financially.

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Implementation period, funding and budget

The project originally started under the name *Progetto Dedalo* in the year 2000. During its first years the project relied on the financial support of the authorities of the Piemonte Region and the Province of Turin. This dependence on local authorities was gradually reduced over the years. In 2003 the project became an autonomous CNA project. Since 2005 the programme runs under the name CNA World-Dedalo. The project's annual budget currently amounts € 120,000. Part of this budget, around € 50,000, is financed by the Turin Chamber of Commerce. This budget support from the Chamber of Commerce is set annually and depends on the project's evaluation. The remaining part of the budget, about € 70,000, is financed by CNA Turin itself.

2. The good practice

Policy context

Italy is a relatively new immigration country with foreigners constituting an, in Western European terms, modest 3.9 % of the total population in 2004 (OECD). This proportion however, is currently growing with inflows of immigrants from Morocco, Romania, Albania and Ukraine especially. Furthermore, the relative number of immigrants in Northern Italy, in urban areas in particular, is higher.

Analysts expect that this inflow of immigrants will lead to an increase in the number of entrepreneurs in a country that, with a self-employment ratio of 28.4 %³⁰, already is quite entrepreneurial. This expected increase is partly due to the fact that immigrants are more likely to opt for self-employment since their foreign diplomas are not always recognised by Italian employers. According to the CNA there were 140,000 immigrant owned enterprises in Italy in 2004, 5,561 of these enterprises were located in the region of Turin.

As a consequence of this migratory flow there is currently an increasing demand for services targeting immigrants. This demand concerns both a demand for advice on legal issues, such as residence and work permits, as well as for advice for business start-ups.

³⁰ - OECD, 2004. The self-employment ratio is calculated as a percentage of total civilian employment. The average self-employment ratio for all OECD-countries in 2004 was 17.4 %.

The CNA office in Turin, recognising the increasing demand for these types of services, first organised a business training in 2000. This training, which was given in cooperation with an NGO called *Associazione Alma Terra*, focused on issues like business management and dealing with legal requirements. The training was open for female immigrants only, the target group of *Associazione Alma Terra*. The success of this first business training eventually led to the start of the Progetto Dedalo programme, a service that targeted immigrants in general, irrespective of gender. The Progetto Dedalo in turn, finally evolved into the contemporary CNA World-Dedalo project. The *Associazione Alma Terra* is not longer involved in the project.

Objectives

CNA World-Dedalo's main objectives are to:

- Foster ethnic minority entrepreneurship.
- Improve immigrants' business management skills.
- Enhance immigrants' access to finance.
- Support immigrants in dealing with legal requirements.
- Support employers of foreign personnel in dealing with legal requirements.

Target population

Although the implementing organisation CNA serves the interests of Italian entrepreneurs and craftsmen in general, the World-Dedalo project is specifically meant for immigrants. The programme does not target specific categories of immigrants. Starting and existing entrepreneurs of both sexes and all foreign nationalities are welcome. In practice however, the majority of participants are from outside the European Union, in particular Moroccans, Peruvians and Romanians (although currently a member state). Next to the direct assistance to immigrants CNA World-Dedalo also targets Italian employers with foreign employees.

The programme

The CNA World-Dedalo programme consists of two parts:

1. Counselling and support services for immigrants, entrepreneurs and employers.
2. A training programme for both starting and already operating ethnic minority entrepreneurs.

The specific support services that CNA World-Dedalo offers include:

- **Fiscal assistance for foreign-owned enterprises.** CNA staff members are available to support entrepreneurs with fiscal or administrative inquiries. Most often this concerns assistance in compiling the annual tax report.
- **Dealing with legal requirements.** CNA World-Dedalo helps immigrants to comply with Italy's immigration requirements. It assists immigrants to renew their residence and work permits and also processes family reunification requests.

- **Assisting employers with foreign staff.** The programme assists Italian employers that wish to hire foreign employees. It helps to acquire work permits and informs employers about legal requirements.

- **Support to open a bank account.** CNA World-Dedalo wants immigrants to take part in Italy's formal economy. It therefore supports them to open a bank account at a conventional bank.

- **Access to finance.** In cooperation with the Sanpaolo Bank the programme helps immigrant business owners from outside the EU to apply for (micro-)credit. To this end CNA makes use of a well-developed network of Italian banks.

- **Advice on insurance.** The programme informs and advises immigrants about both the obligatory and the available optional insurances.

Next to these support services the programme also offers a free training programme for starting and already operating ethnic minority entrepreneurs. These courses, which are given four times a year, are organised in cooperation with the San Paolo Bank. Each course consists of six meetings. The topics of these meetings are as follows:

1. Laws and norms on foreign residency and immigrant entrepreneurship.
2. Enterprises in Italy: the institutional context.
3. Fiscal implications, taxes and bookkeeping.
4. Dealing with credit institutions and financial instruments.
5. Insurances and contracts.
6. Italian business language.

Accessibility

The CNA World-Dedalo programme is easily accessible for several reasons. First of all, the programme is offered free of charge and does not have a selection policy. Secondly, CNA makes use of trainers and counsellors that speak various languages. However, given the fact that the majority of immigrants have a Latin background language does not constitute an enormous barrier.

Thirdly, the programme is actively promoted throughout the city. A multilingual brochure about the project is available at the Chamber of Commerce, the Immigration Office, the police headquarters, the NGO Caritas, and in mosques. Whenever necessary, CNA staff members are also willing to meet with immigrants at the Caritas premises and even in mosques. The project also receives attention in the press through a weekly article in Turin's daily *La Stampa* and articles in the multi-cultural newspaper *Popoli*. The latter also has an online version available at <http://www.popolinews.net>.

Finally, interested immigrants can easily contact the programme through two strategically located CNA offices. One of these offices has its premises in front of the Turin Immigration Office. In fact, the close collaboration between CNA and other institutions serving immigrants is one of the programme's strong points. CNA World-Dedalo, for instance, is allowed to carry out general support services such as requests for family reunion and renewals of residence permits. As a direct consequence of CNA carrying out these services, many immigrants learn about CNA World-Dedalo and get informed about the opportunities for entrepreneurship.

Results

The project has generated promising results. Table 1 shows that CNA World-Dedalo has assisted a total of 472 start-ups since its inception in 2000. Most of these start-ups concern businesses in the construction (60%) and the services sector. This high proportion of start-ups in the construction sector is also observed among native entrepreneurs in the region. The two-year survival rate for the businesses started between 2000 and 2004 is estimated at 85 %.

Table 1 also gives the total number participants in the project's training courses and the total immigrants interested in the project since 2005. Annually the project organises four training rounds with an average participation of 15 immigrants per round.

The annual number of start-ups is more than twice as high as the annual number of participants in CNA's training programme. Thus, many of the immigrant entrepreneurs starting a business did not take part in the training sessions

and relied on counselling services only. CNA does not require immigrant entrepreneurs to participate in its training programme. Those who only wish to make use of counselling services are free to do so.

On the other hand, not all immigrants that expressed their interest in CNA's counselling or information services also started a business. According to CNA's estimates each year around 360 immigrants express interest in the programme or make use of its counselling services.

**Table 1:
Results**

Period	Start-ups	Trainees	Interested
2000-2004	118		744
2005	122	60	360
2006	130	60	360
2007(until July)	102	30	N.A.
Total	472	120	

CNA also keeps track of the immigrants that express interest in the programme. The data, which are given in table 2, show that the programme attracts more male (65%) than female immigrants (35%). Regarding regional distribution the programme attracts Eastern Europeans, Africans, Latin Americans, and to a lesser extent, Asians. Within these regions Romanians (163 interested immigrants), Moroccans (118), and Peruvians (154) stand out.

**Table 2:
Profils des immigrés sur la période (2000 – 2004)**

Total	Men	Women	Eastern-Europe	Africa	Asia	Latin-America
744	481	263	255	251	18	215

Evaluations

The programme is both internally and externally evaluated. Internally, the monthly results of the two CNA office locations in Turin are collected. These monthly reports are used to draw up an annual project report. The Turin Chamber of Commerce in turn, uses these annual reports

to evaluate the project's progress and to decide on the amount of financial support that it will make available for the next year. Hitherto, the Chamber of Commerce has always been satisfied with CNA World-Dedalo's progress.

3. Lessons learned

a. Relevance

CNA's services are of high relevance for ethnic minority entrepreneurs, foreign workers and employers of foreign personnel. The programme makes immigrants aware of their social rights and the opportunities of entrepreneurship. The project meets the needs of these potential immigrant entrepreneurs, it respects their culture, and it contributes to the set up of enterprises. Furthermore it improves immigrants' position on the labour market by improving their skills and facilitating their access to work permits. The latter reduces the barrier to hire foreign personnel for Italian employers.

b. Effectiveness and efficiency

The original *Progetto Dedalo*, which ran from 2000 to 2004, has been positively evaluated by CNA's national management. Strong points of the *Progetto Dedalo* were the number of start-ups (118) and the high interest among immigrants (744). Thanks to this success the local *Progetto Dedalo* eventually culminated into the national CNA World project. In Turin the project has shown to be effective. The number of start-ups in Turin has been increasing over the years.

The current € 120,000 annual budget leads to about 120 start-ups, 60 trainees and many otherwise attended immigrants per year. However, one should note that some of the starting entrepreneurs have only made use of CNA's to a (very) limited extent. One cannot conclude that it "costs" € 1,000 to assist a business start-up.

c. Innovativeness

The CNA World-Dedalo project has successfully managed to reach out to the immigrant community. Part of this success is due to the bundling of services at CNA's premises. As CNA is allowed to process residence and work permits, immigrants have become fairly familiar with the organisation. CNA therefore is in a good position to raise awareness for entrepreneurial opportunities among these immigrants. One could therefore argue that the bundling of general immigrant services, those of the type that are normally carried out by Immigration Offices, with business training activities is an innovative and effective way to raise awareness for entrepreneurship among immigrants and facilitate their participation in support activities.

d. Replicability

Within the Italian context the World-Dedalo project has proven its replicability. The original *Progetto Dedalo*, which ran until 2004, has already led to the launch of a national CNA World programme. Currently, 25 provincial CNA offices from all over Italy run programmes that target immigrants in a similar fashion.

The project's setup also has international potential. Its critical success factor, the bundling of general support services with business training activities, can be copied elsewhere. It is essential, however, that such a project would be carried out by an organisation with very close ties to authorities. That is, authorities will need to approve such an organisation to process important legal documents like residence and work permits. Alternatively immigration offices could also consider offering business training services themselves or acting as intermediaries to such activities.

e. Sustainability

The original one-off intervention *Progetto Dedalo* has by now evolved into a national long-term CNA World project. Also, the reliance on government subsidies, indispensable in the beginning years, has been reduced. The current annual budget, for instance, is largely funded from internal sources.

With an estimated two-year business survival rate of 85 % the project's results also seem sustainable. This survival rate, however, only refers to the start-ups of the first project period (2000 – 2004).

Key learning points

1. Business training institutes that also carry out regular immigration services, such as processing residence and work permits have an easier access to the immigrant community. Bundling immigration and business training services within one organisation may therefore promote immigrants' awareness of entrepreneurial opportunities and their participation in support activities.
2. Immigrants differ from each other in the amount of support needed to start up a business. Whereas some immigrants may need both a training programme and counselling services, for others a few counselling sessions will do. A policy measure should therefore not require potential entrepreneurs to participate in each of its services.
3. Successful experiences at a local level may eventually evolve into national initiatives, albeit with regional differences. Thus, it may be advisable to link national policy to positive experiences at a local or regional level.



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- Mr. Antonio Ciavarra, programme manager of CNA World-Dedalo.

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8) THE NETHERLANDS: KANSENZONES

1 Basic Information

The *Ondernemersregeling Kansenzones* Rotterdam (OKR, Entrepreneurs' Scheme for Opportunity Areas) is the centrepiece of a broader approach called *Kansenzones* (Opportunity Areas) initiated by the Development Agency of the City of Rotterdam (OBR) in order to "strengthen entrepreneurship and the economic development of marginal areas", by improving the investment climate and by doing so "improve the living and working conditions in these areas".

The areas targeted are located in the southern part of Rotterdam, which has more than its share of unemployment and social problems, and as such does not normally attract much investment from the private sector. The project started in April 2005 and is planned to last till the end of 2008. The Dutch Government contributes € 24 million as part of the 'Major Cities Policy' (*Grotestedenbeleid*) specifically for the OKR. This amount is matched by the City of Rotterdam to fund various other activities³¹, which are also aimed at supporting entrepreneurs in the same areas.

Implementing organisations

This policy measure is being implemented by the OBR, the municipal agency of the city of Rotterdam, responsible for stimulating the economic development. The OBR has a long record of promoting entrepreneurship, both for the native and in particular the immigrant population of Rotterdam³².

General Project Coordination

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Coordination of sub-projects

Wage subsidy scheme: DAAD (OBR, CWI (national employment agency), Havenbedrijf, ROTEB, SoZaWe
Skills training (BOP): OBR, JOS and SoZaWe (all municipal agencies)
Access to Finance: ABN-AMRO Bank, ING Bank and Rabobank
Young start-ups: OBR, Chamber of Commerce and others
Business premises: OBR

A special project team was created to supervise the activities of the OKR and ensure that the stated objectives are achieved. The project team coordinates the activities with the local neighbourhood councils in each of the 11 neighbourhoods that have been targeted for the project. Indirect participants include the Chamber of Commerce and three private banks.

Implementation period, source of funding and budget

The project started in April 2005 and is expected to run till the end of 2008. The budget for the OKR is € 24 million, all of which comes from the national budget reserved for stimulating development in the major cities. Another € 24 million has been allocated by the City of Rotterdam, to finance other related activities.

2. The good practice

Policy context

There is a marked difference between the northern and southern parts of Rotterdam. While the northern part is relatively affluent and economically strong; the southern part has a high unemployment rate, is relatively poor and home to large groups of immigrants with limited opportunities to find a job. Hence, many of them see entrepreneurship as a way to escape unemployment and poverty.

Similar developments are taking place in all the major cities of the Netherlands, where there is high unemployment, a high number of immigrants and a high presence of immigrant entrepreneurs in certain marginal neighbourhoods. This has prompted the Government to create a special policy (and Fund) to stimulate the living conditions in the poorer quarters of the major cities, called *Grotestedenbeleid*.

Objectives

Kansenzones aims at strengthening entrepreneurship and economic development of marginal areas in South Rotterdam, by improving the investment climate. This is done by offering entrepreneurs (and real estate owners renting property to entrepreneurs) located in the designated areas a subsidy when they invest in the infrastructure of their business premises. The project offers subsidies of up to 50% for investments in the business premises of the entrepreneur. At the outset a ceiling of € 100,000 was fixed for the investment subsidy, but this was later flexibilised.

Target population

Kansenzones targets entrepreneurs and real estate owners in designated areas of South Rotterdam, without distinction of their ethnic background. There is a relatively high number of immigrant entrepreneurs in these areas, hence it stands to reason that they are also strongly represented in the project. Unfortunately, the OBR does not keep track of the ethnic origin of the applicants, which

³¹ - These include wage subsidies in order to stimulate employment and employee training schemes; business counselling for young entrepreneurs and improved access to finance, among others.

³² - For instance, in 1987 the OBR (or rather its predecessor, the DMK) helped set up a BDS provider for assisting immigrant entrepreneurs called Atlas, which still exists although it now has a broader mandate.

makes it impossible to give an exact figure for the percentage of immigrants at the different stages of the OKR. However, both the project coordinator and the mid-term evaluator coincide that the immigrant participation is considerable, probably in the range of 30-50%.

Basically the OKR aims at promoting business development and job creation among three different market segments:

1. Existing enterprises, already established in the designated areas;
2. Existing enterprises, from outside the designated areas that wish to relocate;
3. Start-up entrepreneurs, establishing their business in the designated areas.

The programme

As mentioned above, the *Kansenzones* project consists of a comprehensive package of support services aimed at improving the investment climate in marginal areas of the southern part of Rotterdam. In this case study we focus on the main element of the *Kansenzones* project: the Entrepreneurs' Scheme for Opportunity Areas (OKR).

The OKR focuses on improving the physical business environment in the designated areas, by providing incentives for investment in real estate and certain other fixed assets, such as new machinery, equipment or furnishings. The subsidy is intended for serious entrepreneurs and real estate owners who are already renting their property for business purposes or are planning to do so.

In terms of the APIS-model (Awareness, Policy, Institutions, Services), *Kansenzones* focuses on all four levels. *Awareness* is created through the website and through the OBR business advisors at the grassroots level. The *Policy* framework in this case is the national 'Major Cities Policy' (*Grotestedenbeleid*) and the municipal policy to develop the southern part of the city. The main *Institution* involved is the OBR. The Services provided are the OKR and other support services mentioned above.

Results

As of April 1st 2007, 774 entrepreneurs have requested a subsidy of which 634 have been analysed in the mid-term review carried out by Regioplan in June-July 2007. Nearly € 46 million in investments were put forward in these 634 applications. About 60% of the applications have been processed. So far 304 applications have been approved and 66 rejected. About one-third of the approved cases refer to ethnic minority entrepreneurs, who are over-represented in the designated areas.

The total investment approved in the first two years amounts to € 12.8 million, of which about € 6 million will be subsidised. In other words, on average the awarded subsidy is about 45% of the investment amount proposed by the entrepreneur. So far about € 2.9 million has been disbursed. The highest subsidy awarded so far is €

100,000, for a planned investment of € 800,000. However, this is an extreme case. The average investment approved is about € 61,500 and the average subsidy about € 28,500.

By mid July 2007, according to the mid-term review, about 40% of the subsidy applications came from start-ups and about one-third of the subsidies awarded. The average amount awarded to start-ups was slightly higher than that of existing firms (€ 77,436 vs. € 61,991). The main business sectors covered by the OKR are the retail and services sector. In terms of subsidies approved and disbursed these two sectors represent about 60-70% of the total amount.

Evaluations

The project was evaluated by Regioplan/Ernst & Young after the first year and once again after the second year (mid-term review). The final report of the mid-term review is expected at the end of August 2007.

3. Lessons learned

In order to assess the success of the project *Kansenzones*, we will have a closer look at the following aspects.

a. Relevance

The south part of Rotterdam has been plagued by urban decline for many years. The high concentration of low-income and ethnic minority groups, combined with drugs and crime problems, have created a negative image of this part of town, reducing the economic potential of private business. On the other hand, the lack of serious business opportunities perpetuates the negative cycle of unemployment, social decline and marginalisation. *Kansenzones* aims at breaking through this negative cycle.

The project is also relevant in terms of the actual demand from the target group. According to both the project coordinator (OBR) and the evaluator (Regioplan), at least one third of the participants are immigrant entrepreneurs³³. This is the case at all levels of the OKR, from the application to the disbursement level. The same applies to the other activities in the comprehensive *Kansenzones* programme.

b. Effectiveness and efficiency

The mid-term review (draft) concludes that it is still too early to emit a definite verdict on the impact of the *Kansenzones* project. However, it is already clear that the project has contributed to increased investment in the designated areas, both in terms of the number of investments and the size of investments.

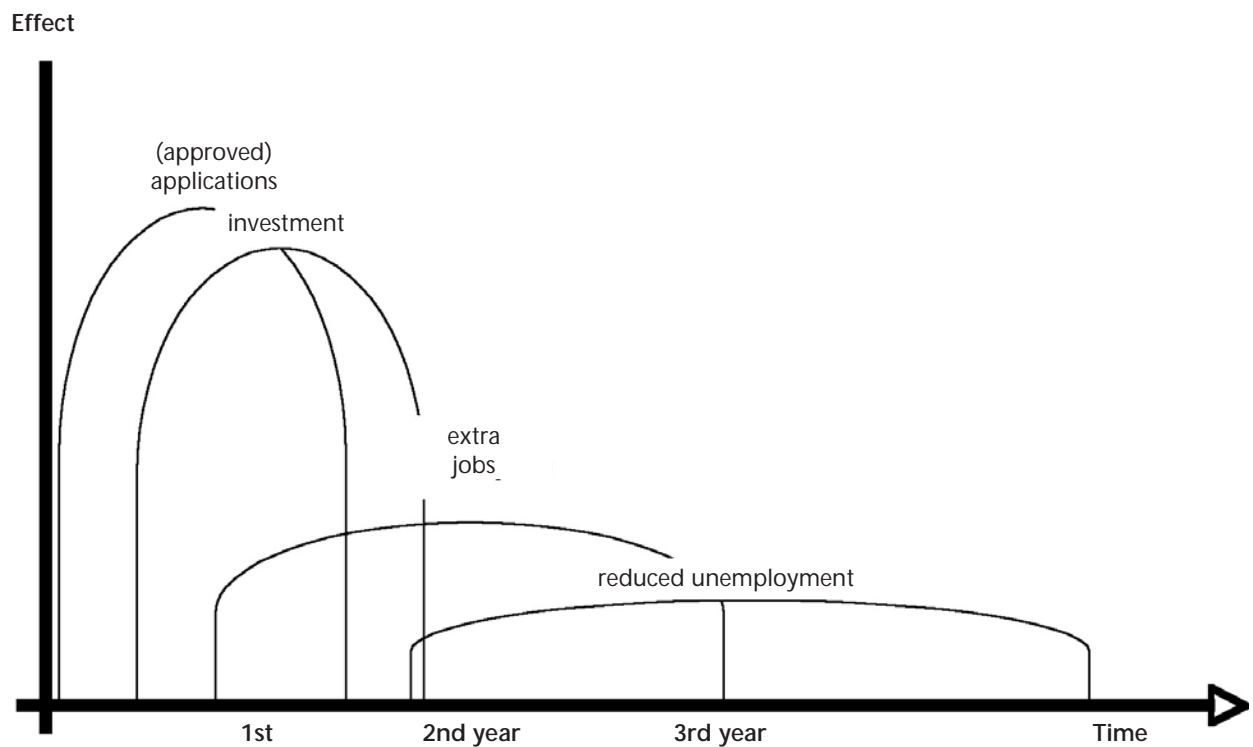
The amount of applications was more or less the same in the first and second year which suggests the project fills a demand. Another advantage of the OKR is that it enables entrepreneurs to carry out investments, which would not have been profitable without the OKR subsidy.

³³ - This is a rough estimate based on the family names of the participants. It is likely to be higher.

The mid-term review concludes that it is very likely that the additional investments in business premises generated by the OKR will improve the economic performance and create employment in the firms involved in the project. However, they do not expect this effect to take place immediately as most firms will not hire more employees until they are sure that they need them. Furthermore, at present it is not always easy to find qualified staff in the designated areas. Hence, the employment impact of the OKR also depends on other measures such as the age subsidy scheme and the BOP (skills training), which are part and parcel of the Kansenzones programme.

This principle is illustrated in the graph below, in which it is assumed that the first employment effects may only take place a year after the investment has been done, whereas a lasting employment impact may take several years to materialize. There may also be a secondary effect as more passive firms start to expand as they see their active neighbours increasing their business activity.

Expected Time Lag in Employment Impact of OKR



c. Innovativeness

The project is innovative as it is one of the few initiatives which focuses on the infrastructure as a means to stimulate economic activity. The basic assumption is that investment in business premises and, more in general, improving the physical environment in which firms operate can lead to better business performance and thus generate employment and income in the area.

Another innovative aspect is the comprehensive approach, which recognises that it takes more than just improving one of the dimensions that determine the economic development in a certain area. The comprehensive approach in this case includes the physical, the human and the financial dimensions of business development through the OKR and the sub-projects mentioned above (see page 1).

d. Replicability

The project may be replicated in other depressed urban areas in the Netherlands, as part of the so-called *Grotestedenbeleid*, which is a national government policy to make additional funds available to the major cities for measures to stimulate the economic development. Most large cities face similar problems in this respect, so depending on the success of the OKR and *Kansenzones*, other Dutch cities may follow the example of Rotterdam³⁴. The replicability in other countries would depend on the availability of funds and the specific problems faced.

e. Sustainability

In principle, the OKR is a one-off intervention for a limited period of time (2005-08). However, the project is expected to have a lasting effect through the increased investment in the physical infrastructure and the fixed assets of the firms involved which should lead to a structural improvement of the business environment and hence a sustainable impact on business performance and employment. Another important aspect is that the entrepreneurs and real estate owners have to cover at least 50% of the total investment with their own funds, which creates commitment and makes it more likely that the investment is based on sound criteria.

Key learning points

1. Investment in the physical business environment can be an effective instrument to stimulate business activity in depressed urban areas.
2. Matching grants to promote investment in business premises and other fixed assets can accelerate this process and demonstrate the commitment of local authorities to the business community in these areas.
3. A comprehensive approach to business development can be more effective to promote business development in certain areas, as the separate measures tend to reinforce each other mutually. This is the case in the *Kansenzones* programme, in which the physical environment, the lack of specific skills and the access to finance, are tackled simultaneously.
4. This kind of policy measure takes time to generate positive results in terms of business development or job creation. Thus the time-frame of the intervention should not be too short.

³⁴ - Similar initiatives have taken place in the US, with mixed results. However, *Kansenzones* seems to be quite a new initiative in the European context. Most policy measures reviewed in this study do not tackle the (physical) business environment, but rather take this as a given.



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9) THE NETHERLANDS: KLEURRIJK ONDERNEMEN

1. Basic information

Kleurrijk Ondernemen (Colourful entrepreneurship) is a project initiated by the Province of North-Holland and the Municipality of Zaanstad in 2002, with funding from Equal of the European Social Fund, as well as national, provincial and local funding. The project has been prolonged and is currently managed by the municipality of Zaanstad.

Implementing organisations

This policy measure has been implemented by two main partners, one public and one private. The municipality of Zaanstad is the coordinator of the project and is responsible for reporting, administration and monitoring of the project. The private organisation Mind4steps is responsible for the realisation of the programme.

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Three departments of the municipality of Zaanstad are involved in the project: the departments of Economic Affairs, Social Affairs and the Communication Department. Other outside organisations have provided their regular services to the project, such as the Chambers of Commerce, the Dutch Tax Administration and the Centre for Work and Income (CWI).

Implementation period, funding and budget

The project started in 2002 and has been prolonged two times and is still in place. It covers three time periods, each with its own sources of funding and budgets (see table).

	Kleurrijk Ondernemen I	Kleurrijk Ondernemen II	Kleurrijk Ondernemen III
Implementation period	Sept. 2002- May 2004	Jan. 2005- Jan. 2007	May 2007- May 2009
Sources of funding	ESF-EQUAL Province of North-Holland Municipality of Zaanstad	Municipality of Zaanstad	Ministry of Social Affairs Municipality of Zaanstad
Total Budget	€ 235,015	€ 150,000	€252,000

2. The good practice

Policy context

The first *Kleurrijk Ondernemen* project started in September 2002 and ended in May 2004. *Kleurrijk Ondernemen I* was one of the ten Innostart projects initiated and coordinated by the province of North-Holland, with the financial support of Equal of the European Social Fund. *Innostart* aimed at promoting equal opportunities for socioeconomically disadvantaged groups to start their own business within the Province of North-Holland. The total cost of the *Innostart* programme was € 3.5 million of which € 1.7 million was financed by Equal. The Province financed *Innostart* with € 726,000. The budget for *Kleurrijk Ondernemen* was € 235,015 of which the Municipality of Zaanstad contributed € 88,132. The remaining budget was provided by the Innostart (Province of North Holland and Equal funds).

The policy aim of the Municipality of Zaanstad, in particular the Department of Economic Affairs, is to strengthen the local economic structure and to stimulate the employment situation. This includes the promotion of entrepreneurship and the growth of the number of start-ups. The point of departure for this project is, first, aiming at economic results and, second, to promote social involvement with certain target groups. This policy consisted of three projects, one of which is *Kleurrijk Ondernemen* (Ministry of SZW 2005: 15).

Due to the success of *Kleurrijk Ondernemen I*, the Zaanstad Municipality decided to continue its support of starting enterprises. This resulted in the second project *Kleurrijk Ondernemen II*. The project, which started in January 2005 and ended in January 2007, was completely funded by the Municipality of Zaanstad with an annual budget of € 75,000.

Kleurrijk Ondernemen III has recently started (May 2007). It counts with a budget of € 252,000 for the total period of two years, of which €67,000 is provided by the Ministry of Social Affairs (Fund *Allochtonen & Arbeid* – Immigrants & Labour) and the rest by the Municipality of Zaanstad.

Objectives

The objective of *Kleurrijk Ondernemen* is to support starting entrepreneurs in order for them to be and remain successful. The first project fitted the main objective of the labour policies at provincial level, namely improving the accessibility of the labour market by promoting self-employment.

After the success of the first project, and in line with the policy of the municipality to promote self-employment among immigrants and women, the second project started.

The third project has the same objective, only the targets are clearly defined, namely 45 participants and 20 start-ups of immigrant women. This is due to the fact that the project is financed by the Ministry of Social Affairs from a specific fund for immigrants and labour

Target population

The *Kleurrijk Ondernemen* projects in particular target ethnic minorities and women, since these groups are underrepresented among the entrepreneurs and the failure rate of the start-ups in these groups is relatively high.

The projects are additional to the support programmes for persons on welfare that start an enterprise, as this group can receive financial and business support through the Provision of Benefits to the Self-employed Decree (Besluit Bijstandsverlening Zelfstandigen - Bbz)³⁵.

The programme

The programme *Kleurrijk Ondernemen* first and foremost aims at an intensive and personal coaching of the participants. This is realised by the business advisory company Mind4steps. There are no costs for participants involved. Potential participants may apply and if they meet the participation criteria, their application is followed by an intake meeting. The most important criterion for selection is the chance to economic success of the entrepreneur, and secondly belonging to one of the target groups: immigrants and women.

• Intake meeting

This meeting provides information about the personal situation of the clients and the motivation of the potential entrepreneur. During *Kleurrijk Ondernemen I*, this took place at the department of Social Affairs of the municipality, while for the second project this was handled by Mind4Steps. Eligible candidates were proposed to the Department of Economic Affairs of the municipality that made the final decision on admission to the project.

• Selection and contract

After this intake meeting the final selection of participants is made. The selected participants have to sign a contract, stating their commitment; participation in events, cooperation in publicity; confidentiality of their personal data by the project leader; a clause for the personal budget; and a three-months' probation.

• Personal coaching

Together with Mind4steps an individual coaching plan is set-up which consists of:

- Action plan
- Training needs assessment
- Required information and advice
- Expectations of participants
- Start date of enterprise

The most common areas in which entrepreneurs require support during *Kleurrijk Ondernemen I* and *II* were:

- business plan
- financing/credit possibilities
- business administration/taxes
- business location
- marketing/clients
- starting an enterprise from a unemployment benefit situation
- legal form

• Personal Budget

In *Kleurrijk Ondernemen I* entrepreneurs received a personal budget of €3950, which could be spent on business related investments. This amount was reduced to €2500 in *Kleurrijk Ondernemen II* and *III* to allow more entrepreneurs to participate in the project. On purpose, the potential participants were not informed on this personal budget beforehand, because this could have been the wrong reason to participate in the project. The award of the personal budget is bound by strict rules. In principle it is a gift, unless the participants drops out of the project untimely (then it should be reimbursed). As a general rule, the expenditures should be of decisive importance for the start-up of the enterprise, and can only be spent on (at most) two of the following items: knowledge, production resources, marketing or general and technical services. The allowance of the budget always needs the authorisation of the project leader. Once the purpose of the budget is determined, the entrepreneurs are in charge of choosing their suppliers, requesting quotations and handling the payments. Subsequently, they can declare the costs at the Municipality/Mind4Steps (*Kleurrijk Ondernemen I* and *II* respectively). There has been no abuse of the personal budget; participants that have not been able to set-up business simply did not use it.

• Workshops

Many of the entrepreneurs had questions about selling techniques, business administration and business presentation. Three workshops were held for the entrepreneurs that covered these topics.

• Presentation at centrally organised event

At the end of the project, all entrepreneurs had the opportunity to present their business in a trade fair-like event. Moreover, the enterprises are mentioned with their contact details on the project website www.ko-zaanstad.nl.

³⁵ - The BBZ is a facility created by the Ministry of Social Affairs and administered by municipalities. Under this scheme training and business advisory services for starting entrepreneurs (on welfare) are financed. In addition, there is a special lending facility whereby an unsecured loan can be granted.

Results

So far, only the results of phase 1 and 2 are available, since the third project only recently started. The following table gives an overview of the number of participants and

starters in *Kleurrijk Ondernemen* I and II, divided according to the two main target groups, immigrants and women.

Source 1:
Kleurrijk Ondernemen 2004; Kleurrijk Ondernemen 2007

Kleurrijk Ondernemen I		Kleurrijk Ondernemen II	
Participants	27	Participants	32
Immigrants: 17		Immigrants: 18	
Natives: 10		Natives: 14	
Women: 14		Women: 25	
Men: 13		Men: 7	
Entreprises créées	18	Entreprises créées	25
Immigrants: 11		Immigrants: 13	
Natives: 7		Natives: 12	
Women: 9		Women: 22	
Men: 9		Men: 3	

To assess the results of the project in the longer term, it is important to know how many of the start-ups still continue. It appears that 16 out of the 18 start-ups of the first phase of the project (2002-2004) still continue in 2007.

Next to the number of participants and starters, another measurable result of the project is the employment effect. During *Kleurrijk Ondernemen* I there were 10 participants that were receiving unemployment benefits. In the second project, there were nine participants who were former unemployment-benefit recipients. This means that the project also promotes the labour participation of the former unemployed.

Evaluations

The project has been both internally and externally evaluated. First, as part of the normal procedure, the municipality had to report back on the results, including the financial reporting, to the subsidizers, the EU/province of North Holland. The project is also evaluated by the municipality of Zaanstad, on the basis of evaluation reports by Mind4steps (*Kleurrijk Ondernemen* 2004; 2007).

The division of tasks between the municipality and Mind4steps has changed slightly since the first project, based on the lessons learned. For example in the first project the intake procedure was managed by the

Department of Social Affairs, which was felt as a barrier to some of the applicants. Therefore for the two following projects the intake procedure was transferred to Mind4steps. Moreover, the personal budget given to the participants was managed by the Municipality in the first project, but due to municipalities administrative procedures it would take long (6-12 weeks) for the applicant to receive this budget. To speed up this process, the granting and administration of the personal budgets has been transferred to Mind4steps.

3. Lessons learned

In order to assess the quality of the project *Kleurrijk Ondernemen* as a good practice, the following aspects are outstanding.

a. Relevance

The project is targeted at immigrants and women, and intends to also promote the labour-market participation of the unemployed. This implied that a specific approach was required to make the project easily accessible for participants. This was realised by:

- Free participation
- The acquisition methods
- Personal approach and individual coaching

Based on the testimonials of the entrepreneurs in the Kleurrijk Ondernemen I evaluation, the following positive aspects of the project were mentioned:

- The personal budget
- Availability of support and feedback when needed (also outside office hours), specially on aspects like business plans, business administration, marketing, rules and regulation, taxes and insurance
- The contact with other participants
- The personal character of the support
- How the business support speeds up the process of setting up a business
- Support received worked as guidance and encouragement

b. Effectiveness and efficiency

The small-scale character of the project and the intensive working method combined to make this project effective and efficient. Minimal bureaucratic procedures, a direct relation between client and coach, and relatively low infrastructural costs seem to result in a favourable relation between input and output. In comparison to other good practices, the number of start-ups might be lower, but in relation to the budget and the input of personnel the project can be said to be successful. This is evidenced by several elements of the project.

- The costs for business support per entrepreneur, for example, are estimated to be €2000 (including the personal coaching; excluding the personal budget). The remaining budget was spent on communication, workshops and acquisition, among others.
- Another example of the effectiveness of the project relates to the acquisition methods. The extension of the first project already showed that the investments made in the first project paid off, as less marketing was needed to acquire new participants.

c. Innovativeness

The novelty of this project applies first and foremost to the personal approach.

- Personal coaching

The client is directly served by one professional coach, who is available for a relatively small number of entrepreneurs who may call upon her as they see fit.

- Personal budget

The most innovative element of the project was the introduction of a personal budget. A personal budget was given to the participants to be used for business related investments only. This money allowed the participants to make initial investments needed for their enterprise. The method of the personal budget only works, however, under certain strict conditions. It is obvious that it should not be used as a means to present

the project publicly and to attract participants. If it were for the personal budget only, potential entrepreneurs might participate on the basis of unjustified motivations. Taking into account these limitations, the method of awarding a personal budget to potential entrepreneurs contributes in important ways to the success and the professional approach of starting a business, and helps preventing the drop out of recently started enterprises. According to the evaluation report of the first project, "the personal budget made the difference between a professional or amateurish way of starting a business" (Gemeente Zaanstad 2004).

d. Replicability

- The personal and small-scale approach seems to make this project relatively easily replicable in other contexts. Some aspects, however, makes the replicability more open to question.
- No contribution is asked from the participants; therefore if the project would be replicated in the same way elsewhere it would completely depend on public funding or the format would have to be changed.
- The personal budget is a relatively costly aspect of the project. On the other hand, the formerly unemployed participants no longer depend on unemployment benefits once they become self-employed. In strictly financial terms, then, the saving of public expenditures on unemployment benefits counterbalances the costs of the personal budget. To the degree that this measure is implemented in a welfare state regime, therefore, the measure may be replicable.

e. Sustainability

Kleurrijk Ondernemen has started its third project. The first successful project was funded jointly by ESF-Equal funds, the municipality and the province. Thanks to the positive result of the project and the municipality's continued aim to support self-employment, the second project was started. This time the project was completely funded by the municipality.

This continued support for the project has many benefits. Not only can entrepreneurs count on continued business support within their municipality, but there are also other benefits such as:

- Marketing efforts: investments and efforts made during the first project paid off as the project reputation increased making it easier to find applicants during the second project
- Lessons learned: based on what was learned in the first project, the second and third project were adapted accordingly. This includes transferring the intake meetings and management of personal budgets from the municipality to Mind4Steps, as well as setting up a trial period in the contract of the applicant



Key learning points

1. A small-scale project, with a direct and personal relation between the potential entrepreneur and the professional coach works effectively and efficient. Not only a good balance between input and output may be obtained, but also the working method is positively experienced by the participants.
2. A small-scale project provides the opportunity for intensive and frequent mutual contacts between the participants. This is of great value to business start-ups, since it promotes mutual support, motivation and social networking, as well as doing business among themselves.
3. Under certain conditions, a personal budget for start-ups, to be spent on business related expenditures, seems a highly effective means to successfully and professionally promote the start-up of new businesses.



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10) SPAIN: LANZADERA

1. Basic information

La Lanzadera de Empresas, or the Business Launcher, is a tool to facilitate access to business creation. The project aims to promote self-employment among socially excluded groups by supporting them to launch a new business. It provides an administrative and legal coverage allowing aspiring entrepreneurs to test their services in real conditions but without having to constitute a company. Lanzadera thereby reduces the risk that starting-up a business implies.

Implementing organisation

The implementing organisation Trans-Formando, a Madrid-based non-profit organisation, was created in 1998. Trans-Formando aims to favour social and economic inclusion through self-employment. Its philosophy is “to transform” the socially excluded into successful businessmen. The organisation has a Business Development Services (BDS) approach. It offers an integral and flexible attention that is well adapted to immigrant entrepreneurs, its main clients. It draws out a roadmap for each entrepreneur composed of various trainings corresponding with the entrepreneur's stage in his business development. The organisation also acts as counsellor and consultant both to start-ups and to existing enterprises.

Besides the Lanzadera programme Trans-Formando also offers microcredits for business start-ups to disadvantaged persons in cooperation with the organisation *Fundación Un Sol Mon*. In addition, Trans-Formando is implementing a European Project called LACER with the aim to develop an adapted training methodology for the creation of new businesses by qualified immigrants.

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Implementation period, funding and budget

The measure started in May 2005 and is being implemented in the region of Madrid. It is financed by the Fundación un Sol Mon, which belongs to the Spanish savings bank *Caixa Catalunya*. The project worked on a 30,000 budget during the first year and a 24,000 during the second year of operations. This budget covers the salaries of a consultant and an administrative assistant as well as a part of the office expenses. The consultant accompanies the project's clients and advises them on business related matters. The administrative assistant

handles other issues related to the clients' businesses such as registration with social security, elaboration and follow-up of invoices, and tax declarations.

2. The good practice

Policy Context

Spain is a country with a relatively high incidence of immigrants. The immigrant population accounts for 12 % of the country's total labour force. This migratory flow exerts an additional pressure on a labour market that is already quite tight with an unemployment rate of 8%. Given the tight labour market immigrants may consider starting up a business. Unfortunately however, when considering self-employment immigrants face a number of difficulties. For instance, immigrant entrepreneurs have an urgent need to generate income and cannot afford to give up their existing job. Social Security taxes have to be paid for the whole month. Moreover foreigners usually need time to know and understand the legal system of the host country and they need guidance. In Spain, for instance, the legal procedure to obtain an adequate work permit is rather long. To become self-employed an immigrant has to ask for a specific permit and might have to wait up to nine months to get his permit processed.

Lanzadera was set up to respond to this complex administrative process for business creation. As such the project could be an interesting alternative to relieve the labour market by allowing those who have a business project to test their idea without too many risks and without having to concern themselves with administrative issues.

Objectives

Lanzadera aims to support starting entrepreneurs in the beginning stages of their business creation. In particular the project allows starting entrepreneurs to test their project while continuing to work for their current employer. As a side-effect the programme also encourages immigrants to operate in the formal rather than in the informal sector.

The idea behind the programme is that during its first stages, a business is vulnerable and incomes are unsure as the entrepreneur first needs to create a market for its products or services. Lanzadera therefore allows entrepreneurs to test their idea without having to go through the administrative process or even having to have a place where to base the business. Furthermore it gives advice on issues such as marketing, sales techniques, and administration.

Target Population

The measure focuses on socially excluded groups, i.e. persons who do not have any collateral, who have limited incomes and who would either like to start their own enterprise or need advisory services. Women and immigrants, the latter representing 95 % of the project's

participants, are particularly targeted. In order to benefit from the services offered by Lanzadera, entrepreneurs have to meet the following requirements:

1. have a business project that does not require premises to be implemented (e.g.: restaurants or shops would not be suitable);
2. have a work permit;
3. have limited resources and/or limited access to mainstream advisory services.

The programme

In terms of the APIS-model (Awareness, Policy, Institutions, Services), Lanzadera focuses on all four levels. *Awareness* is created through the programme's close collaboration with other local organisations and the intense dissemination of the programme undertaken to all entities and organisations managing programmes of self-employment. Concerning *policy*, Lanzadera actually tries to cover a current lack of adequate policy with regard to immigrant entrepreneurs. Therefore, the implementing organisation also regularly participates in conferences and seminars in order to influence national and even European policy. The main *Institution* involved is the Spanish savings bank Caixa Catalunya through its Fundación un Sol Mon. Finally, the programme is very service-oriented. These *services*, which are offered either separately or in combination, are described below.

• Preliminary advice

For persons who have a business idea that is not yet fully developed. Together with a Lanzadera consultant the client will review the critical aspects of his proposal and will look for solutions. As a result of this preliminary advice the business idea may be adapted or even, in some cases, renounced. This service is very useful as it prevents people to start a business with no guarantee of success.

• Invoicing service

This service is offered to two kinds of clients. The first group consists out of clients with punctual activities who need to invoice. These clients might only use the service once or twice a year. The second group consists out of people working in the black market "to save money" but who need to invoice from time to time in order to comply with the law. For these users Lanzadera's invoicing service is a good transition tool to become fully legal.

• Purchasing services

Lanzadera also functions as a cooperative for its clients. By joining the purchase orders from various small entrepreneurs Lanzadera can obtain more favourable conditions from suppliers. Even in cases where purchase orders cannot be joined this service is still advantageous for the starting entrepreneur. By purchasing through Lanzadera the entrepreneur may use Lanzadera's fiscal identification number and is consequently taken more seriously by suppliers.

• Administration services

Lanzadera assists its clients with a number of administrative services. These include registration with Social Security, insurances, purchasing and sales invoicing.

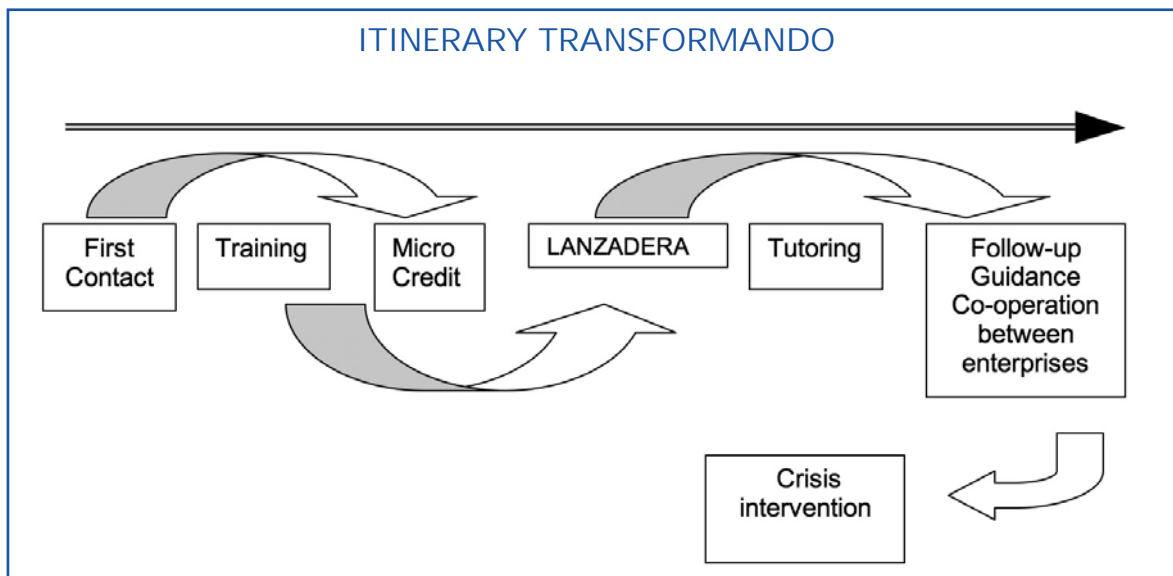
In addition to these services Lanzadera also grants micro-credits starting from 300 euros, so-called "nano-credits". These loans help entrepreneurs to cover small expenses. In addition, it offers access to facilities equipped with technical material such as computers and fax machines. Moreover, entrepreneurs can benefit from individual training and advisory services in marketing, merchandising, tax regulation, production and legal and administrative proceedings. The programme also provides training and tutoring manuals and videos.

In supplying its services Lanzadera uses a well-defined methodology. The process consists of the following steps:

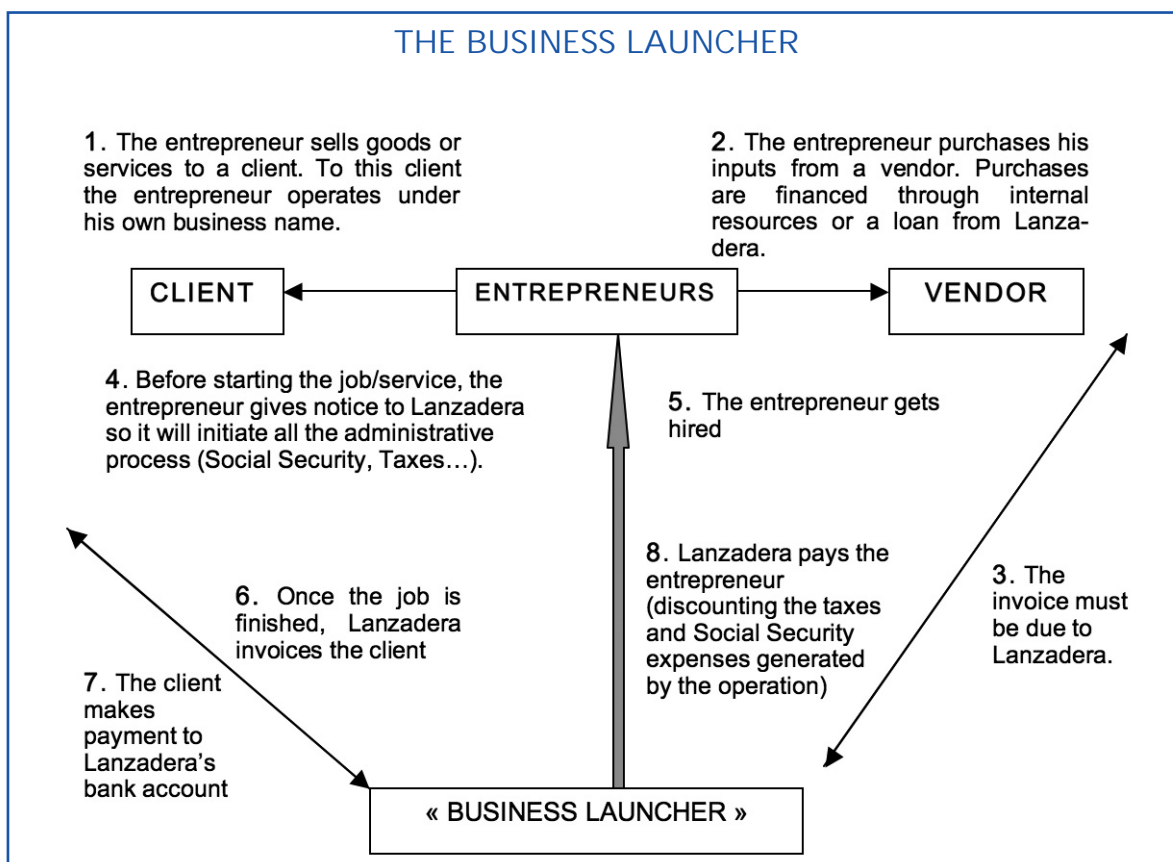
1. Presentation of the services.
2. Interested potential entrepreneurs fill a registration form.
3. Meetings between a Lanzadera consultant and the entrepreneur.
4. The entrepreneur remains in contact with an administrative person to solve administrative issues related to his or her business.

The maximum period to use Lanzadera's services is one year, which is considered sufficient for the entrepreneur to formally implement a business.

The following illustration shows the self-employment itinerary Trans-Formando offers:



The Lanzadera Business Launcher model can be illustrated as follows:



Accessibility

Trans-Formando has its premises in the centre of Madrid, making it easily accessible for people from the entire province. At its premises Trans-Formando has a business centre for entrepreneurs equipped with PCs, internet access and printers, a library with handbooks and a variety of publications on small business management.

The programme puts a special effort on minimizing cultural access barriers faced by immigrants. The trainings manuals are understandable for foreigners and information and training sessions take place at night. To enhance its credibility the organisation hired two immigrant staff members.

Trans-Formando promotes its activities through its website and announcements in the media. A lot of clients also learn about the programme through other NGOs and word of mouth. Once active, participants using the administrative services have to pay a fee of € 40 per month.

Results

Initially the project aimed to train 50 clients and to create 10 start-ups. These goals were already realised by June 2006. Up to June 2007 the following results were attained:

Period	Advised persons*	Start-ups
June 05 – June 06	100	15
June 06 – June 07	160	30

* Advised persons are those who have received information in the "Business Launcher" from Trans-Formando and showed interest to be part of the programme.³⁶

The number of users of the invoicing and/or registration to social security service is illustrated in the following table. The intensity of use of these services varies considerably. Some clients used the service only once, whereas those who needed more time to settle their business have been using the service for more than a year.

Period	Number of users
September – December 2005	2
January – May 2006	13
June – December 2006	18
January – May 2007	18

In 2006 80 % of users were men due to an overrepresentation of persons working in the construction sector. In 2007 on the contrary, the majority of clients (53%) were female. Lanzadera's clients are engaged in the following activities: bakery, hairdressing, dressmaking, travel agency, fruit shop, graphic design, photography, training and carpentry.

The following table shows the amount of invoicing since 2005:

Year	Amount
2005	€ 10,360
2006	€ 68,760 (excl. VAT)
2007(up to May 15)	€ 27,020 (excl. VAT)

Evaluation

Trans-Formando evaluates the quality of its services on a regular basis in meetings with its clients. Moreover, Trans-Formando's consultants hold regular meetings to discuss the service results and to solve issues related to marketing, administrative or legal matters.

3. Lessons learned

a. Relevance

Lanzadera enables potential entrepreneurs, those with an immigrant background in particular, to test the viability of a business project. Once employed, the project gives the entrepreneurs sufficient time to make the transition to self-employment without putting their financial position at risk. Lanzadera shows flexibility in adapting its services to the needs of its clients. Its services also lead to significant cost reductions for its clients. The relevance of this project is also illustrated by the substantial interest from ethnic minority entrepreneurs.

The programme is also relevant for the Spanish economy as a whole as the country currently faces an important migratory flow that exerts heavy pressure on the labour market. The Lanzadera measure could thus be an interesting alternative to relieve the labour market by allowing those who have a business project to test their idea without too many risks and without having to concern themselves with administrative issues.

b. Effectiveness and Efficiency

From September 2005 to May 2007 the programme had 51 users and created 45 start-ups. The initial aims of the project to train fifty clients and create ten jobs have hence been fully attained.

The programme's effectiveness partly results from the variety of tutoring materials that are especially well prepared to suit the needs of immigrants and women. The programme's follow-up guidance and the co-operation between enterprises assure long-term results. Moreover, Trans-Formando disseminates information on the programme through participation in a variety of congresses as well as projects on the European level.

Lanzadera can be a first positive step for persons in a vulnerable financial position who are willing to implement their own business idea. It reduces the risk associated to the business set-up and enables groups at risk, especially women and immigrants, to develop their business projects

³⁶ - <http://www.transformando.org/lanzadera.htm>

in combination with their ordinary professional activities. Taking into account the current migratory flow towards Spain, this measure could help a large number of immigrants who do not find a convenient paid employment to create their own job.

c. Innovativeness

The project is innovative due to a shortage or the non-existence of similar programmes in Spain. Instead most programmes in Spain merely focus on an entrepreneur's need for finance and training. Although Lanzadera does acknowledge the importance of both training and financial aspects it offers much more. That is, Lanzadera also takes other obstacles to entrepreneurship, such as regulatory issues and the fear to lose current income, into account.

d. Replicability

The programme can be replicated elsewhere under certain conditions. The implementing body must receive government recognition and must be legally registered as an association or organism working in the field of entrepreneurship promotion. It must target a well-defined group of persons, either persons of immigrant origin or other vulnerable groups. Staff should be well aware of cultural factors to secure access to immigrants, besides having a strong expertise in the domain of business support. Currently, three Spanish organisations have already shown interest to apply Lanzadera's methodology.

e. Sustainability

With respect to the impact for the participating entrepreneurs the programme's results seem sustainable. This is due to the fact that the programme supports entrepreneurs during the various stages of their business start-up. Assistance with management, whether at the time of creating the company or when it is starting to have problems, makes it possible to overcome obstacles in time and guarantee the survival of the business.

Although a part of the project costs is covered by the participating entrepreneurs the programme is not self-sustainable as it depends on financial support from Fundación Un Sol Mon. The programme's outlook, however, is positive and the project's management has already set itself a new set of goals for the future. These goals are:

- To reach to a larger number of users.
- To create a network between the users.
- To ensure collective purchases, collective offers to customers.
- To create a web page enabling sales on-line.
- To increase the involvement of local authorities.
- To implement the Lanzadera methodology in other projects in Spain.

Key learning points

1. A policy measure that relieves start-ups from heavy administrative burdens can be effective in stimulating immigrants to start an enterprise.
2. Ethnic minority entrepreneurs often hesitate to start a business due to the risk of a possible business failure. A system in which the initial start-up risk is reduced encourages potential entrepreneurs to take on the challenge.
3. With a flexible, tailored and evolving training-programme an entrepreneur can start his business activities while still being in his first stages of training. The training programme can subsequently be adapted according to the changing needs of the starting entrepreneur.
4. A comprehensive approach integrating training, consultancy and financial services can make the difference between a business success and failure.



SOURCES

Interview with:

- Sophie Lens, project administrator at Lanzadera

Websites:

- Lanzadera: <http://www.transformando.org/lanzadera.htm>

Documents

Minutes of the Conference on Microfinance and the Added Value of Multiculturalism in Business Creation, The INTI "Making Strength Meet Demand" Project, Workshop 1: Good practices in business support for immigrants across Europe, Oslo – Norway, 9-10 November, 2006

11) UNITED KINGDOM: ETHNIC MINORITY BUSINESS SERVICE

1. Basic information

The Ethnic Minority Business Service (EMBS) is a local programme that provides a one-stop shop for business advice and support to Black and Minority Ethnic communities. The programme covers all aspects of business, from help with start-up finance, to ongoing support for more mature businesses. Since early 2007 the measure has been integrated into the Business Bolton Support Unit.

Implementing organisations

EMBS was originally established as an autonomous organisation an integral part of the Bolton Council's Regeneration and Economic Development Division in 1987. EMBS currently has a team of six multicultural staff members who are fluent in Urdu, Gujarati and English.

Early 2007 EMBS was incorporated into the semi-public Business Bolton Support Unit. The latter is the business advice organisation of Bolton's City Council. Business Bolton provides services for business start-ups or existing businesses with expansion aspirations. Within the Business Bolton Support Unit EMBS' former counsellors are responsible for clients with an immigrant background.

Business Bolton Support Unit (Ethnic Minorities Business Service)

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Contact: Ayyub Patel

Implementation period, funding and budget

Throughout its long history EMBS' funds have come from a myriad of sources. The original funding for EMBS came through a central government subsidy for an *ethnic minority business development officer*. When that central government funding ran out the Bolton Council began to fund the position from its own core funds. In 1993, a donation from the City Challenge Fund was used to expand the programme.

Since the mid 1990s financial support has come from a mixture of sources including local, national and even European funds. In 2006, the sum of local and European funds made up 50 % of EMBS' total budget of € 350,000.

2. The good practice

Policy context

Bolton is a town with 265,000 inhabitants situated in the heart of North-West England at 20 km from Manchester. The Bolton City Council wishes to boost the region's economic development. EMBS is part of the Council's strategy for economic development and was set up to empower the Black and Minority Ethnic (BME) communities.

The policy context that EMBS operates in is multi-layered. Besides the local policy context, the programme is also supported through European and national policies. At a European level the programme benefits from ESF funding.

National policies have affected the programme in various ways. The first initiative for instance, to set up a programme serving the needs of ethnic minorities was financed through national funds. More recently, two government initiated developments have altered the institutional structure within which EMBS operates. The first of these developments was the creation of Regional Development Agencies (RDAs) in 1999. The simplification of the national agenda for business support was the second important development. Together, these developments have led to a change from local to regional level business support.

Objectives

EMBS aims to be a one-stop shop for business advice and support for all black and ethnic minority entrepreneurs in the Bolton area. The idea behind this is that successful immigrant businesses and thriving communities will enhance ethnic minorities' integration into the economy.

Target population

EMBS targets both starting and existing entrepreneurs in the Black and Minority Ethnic (BME) communities in Bolton. EMBS also puts particular emphasis on the women in these communities.

The programme

EMBS runs several programme activities that have evolved over time. The most important activity is the delivery of business support to BME entrepreneurs and business owners. This business support is carried out using the following three-stage model:

1. Outreach work:

EMBS officers have close links to the immigrant community to raise immigrants' awareness for business training opportunities. Immigrants who are not interested, or not in the position to become self-employed are invited for EMBS' *Ethnic Minority Outreach Employment* programme instead. This employment programme aims to enhance immigrants' opportunities on the labour market and also hopes to facilitate British employers' understanding of immigrant the community.

2. Needs assessment:

During individual meetings the (potential) entrepreneur's needs are analysed by an EMBS business advisor.

3. Delivery of business support services:

The actual delivery of support services, which is done in various languages, is carried out by either internal or external consultants. EMBS' business support services focus on certain themes which include:

- **Support for potential and existing businesses**

Through training and counselling services EMBS supports both start-ups and already existing businesses. For start-ups the assistance includes raising finance, business skills training, business planning, locating premises and help to find further specialist advice. For existing businesses the support focuses on: business expansion, entering new markets, building competitive advantage, raising finance, finding new premises and again helping to find further specialist advice.

- **Developing business management skills**

A range of seminars and workshops are offered for both business owners and starting entrepreneurs. These seminars cover topics such as business planning, book-keeping, finance, tax, marketing, promotion, management, employment legislation, entering international markets, patenting and trade marking, IT and web design.

- **Specialised support for specific sectors of industry**

EMBS uses a network of experienced consultants to deliver workshops and detailed counselling services to specific sectors such as the manufacturing, service and retail sectors and the food sector. Topics may include very industry-specific issues like hygiene and safety requirements or even bacteriology.

- **International trading**

This service helps to prepare firms to reach international markets. EMBS gives advice on international market research, selling through intermediaries, procedures and documentation requirements, and the financial implications of international trade.

- **IT for business**

Clients can attend IT workshops on topics as Microsoft Office, e-commerce and the use of the Internet.

- **Youth Enterprise Programme**

The same range of services that is available for starting entrepreneurs in general are also available for young entrepreneurs. Through this initiative EMBS hopes to create a new entrepreneurial generation.

- **Women into Business**

EMBS has a women's officer specifically dedicated to foster female entrepreneurship. Multilingual events and seminars are used as tools to raise women's awareness of the potential of self-employment. The programme also advises women in the common areas of business support.

Accessibility

EMBS was specifically designed to reach out to the immigrant community. Its services are therefore also offered in other languages such as Gujarati and Urdu. EMBS also maintains contact with community representatives across Bolton's diverse communities. This contact enables EMBS to raise awareness for its services among ethnic minority entrepreneurs.

Results

Tables 1, 2 and 3 show EMBS' results for the 2001-2006 period. Over this five-year period the programme assisted 146 immigrant business start-ups and 900 existing immigrant businesses and it created 758 new jobs. Thanks to the programme immigrant entrepreneurs were able to generate over € 10.2 million to finance their businesses. Finally, for both its counselling and its training services the programme seems to reach out more to already established entrepreneurs than to starting entrepreneurs.

Table 1:
Counselling services (2000 - 2006)

Result	Number
Assisted business start-ups	146
Assisted existing businesses	900
Jobs created	758

Table 2:
Finance generated (2000 - 2006)

Source of finance	Amount
Private sector	€ 5,597,597
Business soft loans	€ 817,425
Business grants	€ 181,148
Bank loans	€ 3,622,613
Total	€ 10,218,782

Table 3:
Type of clients attending workshops and seminars

Type	Number
Unemployed and pre-start clients	983
Started and established entrepreneurs	2,000

Evaluations

EMBS evaluates its performance through a comparison of its clients' business survival rates against national

benchmarks. This comparison shows a favourable balance of a 90 % two-year business survival rate for EMBS-assisted entrepreneurs against a national benchmark of 62%. EMBS also measures its impact on its clients' gross margin and turnover. Officially, the organisation follows its clients for a maximum period of three years. Thanks to EMBS' close ties with the immigrant community this monitoring process continues in a more informal manner afterwards.

Externally, EMBS is evaluated by several bodies including the aforementioned regional development agencies. The service has also received a number of awards such as the Bolton Metro Award and the National Award for Innovation and Awareness. In 2005, EMBS' founder received a Queen's award for his successful initiative to set up a business service targeting ethnic minorities.

3. Lessons learned

a. Relevance

The use of outreach officers and the links of trust built up between EMBS and the ethnic minority communities in Bolton have given the service an outreach and credibility that is unusual for a business support organisation. The use of foreign languages, needs assessments and tailored business services have made EMBS a very relevant organisation for Bolton's potential and established business owners. The following quote may illustrate EMBS' successful outreach: *"If you look at an area like Oldham [a town nearby Bolton], the minority ethnic population is about 10 per cent, but its business forms just five per cent of Oldham's business community, whereas in Bolton, with a 12 per cent population, ethnic businesses form 30 per cent of Bolton's business community."*³⁷

b. Effectiveness and efficiency

The effectiveness of EMBS is evident in its results. Over the 2001-06 period EMBS managed to assist 1,046 enterprises (including 146 start-ups), to create 758 new jobs and to generate € 10.2 million for investments on a € 350,000 annual budget. The above referred to business stock statistics for Bolton provide further evidence for EMBS' effectiveness. These statistics show that BME businesses make up 30% of the business stock, whereas the BME population is only approximately 12% of Bolton's total population.

c. Innovativeness

An interesting feature of EMBS' approach is its three-stage model of i) outreach programmes to build trust and raise awareness, ii) an individual needs assessment, and iii) the actual delivery of services. This model is currently being mainstreamed into the practices of the Business Bolton Support Unit.

In addition, EMBS serves the interests of ethnic minority women in an innovative way. The organisation invested a lot of time and manpower into reaching out to women in Bolton's minority communities. In particular, EMBS attempts to overcome cultural barriers that women face.

The programme tries to persuade the immigrant community, husbands in particular, that women should be allowed to work, to participate in training programmes and to start up a business. EMBS even provides childcare to enable mothers to attend events and workshops.

EMBS also set up a Women Support Development Programme. The programme consists out of workshops and events that are specifically tailored to BME women's needs. For example, there are special sessions on building self-confidence, leadership skills and women empowerment. In this way EMBS attempts to familiarise women with the idea of independently running a business.

d. Replicability

EMBS' three-stage model of community outreach, needs assessment and tailored business service is already being applied on a larger scale since its incorporation into the Business Bolton Support Unit. The model is not longer only used to target ethnic minorities. It currently encompasses the most deprived groups of Bolton in general.

There certainly exists scope for an even wider application of EMBS' model, given that one keeps the following conditions in mind. First of all, the success of such service depends on a well-developed link with the immigrant community. Developing such a relation can be a time consuming, labour intensive and therefore costly process. In other words, it will inevitably require a long period with high initial expenditures before measurable results become visible. Even after this initial period the service will continue to depend on public funding as clients are not charged any participation fees. Hence, setting up and running a similar service will require a large amount of public or private funding.

Secondly, EMBS depends heavily on the availability of consultants that besides having significant business expertise also possess language skills. Part of EMBS' success can be explained by the availability of consultants speaking Gujarati and Urdu.

e. Sustainability

Since its integration into the Business Bolton Support Unit EMBS no longer exists as an independent service. Despite this the Business Bolton Support Unit plans to actively continue using the three-stage model to support BME entrepreneurs and other deprived groups. There are, however, a number of challenges that EMBS faces.

The establishment of the aforementioned Regional Development Agencies (RDAs) for instance, has led to a more regional approach towards business support services. The financial support for policy measures with a more local approach, such as the EMBS, has been reduced over the years. In the future, this shrinking budget may have a negative impact on EMBS' outreach activities. This, in combination with the arrival of new immigrant communities with whom close links have not yet been established, may hamper EMBS' effectiveness.

³⁷ - Taken from: EMBS. (2005). Queen's award for enterprise promotion.



Key Learning points

1. A three-stage model of i) outreach programmes to build trust and raise awareness, ii) an individual needs assessment, and iii) the actual delivery of services, can be an effective instrument to promote ethnic minority entrepreneurship.
2. Although a community outreach programme is essential to raise awareness its implementation can be a time consuming and labour intensive process. One should therefore have a long-term time horizon when evaluating the effectiveness of such programmes.
3. For a locally operating professional organisation it is easier to develop a relationship of mutual understanding with immigrant communities. Also, a local professional organisation may be easier accessible for immigrants than a national one.
4. Female entrepreneurship may need extra attention when dealing with specific immigrant groups. Policy measures should persuade these immigrant groups, husbands in particular, that women should be allowed to work, to participate in training programmes and to start up a business. To this end policy measures may even provide childcare to enable mothers to attend events and workshops.



SOURCES

Interview with:

- Mr. Ayyub Patel, head of EMBS.

Websites:

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12) UNITED KINGDOM: EAST LONDON SMALL BUSINESS CENTRE

1. Basic information

The East London Small Business Centre (ELSBC) was set up in 1978 in response to the emergence of community tensions and the rise of radical political forces in the East End of London. ELSBC runs several activities of which the Incubator Support programme is particularly highlighted in this text. The Incubator Support Programme targets minority start-ups in the fashion and arts sectors.

Implementing organisations

ELSBC was originally set up as a public-private partnership. Currently, the organisation can be characterised as a not-for profit private organisation. ELSBC's mission is to strive to be the best in the provision of help to all entrepreneurs in the East London region for the starting up and development of successful businesses.

East London Small Business Centre

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Implementation period, funding and budget

ELSBC was established in 1978. Funding for ELSBC over that time has come from a myriad of sources including supranational, national, regional, local and private funds.

Supranational funds have come from the European Regional Development Fund (ERDF). Sources of national funds include the Phoenix Development Fund, the Local Enterprise Growth Initiative and the Single Regeneration Budget. On a regional level funds have been secured from the London Development agency since 1999. Local authorities have financed ELSBC on a smaller scale.

Private institutions donating money to ELSBC include both businesses and charitable organisations. One example is the regular donation made by the Morgan Grenville bank to establish and support ELSBC's loan fund.

Table 1, which is taken from the 2006 ELSBC Annual Report, shows how ELSBC's income is generated. The table specifies project income and grants (including subsidies), loan fund administration fees and income from private donations.

Table 1:
ELSBC, sources of income (in €)

Income Source	2004	2005	2006
Project Income & Grants	981,078	1,329,765	1,560,489
Loan Fund	189,692	179,538	183,914
Administration Fees			
Private Donations	33,750	81,248	34,725
Totals	€ 1,204,520	€ 1,590,551	€ 1,779,128

The figures in table 1 include the subsidies for the Incubator Support programme, which was established in 2001. From 2001 until 2003 the Incubator Support programme was financed through the Phoenix Development Fund with an amount of € 450,000. The Incubator programme is currently supported through other sources.

2. The good practice

Policy context

ELSBC operates in the areas of East London where social and economic deprivation are most pronounced. It is in these disadvantaged areas that most can be gained from an initiative supporting small businesses. In many cases these small businesses are run by ethnic minorities.

In its operations ELSBC is affected by policymakers at various levels. Through financial support European, national, regional and local policies have an impact on the organisation. The central government for instance, recently changed the institutional structure within which ELSBC operates. This change came about by the creation of Regional Development Agencies (RDAs) in 1999. Since then, each RDA is responsible for the economic development of its region and coordinates the allocation of government subsidies. The distribution of funds for business support schemes in London for instance, is now heavily influenced by the local RDA. For ELSBC this means that it has become more dependent on one organisation - the local RDA - whereas it used to rely on a variety of organisations in the past.

Objectives

The objective of ELSBC is to increase the social wealth and mobility in the East End of London through the stimulation and support of micro-enterprises and small businesses. The specific objective of the Phoenix Development funded Incubator Support measure is to help ethnic minorities and people setting up businesses in creative, mainly fashion-orientated, industries.

Target population

ELSBC targets potential and existing business owners in the East London boroughs of Tower Hamlets, Newham, Redbridge, Barking & Dagenham and Havering. There are, as a rule, no special measures aimed at ethnic minority groups or women. All measures are available to anyone from any community as long as they fall within the geographical reach of ELSBC. The Incubator Support programme specifically targets ethnic minority start-ups operating in the fashion and arts sectors of the local economy.

The programme

ELSBC has a wide range of services on offer. These include both financial and non-financial services and present a comprehensive package of support to clients. Thanks to the addition of the Incubator Support Programme ELSBC currently offers the complete spectre of services: access to finance, training and counselling, and a business incubator. These services are described in more detail below.

• Access to finance

ELSBC runs several loan funds which either target enterprises operating in specific geographical areas or, in one case, entrepreneurs with a specific religious background. ELSBC has the following funds available:

1. Loans for start-ups and existing businesses

For entrepreneurs operating in the following boroughs: Tower Hamlets, Newham, Havering & Greenwich and Barking & Dagenham. The fund makes five-year loans up to €30,000 for start-ups and up to €75,000 for existing businesses.

2. ELSBC Business Loan Funds

For businesses in the Tower Hamlets and Newham boroughs. Five-year loans of up to €15,000 are available for new businesses and up to €22,500 for existing businesses. Only entrepreneurs that do not have access to other sources can apply for this fund.

3. West of Borough Loan Fund

This is available for businesses of the west side of the borough of Tower Hamlets. It funds seven-year loans of up to €37,500 for both new and existing businesses and these are repayable over a period of up to 7 years. The fund is open for starting entrepreneurs with no other sources of finance only.

4. Muslim Loan Fund

This is available in the boroughs of Tower Hamlets, Newham, Redbridge, Barking & Dagenham and Havering. It can make loans of up to €30,000 for both new and existing businesses and is repayable over a period of up to 5 years. There is no interest payable because of the religious prohibition around usury. The borrower therefore makes a donation to the fund instead.

• Training and counselling

ELSBC runs several programmes including training courses and one-to-one counselling sessions for start-ups, new businesses, micro businesses and entrepreneurs operating in specific sectors. These programmes, some of which also include access to finance, are described below:

1. Training course for start-Ups

In Tower Hamlets and Barking & Dagenham ELSBC offers a four-day training course covering all the issues associated with starting up a business. The training covers the creation of a business plan, market research, marketing skills, finance and cash-flow forecasts, bookkeeping, legal obligations, and human resource management. The four-day course is run every week with about 20 participants.

2. New businesses: "Up and Running"

The programme Up and Running provides recently established enterprises 18 months of mentoring. The programme also involves the provision of information, access to finance, and access to (on-line) business-to-business networks. Furthermore ELSBC runs a number of seminars on a range of subjects. These include developing a business plan, selling, marketing, advertising, financial management, bookkeeping and taxation.

3. Micro businesses

To micro-businesses ELSBC offers strategic business reviews, access to finance, personal coaching, and support with formulating business plans. Micro-business owners may also attend the aforementioned seminars for new businesses.

4. Support for the arts and design industry

ELSBC helps entrepreneurs operating in the arts, fashion and design sectors. Entrepreneurs operating in this industry may turn to ELSBC for start-up assistance, business plan formulation, counselling and access to finance. There is also some specialist sector help for music and media entrepreneurs.

• Incubator Support Programme

At two locations ELSBC has a number of work spaces available for start-up companies. These spaces are offered at a low (subsidised) rent and come along with free internet access. The workspaces range from 90 square feet to 480 square feet. Entrepreneurs in the incubator also have free access to ELSBC's other support services such as counselling and training. In 2002, ELSBC started with 13 work spaces. This capacity has now been increased to 80.

Table 2: **Start-ups**

Start-Ups	2003/04	2004/05	2005/06	Totals
Women	127	128	144	524
Ethnic Minority	182	167	239	775
Unemployed	132	106	164	591
Total	334	308	406	1048

Table 3: **Jobs created**

Start-Ups	2003/04	2004/05	2005/06	Total
Jobs Created	610	615	675	2,576

Table 4: **Counselling**

Start-Ups	2003/04	2004/05	2005/06	Totals
Clients attended	5362	4725	4665	14752

Table 5: **People trained**

Number	2003/04	2004/05	2005/06	Totals
Women	407	563	321	1291
Ethnic minority	546	567	529	1642
Unemployed	346	315	416	1077
Total	717	730	727	2174

Table 6: **Loan fund activity**

Start-Ups	2003/04	2004/05	2005/06	Totals
Total value of Loans	€ 810,000	€ 1,710,000	€2,850,000	€ 5,370,000
Total Number of Loans	49	79	118	246
% of loans to ethnic minority businesses	56%	64%	59%	59%
% of loans to start-ups	70%	53%	46%	52%
Muslim Clients	€ 300,000	€ 585,000	€ 480,000	€ 1,365,000

Table 7: **Incubator services**

Start-Ups	2003	2004	2005	2006
Number of work spaces	13	37	37	80
Occupancy rate	95%	95%	100%	80%

Results

Tables 1 to 6 below illustrate the output of the work of ELSBC. Over the 2003-2006 period ELSBC carried out 14,752 one-to-one sessions, 2,174 people took part in its training courses and its loan funds awarded a total of €5.4 million. Over a three-year period ELSBC's activities generated 1,048 start-ups and 2,576 new jobs. A large share of these start-ups concern businesses started by ethnic minority entrepreneurs. The estimated three-year survival rate for newly established enterprises is over 80 %.

Table 6 gives an overview of the capacity and occupancy rate of the incubator support programme. Over the years capacity increased from 13 to 80 workspaces. The current occupancy rate is estimated at 80 %. Most of the entrepreneurs in the incubator (about 75 %) have an ethnic minority background.

Evaluations

Each year ELSBC publishes an annual review in which it gives a summary of the activities undertaken over the previous year. ELSBC uses these annual reviews and other support documents to account for the funds it received from its donors.

The Phoenix Development Fund, which supported the incubator programme, was subject to an external evaluation itself. The final report on the Phoenix Development Fund and the 96 projects that it funded was published in 2005.

3. Lessons learned

a. Relevance

ELSBC successfully manages to reach out to a large and growing group of ethnic minority entrepreneurs. Thanks to its long existence ELSBC has established an immigrant community outreach that mainstream organisations normally do not achieve.

The Incubator Support Programme also proved its relevance for immigrants. This is evident from the high proportion of ethnic minority clients (75 %) in the incubator and the high occupancy rate. The average length of stay within the incubator is around one year, adding a further illustration of the usefulness of the incubator units.

b. Effectiveness and efficiency

The effectiveness of ELSBC in targeting ethnic minority groups is evident from the figures. This has a positively self-reinforcing effect bringing in more people willing to be advised and supported. The programme's long-term effectiveness is illustrated by the 3-year survival rate of over 80 % for ELSBC's start-ups against a national survival rate of 62.5 %. The Incubator Support Programme also shows positive results, particularly in terms of attracting ethnic minority entrepreneurs.

In terms of efficiency the following numbers are illustrative. From the 2006 annual budget of €1.78 million ELSBC generated 406 start-ups, 675 jobs, 4665 counselling sessions, and 727 trainees, and it awarded €2.85 million in business loans.

c. Innovativeness

ELSBC has been innovative in two major ways. The first is the establishment of a Muslim Loan Fund. On this fund no interest is payable because of the religious prohibition of usury. Instead, the borrowers make donations to the fund.

The location of the business incubator outside of the regular business parks is the project's second innovative element. This offside location made the rent more affordable for starting entrepreneurs.

d. Replicability

In terms of replicating the success of an organisation like ELSBC many factors are involved. One of the reasons for ELSBC's success is the fact that it has built up a strong reputation. This has been developed through the delivery of a high quality service and the outreach work that its counsellors undertook by attending local events and fairs. To replicate its services one would need a team of staff members that is willing to invest a lot of time to build similar networks. Finally, it would also require a team dedicated to obtain funding from many sources. Without external funding the project is not replicable.

e. Sustainability

ELSBC has been in operation since 1978 and is set on a continued path of steady growth over the next few years. The growth of its activities is perhaps most visible in the Incubator Support Programme. Here the capacity was raised from 13 to 80 work spaces within a few years time. Rather than through an external subsidy ELSBC managed to finance this increase of work spaces from internal sources. The latter may indicate that its services are becoming more self-sustainable.

Key Learning points

1. Offering the full range of business support services integrating training, counselling, access to finance and incubator services can improve results in terms of an increased number of start-ups and a higher business survival-rate.
2. In specific cases policy measures should be developed in such a way that they overcome cultural barriers. A loan fund targeting Muslims for instance, should ask for donations rather than charging interest.
3. Although a community outreach programme is essential to raise awareness its implementation can be a time consuming process.



SOURCES

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- Mr. Tim Heath, Chief Executive East London Small Business Centre.

Websites:

- ELSBC: <http://www.goeast.org/>

Documents

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ANNEX II

REGIONAL COORDINATORS AND COUNTRY RESEARCHERS

Region/Country	Name	Institution
NORTHWESTERN EUROPE I	Mies van Niekerk	IMES – University of Amsterdam
BELGIUM	Ching Lin Pang	Universiteit van Leuven
LUXEMBURG	Ching Lin Pang	Idem
FRANCE	Asunción Flot-Fresnoza	URMIS, Université de Paris
IRELAND	Wilberforce Owusu-Ansah	EMERGE, South Cork Enterprise Board
NETHERLANDS	Wieteke Gondrie	FACET BV
UNITED KINGDOM	Richard Hyde	SBRC, Kingston Business School
NORTHWESTERN EUROPE II	Holger Kolb	University of Osnabrück
GERMANY	Holger Kolb	Idem
LIECHTENSTEIN	Holger Kolb	Idem
AUSTRIA	Eulamie Esclamada	University of Innsbruck
DENMARK	Shahamak Rezaei	Roskilde University
FINLAND	Ilkka Olander	City of Helsinki Research
ICELAND	Hulda M. Rütisdóttir	University of Iceland
NORWAY	Geir Orderud	Norwegian Institute for Urban and Regional Research
SWEDEN	Ali Najib	University of Uppsala
SWITZERLAND	Bülent Kaya	Swiss Forum for Migration and Population Studies
SOUTHERN EUROPE	Jorge Malheiros & Catarina Reis Oliveira	Centro de Estudos Geográficos Universidade de Lisboa (CEG) & ACIME
PORTUGAL	Catarina Reis Oliveira & Tito Matos	ACIME & CEG
SPAIN	Papa Sow	Universidad Autónoma de Barcelona
ITALY	Lucrezia Andria	University of Bari
GREECE	Panos Hatziprokopiou	Middlesex University, UK Univ of Macedonia, Greece
SLOVENIA	Felicita Medved	Independent consultant
MALTA	Nadia Theuma & Martin Farrugia	Paragon Europe
CYPRUS	Christopher Kyriakides	Cyprus College
CENTRAL AND EASTERN EUROPE	Ayşe Caglar	Central European University, Budapest
HUNGARY	Aniko Bernat	Social Research Institute, ELTE Univ., Budapest
CZECH REPUBLIC	Dita Cermakova	Charles University Prague
SLOVAKIA	Zsolt Gal	Universita Komenského, Bratislava
POLAND	Martha Biernath	Centre of Migration Research
LATVIA	Arvis Strods	University of Latvia
LITHUANIA	Rita Zukauskienė	Independent consultant
ESTONIA	Triin Roosalu	Institute of International and Social Studies, Tallinn University
BULGARIA	Elina Skarby	Balkan Institute for Labour & Social Policy
ROMANIA	Aniko Horvath	Independent consultant

