

Ethnic Minority and Migrant Entrepreneurs help boosting Entrepreneurship in Europe.

Start-up rates self-employment rates among ethnic minority entrepreneurs and migrant entrepreneurs are often significantly higher than for the indigenous population. This is one of the conclusions of the International Conference "Entrepreneurial Diversity in a Unified Europe – Ethnic Minority Entrepreneurship/Migrant Entrepreneurship" that took place on 5th March 2008 Brussels.

More than 100 representatives from national ministries, regional and local authorities, business associations, business support organisations, universities, research organisations, businesses and EU institutions participated in the event.

Participants from Belgium, the Czech Republic, Denmark, Estonia, Spain, France, Germany, Greece, Hungary, Ireland, Italy, Lithuania, Luxembourg, the Netherlands, Norway, Austria, Portugal, Romania, Finland, Sweden and the United Kingdom exchanged information on good practice cases in the promotion of ethnic and migrant businesses and discussed their strategic success factors.

Ms Maive Rute, Director at DG Enterprise and Industry, pointed out that “Ethnic groups and migrants have special business opportunities. In realising these opportunities the ethnic entrepreneurs enrich and diversify our economies and make them more colourful. Entrepreneurship often has a better reputation among these groups and conveys a higher status than is the case among the native population. In this ethnic and migrant entrepreneurs act as role models and provide inspiration to us all.”

Based on the presentation of 11 good practice cases from different European countries the participants discussed the following questions in three parallel workshops:

- How can we create more awareness among policy makers and other stakeholders for the special situation of ethnic minority businesses?
- How can we motivate more ethnic and migrant entrepreneurs to use the business services provided by support organisations?
- Which kind of support services are needed for ethnic minority businesses and in which way the support best provided?
- How can the right partners be found to provide an optimal mix of support services?
- How can the right organisational structures for the support be set up and maintained?

Most ethnic minority and migrant businesses are still rather small though there are more and more growth enterprises among them. The discussion in the workshops and in the following plenary debate allowed identifying a number of crucial success factors for business support survives that are targeted at ethnic minority and migrant entrepreneurs:

- A thorough analysis of individual needs of ethnic business is crucial to the success of any business service provided. Ethnic minority and migrant businesses might be facing some special challenges (e.g. language problems) but that does not mean that they can all be aided with identical instruments.

- Efficient support provision to ethnic minority and migrant entrepreneurs is to a large degree a matter of trust. Reaching out to and involving the local leaders of ethnic communities is essential to building up credibility of support providers.
- Support organisations for ethnic minorities and migrants should not be stand-alone structures as this increases the danger of permanently isolating the businesses from the mainstream economy. While support programmes might start on a small base and be designed to meet specialised needs they need ultimately to be mainstreamed and integrated in larger structures to become sustainable.
- To increase the social inclusion of ethnic minority and migrant entrepreneurs supply diversity is crucial. The challenge for service providers will be to offer targeted services integrated into the general programme of service provision. One way of doing this could be to work with ethnic and migrant coaches and trainers which would also train the mainstream clients.
- Few service providers can cover all the special needs of ethnic minority and migrant businesses. Efficient networking among service providers, policy makers and ethnic communities is therefore important for success.
- Representatives of ethnic minority and migrant businesses need to be involved in local and regional business support planning at an early stage to ensure that the needs of their clients are fully considered.
- Skilful reputation management and the showcasing of role models of successful ethnic entrepreneurs are very useful tools used by ethnic business support organisations to reduce negative prejudgments of other stakeholders that might prevent the branching out of these businesses into mainstream markets.
- Ethnic minority and migrant entrepreneurs sometimes do not understand the needs of business plans. It is important that support providers develop such plans together with the entrepreneurs in a way that their clients afterwards really own the plan.
- Fledgling ethnic minority and migrant businesses are sometimes supported by service structures similar to incubators. It is essential to avoid that the businesses become too dependent on these services. Ultimately, they have to survive on their own and the phasing out of the services needs to be agreed upon right from the start.
- The question of fees is of high importance for the acceptance of business support services. While there is no general answer to how high fees should be and for what services exactly they should be requested the strategy that appears to be most successful is "to charge them as they grow".

A further exchange of good practice cases in the support of ethnic minority and migrant businesses at European level is called for. Yet the economic, social and historical situation of these groups in the countries of the European Union is too diverse to justify a single policy approach.