

Global Refugee Entrepreneurship Survey 2019



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 **FAIRE**
REFUGEE ENTREPRENEUR

The Centre for Entrepreneurs (CFE) is the UK's leading entrepreneurship foundation. We work to make the country more entrepreneurial.

Our activities focus on advancing the entrepreneurship agenda for the UK, and are grouped under four key pillars:

- Delivering entrepreneurial development programmes;
- Researching the state of entrepreneurship and how to unlock potential in neglected groups, communities and locations;
- Building thriving entrepreneurial communities;
- Engaging and informing policy makers and the public.

In addition, CFE launched the Refugee Entrepreneurship Network (REN) in 2018; a global community working to improve the scale and impact of refugee entrepreneurship programmes. REN brings together practitioners, philanthropic foundations, researchers, academics and investors that actively support refugee entrepreneurship.

FAIRE (Fund for Action and Innovation by Refugee Entrepreneurs) is an endowment fund created in 2018.

Our mission is to support and empower refugees to become successful entrepreneurs in France, and to promote a new vision and approach of refugees' role, inclusion and contribution to French society through entrepreneurship.

FAIRE achieves our mission:

- By funding existing organisations working with refugee entrepreneurs and selected refugee entrepreneurs directly;
- By contributing to the public debate about the role of refugees in society and how best to include them.

We seek to embody and demonstrate Impact, Inclusion, Innovation and Integrity in each and every one of our actions.

At FAIRE we firmly believe that the energy and capacity for innovation of refugee and migrant entrepreneurs is a golden opportunity for our country.

Contents

Foreword Nick Nopporn Suppipat (FAIRE)	4
Foreword Matt Smith (Centre for Entrepreneurs)	5
Executive summary	6
Introduction	9
Analysis	10
Refugee entrepreneurship programmes responding to the refugee crisis	10
Legal entity and source of income	12
Expenditure	14
Designing financially sustainable programmes	15
Mission statements	15
Recruitment	16
The entrepreneurs	18
Programmes: types, goals and services offered	19
Economic impact	25
Challenges and support for programmes and entrepreneurs	28
Evaluation	29
Conclusion	30
Recommendations	31
Role of the Centre for Entrepreneurs and FAIRE	31
Methodology	32
Notes and acknowledgements	34

Foreword

In 2014, I was forced to flee Thailand; leaving behind my home, my family, my business. Without warning, I had joined the 25.9 million refugees found worldwide. We all come from various backgrounds - be it educational, professional or cultural. Yet we all share the drive, determination, willingness to take risks; to not just survive, but to thrive.

These traits, coupled with a unique vision to identify innovative opportunities, often make refugees the most successful of entrepreneurs.

They want nothing more than to get their lives back on track and become active citizens in their new-found communities. Yet despite having the talent, experience and drive to launch their own business, many face additional difficulties linked to language, or simply getting access to the local ecosystem. They have not only been forced to leave their home behind, but also their professional, social and financial networks.

I feel strongly that their experience can be a source of economic and cultural wealth to any country, and when I saw first-hand the difficulties many faced in France - my new home - I realised that I needed to play an active role in helping them bridge the gaps.

As FAIRE began to work with local partners, we understood the benefits of sharing best practices - as well as failures - for organisations running refugee incubation programmes, along with the entrepreneurs that take part. This is why FAIRE partnered with the Centre for Entrepreneurs to launch this

important survey about the state of refugee entrepreneurship programmes across the globe.

This survey has taken the first step to identify what works for support organisations and where they experience difficulties running more efficient and impactful programmes.

We hope the overview it provides can help highlight what local and international stakeholders (foundations, governments, corporations, NGOs etc.) can do to better support refugee entrepreneurship around the world.



Nick Nopporn Suppipat

President, FAIRE

(Fund for Action and Innovation by Refugee Entrepreneurs)

Foreword

Since the start of the global refugee crisis, non-profit organisations have launched around the world to harness the power of entrepreneurship for refugee integration.

In the UK, refugee entrepreneurship has become synonymous for success stories such as Squeaky Cheese and Mo's Eggs. Razan Alsous, founder of Yorkshire Dama Cheese, and Mohammed Rahimeh, founder of the London pop-up restaurant Mo's Eggs, have demonstrated the creativity and endurance of refugees through entrepreneurship.

In 2018, the Centre for Entrepreneurs put forward a compelling case for refugee entrepreneurship. In 'Starting afresh: How entrepreneurship is transforming the lives of resettled refugees', the Centre

argued that providing tailored business support for refugees can reduce public spending and strengthen social integration.¹

The report's key recommendation - to roll out tailored business support to all interested refugees - received an overwhelmingly positive reception.

However, more evidence is required to understand the impact of refugee entrepreneurship programmes.

This survey aims to offer an insight into the operational structures and services offered by organisations dedicated to refugee entrepreneurship. The

key findings of this report confirm that entrepreneurship is a viable path for refugees to take back control of their lives. However, it also demonstrates the limitations of programmes, primarily due to financial restrictions.

We hope this report reflects on the realities of designing and delivering refugee entrepreneurship programmes, and provides guidance to delivery bodies and supporting organisations looking to launch or scale such programmes.

Finally, we would like to thank FAIRE for funding this important research project, and for the organisations that responded to the survey.



Matt Smith

Director, policy & research,
Centre for Entrepreneurs

Executive summary

“A refugee is someone who has been forced to flee his or her country because of persecution, war, or violence. A refugee has a well-founded fear of persecution for reasons of race, religion, nationality, political opinion or membership in a particular social group”²

UN High Commission for Refugees

Refugee entrepreneurship programme survey

- The refugee entrepreneurship programme survey is conducted by the Centre for Entrepreneurs and funded by FAIRE (Fund for Action and Innovation by Refugee Entrepreneurs). It is the result of initial exchanges held between the two organisations at the global refugee entrepreneurship summit that the Centre held in November 2018. During the event, participants called for a common data-sharing tool, and the global refugee entrepreneurship survey is the Centre and FAIRE’s recognition for such a need.
- This survey aims to understand the state of refugee entrepreneurship programmes globally, by examining the structure, funding, programme content, challenges and impact of refugee entrepreneurship programmes currently operating.
- 39 organisations from 19 countries and 25 refugee entrepreneurs completed an online questionnaire, allowing the Centre to conduct a detailed quantitative analysis.

Key findings

INCREASE IN REFUGEE ENTREPRENEURSHIP PROGRAMMES DURING THE PAST DECADE

An increase of refugee entrepreneurship programmes worldwide correlates with the rising number of refugees in the past decade. Many of these programmes have coincided with the ongoing civil war in Syria and the subsequent refugee crisis that followed throughout neighbouring countries, Europe and beyond. Overall, there is a recognisable peak in the creation of entrepreneurship programmes in 2016. The survey found that programmes date back as far as 1985 and continued to be launched as recently as this year.

NUANCES OF ENTREPRENEURSHIP PROGRAMMES

Refugee entrepreneurship programmes are not exclusively available to refugees; they are also offered to migrants, internally displaced people, local citizens and asylum seekers. One third of organisations stated that their programmes’ target groups are refugees, asylum-seekers and migrants. Only six organisations exclusively support refugees. There was no noticeable indication as to whether either of the two approaches had an impact on how many businesses were founded.

LEGAL ENTITY

In total, there were six types of legal entity surveyed. Eight organisations identified with more than one type of legal entity; there were five different combinations in total. The most common legal entity found in the survey was social enterprises/non-profit organisations (12), followed by NGOs/INGOs (11).

INCOME SOURCES AND FINANCIAL SUSTAINABILITY

Grants and donations constitute the main source of income, with 10 organisations relying on them for 100% of their income. A further six organisations claim that over 90% of their income is generated through grants and donations. Programme managers are now looking for sustainable finance to ensure the longevity of the refugee entrepreneurship programme. Although government grants and private donations will remain a crucial source of income, commercial services,

partnerships with the private sector, and generating income through returns on refugee-led businesses can present new opportunities.

RECRUITMENT OF ENTREPRENEURS

Organisations are generally satisfied with the number of applications received. Social media, word of mouth and a connection to the refugee community constitute the most successful approach when recruiting for participants. They have recognised the need to adapt their strategy for women so as to be more inclusive.

PROGRAMMES AND SERVICES OFFERED

Economic empowerment is the primary mission. This is reflected in the type of services offered to refugees, with 95% of organisations offering business plan development services and networking support to help refugees connect with industry contacts/professionals.

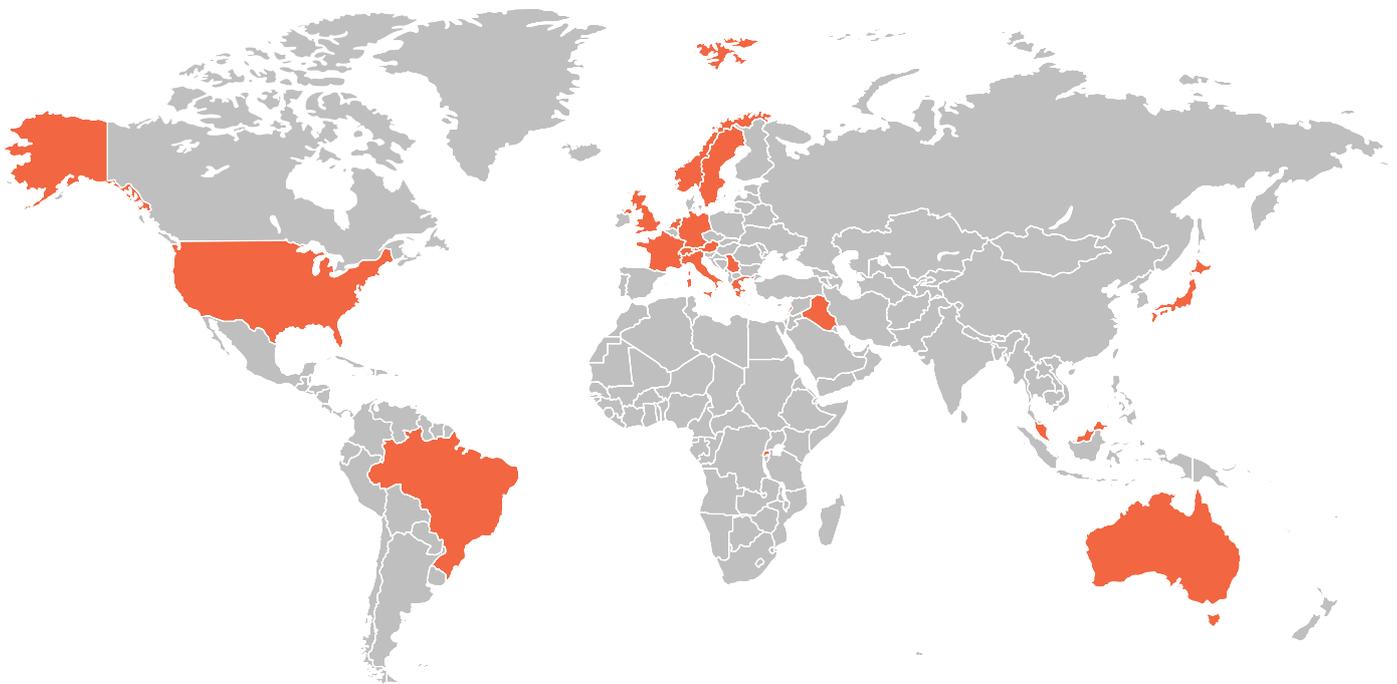


FIG 1 Country of origin of participating organisations

PROGRAMME ANALYSIS

Thirteen programmes identified as an incubator, with business growth programmes as the second most represented. The top three goals listed as most important are personal development and confidence, idea development and business skills development. These are reflected in the type of services offered and include business plan development, networking, coaching and mentoring. While the lack of language skills can constitute a major challenge for refugees, only one third of programmes offer language training to refugee entrepreneurs.

GEOGRAPHIC ANALYSIS

Refugee entrepreneurship programmes globally shared three common goals: creating economic empowerment, changing the narrative around refugees, and advising governments. The differences between programmes worldwide were primarily down to expenditure; while European programmes, for example, spend more on staffing and wages, Australian programmes spend more on the delivery of programmes.

As an overall breakdown of the geography of programmes represented in the survey:

- **78% Europe-based**
- **8% Australia-based**
- **8% Asia-based**
- **4% Americas-based**
- **2% Africa-based**

IMPACT

Since 1994, 18,923 refugees have been supported by the entrepreneurship programmes surveyed for this report (30 organisations provided a breakdown of their participants). This has helped create 18,127 paid jobs. The majority of businesses were founded in the food sector, followed by the creative industry, and commerce and e-commerce. Less represented were the energy and environment, as well as engineering and manufacturing sectors.

EVALUATION

Impact analysis is important to understand opportunities and difficulties of programmes offered. In addition, it can help demonstrate the positive impact on a host country's economy – contributing to further integration as well as acceptance by the local population.

CHALLENGES AND MOVING FORWARD

The refugee crisis will continue to constitute a major challenge for countries and requires governments, businesses, investors and financiers to contribute resources and invest in refugee entrepreneurship programmes and refugee-led ventures. For over 30 years, organisations worldwide have supported thousands of refugees through entrepreneurship programmes, helping to create new jobs and adding social and economic value to host countries. However, a number of challenges still remain that require action in order to enhance the missions and goals of global refugee entrepreneurship.

The Centre for Entrepreneurs and FAIRE recognise these challenges and recommend that a series of actions are taken by programmes, governments and the private sector respectively. These aim to foster greater social and economic cohesion for refugees and their entrepreneurship goals, giving them a greater voice in their host countries and better financial support to sustainably carry out their business ventures.

Introduction

“Refugee entrepreneurship programmes across the world have successfully demonstrated how to attract applicants and deliver high-quality business advice in a short time-frame”³

‘Starting Afresh: How entrepreneurship is transforming the lives of resettled refugees’ (2018)

According to the UN High Commission for Refugees, the number of forcibly displaced people increased in 2019 to an unprecedented 70.8 million, of which 25.9 million are refugees. 57% of UNHCR refugees came from Syria (6.7 million), Afghanistan (2.7 million) and South Sudan (2.3 million),⁴ with no end to conflicts in sight and countries such as Turkey at their logistical and political breaking point.

More people than ever are forced to build a new life in a foreign country. Already uprooted from their homes, cultures and traditions, often separated from their friends and families, refugees can also face major restrictions on their ability to work or start businesses.

Not allowing refugees to become an active part of society is both a loss of human potential and an economic loss for the host community. According to New American Economy research, in 2017, refugee households paid nearly \$23.3 billion in taxes in the US - highlighting the economic contributions to the economy through employment and entrepreneurship.⁵

In 2018, the Centre for Entrepreneurs put forward a compelling case for refugee entrepreneurship. In its report *‘Starting Afresh: How entrepreneurship*

is transforming the lives of resettled refugees’ the Centre argued that entrepreneurship allows economic empowerment, advances integration, and reduces public spending.⁶

According to figures released by the World Bank, over 30% of Syrians were self-employed before the civil war,⁷ and 82% of refugees surveyed by the Centre for its 2018 report agreed that entrepreneurship is a good career path.⁸ With an entrepreneurial mindset and previous business experience, entrepreneurship can lead to economic independence that benefits the host country, including employment for other refugees and the local population.

In 2018, the Centre concluded that tailored entrepreneurship programmes are best positioned to equip refugees with the necessary entrepreneurial skills, support networks, and legal understanding to launch a business.

Since the beginning of the Syrian civil war, organisations worldwide have started offering business support to refugees at no cost. With a rising number of organisations and refugee entrepreneur success stories, the Centre for Entrepreneurs and FAIRE (Fund

for Action and Innovation by Refugee Entrepreneurs) recognised the need to take stock and assess the state of refugee entrepreneurship globally. In collaboration, the Centre and FAIRE launched a global refugee entrepreneurship programme survey to create a benchmarking tool for existing and future organisations offering entrepreneurship training to refugees.

The analysis of this data will provide insights into the similarities and differences between programmes worldwide, including organisation funding models, recruitment strategy, programme design and most importantly the number of refugees and businesses supported.

With an increase of refugees around the world and unabating crises in Syria, Venezuela, Afghanistan and South Sudan, governments must look for long-term solutions. Entrepreneurship is one path and is best pursued through the support of entrepreneurship training tailored to the needs of refugees and migrants.

The stakes are high for a growing population of refugees and displaced people and needs to be addressed. A solution that builds on refugees' expertise, motivations and aspirations can contribute to solving this humanitarian crisis.

Analysis

REFUGEE ENTREPRENEURSHIP PROGRAMMES RESPONDING TO THE REFUGEE CRISIS

Worldwide, civil wars and political unrest are forcing more people than ever to leave their homes and build a new life in a foreign country. Refugees are often challenged by their host country's language and legal barriers, and are unable to secure employment reflecting their economic potential.

In the past decade, organisations across the globe have recognised the need to address this problem and have increasingly started offering entrepreneurship programmes to refugees as an alternative path to economic empowerment and integration in new host communities.

The 39 organisations that participated in this survey were either established as new organisations in the past decade or expanded their existing services to help aspiring entrepreneurs in response to the crisis. There is a recognisable peak in the creation of refugee entrepreneurship programmes in 2016, with a wide geographical spread. For example, UK-based programmes were established in the past three years, whereas the majority of programmes in Asia were established before 2015.

This survey analyses a range of organisations which can mostly, but not exclusively, be divided into the three categories:

- relatively young non-profits/social enterprises operating on a local level;
- long-established national organisations;
- international development-backed organisations.

The differentiation is crucial when comparing the funding model and impact of entrepreneurship programmes and will be highlighted during the analysis. When appropriate, cross-country comparison will focus on Germany, France, Sweden and Australia due to the higher response rate from those countries.

- *Jumpp – your springboard to self-employment, a German organisation based in Frankfurt, has provided entrepreneurship education to women since 1984. In 2017, the organisation recognised the lack of entrepreneurship training tailored to the needs of women refugees. Through its customised service for migrants the organisation is able to address the difficulties women face as refugees – including family responsibility, linguistic proficiency, and social situation. In the past two years, the organisation has supported 58 female refugee entrepreneurs in the region.⁹*
- *Forward Incubator, based in the Netherlands, is a four-month incubator programme that combines entrepreneurship with social impact and helps newcomers from business idea to launch. The “Refugees Forward” programme has helped refugees launch 26 businesses and create 14 jobs, with 76% successful completion overall. By 2020, Forward wants to support 200 refugee entrepreneurs in Western Europe.¹⁰*



FIG 2 Number of new entrepreneurship programmes established each year correlates with the rising number of refugees

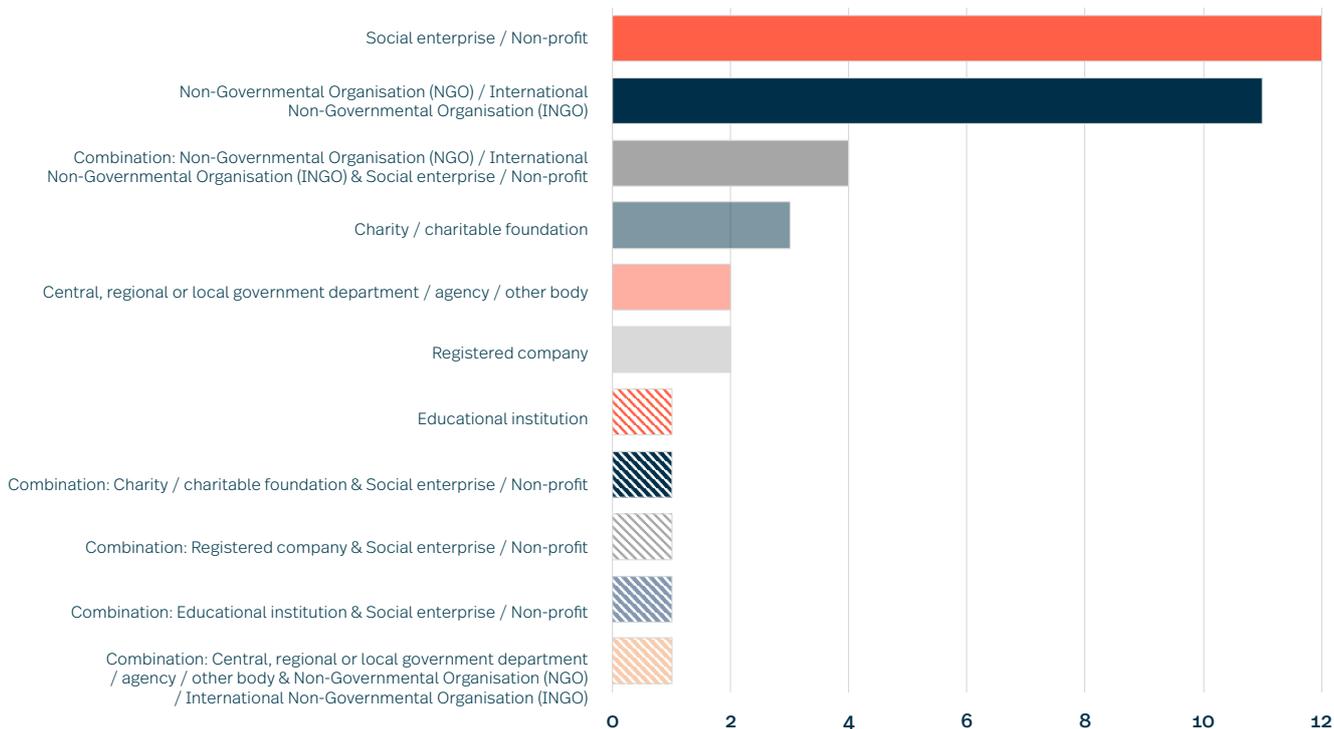


FIG 3 Number of legal entities represented in the survey

LEGAL ENTITY AND SOURCE OF INCOME

The majority of operating programmes available to refugees are either run by non-government organisations (31% of respondents), social enterprises (28%), or as a combination of both (10%).

Breaking down the grants and donations category revealed a diversified income stream. 23 out of 39 organisations received financial support from local or national governments, followed by delivery contracts either from governments or other organisations (18). Although government funding remains a crucial source of income, the private sector constitutes an equally important supporter. 14 organisations rely on private foundations (representing an average 38.5% of income) and 13 rely on corporate foundations (representing an average 40.8% of income).



FIG 4 Breakdown of revenue (global average)

- Ygap in Australia is supported by LaunchVic – the startup agency that was established by the Victoria state government in March 2016.¹¹
- Capacity in Switzerland has partnered with a number of financial organisations and has gained support from UBS and Generali Insurance to help their refugee entrepreneurs. For example, in November 2018, Generali Switzerland launched The Human Safety Net (THSN) initiative – Capacity was selected to receive a grant from THSN and presented its work to the Swiss CEO and other relevant employees.¹²

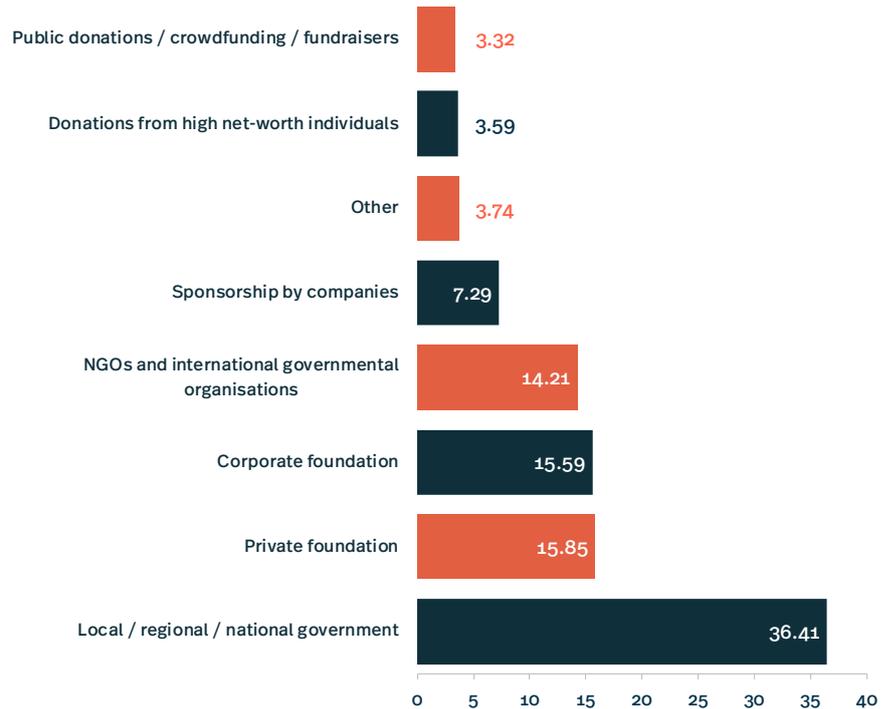


FIG 5 Breakdown average income through grants and donations (global average in percentage)

The average revenue for organisations in the last financial year (2018-2019) based in Europe is USD \$465,932, and USD \$387,255 for those based in Australia. When comparing organisations since 2005, only two registered a revenue higher than one million USD. Two organisations stand out in terms of revenue due to their organisational structure (one being a private foundation and the second funded by international development aid).

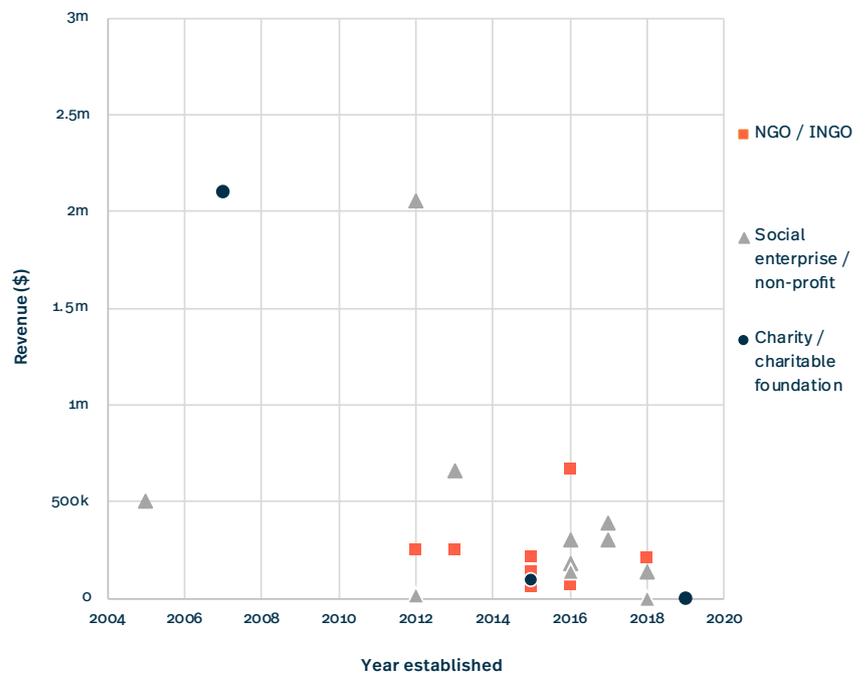


FIG 6 Revenue vs the year established in relation to type of organisation (2005-2019)

EXPENDITURE

On average, the largest expenditure is on staff and core operations (an average of 45% across all organisations), followed by programme delivery (27%). Whereas European programmes spend most of their budget on staffing costs (56%) those from the Americas, Asia

and Australia spend most on delivering their refugee entrepreneurship programmes (48%, 57%, 42% respectively). On average, organisations spend 3% on fundraising, followed by 3% on delivery premises and 4% on advocacy, public affairs and outreach.

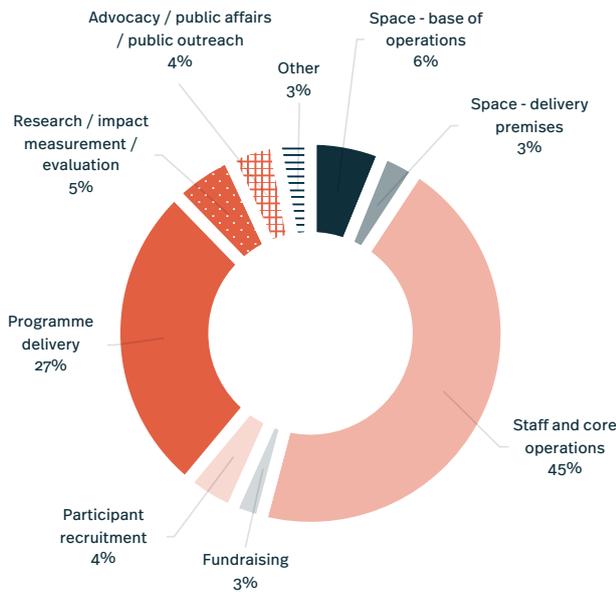


FIG 7 Global average expenditure breakdown (in percentage)

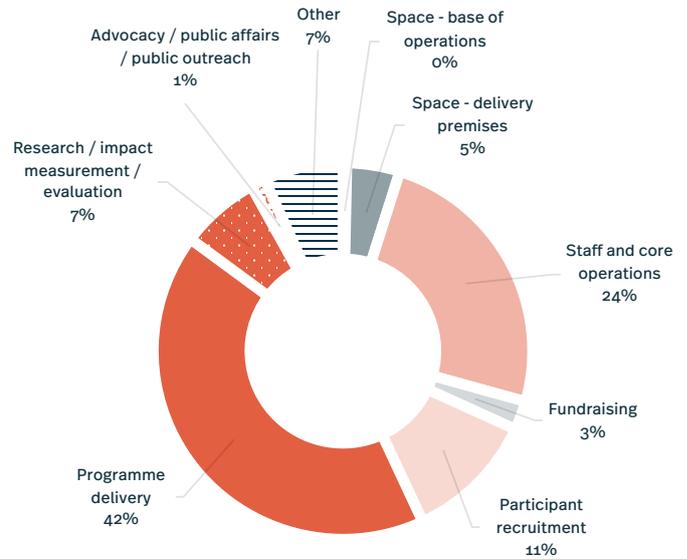


FIG 8 Australian average expenditure breakdown (in percentage)

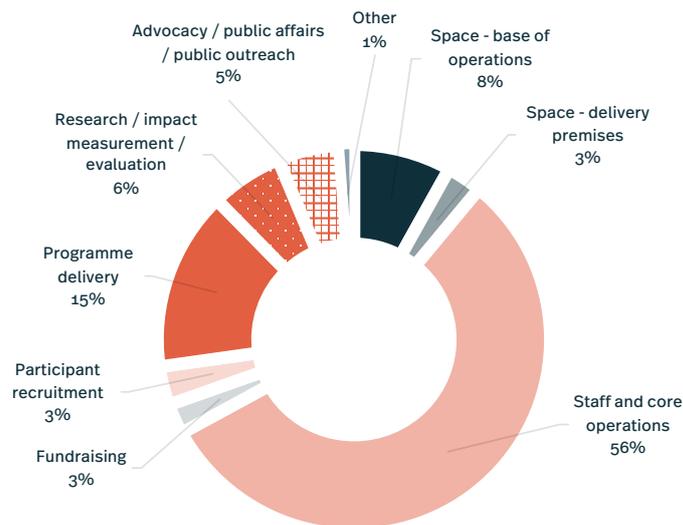


FIG 9 European average expenditure breakdown (in percentage)

DESIGNING A FINANCIALLY SUSTAINABLE PROGRAMME

Financial sustainability remains a major challenge for the majority of organisations. Although the majority of respondents listed as non-profit and offer their services to refugees free of charge, they are dedicated to identifying a long-term financial strategy.

Seven organisations stated that they are running pilot programmes, while 19 organisations have received funding for a set period with an average duration of two years. A significant amount of funding covers the period between 2016 and 2020.

With an unabating global refugee crisis, programme managers have to be able to make long-term plans that will guarantee free of charge services to those in need, and the availability of programmes in the future. Relying on external funding constitutes many risks. The level of funding received may vary and decrease over the years. There are examples of organisations already working on increasing financial sustainability:

- *Catalysr (Australia) takes 3% equity in exchange for services for the top 20 startups that get selected for the ACCELERATE programme. The organisation takes an additional 2% equity for the top two startups that receive \$10k of pre-seed investment at the end of the programme.¹³*

MISSION STATEMENTS

Despite their geographical spread and socio-economic differences, participating organisations share three common themes in their individual mission statements: economic empowerment, changing the narrative around refugees, and advising government policy.

When it comes to curriculum design, organisations are using needs-based assessment and analysis, government guidelines as well as consultations and surveys with refugees. Respondents highlighted that they must be mindful of the backgrounds of refugees, including trauma experienced as well as daily challenges for refugees, such as family obligations, securing a livelihood and financial security. Respondents also highlighted the importance of considering educational differences and language barriers when designing programmes.

Input for programme design came primarily from conducting research on existing incubator programmes designed for refugees, as well as consulting academic papers. One model that was mentioned is the Sirolli Model (Trinity of Management). Organisations conduct 1:1 meetings with refugees, running focus groups and needs analysis with the focus on challenges refugees are facing and how to support them. Established organisations build on existing programmes they are offering to other groups and adjust those to refugees. Organisations are regularly redesigning programmes and adjusting services to new needs of programme participants.

A word cloud featuring various terms in different colors and orientations. The most prominent words are 'opportunities', 'development', 'independence', 'self-sustainable', 'business', and 'support'. Other words include 'skills', 'access', 'education', 'participation', 'inclusion', 'innovation', 'empower', 'integration', 'diversity', and 'networking'.

RECRUITMENT

Organisations seek potential participants in multiple ways, including online advertisement, flyers in job centres and outreach through refugees that are participating in their programme and events. The two most successful approaches are advertisement on Facebook and word of mouth through key contacts in the community. Refugees responding to the survey also stated that, through their own research, they reached out to organisations themselves.

Recruitment for women entrepreneurs is primarily conducted through marketing material with inclusive language and pictures to reach out to women refugee groups and charities.

Three programmes have stated that they have a 50% women quota. There is no discernible regional difference to which organisations use alternative outreach tactics, including working with women refugee groups and charities and women advocates in the community, using inclusive language and pictures and hosting women-only events. Participants furthermore may benefit from scholarships for female entrepreneurs, as well as self-organised groups for women entrepreneurs, that allow them to discuss work-life balance and gender-specific discrimination.

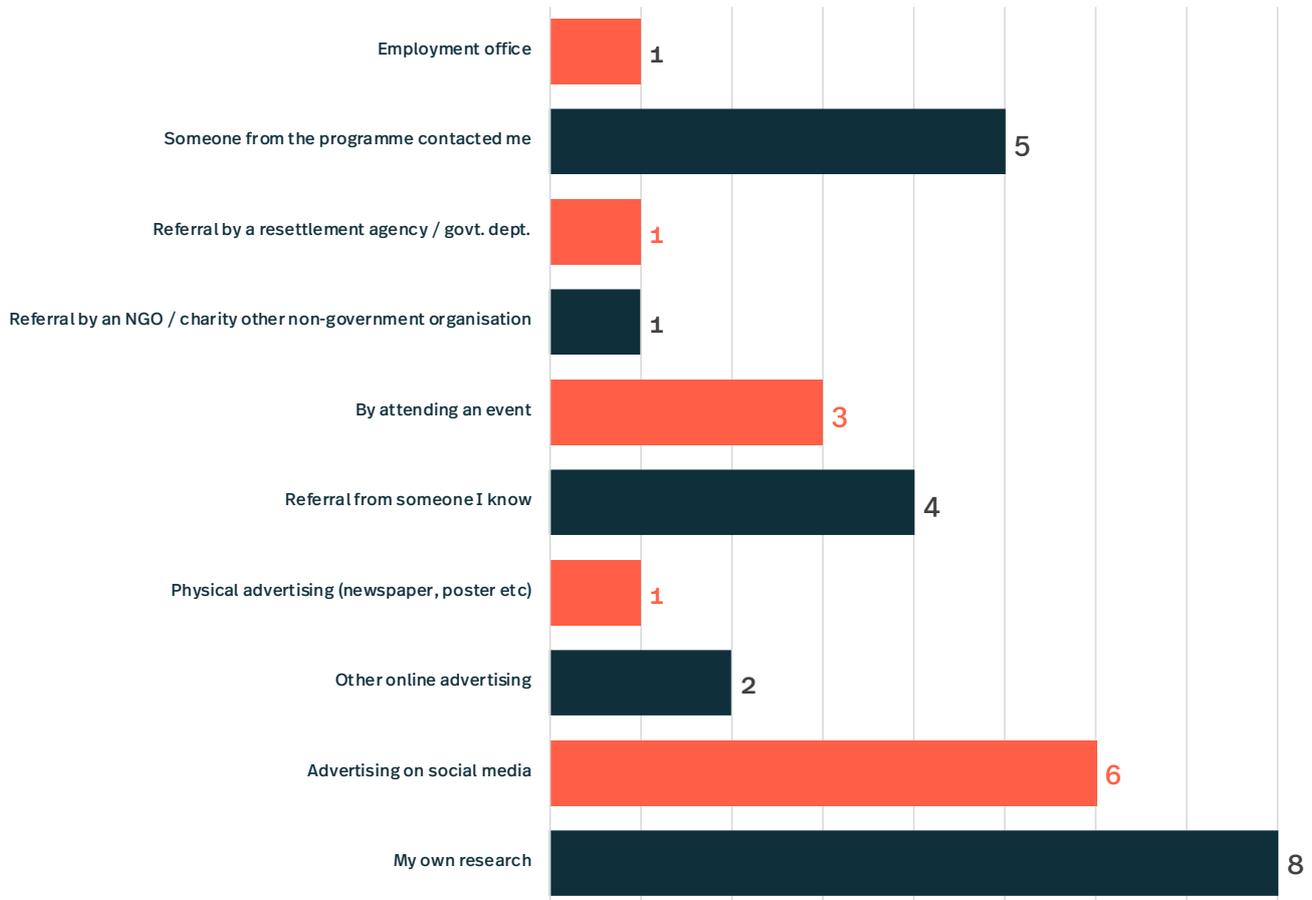


FIG 10 How did you learn about your entrepreneurship support programme?
(number of refugee survey respondents who have completed a refugee entrepreneurship programme)

THE ENTREPRENEURS

A key component of the refugee entrepreneurship programme survey are insights shared from the refugee entrepreneurs. The refugee entrepreneur survey contributes to the wider understanding of the background of programme participants, how they have experienced the programme and the type of challenges they've encountered following post-graduation. The following chapter focuses on the motivations to join an entrepreneurship programme and the entrepreneurs' educational and professional backgrounds.

The Centre's 2018 research found that refugees regarded entrepreneurship as a viable alternative to finding employment. These survey results align with the findings from the 2018 report, with the reason "I have always wanted to be self-employed or run my own business" listed as the main motivation to start a business (40% of responses), followed by the conviction that self-employment can lead to greater success (32%) and thirdly previous entrepreneurship experience (28%).¹⁶

50% of refugees who completed the survey said they had business experience, and of those, 75% had completed a form of higher education. Out of the refugees who have a bachelor's degree or higher, 37.5% expressed that they have experience running some form of business. This may suggest a link between higher education and business experience.

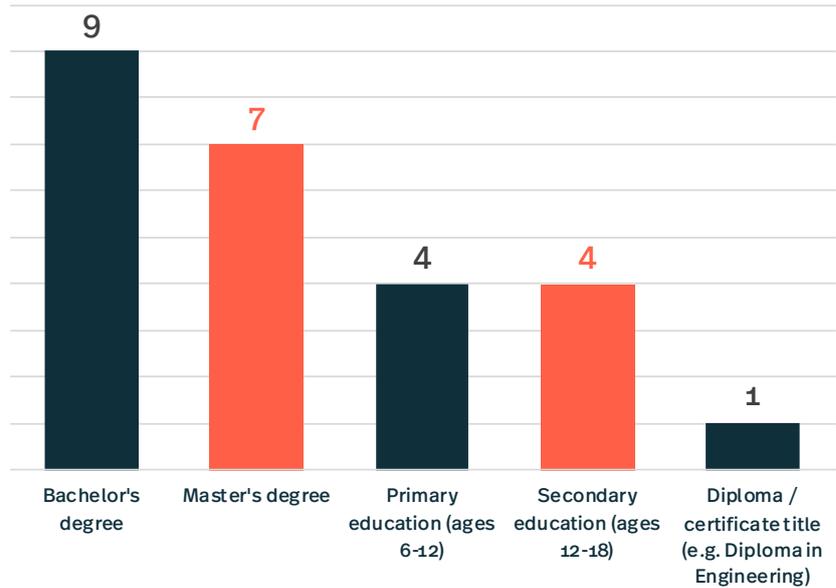


FIG 11 Education background (refugee respondents)



FIG 12 Business background (refugee respondents)

PROGRAMMES: TYPES, GOALS AND SERVICES OFFERED

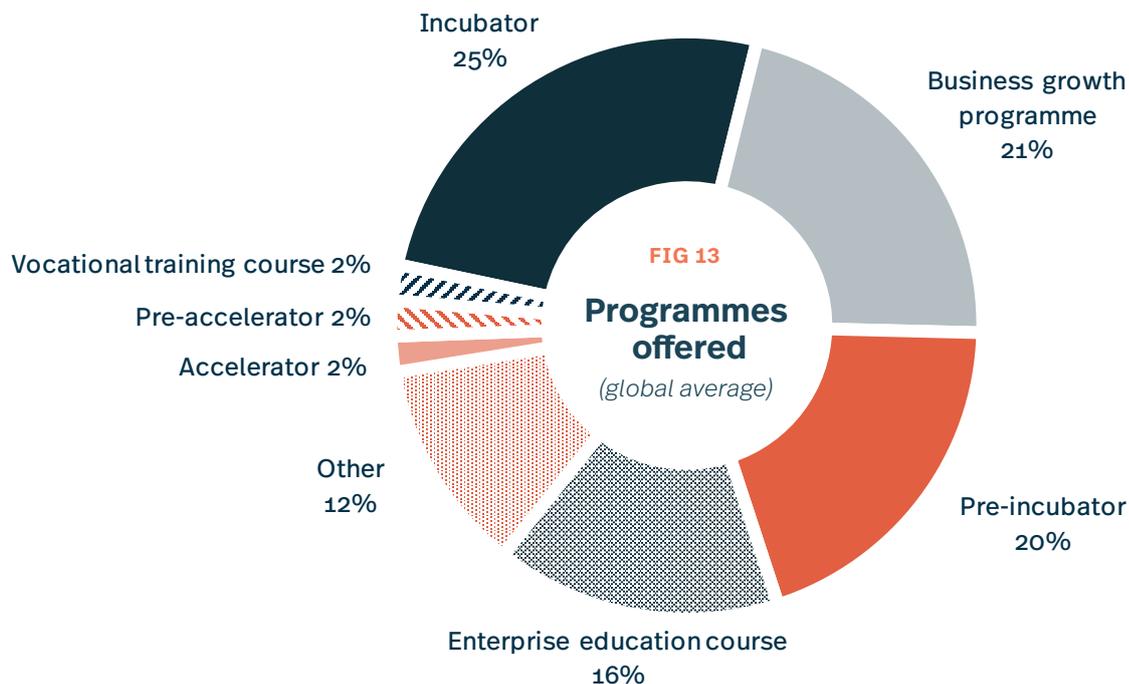
Thirteen organisations stated that they run an incubator, followed by eleven that run a business growth programme and eight that offer an enterprise education course. Only one organisation identified their programme as an accelerator, and only two run more than one type of programme.

- *Ygap First Gens x Catalysr is a collaboration between the two Australian based organisations Ygap and Catalysr. Supported by LaunchVic, First Gens 2.0 offers the Catalysr pre-accelerator program to 60 “migrapreneurs” followed by Ygap’s accelerator program for 12 early-stage startups.¹⁷*

Out of the 39 organisations that responded to the survey, six ran multiple programmes. In total, there were 52 programmes. Of these, 11 required full-time participation (i.e. more than 35 hours) and 40 required

part-time participation, with one answer stating their programme was neither. Conversations with organisations highlighted the need to adjust their schedule to match participants needs and revealed that there is no consensus among organisations whether evenings or weekends were better.

Full-time programmes were located across three regions; the Americas, Asia and Europe. In fact, every organisation from the Americas stated that they ran full-time programmes. 50% of Asian organisations stated that their programmes were also full-time. Only 8% of European programmes were full-time. Although full-time programmes allow participants to immerse themselves in the training, programme managers have recognised the challenge of juggling entrepreneurship training and other obligations, including full-time work or taking care of families.



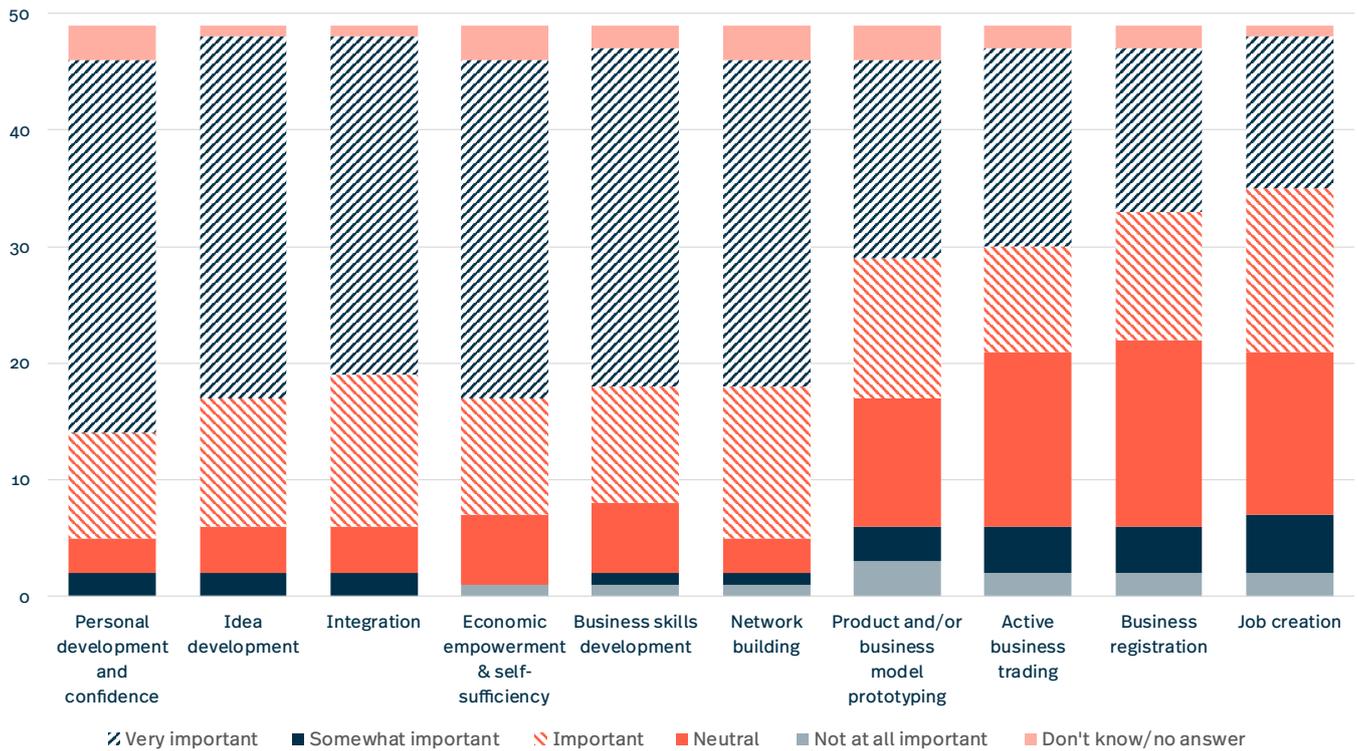


FIG 14 Programme goals (frequency selected)

Programme goals

Three main programme goals listed as “very important” and “important” include personal development and confidence, idea development and business skills development. These are reflected in the global average of services offered.

There were similarities between programme goals and the missions and goals of refugee entrepreneurs who responded to the survey. 86% of programmes and 72% of refugees stated that developing business ideas was important to them. 84% of programmes and 52% of refugees claimed that networking was an important goal.

The motivations to join a refugee entrepreneurship programme align with programme goals and services offered by refugee entrepreneurship programmes, with receiving support to develop the business idea listed as a main reason.

Services

Each organisation’s programme goals are clearly reflected in its service delivery. The top five services offered by refugee entrepreneurship programmes are business plan development, networking, coaching, lectures & workshops and mentoring. Networking, business development and personal development are highly important to many programmes, with 95% offering networking/community building and business plan development services. 85% of programmes offer educational services in the form of lectures, seminars, training and workshops, which corresponds with 86% of programmes who see idea development as either an “important” or “very important” goal.

Entrepreneurship programmes in Australia list business plan development as a key service offered, followed by market research/marketing advice, and networking. Business plan development also constitutes an important service in German programmes. Programmes in France selected lectures, seminars, training and workshops first, followed by mentoring. This aligns with the hierarchy of key services offered by Swedish organisations.

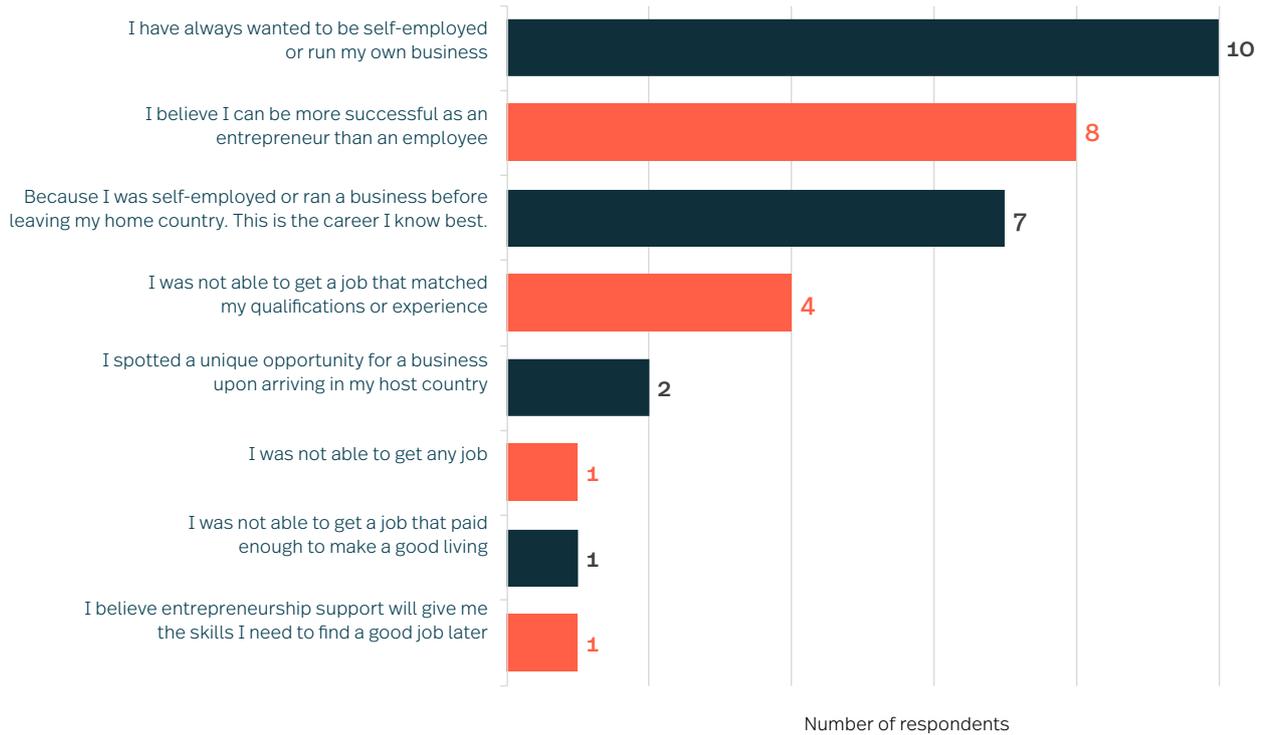


FIG 15 Motivation to start business (refugee responses)

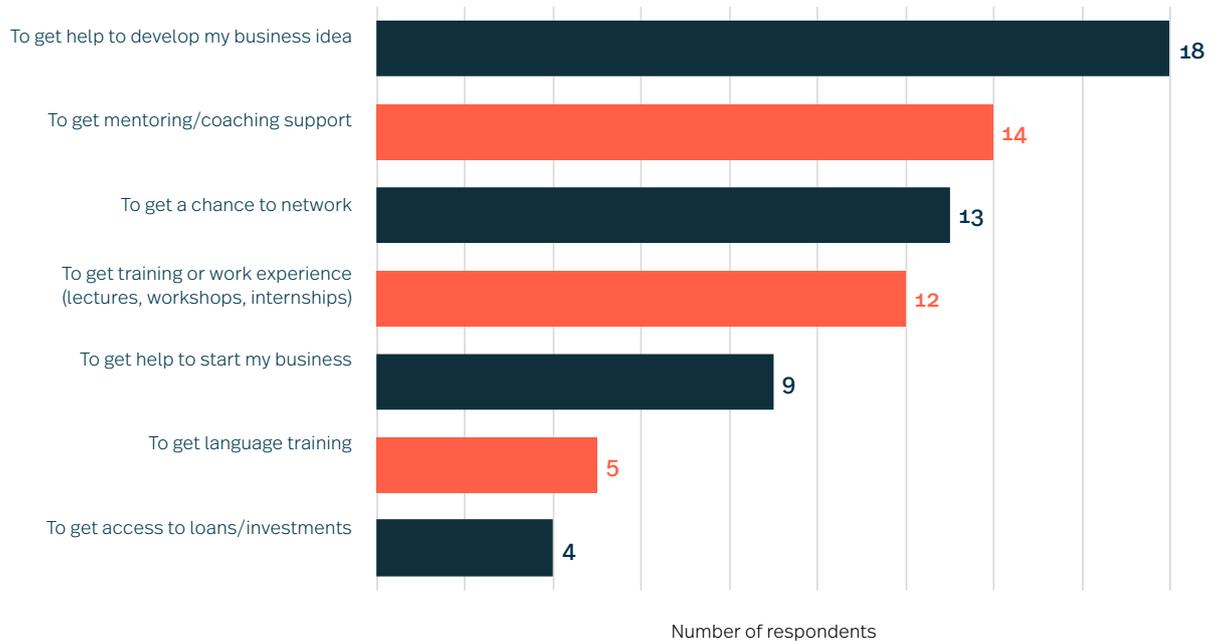


FIG 16 Motivation to join programme (refugee responses)

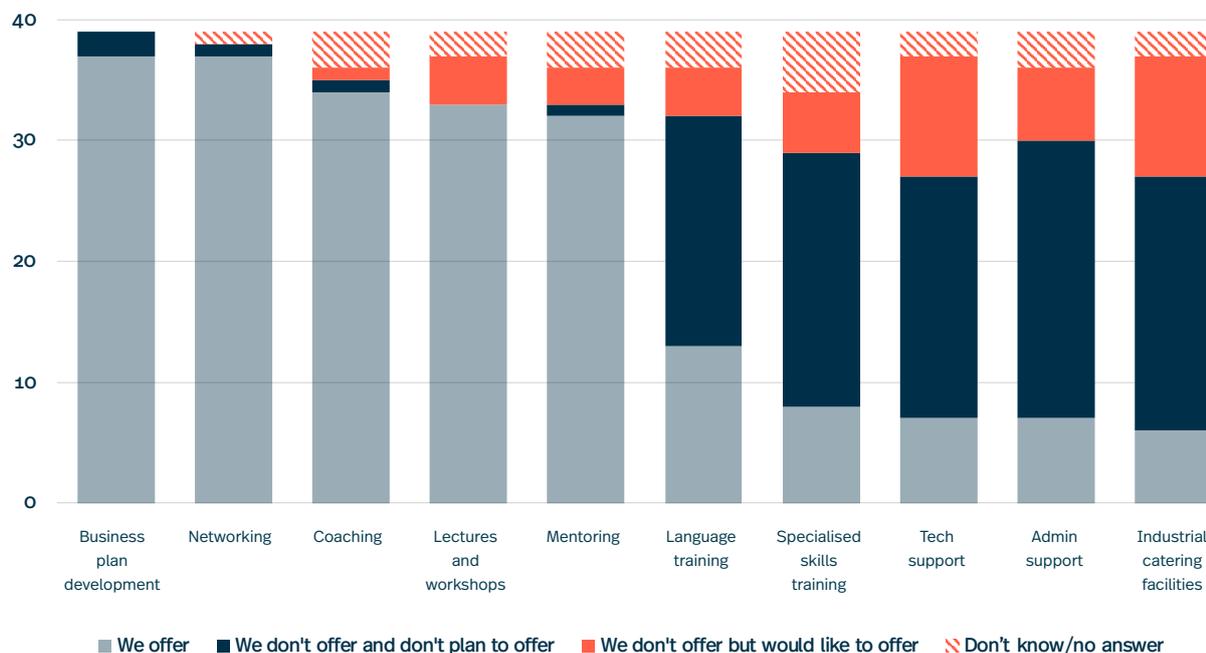


FIG 17 Services offered by organisations (frequency selected)

Language training

While the lack of language skills can constitute a major challenge for refugees when seeking employment, only one third of respondents said that they provide language training to refugee entrepreneurs. This is in contrast with the number of refugees who regard language as a barrier – almost two in five refugees surveyed state that language is the biggest challenge they face, followed by fear of failure (26%), family commitments and confidence (9% respectively).

- Organisations approach this problem differently. For example, Zürich-based Capacity requests that programme participants must reach an English level/ German level of B1.18 Meanwhile, SINGA Germany ensures that programme participants have acquired enough language proficiency while living in Germany.¹⁹

16% of refugees surveyed stated that their main motivation to apply for an entrepreneurship programme was to receive language training, highlighting that developing this skill is a key expectation for some refugees alongside developing their entrepreneurial ideas.

Entrepreneurship programmes for refugees cannot be all-encompassing and, although tailored to the needs of refugees, cannot address every challenge. Collaborations between organisations that can offer language training to participants of an entrepreneurship programme may be a viable option.

Other services

Many organisations did not offer, and did not intend to offer services such as office and laboratory equipment, tech support or access to R&D services. Although many organisations offer personal, tailored 1-to-1 support for refugee entrepreneurs, they are less proactive in providing material support and infrastructure – the main goal for organisations is to provide the business mindset and skills required to build successful businesses.

Refugee participants travelled varying distances to attend their programme, with some saying that they travelled over 100 kilometres. This further accentuates the resilience and determination of refugees. Four out of the 25 refugees surveyed travelled over a 100-kilometre distance to take part. Entrepreneurship programmes are mostly free for refugees and may include travel scholarships for refugees from further away. For example, Australia-based Ygap offers travel grants to its participants who are based outside the state of Victoria to join the programme for bootcamps and events.

Financial services

Financial support is very important for programme participants. It remains crucial for both refugees and organisations, with every organisation offering at least one form of financial service to their participants either themselves or through a third party. Loans, grants and grant awards are the services offered the most; by 54%, 49% and 54% programmes respectively. The least offered service was equity investment, with 46% of respondents stating that they do not offer the service and do not plan to. Only 28% of programmes offer equity investment either directly through their programme or through a third party. In places such as Germany, financial services are not as widely available

and when they are, it tends to be available through a third party. Swedish organisations are divided regarding financial services, with two organisations not offering any at all. Some organisations are wary of the length of time investments can take and how long they must wait before they see financial returns.

- The Swedish organisation *Stiftelsen Ester* has developed a micro-loan product with its partner *Swedbank* for participants in the Stockholm region.²⁰

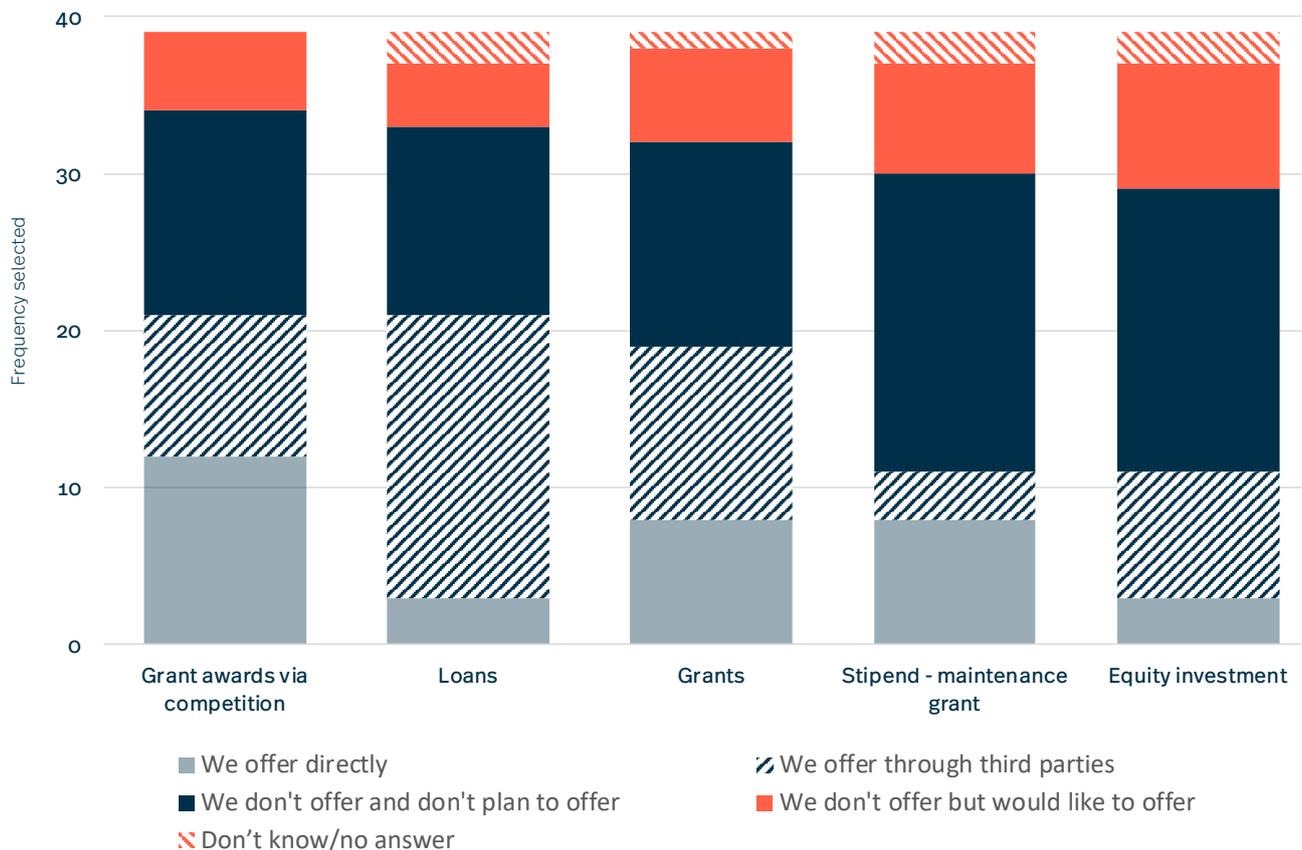


FIG 18 Financial services offered by organisations



FIG 19 Financial services offered by organisations (directly / through third party)

Correlations between revenue and financial services offered suggested that organisations with revenues larger than \$500,000 are more likely to provide stipends/maintenance grants and grant awards via competition than those with revenues below that figure. Nonetheless, 40% of organisations with a revenue lower than \$100,000 stated that they provided these financial services, as well as grants

and loans. 50% of respondents with a revenue above \$500,000 stated that they provided loans.

When it comes to providing equity investment, organisations below \$100,000 do not provide this service, compared to 50% of organisations that had a revenue between \$100,000 and \$500,000, and 33% with over \$500,000 in revenue.

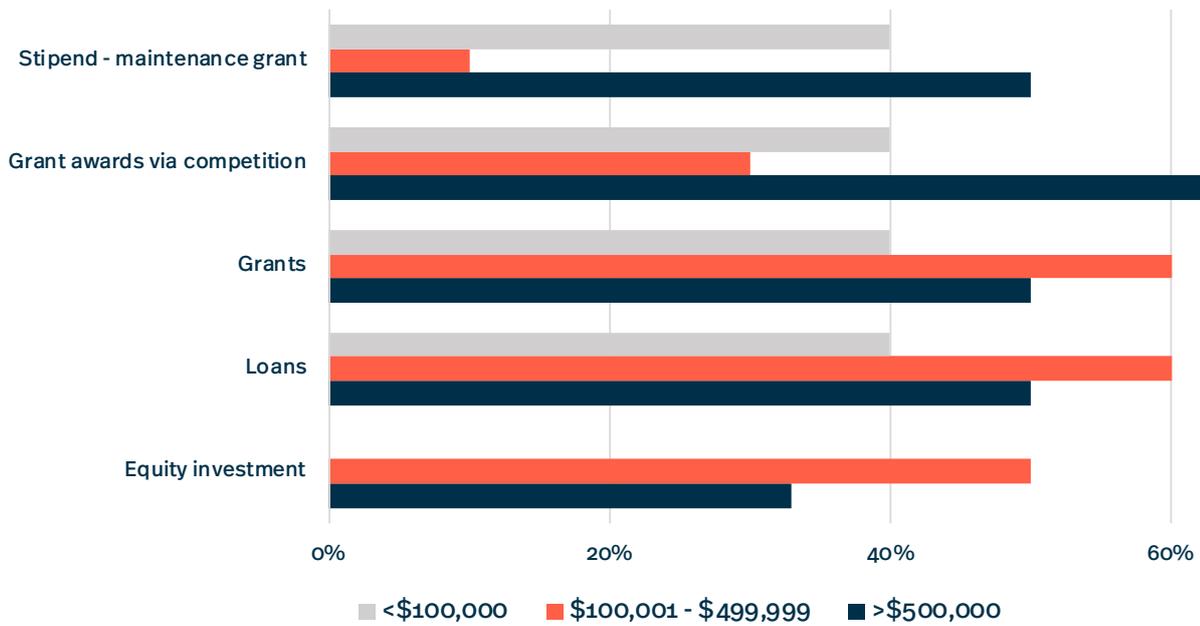


FIG 20 Correlation financial services offered and organisation revenue (\$USD)

There is no explicit correlation between a full-time and part-time programme and the type of services offered. There were slight differences between part-time and full-time programmes and the financial services they offered, but overall, they provided similar levels of grants, loans and investments:

- 17% of full-time programmes offered equity investment compared to 30% of part-time programmes;
- 53% of part-time programmes offered grants versus 33% of full-time programmes;
- Full-time programmes were more likely to provide grants via competitions (67%) than part-time programmes (53%).

ECONOMIC IMPACT

Overall, 79% of programme participants agreed that they had gained the necessary skills, knowledge and experience to run their own business successfully.

70,573 aspiring entrepreneurs have completed an entrepreneurship programme since 1985 (among the organisations that provided numbers), of which 18,923 were refugees. Since 1994, an average of 756 refugees a year have taken part in an entrepreneurship programme. Seven organisations stated that they have already supported over 1,000 aspiring entrepreneurs, and in total eight organisations have supported over 500 participants. Looking at the remaining organisations, 27 stated that they have helped between 11 and 460 participants. On average, 47% of participants across all programmes were women. In total, 12,960 businesses have been launched by refugees through the help of entrepreneurship programmes, of which 93% are still currently trading. This has helped create 18,127 paid jobs.

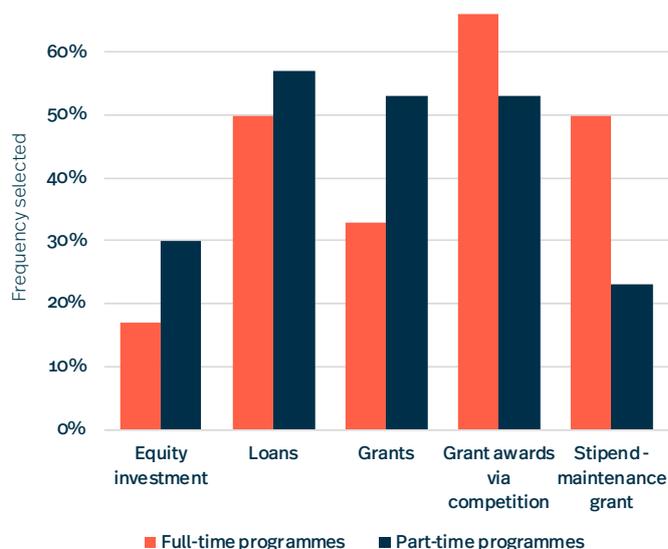


FIG 21 Financial services offered by organisation: part-time vs. full-time programme

28 entrepreneurship programmes (54%) were established either in or after 2017 and saw an average of 169 businesses being launched, creating 15 paid jobs on average. In comparison, older programmes that have run longer than two years had an average business creation rate of 593 and helped create an average of 740 paid jobs.

- *Amin Dabiri, an Iranian refugee, is among the successful entrepreneurs who have completed a programme. He runs his own decorating company, EasyBrick. EasyBrick uses a water- and mineral-based liquid that's sprayed onto plaster to create a 3D brick or stonework wall. Amin is a graduate of the Ben & Jerry's Ice Academy programme run by The Entrepreneurial Refugee Network (TERN) in London.²¹*

18,127 Total paid jobs created

12,960 Number of businesses launched

12,052 Total number of businesses currently trading

FIG 22 Economic impact of global entrepreneurship programmes since 1985 (helping refugees and other groups)

Estimated turnover

Only eleven out of 39 organisations were able to provide an estimated total turnover of all businesses, but the results are positive. Each of those eleven organisations estimated that their programme's businesses could create combined turnovers ranging from \$60,000 to \$10.75 million a year. While there is a large difference between these estimates, this is mainly due to the age of each programme; the estimate of \$60,000 was made by a programme launched in 2016, compared to the figure of \$10.75 million, estimated by a programme that was established in 1985. Programmes which estimated annual turnovers below \$200,000 were all launched in the past four years.

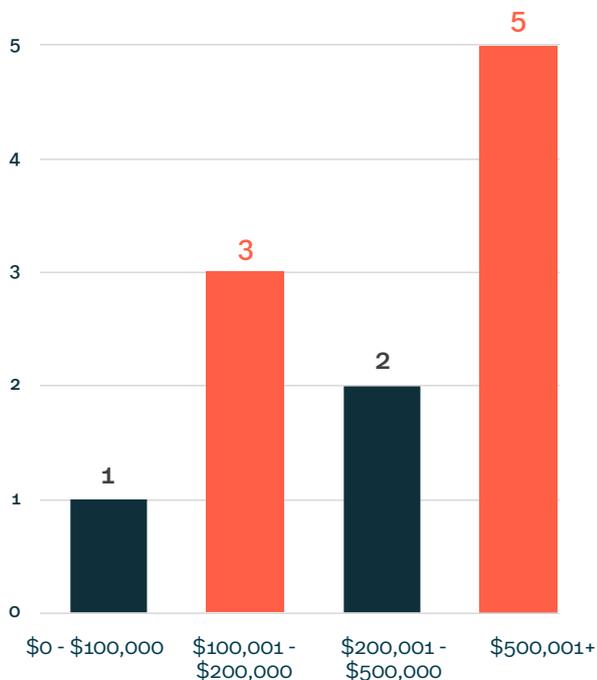


FIG 23 Estimated annual turnover of refugee businesses (frequency selected by organisations)

Correlation between revenue and job creation

Organisations with larger revenue recorded a higher number of businesses being launched, businesses currently trading, and total number of paid jobs created. Organisations with a revenue stream of \$500,000 or above stated that an average of 223 businesses were created, with an average of 157 still currently trading and 212 paid jobs created. Those with revenue below \$100,000 stated they had 22 businesses still trading, but recorded a high number of businesses created (41 on average). When it came to job creation, though, they were much lower, with an average of 12 created.

Organisations with a revenue in excess of \$500,000 did, however, have a higher number of programme participants compared to those below the \$500,000 threshold (626 compared to 483 on average).

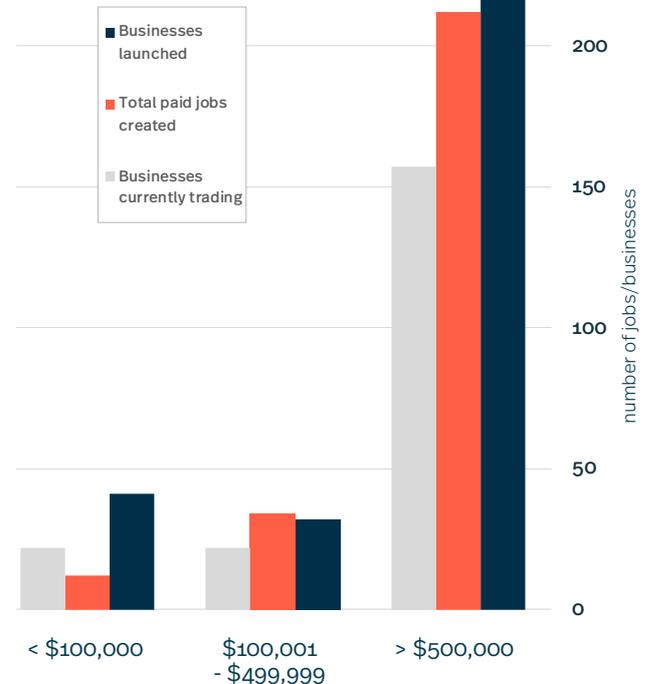


FIG 24 Job/business creation by refugee businesses in relation to revenue of organisations

Programmes run by organisations above \$500,000 were also five years older on average than organisations that generated revenues below \$500,000.

The survey asked organisations what sectors they had helped refugee entrepreneurs launch businesses in. The analysis showed that the majority of businesses were founded in the food sector (31 organisations), followed by creative industries (27 organisations), and commerce/e-commerce (25 organisations). Although less often represented, sectors such as energy and environment, as well as engineering and manufacturing are also represented (10 and 9 organisations respectively). The sector space was selected twice, cyber three times, and fintech five times.

Six organisations stated that their entrepreneurs represented sectors other than the answers provided in the survey, including culture & tourism, fashion, personal services and consulting.

- As the results have demonstrated, technology is also represented with programmes targeting the sector. For instance, Catalysr is targeting entrepreneurs who have a business idea for a “tech-related or tech-enabled growth-oriented startup”.
- Two success stories from Capacity in Switzerland include an organic fair-trade textile business manufacturing in Nepal and sold in Switzerland, as well as a graphic design company that uses artificial intelligence for architecture visualisation (Columbia).
- Additionally, in March 2019 Five One Labs (Iraq) launched their Ignite for Tech programme. This one-month programme aims to help refugee entrepreneurs better understand the market they are competing in and develop skills with their tech-focused startups.

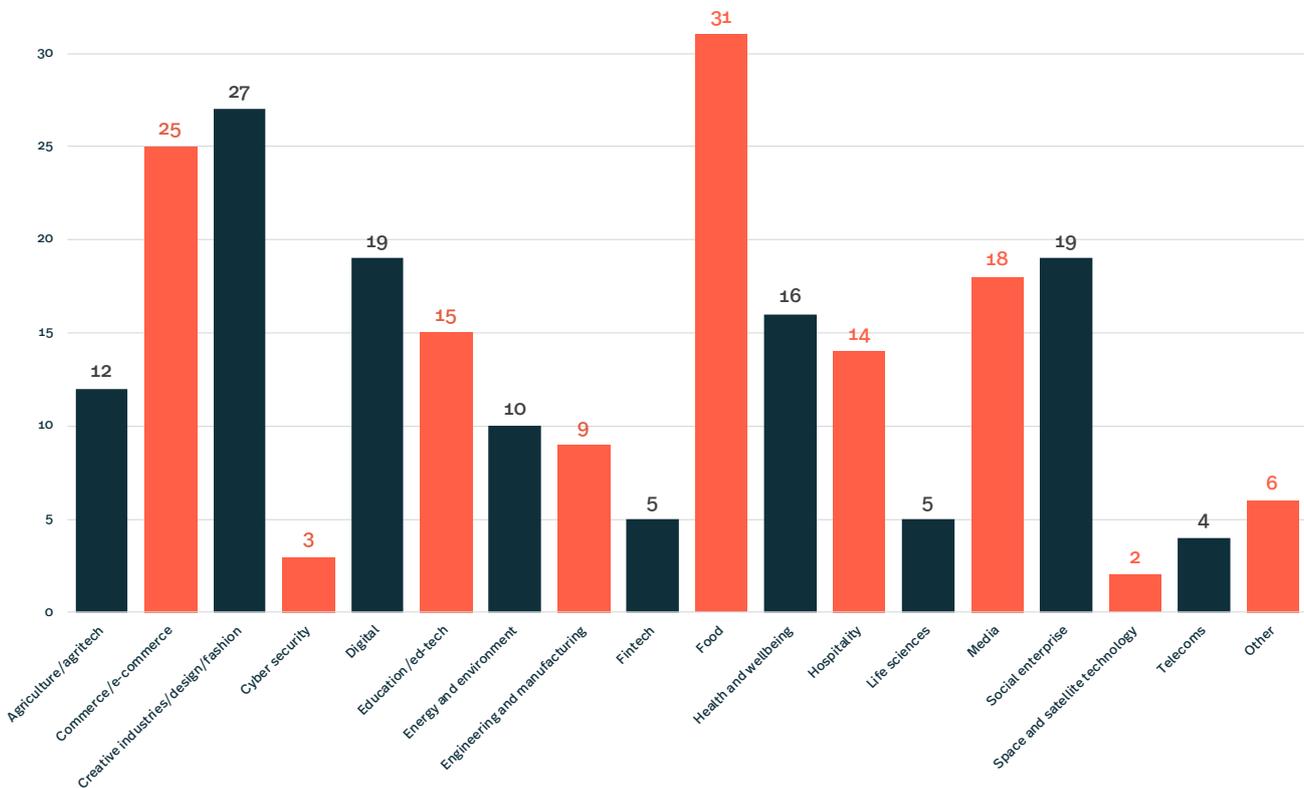


FIG 25 Sectors represented (frequency selected)

CHALLENGES AND SUPPORT FOR PROGRAMMES AND ENTREPRENEURS

Organisations are facing a wide array of challenges, with lack of programme funding and business finance for entrepreneurs highlighted by 59% of participating organisations. Another organisational challenge is participants' lack of understanding of the host country's legal and tax system and lack of market knowledge. Recruitment and reliability of volunteers, as well as finding entrepreneurs driven by desire rather than necessity, constitutes another problem. Finally, adapting learning material to different educational backgrounds and adjusting the programme to meet the needs of participants is a challenge for programme managers.

When asked what type of support participating organisations would like to receive from the government, NGOs, investors and peers, organisations predominantly were interested in financial support (primarily from the government), skills development support, and opportunities for networking (primarily with other organisations).

When asked about the challenges programme participants have encountered since completing the programme, access to funding ranks the highest (56%

of refugees) followed by understanding the market in which they are operating (36% of refugees).

Post-graduation support is offered by nearly all of the organisations surveyed but varies widely. Support ranges from continued networking and mentoring support (provided by 16 organisations), to referral to other programmes (25 organisations stated that they refer participants to programmes run by third parties).

According to participants surveyed, recent graduates primarily valued continued networking and mentoring support. 12% of refugees also suggested that access to office space or equipment, such as laptops, would be helpful.

Organisations pointed out that participants struggle to comprehend their host country's legal and tax system, face language barriers and find it hard to understand the market in which they work. The opportunity for refugees to reach out to organisations for help following their completion of the programme remains crucial for participants. Additionally, the value of connections forged during the programme cannot be underestimated.



FIG 26 Support organisations would like to receive (combined average) - frequency selected

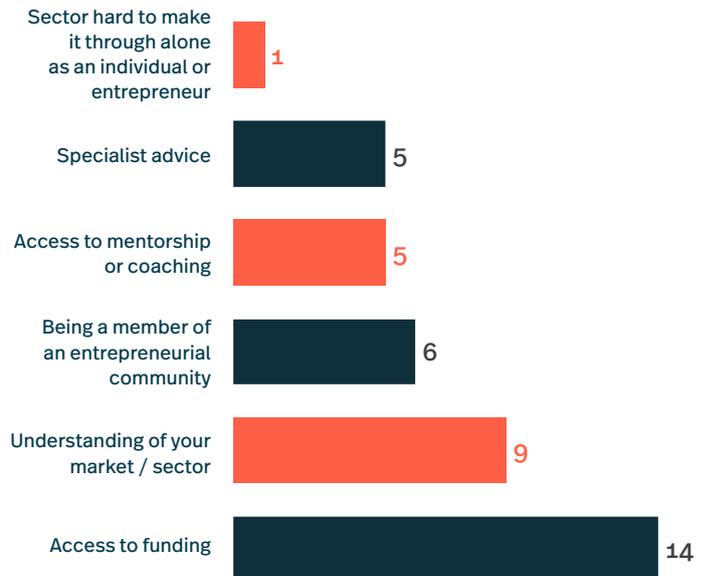


FIG 27 Different challenges which refugees say that they have faced since graduation

EVALUATION

Evaluating refugee entrepreneurship programmes remains crucial for organisations, investors and academics as it helps stakeholders and programme providers to gauge the value, success and impact of programmes. Only through continued evaluation are organisations able to adjust and fine-tune their programmes to the needs of refugees.

This survey made use of in-depth evaluations conducted by organisations. However, data available is not yet complete and can vary among organisations. Most evaluation takes place at the beginning of programmes through a pre-start survey (85% of respondents conduct these) and at the end through a self-assessment upon completion (with 64% of organisations using this method). 49% of respondents stated that they run a survey mid-way. Only 33% stated that they conduct ongoing tracking every 6-11 months after completion of the programme.

With an array of surveys to complete, it is understandable that refugees have survey fatigue. However, feedback remains crucial for organisations. Impact measurement provides valuable information about the needs of participants and the success of programmes that can help unlock sustainable programme funding.

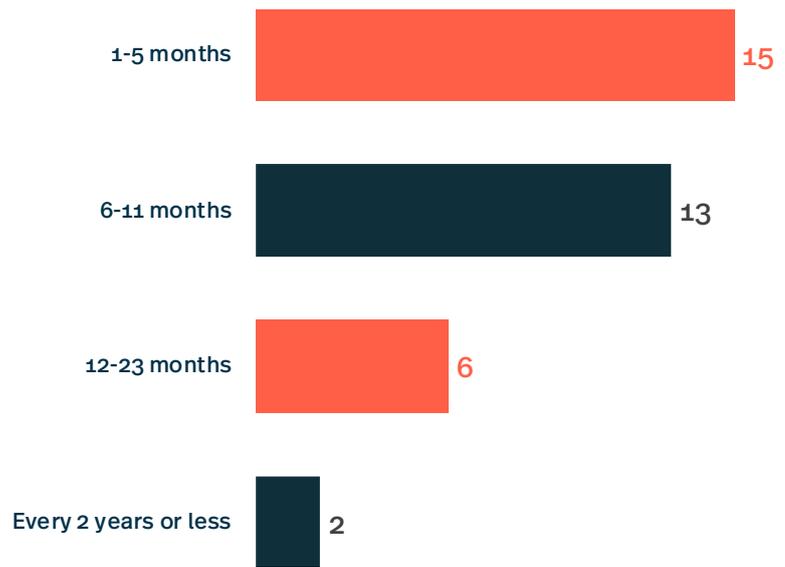


FIG 28 Post-programme completion tracking made by programmes

Conclusion

The Centre's 2018 report established that refugee entrepreneurship programmes are best equipped to provide refugees with the necessary skills to start and grow successful businesses. Despite differences between programmes, they all share the same vision of economic empowerment that benefits both refugees and host communities.

With continued political turmoil in countries such as Syria, ongoing resettlement of refugees remains unavoidable. With recognition and support from governments, investors and the private sector, organisations offering entrepreneurship training to refugees will be better positioned to develop a sustainable long-term strategy and entrepreneurship support with the chance to tap into the uncharted territory of scaling refugee led businesses.

It is clear from the findings in the survey that there is a positive economic case for refugee entrepreneurship programmes. For over 30 years, organisations have supported thousands of refugees with their entrepreneurial aspirations, which has resulted in new jobs being created and value being added to the local and regional economies of host countries. The wide variety of businesses run by refugees across many different sectors also demonstrates the multicultural value produced by refugees and a desire by them to share their unique ideas and expertise.

However, there were a number of challenges raised by both refugees and programmes that require action to help boost refugee entrepreneurship. The Centre for Entrepreneurs and FAIRE recognise these challenges and recommend that a series of actions are taken by programmes, governments and the private sector respectively. These aim to foster greater social and economic cohesion for refugees and their entrepreneurial goals, giving them a greater voice in their host countries and better financial support to grow their business ventures.

Recommendations for delivering bodies:

Over the past decade alone, refugee entrepreneurship programmes have opened up new opportunities for refugees. However, challenges prevail and need to be addressed to ensure long-term sustainability and continued success of refugee entrepreneur businesses.

- Collaborations between entrepreneurship programmes as well as with other notable stakeholders (e.g. private sector) are essential for programmes and can open new opportunities.
- Non-profit organisations should work towards a sustainable model and establish alternative streams of income. Services offered by refugee-led businesses to the private sector for instance can have a long-term impact on integration.
- Although entrepreneurship programmes should remain free to refugees, successful participants should be invited to give back to the organisation and help the next generation of entrepreneurs.
- Impact measurement constitutes a key method to prove the effectiveness of refugee entrepreneurship. Refugee entrepreneurship programmes and academics should collaborate to build a universal impact measurement criteria and tool. Refugee entrepreneurship programmes have to continue to capture the success stories of refugees who have started a new business, learned a new skill and who were able to again take ownership of their lives.

Recommendations for governments:

Government grants and donations constitute the majority of income for refugee entrepreneurship programmes.

- Organisations need to be able to rely on long-term commitments from governments at a local and federal level, regardless of the length of that government. Support for refugee entrepreneurship organisations must, therefore, not be constrained by the cyclical nature of governments.
- Existing research primarily focuses on programmes operating in Europe, Australia and the USA. Future research has to challenge governments in developing country success while offering feasible solutions for governments faced with socio-economic challenges in their home country.

Recommendations for investors and the private sector:

Investors and the private sector have to recognise the longevity of the refugee crisis and express a commitment to supporting organisations that are offering entrepreneurship training to refugees.

- Collaborations may include providing financial support, promoting investment opportunities in refugee businesses and offering mentoring through refugee entrepreneurship programmes.
- One of the best ways companies can support refugee entrepreneurs is through buying their products or services.

Role of the Centre for Entrepreneurs:

The Centre for Entrepreneurs is keen to support refugee entrepreneurship worldwide. In 2018, CFE hosted the inaugural global refugee entrepreneurship summit and will continue to host this annual event to bring together practitioners, government representatives, investors and other stakeholders for an action driven exchange of ideas and recommendations that attendees endorse and work on throughout the year.

The inaugural summit also saw the launch of CFE Refugee Entrepreneurship Network, a community of organisations that works to improve the scale and impact of refugee entrepreneurship programmes across the globe. CFE's community manager will continue to build the network and bring together organisations that share the same mission.

In collaboration with other organisations, CFE is keen to map the ecosystem of existing programmes and important stakeholders. And finally, CFE is committed to run the refugee entrepreneurship survey on an annual basis and establish it as a reliable benchmarking tool for practitioners and stakeholders.

Role of FAIRE:

FAIRE's mission is support refugee entrepreneurs, with an initial focus in France.

We realised early on that providing financing for refugee entrepreneurs was essential and the results of this survey further prove the importance of our donation and loan programmes.

At FAIRE our aim is to support refugee entrepreneurs throughout the value chain: via donations to incubators that provide important community, skill-building and business concept development support to get their project started, and then directly via zero interest loans and mentoring to enable progress through to hard launch and business growth.

We feel strongly that all of the key stakeholders (government, financing bodies, incubators, charities etc.) need to cooperate to fund and to offer solutions because providing more opportunities for refugee entrepreneurs is good for the economy and for society as a whole.

FAIRE engages to continue our work in collaboration with our partners and other stakeholders, to continue to ask questions, to collect data, to provide examples that change the narrative around refugees, to review successes, as well as failures, and to share our learnings. We are committed to lead by example, in particular with our loan programme, as we firmly believe in the potential of refugee entrepreneurs.

Methodology

The Centre for Entrepreneur's refugee entrepreneurship programme survey examines the state of refugee entrepreneurship programmes worldwide by analysing the structure and outcomes of programmes.

The survey is divided into two parts: the refugee entrepreneurship programme survey, completed by the programme manager, and the refugee entrepreneur survey, completed by refugee entrepreneurs who participated in one of the programmes surveyed.

The refugee entrepreneurship programme survey is divided into four parts: operations, entrepreneurship programme, general services and outcomes, and challenges and opportunities programme managers encounter while running the programme. Organisations that run several entrepreneurship programmes were asked to complete the second part of the survey for each of the programmes offered.

The refugee entrepreneur survey aims to understand the background of programme participants, how they have experienced the programme and the type of challenges they've encountered following post-graduation.

The survey differentiates between refugee entrepreneurship programmes, refugee entrepreneurship organisations and refugee entrepreneurship units.

- Refugee entrepreneurship programme (REP), which defines any initiatives with the aim of making refugees more entrepreneurial. These could be pre-incubators, incubators, on-demand business advice services or similar. One organisation may run several Refugee Entrepreneurship Programmes.
- Refugee entrepreneurship organisation (REO), which is an organisation that exists exclusively (or almost exclusively) to help refugees into entrepreneurship.

- Refugee entrepreneurship units (REU), which the Centre defined as a department, team or other project that sits within a larger organisation that delivers one or more Refugee Entrepreneurship Programmes.

In the report, the term organisation is used as an umbrella term for all three categories outlined above.

Out of the 39 organisations that have participated in the survey, eight run a refugee entrepreneurship unit, 13 run a refugee entrepreneurship programme, and 15 have identified themselves as refugee entrepreneurship organisations. Seven specified that they run more than one programme.

Participants were encouraged to complete the survey in its entirety. Data that was taken from a smaller pool of responses was highlighted in the analysis.

Data is presented as a global and regional collective average. Data directly referring to organisations has been sourced from the organisations' website, annual reports or the United Nations Conference on Trade and Development's Policy guide on entrepreneurship for migrants and refugees.

The refugee entrepreneurship programme survey comprises of 61 questions, consisting of a variety of dropdown questions, multiple choice questions, ranking questions and open text fields. The refugee entrepreneurship survey comprises of 32 questions in a similar format.

The survey questions were drawn from research for the 2018 report, problems raised by attendees of the 2018 inaugural refugee entrepreneurship summit, conversations with programme managers and research

papers on refugee entrepreneurship. The complete list of questions is available at: centreforentrepreneurs.org/survey.

The survey was shared among members of the Centre for Entrepreneurs Refugee Entrepreneurship Network as well as organisations that were identified as running refugee entrepreneurship programmes.

The overall methodological approach was qualitative, primarily looking at data provided by programme managers and entrepreneurs. This approach allowed regional and structural comparison between participating organisations. Unstructured interviews were arranged with a number of organisations to provide a more in-depth understanding of their motivations and to put survey responses in context.

PROGRAMME DEFINITIONS

Accelerator

Accelerators offer a fixed duration programme. They are typically growth-based, often provide seed funding and offer startup services such as mentorship and entrepreneurial training.²²

Pre-accelerator

Similar to accelerators, pre-accelerators provide very early stage support to entrepreneurs who aim to join an accelerator programme in the future.²³

Vocational training course

Vocational training courses prepare people for specific types of occupations and, in some cases, for direct entry into the labour market.²⁴

Enterprise education course

Enterprise education is the process of developing students in a manner that provides them with an enhanced capacity to generate ideas, and the behaviours, attributes, and competencies to make them happen.²⁵

Business growth programme

Business growth programmes are designed to help existing businesses expand. These programmes vary in size, capacity and requirement, and usually offer business advice and support.

Pre-incubator

Pre-incubators focus on the pre start-up phase of business development, by providing coaching, business advice and some basic facilities (e.g. a workspace, equipment) to support the development of business ideas and business plans.²⁶

Incubator

Incubators usually offer services such as mentorship and entrepreneurial training. They can have an open-ended duration, rather than a specific time frame.²⁷

Notes and Acknowledgements

CORNERSTONE DONOR:

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REPORT SUPPORTED BY:



This report was authored by Friederike Andres and Patrick Swain and edited by Matt Smith, Kristina Vayda and Amandine Tessaro. The report was designed by Jonty Young.

FAIRE wishes to acknowledge Louisa Toubal for her consulting services.

The opinions expressed in the publication are those of the authors and do not necessarily reflect the view of any of our donors.

Cover images are kindly provided by 51 Labs (Iraq), Migraflix (Brasil) and Capacity (Switzerland).

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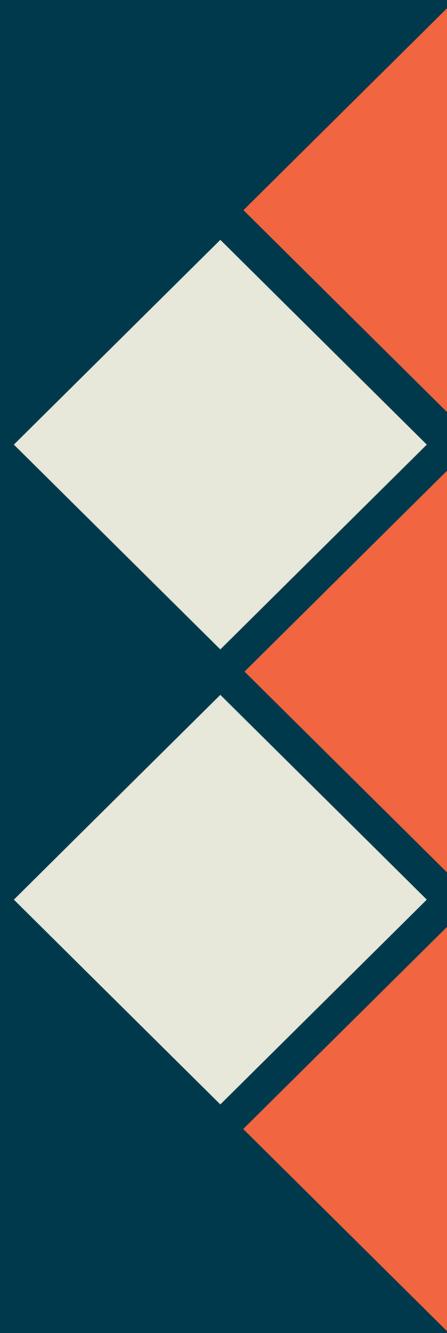
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