

BUSINESS

A

REFUGEE

OPTION

NOW

REPORT OF THE BARON CONFERENCE

London, 14 December 2004

The BARON Programme

BARON is an interactive on-line self training programme in business advice for refugees in the UK, Belgium, Spain and the Czech Republic. The programme is available on CD ROM and the Internet, www.baron-refugee-business.org. The programme was launched at an international conference in London about business start-up support for refugees on 14 December 2004.

The BARON project was implemented by a transnational partnership of four refugee-assisting agencies:

- ? EAI-RETAS (Education Action International – Refugee Education & Training Advisory Service) from the UK, www.education-action.org
- ? OCIV (Flemish Refugee Council) from Belgium, www.ociv.org
- ? CEAR (Spanish Commission for Aid to Refugees) from Spain, www.cear.es
- ? PPI (Counselling Centre for Integration) from the Czech Republic; www.p-p-i.cz

The training programme contains information related to business advice issues for refugees complemented by country-specific sections on business opportunities, business plans, business types & law and finance & support in the UK, Belgium, Spain and the Czech Republic.

The programme is aimed at business advisers specializing in business start-up support for refugees. It is also a useful source of advice and information for refugee entrepreneurs.

The project was supported by the European Commission from the Leonardo da Vinci Community Vocational Training Action Programme 2000-2006.

To obtain a copy of the BARON CD ROM please contact:
EAI-RETAS, Office Manager, 14 Dufferin Street, London EC1Y 8PD,
tel: 020 7426 5800, e-mail: retas@education-action.org

CONFERENCE PROGRAMME

Morning programme:

- 9.30 - 10.00 **Arrival & Registration**
- 10.00 **Welcome & Opening Remarks by the Chair**
- Cameron Bowles, Director of Education Action International (EAI), UK
- 10.10 **Introduction to the project & the partnership**
- Berend Jonker, Project Officer EAI - RETAS, UK
- 10.30 **Country specific presentations on business start-up support for refugees: UK, Belgium, Spain and the Czech Republic**
- Roya Jahanbin, Employment Project Officer & Business Start-up Tutor, EAI-RETAS, UK
 - Dita Cermakova, Public Relations and Fundraising, CCI, Czech Republic
 - Monica López, Co-ordinator of Employment and Training Section, CEAR, Spain
 - Dorien de Troy, Project-Co-ordinator Ethnic Minority entrepreneurs, UNIZO, Belgium
- 11.40 – 12.00 coffee break
- 12.00 **Presentation of the BARON CDROM and internet programme** (followed by questions and answers)
- Roya Jahanbin and Nicholas Nisbett, multimedia consultant
- 12.45 - 14.00 lunch

Afternoon programme:

- 14.00 **Key note speaker from Europe**
Shahamak Rezaei, Assistant Professor, Roskilde University, Denmark
- 14.20 **Panel discussion on the value of specialised business start-up for refugees**
- Ann Burjacowski, self-employed refugee, UK
 - Marcia Harris, Chief Executive Officer, Islington Enterprise Agency, UK
 - Jiri Branka, Independent Consultant/Market Analyst, Czech Republic
 - Beatriz Araneta Lavinz, Chef Technical Department MITA-Development Center for the Entrepreneurship Initiatives, Spain
- 15.20 **Concluding Remarks by the Chair**
- 15.30 – 16.30 Drinks/Reception

Introduction to the project and partnership

The potential contribution of refugees to European society is substantial, but remains largely untapped. Across Europe, refugees have great difficulties finding employment. There are no exact figures available (these statistics are not systematically gathered), but various research findings show that refugees face high levels of unemployment. Where refugees are working, it is often well below their capability. This is despite the fact that many refugees hold high level qualifications, including qualifications related to business and management, and have had substantial experience in employment or business in their own countries.

Self-employment is an important alternative for refugees to access the labour market. Britain, for example, has over the years profited a lot from refugee business initiatives. There are estimates that during the 2 years following the Second World War, refugees in Britain established over a thousand new companies, employing well over 250,000 people, and some of the most celebrated entrepreneurs – including Michael Marks, founder of Marks & Spencer – originally came to Britain in search of asylum. However, setting up one's business is not easy. Refugees are less familiar with the host country's (often complicated and bureaucratic) regulations and market, and have more difficulties than do natives to access mainstream business advice, support and finance for their business plans.

Within the existing training provisions in Europe, we identified a need for specialized training for advisers who would like to be trained on how to advise refugees on setting up their own businesses. The BARON project (Business A Refugee Option Now) addresses this need by developing a training package in business advice for refugees in the UK, Belgium, Spain, and the Czech Republic. The package that will be launched today consists of an inter-active self-training CD-ROM and Internet programme in the skills and knowledge that are required for successfully setting up and running a business. The training programme is aimed at advisers who wish to gain the necessary knowledge and skills that are needed to provide quality business advice and guidance to refugees, but is also suitable for prospective refugee entrepreneurs themselves.

The project is funded by the Leonardo Da Vinci programme of the European Commission and has started in November 2002 and will finish by the end of this month. The project has been carried out by a team from four partner organisations; Education Action International – RETAS (in the UK), OCIV (Belgium), CEAR (Spain) and CCI (Czech Republic). Overlegcentrum voor Integratie Vluchtelingen (OCIV) is an independent umbrella structure of organisations and persons who are active in Flanders and Brussels in the area of the reception of asylum seekers and the guidance and integration of refugees. Spanish Commission for Refugee Assistance (CEAR) is a charitable non-governmental organisation founded in 1979. CEAR provides direct assistance to asylum seekers and refugees to aid their integration into Spanish society. Counselling Centre for Integration (CCI) is a non-profit, non-governmental agency founded in 1997. The main focus of CCI activity is to facilitate integration of refugees and migrants in the Czech Republic.

The development of the CDROM was supported by a Steering Committee, consisting of experts from different sectors; 2 successful refugee entrepreneurs, 2 expert business advisors from a non-refugee agency, 1 expert from a voluntary agency, and 1 expert from a Refugee Community Organisation. Throughout the project partners consulted various mainstream business support agencies, governmental agencies and other business networks such as those for black and other ethnic minority businesses. An important aspect of the project was to include the experiences of refugee and black and ethnic entrepreneurs in the training programme and use them as role models.

The BARON training package will enable business advisers to enhance employment options for refugees by encouraging them to explore entrepreneurship as an employment option. In the UK, for example, there are strong indications that even within the poorest London boroughs micro businesses are providing the greatest employment opportunities. Moreover, in the context of overseas markets, there are opportunities for refugee entrepreneurs to establish or strengthen trading links with their countries or area of origin. Entrepreneurship also creates new sources of income and employment through a multiplier effect in the economy. Refugee entrepreneurs do not only provide employment for themselves and their families, but also employ others, often refugees from their own communities. We hope that the programme will contribute to the development of new viable and sustainable refugee businesses.

Country specific presentations on business start-up support for refugees: UK, Belgium, Spain and the Czech Republic

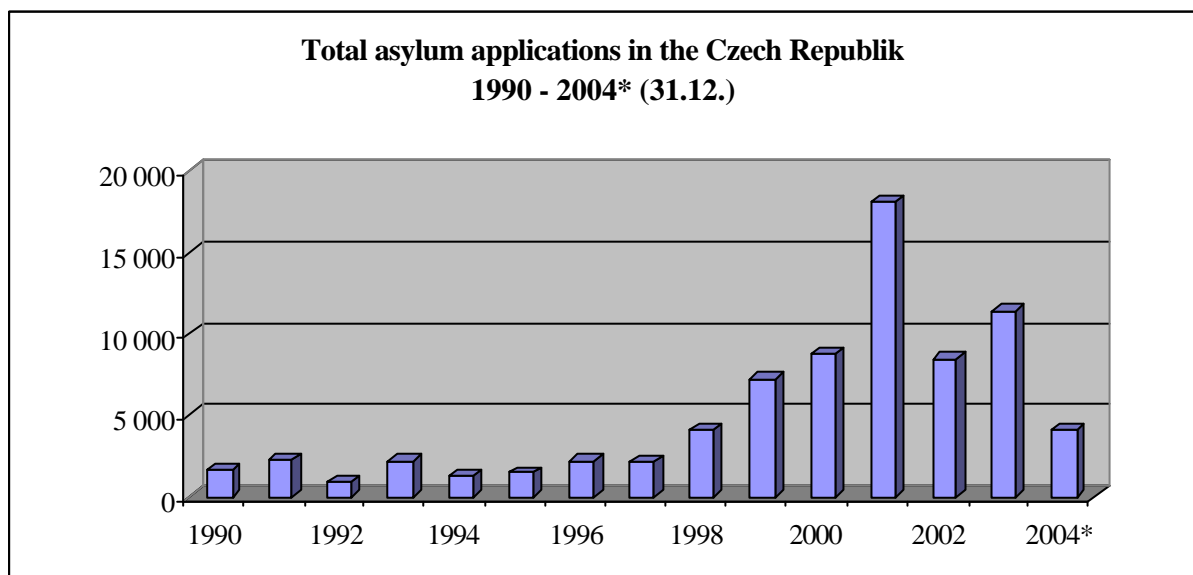
Dita Cermakova, Counseling Centre for Integration (PPI), Czech Republic

The presentation is divided in two sections: asylum / immigration trends in the Czech Republic and the possibilities for refugees to set up their businesses and access entrepreneur support.

1. Asylum and immigration trends

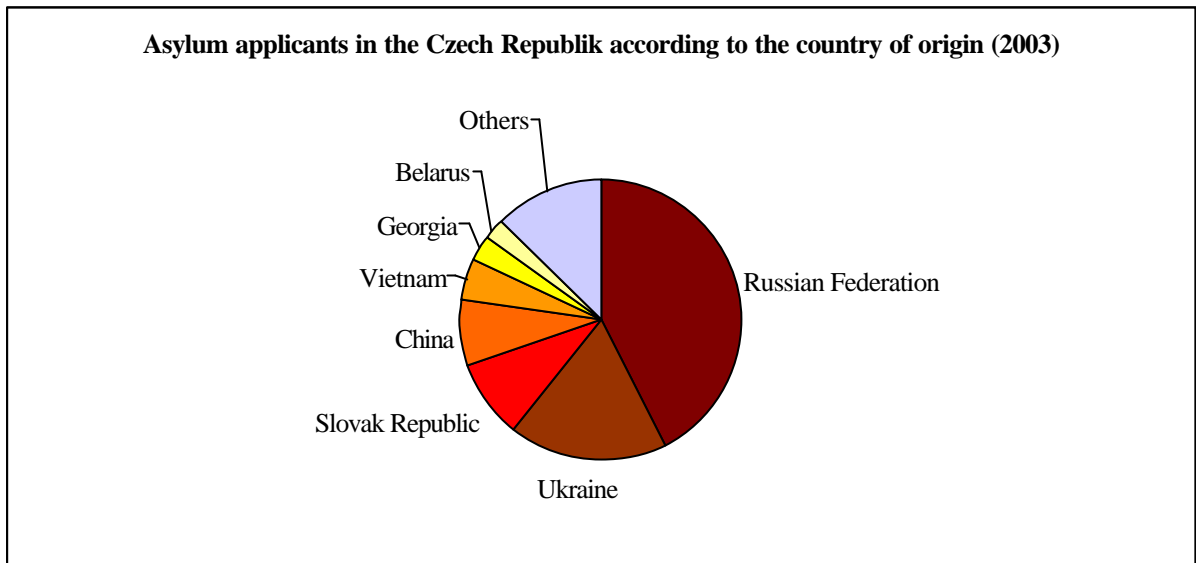
The geographical position of the Czech Republic and its political, economical and social development are the main factors influencing the migration patterns. In the beginning of 1990's the average level of applicants for asylum was 2000 a year (see Chart 1). The increase in numbers has started in 1998 and reached the highest point in 2001 when a total of 18 093 persons asked for asylum in the Czech Republic. The total number of asylum seekers from 1990 till this August has been 75 994. In this year, the number of applicants has decreased, which is probably caused by joining the EU.

Chart 1



In the Czech Republic, most asylum seekers come from former communist countries such as Ukraine, Russia, Bulgaria, Rumania, Moldova, Vietnam and from countries like Afghanistan, Sri Lanka and Bangladesh. Chart 2 shows the example of the year 2003. In this year most asylum seekers were from Europe (59 %), 38 % from Asia and just 2 % from Africa.

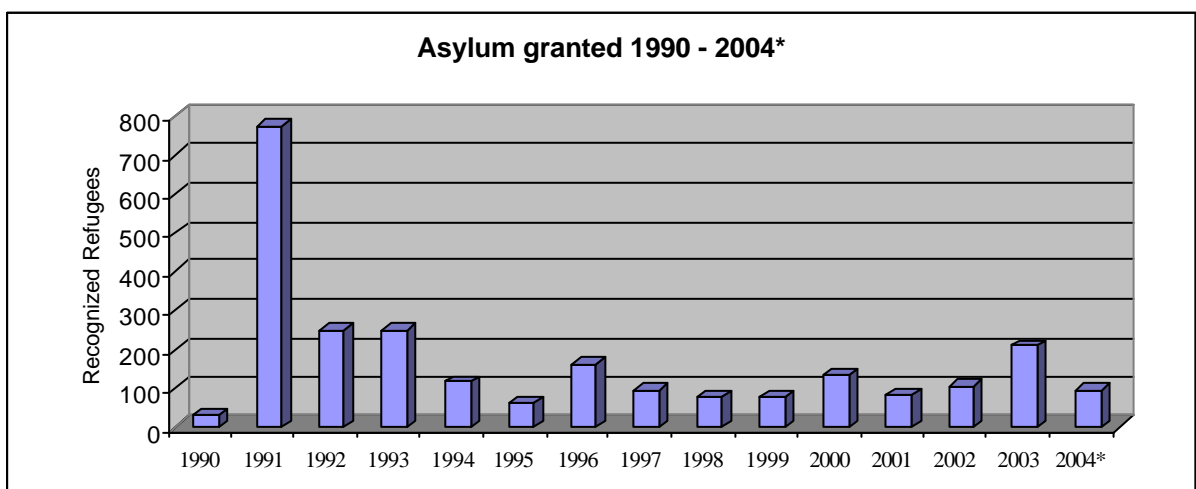
Chart 2



Until 2000 the Asylum Act was abused by foreigners who wanted to have a work permit. Till this year it was allowed to start working from the beginning of the asylum procedure. This has changed by the new Asylum Act that came into force in 2000. According to present legislation, the asylum seekers are allowed to work after one year of procedure and they are not allowed to set up a business. Therefore, the use of our new education program BARON is limited for this particular group.

In the European Union, the Czech Republic has one of the lowest recognition rates. The recognition rate balances between one and two percent of applicants on the basis of first instance decisions. Since 1990, the right of asylum has been only granted to 2520 refugees, mostly on the grounds of family re-unification and for humanitarian reasons. Only 30% were granted asylum for persecution reasons (see chart 3). The increase in 1991 is related to the political changes in Romania. At this time, there are 1500 persons holding the right to asylum.

Chart 3.



2. Support for refugee entrepreneurs

Recognized refugees have the same rights as Czech citizens apart from the right to vote. So they have the same access to entrepreneurship support provided by the Czech state. Entrepreneur support can be divided into two fields. Firstly, support which is provided to unemployed people who are registered at job-centres. According to government employment policy, recognized refugees are identified as a group that need special attention by job-centres. Secondly, support to all entrepreneurs settled in the Czech Republic with residence permits.

To receive entrepreneur support from job-centres you need to be registered as unemployed. Job-centres are covering part of the expenses for unemployed people who decide to set up their own business. A refugee must prepare a business plan, which must include an economic balance for at least one year and other proofs of successful business intent (zámer). There is no legitimate claim for such support and it always depends on judgment (posouzení) of each project by the Job Centre. No support for preparing the business plan is provided by Job Centres. Financial support is only intended (urcena) for buying production devices but not for salaries and supplies. The amount of support money from Job Centre is different in each region of the Czech Republic, starting from unemployment rate to average salaries in certain region. The average financial support from job centre is between 50 and 70 thousand Czech crowns, (jak říci: což je) 1600 - 2200 €. If the business is running well and successfully for at least one year the recognized refugee does not have to give this money back.

Our experience is that to prepare a business plan that will be supported by a Job Centre is very difficult for refugees. Our clients have problems with creating concrete concepts for their business plans and have difficulties writing them down in official form. There is also a language barrier. Moreover, they have problems understanding that this money is just part of their potential investment and that they need to secure other financial sources. The access to other financial sources is often impossible. We supported two refugees with the preparation of their business plans, but unfortunately both were unsuccessful. There are no statistics available on how many recognized refugees have received such business support, because job centres do not distinguish between the recognized refugees and Czech citizens in their statistics. However, according to information from the main job centre in Prague there has not been any support for recognized refugees. We welcome the BARON programme that will help recognized refugees step by step with the creation of business plans, examining feasibility and learning about the required business skills.

The second possibility of support for starting entrepreneurs is also suitable for recognized refugees. These programmes are organized by Ministry of Industry and Trade and implemented by the Czech-Moravian Guarantee and Development Bank. The support provides preferential credit (zvyhodnené úvery) for entrepreneurs who are pursuing businesses in selected branches and regions. Generally, the procedure is as follows: the applicant applies for credit at a bank (požádat o úver) and if the credit is confirmed, the Czech-Moravian Guarantee and Development Bank gives a guarantee for such a credit (záruka za úver) or will pay part of the interests on mortgage according to selected programme. As I mentioned earlier, the problem is that recognized refugees have huge difficulties accessing credits, because they are considered unreliable. Also there are some difficulties with preparing the business plan, which is judged even more strictly as by the Job Centres. There are some preparation courses that may help to the applicants, but such courses have high course fees, which recognized refugees in most cases can not afford. According to information of the Czech-Moravian Guarantee and Development Bank none of the recognized refugees have received business

support yet. The BARON programme will also be useful for recognized refugees who pursue this route.

Finally, the BARON programme will be useful to educate recognized refugees who want to start a business and make them aware of their possibilities in the Czech Republic. More specifically, they can learn how to prepare a business plan and how to successfully run the business. In addition, the BARON is also intended for business advisers and will be distributed among business advisors at Job Centres and other organizations dealing with refugees. Entrepreneurship could be one of the successful paths to integrate into Czech society for recognized refugees.

Monica Lopez, CEAR, Spain

1. Introduction

We should recognize that refugees have special integration needs. In general, there is a high rate of unemployment in Spain. There are no official statistics or figures available on employment rates among refugees, because the National Employment Institute (INEM) does not make any difference between migrants and refugees when registering labour contracts. However, we have research data showing that finding a stable and well-paid job is, together with finding a home, the main difficulty in refugees' integration process.

In view of this reality, refugees often have two very distinct positions:

- ? Resigning to the labour market reality. In other words, starting accepting employment in labour market sectors that Spaniards are not interested in (agriculture, construction, hotels and home services)
- ? Rejection and re-vindication of more social protection that permits access to jobs in accordance with the refugees' educational background and prior work experience.

2. Framework for financing refugee businesses

Since 1990, the Institute of Migration and Social Services (IMSERSO), an organisation responsible for managing social security under the wings of the Ministry of Labour and Social Affairs, has been in charge of managing and developing social programs for refugees, asylum seekers and displaced people, as well as the development of a network of refugee reception centres. The aim of IMSERSO's refugee programmes is to provide help to refugees and displaced people in Spain who have no economic resource as well as to facilitate their integration. This institute gives subsidies to NGOs in the social sector to involve them in the implementation of the social programmes. The management of the programmes is carried out between the government and the NGOs. NGOs manage around 80% of the budget of around eighteen million euro. The NGO programmes consist of: information and guidance, help with housing, job-search support, training and assistance in starting a professional activity. NGOs try to meet refugees' needs and find the best way for their integration in Spain.

The Spanish Commission for Refugees Assistance (CEAR) carries out a self-employment programme for refugees since 1983, aiming to facilitate refugees' social integration. This programme tries to provide basic economical support, which enables them to start a small business or to be self-employed. Through this, refugees can be economically independent. In

Spain, refugees with full status or people with a complementary protection can access to two types of financial aids for the business start-up:

a) Specific funding for refugee businesses

CEAR manages a budget line for the implementation refugees' self-employment projects and is also part of an EQUAL Partnership Development. In the framework of this EQUAL initiative, CEAR has the opportunity to award grants to small businesses for the beneficiaries with complementary protection.

b) Mainstream loans for business start-up

Refugees who want to start a business project can also get a loan from the public institutions or from private entities with the same conditions as for Spanish people.

3. The self employment implemented by CEAR

3.1. Setting up a business in Spain

Spain is not very developed for entrepreneurship. Traditionally, starting up a business has always been an arduous and difficult task with a very complicated bureaucratic procedure. Refugees have to face this complexity. This is an added difficulty for them.

Other difficulties for self-employment in Spain are:

- ? The lack of public policies incentives
- ? The excessive barriers to access to entrepreneurship financing and the requirement of personal guarantees to access business start up loans
- ? A previous lack of information, which has been the norm in this sector, is currently replaced by an overflow of "access" to inaccurate information.

3.2. The content of the programme

The aim of the CEAR's self-employment programme is to facilitate the refugees' employability. This programme is targeted at those refugees who have special difficulties in accessing the labour market. To realize this aim of the programme, CEAR has appointed several technical advisers who are in charge of the business advice, monitoring and all the necessary support related to refugees' business start-up. Business grants are available up to 12.500 euro without charge.

The requirements to access to the CEAR's self-employment programmes are:

- ? The lack of economic resources of the applicant as well as his family.
- ? To live in Spain for a maximum period of 3 years starting from the date of achieving a refugee status.
- ? To demonstrate entrepreneurship abilities, business experience and the capacity to implement the chosen business project.

3.3. The management of the programme

The self-employment programme is part of the social area and directly reports to the Training and Employment section. This service is functioning as follows:

- ? The detection of entrepreneurship abilities of the applicants and developing of an employment pathway according to their personal profile
- ? Support and monitoring and development of the business plan
- ? Referrals to other entrepreneurship agencies, if necessary for complementary advice
- ? To facilitate business grants in the framework of the IMSERSO programme or the EQUAL initiative
- ? Personal tutoring and all transactions related to the business implementation: local renting, merchandising, administrative tasks, etc.
- ? Monitoring after the business start-up.

3.4. THE BENEFICIARIES OF THE CEAR'S SELF EMPLOYMENT PROGRAMMES.

Mostly, this programme is giving a high priority to more vulnerable refugees or their families who have more difficulties in accessing the labour market. This group includes: refugees over the age of 50, single refugee women with children, young people without vocational training and big families. Although, these are defined as groups with high priority, we also need to pay attention to other vulnerable groups such as refugees with disabilities.

Refugees aged over 50 make up the biggest group of applicants for the self-employment programme. They mostly consist of men who are unemployed for a long time and who were unable to find a job according to their prior professional background.

Single refugee women with children face a very complicated situation in Spain, keeping in mind that the female unemployment rate is double than the male one. This means that they have a double handicap: being women and having to care for their children. For this reason, their self-employment activities are mainly focused on their need for maintaining their family life while at the same time managing the business activity, for example hairdressing services or tailoring services, which are possible to run from home.

Young people can benefit from the programme when they lack family support, social networks and have no specific vocational training that would guarantee them finding a job. In the case of big families it is very important to emphasise that the self-employment project is considered as a mean to diversify the family's income. Basically, the self-employment activity should be considered as a complementary to increasing the family's income.

4. Difficulties for refugees' business start-up

In addition to the general difficulties refugees face specific barriers when starting up a business:

1. Lack of experience and knowledge of market sectors that are, in general, very different from the market sectors in their country of origin.
2. The lack of social network support that could be the first choice business target group.
3. The excessive bureaucratic procedures and the lack of knowledge of commercial negotiations, commercial practice and entrepreneurship culture of the host country. These are the main additional difficulties for those refugees who are not in the Spanish culture area.

4. The amount of grants is not enough for setting up a business. Generally, refugees lack complementary financial resources for starting up a business. Most refugees are excluded from loans from the banks because they do not have property or other required personal guarantees.
5. The complexity of administrative procedures before they actually receive the money make it even more difficult for the refugees (this is because we manage public funds).

In conclusion, we hope that refugees' business start-up can contribute efficiently to market diversification. In this way, they have an opportunity to have a positive input in the host society. We expect that in the future, refugees' small businesses can contribute also to the increase in the creation of new job positions and decrease of general unemployment rate. That means a contribution to the economical development of the host society.

Dorien De Troy, UNIZO, Belgium

Activities to Support Entrepreneurs in Belgium

UNIZO is a union of independent entrepreneurs (80,000 in total) which run small sized businesses. UNIZO is trying to reach out to ethnic minority entrepreneurs including refugees. UNIZO runs the "Welcome for Immigrant Entrepreneurs" Project, which offers specialised support for ethnic minority entrepreneurs for a 3 year period (2004-2006) and is funded by ESF. It consists of modulated guidance, including advice and guidance, long term follow up guidance, and business management course.

The project builds on experience of other projects. They recognise there are large differences between ethnic minority entrepreneurs in terms of language, legal knowledge, management skills, and accountancy skills. An understanding of the bureaucracy in Belgium is important, particularly legal procedures. Many immigrants come from countries with less formal bureaucracy. UNIZO wants to familiarize them with this.

- a. Partners include:
 - ? Regular organisation for entrepreneurship
Core business is the self-employed
 - ? Consultancy partners in different parts of Flanders
Core business is cross cultural contact
 - ? Training partners – local institutes from the official educational government agency
Core business is training for self-employed
- b. Stages for Entrepreneurs are:
 - ? Initial Screening
 - ? Referrals to local partners depending on needs
 - ? Business management course

1. For starters with large cultural differences we offer short term advice, long term guidance, joint training, and business management course

The Business Management Course:

- ? Is designed to fit demands for management knowledge
- ? All participants receive a certificate
- ? Dutch spoken, but translated into different languages for participants
- ? Addresses language, lack of education, inhibition in formal educational institutions
- ? Small fee for the books

2. For starters when language or cultural background of entrepreneur allows normal initial contact and advice

Entrepreneurs Road Map:

- ? They are translating information on entrepreneurship into other languages.
- ? Training advisors to work with diverse group of entrepreneurs
- ? Will offer a clear follow up with different advisors
- ? After a few years will have a network of external advice
- ? All advice is free.

Roya Jahanbin, Education Action International, Refugee Education and Training Advisory Service (RETAS), UK

Business Start-up Support for Refugees in the UK

This is a happy coincidence that we are hosting the launch of Baron in here-Britain. As you know we are called the nation of shop-keepers, in other words: Enterprise Heaven!

Good News & Bad News: the rate of success of small businesses nationally in the UK is around 26% struggling to 30%. It means that only about 3 businesses stay trading after 2 years in operation. However, the rate of success of small businesses among refugees is nearly 80%! It means that from every 10 businesses that refugees set up, 8 are still trading after 2 years and only 2 fail.

1. Business Advice & Start-up Training

There are not many specialist agencies that provide Business advice specifically for refugees. Retas and a few RCO's (refugee community organisations) are carrying this task at the moment. In the case of not having access to the mentioned organisations, the only choice left is to approach one of mainstream business support providers such as Business Link and enterprise agencies. However, the services in these support agencies are mainly geared towards the general public and advisers are not fully aware of special needs of refugees. In numerous cases refugees did not feel comfortable to approach the above agencies or participate in their information sessions and training. This is due to many reasons that are beyond the scope of this conference; however, I will come back to the special needs of refugees later on.

The good news is that during the last 2 years number of RCO's have been successful to recruit advisers from their own communities and have them trained as Business advisers with the help

of different programmes such as REFLEX that is finished now and, SIED (Supporting Inclusion in Enterprise Development) that is recently started.

The picture outside Greater London is totally different. We keep receiving requests from different regions such as Leicestershire, Essex, Oxfordshire and Reading to deliver start-up training and Business advice surgeries in their locations. In another word there is hardly any provision specifically for refugees in most of the regions outside Greater London. Having said that , I have to remind you that we have our own branch in Leeds and so far we have managed to deliver two training sessions over there and, now they have their own Business adviser to work closely with refugees who would like to set-up their own businesses or become self-employed.

2. Financial Support

The first step is approaching main banks if any loan is required for the start-up purposes. You have to bear in mind that banks are private companies in this country and they could reserve the right to reject any loan request if it is deemed not to fulfil the bank's expectations let alone requirements.

Furthermore, there is no special fund specifically for refugees. But there are local and London wide schemes that once any loan request is rejected by banks, applicants could benefit from to secure loans and in rare occasions grants. These schemes are mainly for long term unemployed and marginalised people and, being a refugee puts them in the priority list. However, refugees need to compete against a good many black and ethnic minorities, single parents, residents of housing associations and under 30's. In short, accessing funds is not easy but, possible.

So where could they go for unsecured loans? There is a scheme in London called One-London that provides up to £5000 for start-ups provided the applicant is rejected by banks and could present a good business plan. Furthermore, there are areas in London that are part of regeneration programmes where soft loans are available for start-ups in these areas or residents of such areas. To name a few, I can mention East London Business Centre, North London Credit Union and etc. One of the conditions to be able to benefit from the mentioned schemes is the willingness of accepting mentoring for the duration of the loan and work closely with an appointed business adviser that has proved very beneficial for the applicant especially during the teething period of the business.

3. Concluding remarks

With general growth of automation and spread of computers and robotic engineering in the near future, we are witnessing a universal shrinkage in employment as we used to know it. And governments are taking more and more initiatives to encourage people to work for themselves and, hopefully we would see a growth in Business advice and schemes to assist people in this direction. Therefore there is enough optimism that refugees as an acknowledged social group would benefit from the oncoming initiatives.

Question and Answer Session

1) Question to Dorien: Training in different languages was mentioned. There is a debate in France over language of training courses as it affects integration.

Answer: Integration is not a key function of UNIZO. In some sectors they don't need to use the native language. They consider it important to get people into training in whatever language as a first step toward integration.

2) Question to Roya: In Scandinavia when people get asylum they are treated as citizens but when do you stop getting treated like a refugee in the UK?

Answer: those who get refugee status have the option to apply for citizenship and get full rights of citizens. If they do get a passport, may still consider themselves as refugees, it depends how they define themselves. For asylum seekers in the UK this is not the case.

3) Question: What about getting a bank loan?

Answer: Refugees have the same rights as citizens for bank loans

4) Question to All: Are the figures Roya gave on successful business same for other countries?

Answers:

Monica – in Spain there is a 20% success rate. Their training focuses on people who are socially excluded and does not target people who are interested in business particularly, e.g. people over 50.

Dita – No statistics for Czech Republic but immigrants in general are successful

Dorien – Its hard to distinguish ethnic minority entrepreneurs from Belgian since could be both and don't collect racial records. There is a 50% overall success rate.

4) Question to All: What are the needs of refugee entrepreneurs? What role does their background play, i.e. experience as entrepreneurs in own countries?

Answers:

Roya – She develops her training course based on evaluation of previous courses to meet their needs. She feels it isn't necessary to have a business background. Success can depend on the type of business, e.g. social enterprise is very promising area right now.

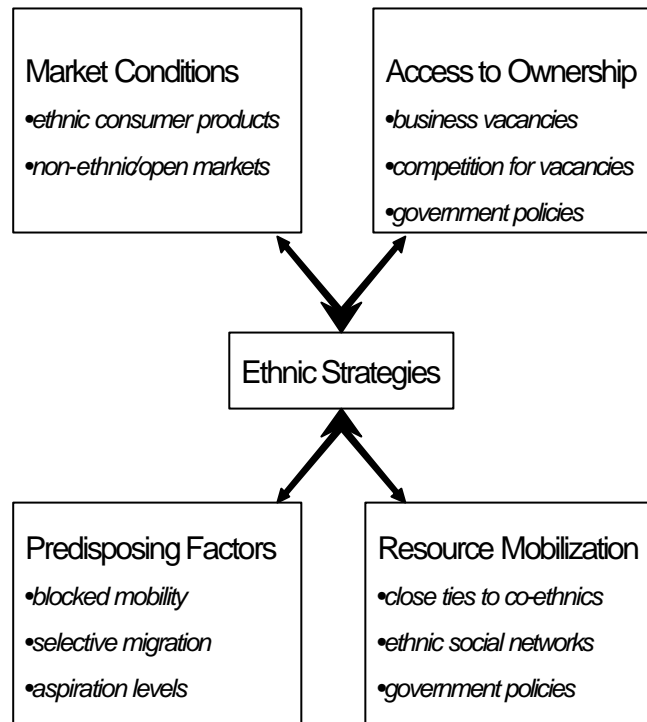
Dorien – Since their advice is 1 to 1 it can be tailored to meet the entrepreneurs' needs. They don't give weight to an entrepreneurial background, it is their choice.

Berend - The BARON CD Rom was developed based on people's personal experiences, which is very positive.

Opportunities and Barriers to Ethnic minority Entrepreneurship in the EU.

Shahamak Rezaei, Roskilde University, Denmark.

Opportunity Structures



Group Characteristics

Characteristics and challenges of Ethnic Business

Contribution to business population:

- Cultural inspiration
- Diversification of available goods and services
- Internationalization
- Strengthen community and network.

Many businesses are set up in order to support their own community, some to provide employment, others to provide community with product from their own country.

Concentration in certain parts of European cities:

High concentration of Ethnic Businesses around train stations and in poorer areas of European cities. This is due to both the cheaper rent and the fact that the area is an "emitting centre" for trade, communication and movement of people.

Concentration in certain sectors:

- The concentration is not only geographical but also can be seen in differing business sectors: Transport (taxis) and food (restaurants/shops)
- Ethnic businesses specialize in only a few sectors and therefore compete hard against each other.

Mono-ethnic network (i.e. exclusively dealing with people within their own community for support and business):

This is positive: It's good to have financial and other types of support from your family

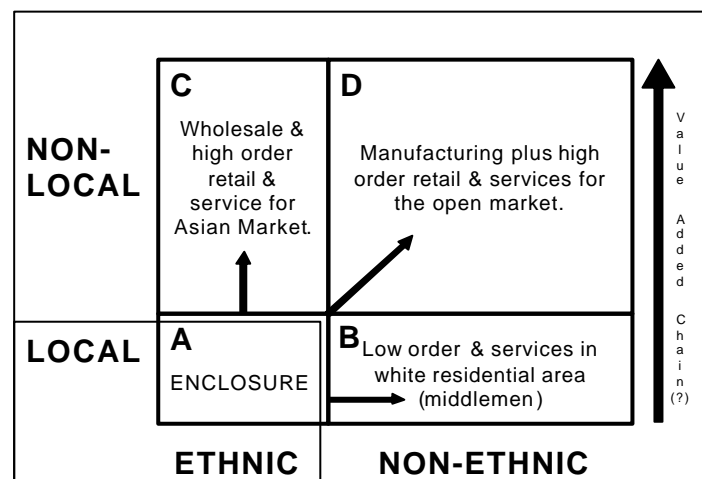
This is negative: in the long term a closed network such as this can mean that a business cannot expand. Growth is inhibited by social obligations (hiring friends to repay a favour etc.).

Movement outside of local ethnic enclosure is seen as a break.

Remaining within enclosed communities allows ease of exchange of information due to similar knowledge, experiences, background, language, family etc.

N.B. This trend is particularly strong within the newer ethnic communities in the EU. Groups that are more fully integrated in countries with a longer history of immigration (such as in the UK) have now move out of working solely within any one ethnic community.

Typologi of market spaces for immigrant businesses



Ram & Jones

This diagram shows the positioning of Ethnic Businesses within any certain economic framework. There are mostly concentrated in Area A, local ethnic "enclosure", this provides initial support but limits the business' growth, as outlined above.

Information circulates to a high velocity within these clusters (*by referring to Granovetter's strong ties discussion*). Each person tends to know what the other people know. Therefore, and this is the insight of the argument, the spread of information and new ideas and opportunities must come through weak ties that connect people in separate clusters... Hence the strength of weak ties. Weak ties are essential to the flow of information that integrates otherwise disconnected social clusters into a broader society. Burt, R. (in Nohria & Eccles 1992, p. 72)

Break out strategies

The Danish empirical evidence and the lessons from some other countries such as the USA and Britain led us to suggest four breaking-out determinants:

- The degree of density in inter-ethnic relationships relative to intra-ethnic ones,
- The level and composition of competencies (general, business and cultural),
- Financial resources, and
- Cross border business relations.

In others words, immigrant business owners with close contacts to other ethnic groups (including the majority population), with an advanced and broad competence profile, with financial resources (often derived from family sources), and with cross border business relations, are the ones who are most likely to develop firms that grow, restructure and relocate, i.e. breaking-out firms.

Ethnic Minorities in Business: specific needs (this information has been compiled from research done in UK, Germany, Holland and Sweden).

Businesses from ethnic minority communities are not using existing business support to the full extent due to several barriers, such as:

- Cultural differences
- Language issues
- Lack of access to information channels and lack of awareness of information available.

Findings

Reasons for low levels of engagement by ethnic minority businesses:

- Top down approach, bureaucratic, patronizing, one-size-fits-all approach
- Services not tailored to needs of different cultures, business sectors
- Predominantly trust *within* own ethnic community

Pockets of good practice and new initiatives across Europe

In Holland alternatives to bank loans are provided with the support of Local governments if businesses are turned down by the banks.

Initiatives in Europe have highlighted the following important keywords:

To create champions and role models

To train and educate based on needs of community

To empower through building capacity in grass root organisations

To develop new ways to deliver business support via community based organisations

To change individual and organisational cultures

To increase transparency in business support bodies

To appreciate the diversity of needs of businesses – bottom-up approach

To connect community based business support to the mainstream

The Way Forward

- Innovative and so far successful: bottom-up approach strategy proven
- Need to build up capacity and expertise
- Develop own 'coherence' and quality
- Develop a link between community and mainstream support
- Think of creative ideas for **sustainability**: within and outside own communities
- Break out strategies

Concluding panel discussion

Ann Burjacowski, self-employed refugee, UK (case study)

Before arriving as refugees in London, Ann worked as a party secretary and her husband as a solicitor in their native Moldova. Three years ago they could not do anything and decided to start something to feel good. At first, they did not know where to find the right information for starting your own business. Gradually, they got in touch with Business Link, the Refugee Council and RETAS, where they followed a Business Start-Up course. Through the Business Start-Up course they developed a business plan for a convenience store in the east of London. They also appreciated the welcoming atmosphere and moral support they received at RETAS. This was very important because it gave them confidence to continue and it opened up other opportunities. Through RETAS they got in touch with the Prince's Trust who accepted the Business Plan and awarded a grant and loan. After revising the Business Plan it was also accepted for a loan by the East London Business Centre. Ann also did a work placement at the finance department at RETAS to improve her accounting skills. In the beginning it was very hard, because they did not have the experience of running a business, but after a while they started making a profit. Now they are planning to sell the business and start something new.

Marcia Harris, Islington Enterprise Agency, UK

According to Marcia the story of Ann is a good example of someone who made the step from support from refugee organizations to community support in the mainstream, which she sees as the ideal model. On the one hand people in the mainstream should be educated about the specific needs and barriers refugee entrepreneurs encounter, but on the other hand refugee and community organizations also need to let go of their clients and allow the mainstream to take over. Sometimes they tend to overprotect their clients. They want to be filters and that could be counterproductive. At this moment a lot of people don't get picked up and end up unemployed. Enterprise is a way to escape unemployment, but also underemployment. It is a challenge to also reach out to those who are employed, but would like to improve.

Jiri Branka, Independent Consultant/Market Analyst, Czech Republic

Jiri is a market analyst specialized in B2B sector. He worked on the Czech section of the BARON CDROM. The business environment in the Czech Republic is hard to describe. There have been a lot of changes in tax rates, regulations, e.g. since the transition from Communism to a member of the European Union and things are still changing rapidly. It is clear that it is hard to survive in the Czech business climate. Jiri asks what will happen next. "We now finished this CDROM-training programme, but that is only a first step. Setting up a business is difficult and refugees need more support. How many refugees own or can access a computer where they can use this programme? We have spent a lot of time and money. Now we have to convince others to use this CDROM. We have to sell the product!"

Beatriz Araneta Lavinz, MITA-Development Centre for the Entrepreneurship Initiatives, Spain

MITA is involved in a project assisting business start-ups for refugees and gave some examples of successful business start-ups. One of the main problems is a lack of access to finance from banks, because refugees often do not have a credit history. MITA promotes micro-credit for feasible business plans, helps new businesses to enter the system and follows up the enterprises that are created. All new entrepreneurs work very hard and make their own success. There is an 80% success rate. MITA analyses business ideas and carries out tests for successful tendencies. They also consider the background of the person. The risks of failing are lower for people with prior business experience and who are already a long time in Spain.

All entrepreneurs are treated equally. The most important thing is the business idea and the persons drive and skills to achieve his/her goal. Clients receive advice and support on the business plan, the market, competencies needed, finance, budgeting, e.g. MITA works on behalf of the client to approach banks, they advise on business skills, make recommendations and facilitate access to professional accountants. Finally, follow-up visits and further support is provided.

Discussion

The conference concluded with a lively discussion around the following topics:

- Discrimination of migrant / refugee entrepreneurs
- Differences between refugee and other migrant entrepreneurs. More than anything else refugees are individuals. They did not come for economical reasons.
- Success rates and success stories of refugee/migrant businesses
- Refugee entrepreneurs as ambassadors to provide a better image of refugees
- The relation between ethnic background and business patterns.

Annex 1: Biographies speakers

Cameron Bowles took up post with Education Action International as Director of the International Division in July 2002. Prior to this he worked as the Director of Trocaire in Northern Ireland for 6 years (an Irish international development charity similar to CAFOD). He has had over 10 years of commercial and voluntary sector experience in management. Cameron has had experience in international development in South East Asia, Central America and Africa, with a particular focus in organisational capacity building. He was the Chair of the Institute of Fundraising (Northern Ireland) for 3 years and Treasurer of the One World Centre (A development education charity). Cameron has a degree in Economics, (Law, Political Economics and Accounting), and an MBA from the Open University. In addition to numerous development studies, he has the Institute of Fundraising certificate in Fundraising Management. In April 2004 Cameron took up the post of Director of Education Action International in its new interim structure.

Berend Jonker recently replaced Jasminka Rogic as the co-ordinator of the BARON project. He works at RETAS, a division from Education Action International, based in London, and has extensive experience with European partnership projects. From 1997 to 2001 he was a Project/ Public Relations Officer at the University Assistance Fund in Utrecht, the Netherlands. Before that he worked for two years at a reception centre for refugees in the Netherlands. Berend graduated in Social Science at the University of Utrecht in 1994.

Roya Jahanbin is an Employment adviser at the Refugee Education and Training Advisory Service (RETAS). Before she worked as a women adviser and outreach worker at the Haringey Refugee Consortium. Roya was the chairperson of the Refugee Women's Association and worked for a number of Iranian Refugee Community Organisations. She also worked as a part-time producer and broadcaster for the BBC World Service in the Persian section.

Dita Cermakova is working as fundraiser in Counselling Centre for Integration since August 2004. The organization is dealing with integration of recognized refugees and other long time settled migrants into Czech society. Dita Cermakova replaced Marta Werenycká who was the project manager of BARON (Marta Werenycká is at the moment on maternity leave). In 2002 she got the master degree in social geography at Charles University in Prague. In the spring 2004 she took part in studying program: Islam and the West: An International Master's Degree Programme in Cultural Diversity at University of Joensuu in Finland.

Monica López graduated in Law and has a Master Degree in Migration and Intercommunity Relations. She worked at the Ministry of Labour and Social affairs in the Institute of Migration and Social Services, Refugee Integration Section. Currently, she is in charge of the Training and Employment Section at the Spanish Commission for Refugee Assistance.

Dorien de Troy works at UNIZO as an advisor and project coordinator for ethnic minority entrepreneurs since 2001. UNIZO is the trade union for Independent Entrepreneurs, the largest association in Flanders and Belgium with approximately 80.000 members. Dorien has a background in Cultural Anthropology.

Nicholas Nisbett is a multimedia consultant and web designer who has worked in partnership with Rob Pepper to produce the BARON project. A former employee of WUS/EAI, Nick has previously been involved with RETAS and its partners in working on the REFLECT multimedia CD, which was aimed at training refugee advisors. Nick is currently completing his PhD in Development Studies at the University of Sussex, where he has been investigating the social impact of IT use on young people in Bangalore.

Shahamak Rezaei is affiliated as assistant Professor in the research group of "Welfare State and Welfare Society" at Roskilde University. Currently Shahamak Rezaei is working on a post-doc. research project "The Dual Labour Market in a Welfare State Perspective". The project is based on "The Dual Labor Market Theories" and amongst others dealing with "Informal Economic Activities" and will lead to national policy recommendations, a comparative study between identical ethnic entrepreneur groups in four different welfare state regimes - UK, Germany, Sweden and Holland - compared to the studies in Denmark. The project will be finalized by the end of 2004. In the period of 1998-2000 has Shahamak Rezaei together with his Ph.D. supervisor Professor Torben Bager at the Danish Center for Small Business Research, University of Southern Denmark, conducted, data wise, the most comprehensive research project on the field of Ethnic Entrepreneurship in Denmark. In 2001 he submitted his Ph.D. dissertation with the title of "Business dynamics amongst immigrants: self employment and network relations – blockage or initiator of socio-economic mobility?"

Ann Burjacowski and her husband started a convenience store in the east of London with a grant and soft loan from the Prince's trust and a soft loan from East London Business Centre. Before arriving as refugees in London, Ann worked as a party secretary and her husband as a solicitor in their native Moldova. To improve her accounting skills Ann found a work placement through RETAS. Now she jointly manages the business and is responsible for the accounts. They are in the process of selling the business with a good profit and starting a recruitment agency in Stratford.

Marcia Harris is the Chief Executive of IEA, which provides enterprise support for refugees across London, and is increasingly involved in improving the availability and quality of enterprise support to refugees across England as part of the Refugee Enterprise Partnership, of which Marcia is an active member. Marcia currently sits on the Islington Refugee Integration Service (IRIS) Employment Focus Group. In the past, in her capacity as a lawyer, she has provided pro bono services to refugee support organisations including Refugees International UK, Anti-Slavery International and Reuter's AlertNet (a network of over 180 organisations providing various types of support services)

Jiri Branka is a market analyst specialized in B2B sector. He is an Assistant Manager in Czech Trade Office, which was founded in order to help foreign companies enter and develop the Czech market. His work contains product feasibility studies, business setting-up guidance for foreign investors and specialized surveys in following branches: telecommunications, logistics, SMEs, electro and machine industry. Jiri Branka is a long-term collaborator of PPI and graduated at the University of Economics in Prague.

Beatriz Araneta Lavinz is the head of the Technical Department, MITA, Centre for the Development of entrepreneurship initiatives in Madrid. Her educational background is linked to Business Administration and International Trade.

ANNEX 2: PARTICIPANTS LIST

1. DELEGATES FROM THE UK

| No. | POSITION | NAME | SURNAME | ORGANISATION |
|-----|---|------------|----------------|--|
| 1 | Microcredit Manager | Stephanie | Desfontaines | The Environment Trust |
| 2 | Education & Training Manager | Kaveh | Kalantari | Iranian Association |
| 3 | Enterprise Programme Manager | Robin | Clarkson | Prevista Ltd. |
| 4 | Adviser | Vehbi | Ballikaya | Refugee Advice Centre |
| 5 | Business Adviser | Sima | Azad | Iranian Community Centre |
| 6 | Economic Development Officer | Marc | Aladenika | London Borough of Lewisham Economic Development |
| 7 | Researcher | Kristy | Bannon | Kingston University Small Business Research Centre |
| 8 | Coach | Devi | Clark | BIZFIZZ |
| 9 | Project Manager | Chris | Parker | Small Business Service |
| 10 | European Officer | Lisa-Marie | Bowles | London Borough of Camden |
| 11 | Chief Officer | Koku | Arnold-Adomdza | Association of Community Based Business Advice (ACCBA) |
| 12 | Director | Jabbar | Hasan | Iraqi Community Association |
| 13 | Evaluator | Ambrose | Mann | Coresys Consult |
| 14 | Managing Consultant | Delphine | Michel | Greater London Enterprise |
| 15 | Consultant – International Contracts | Nathalie | Guri | Greater London Enterprise |
| 16 | Promotions and Development Officer | Devika | Banerjee | Association of Community Based Business Advice (ACCBA) |
| 17 | Development Officer | Mohamed | Ibrahim | Association of Community Based Business Advice (ACCBA) |
| 18 | | Mohamed | Mudey | |
| 19 | Southern Team Manager | Loan-Anh | Nguyen | Refugee Action |
| 20 | Development Worker and Sustainability Officer | Isebail | MacKinnon | Street Cred |
| 21 | Director | Cameron | Bowles | Education Action International - RETAS |
| 22 | European Project Officer | Berend | Jonker | Education Action International - RETAS |
| 23 | Project Officer | Helen | Atherton | Education Action International - RETAS |
| 24 | European Project Officer | Pam | Feldman | Education Action International - RETAS |
| 25 | Project Officer | Samson | Gebrehiwot | Education Action International - RETAS |
| 26 | Chief Executive | Marcia | Harris | Islington Enterprise Agency |
| 27 | Self Employed Refugee | Ann | Burjacowski | Self Employed |
| 28 | Technical Consultant | Nick | Nisbett | Self Employed |
| 29 | Project Officer, Employment | Roya | Jahanbin | Education Action International - RETAS |

2. DELEGATES FROM EUROPE

| No. | POSITION | NAME | SURNAME | ORGANISATION |
|-----|--|-----------------|------------|--|
| 1 | Director | Collins | Nweke | The Global Village |
| 2 | Director | Ana | Carcamo | MITA ONG Centro de Desarrollo de Iniciativas Empresariales |
| 3 | Expert on Integration of Immigrants | Kamila | Marcinkova | Ministry of Labour and Social Affairs |
| 4 | International Projects Co-ordinator | Magdalena | Olszewska | Academy of Humanities and Economics |
| 5 | Consultant | Sophie | Lens | Tranformando |
| 6 | Head of EQUAL National Agency | Eva | Bosakova | EQUAL National Agency |
| 7 | Head Integration Department | Phil | Loncke | OCIV |
| 8 | Staff member Integration Department | Charlotte | Vandycke | OCIV |
| 9 | Public relations and fundraising | Dita | Cermakova | Counseling Centre for Integration |
| 10 | Technical Adviser European Social Programmes | Kayamba | Tshitshi | CEAR |
| 11 | Coordinator Employment and Training Section | Monica | López | CEAR |
| 12 | Coordinator | Dorien | de Troy | UNIZO |
| 13 | Independent Consultant | Jiri | Branka | Independent Consultant/Market Analyst |
| 14 | Chef Technical Department | Beatriz Araneta | Lavinz | MITA-Development Centre for Entrepreneurship Initiatives |
| 15 | Prof. | Shahamak | Rezaei | Department of Social Science Roskilde University |