Migrant entrepreneurs in Flanders

Fostering Economic Development and Migrant Entrepreneurship
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Joris Michielsen (CeMIS/UAntwerp)
Policy Research Centre on Integration

Joris.Michielsen@uantwerpen.be
Background

• Flemish Government (2009) considers immigrant entrepreneurship as a strategy to lever their social integration in Flemish society
  – (lower risk of long periods of inactivity & community building ≈ ethnic segregation & high rates of bankruptcy)
  – Strong increase in migrant entrepreneurs from MEE
  – Research (UHasselt) on motives, profiles & success MEE entrepreneurs (32 interviews)

• City of Antwerp (2007) sees migrants as partners in co-development
  – (socio-cultural brokers & language vs. institutional & cultural barriers)
  – Difference between projects set up by members diaspora and entrepreneurs
  – Research (CeMIS) on motives, profiles & practices of participating diaspora (25 interviews)
### Immigrant entrepreneurs in Flanders

<table>
<thead>
<tr>
<th></th>
<th>Industry</th>
<th>Commerce</th>
<th>Professions</th>
<th>Services</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgian</td>
<td>176.686</td>
<td>304.272</td>
<td>225.543</td>
<td>71.608</td>
<td>85.827</td>
</tr>
<tr>
<td>EU2004</td>
<td>5.964</td>
<td>1.704</td>
<td>402</td>
<td>317</td>
<td>254</td>
</tr>
<tr>
<td>EU2007</td>
<td>8.260</td>
<td>3.164</td>
<td>623</td>
<td>1.049</td>
<td>504</td>
</tr>
<tr>
<td>EU15</td>
<td>9.777</td>
<td>23.253</td>
<td>12.293</td>
<td>3.442</td>
<td>1.914</td>
</tr>
<tr>
<td>Maghreb/Turkey</td>
<td>961</td>
<td>2.673</td>
<td>259</td>
<td>305</td>
<td>118</td>
</tr>
<tr>
<td>Other</td>
<td>2.525</td>
<td>5.584</td>
<td>2.075</td>
<td>672</td>
<td>557</td>
</tr>
<tr>
<td>Non-Belgian</td>
<td>27.487</td>
<td>36.378</td>
<td>15.652</td>
<td>5.785</td>
<td>3.347</td>
</tr>
</tbody>
</table>

EU-15 countries: 41.302 in 2001 and to 51.020 in 2011
EU2004: growth by a factor of 9,6 to 8.899
EU2007: growth with a factor of 76,7 to 17.119 in 2011
Motives, profiles and success of immigrant entrepreneurs in Flanders

**Ethnic group factors**
- Economic capital
- Social capital (bonding, bridging & linking)
- Cultural capital (experience & training)

**Institutional factors**
- Market (ethnic/residential segregation & mixed)
- Regulations, policies & programs
- Financial opportunities

**Individual agency**
- Motivation strategies
- Push-pull

**Economic success**
- (income, perception of success, living conditions, size of firm, activity rate)

**Social integration**
Motives, profiles and success of immigrant entrepreneurs in Flanders

• UNIZO (2011): 32% EU2004 & 43% EU2007 do not retrieve any income from their activities after 3 years
• UNIZO: ethnic markets, bogus self-employed, detachment
• Migration ← economic/political situation in origin country
• Entrepreneurship ← financial capital, experience, institutional
  → low levels of financial capital which directs entrepreneurs in certain sectors
  → earlier work experience in Flanders (not experience/training in origin country directs MEE to become entrepreneurs in a certain sector)
  → mixed market: ethnic segregated market because of opportunities
  → transnational ties with family do not facilitate entrepreneurship but some import goods (food, windows ...) for their business
  → institutional framework (start informal sector & entrepreneurs to get papers)
Motives, profiles and success of immigrant entrepreneurs in Flanders

• 3 types of immigrant entrepreneurs: successful (12: >1500 €, good living conditions, fulltime, staff), unsuccessful (13: <1200€, poor neighborhoods, no staff) & ambiguous (7: variable income, mixed neighborhoods, no staff)

→ Successful - opportunity entrepreneurs - positive motivation & mind set
→ Unsuccessful – necessity entrepreneurs - negative motivation (cf. self-employed?)
→ Similar obstacles & problems but different strategies to overcome

• Different strategies (policy/private) needed to support immigrants setting up successful SMEs

• From immigrant entrepreneurs to transnational entrepreneurs
## Obstacles & strategies to overcome

<table>
<thead>
<tr>
<th>OBSTACLES</th>
<th>STRATEGIES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>successful</strong></td>
<td><strong>unsuccessful</strong></td>
</tr>
<tr>
<td>Capitals</td>
<td>Other languages</td>
</tr>
<tr>
<td>Finances</td>
<td>Bridging &amp; strategic</td>
</tr>
<tr>
<td>Language proficiency</td>
<td>information sharing,</td>
</tr>
<tr>
<td>Knowledge on rights &amp; duties</td>
<td>language &amp; administration</td>
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<tr>
<td>self-employed</td>
<td></td>
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<tr>
<td>Institutional</td>
<td>Shaping market</td>
</tr>
<tr>
<td>Complexity rules</td>
<td>(diversification &amp;</td>
</tr>
<tr>
<td>Competition</td>
<td>illegality)</td>
</tr>
<tr>
<td>Taxes</td>
<td>Niches on mixed market</td>
</tr>
<tr>
<td>Little support government</td>
<td>Transnational ties</td>
</tr>
<tr>
<td>Multiple strategies</td>
<td>No strategies</td>
</tr>
<tr>
<td>No strategies</td>
<td>One strategy</td>
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<tr>
<td>One strategy</td>
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</tbody>
</table>
Conclusion

- Different strategies (policy/private) needed to support immigrants entrepreneurs depending on target group
  - General: change focus formation to share general information & language → legal information (could reduce # unsuccessful; positive demotivation)
  - Opportunity entrepreneurs find their way anyway
  - Networking and mentoring activities to increase bridging social capital
  - Entrepreneur-scan at beginning to test potential entrepreneurs motives and competencies; possibility to link this with financial incentives

- From immigrant to transnational entrepreneurs
  - Who: opportunity and necessity immigrant entrepreneurs?
  - Successful entrepreneurs use transnational ties (contribution to economic development in origin region)

- Capitalizing on skills and entrepreneurial mind set of immigrant entrepreneurs through co-development programs
  - Differences in projects among migrant groups in South program of city of Antwerp