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A Level Playing Field for Migrant Entrepreneurs?

The Legal and Policy Landscape across EU and OECD Countries

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Abstract

Migrant entrepreneurship has been recognised as a form of integration in the country of destination and a viable alternative of decent and sustainable employment for migrants. Laws and policies can create barriers or support migrants who start a business in the country of destination. Despite their importance, these laws and policies have received scant attention from academic scholarship. By applying the mixed embedded approach, this article analyses the institutional and policy framework for migrant entrepreneurs in European Union (EU) and Organisation for Economic Cooperation and Development (OECD) countries; and how this framework varies according to the migrants' individual legal status and gender. In order to do so, this article draws upon the findings of two different studies conducted on the topic. The first one analyses the national institutional framework for migrant entrepreneurs of these countries. The second study consists of a review of measures to foster migrant entrepreneurship in the same sample of countries. This article shows that, on the one hand, the institutional framework restricts access to self-employment for some categories of migrants (e.g. based on their legal status). On the other hand, a wide range of measures are now available to support migrant entrepreneurs. However, these measures treat them as a rather homogeneous group. These findings suggest that the fact that some migrants are less engaged in self-employment or face more

difficulties may be explained by the lack of institutional opportunities and policy support.

Policy Implications

- Policymakers distinguish between different kinds of migrant entrepreneurs when they should not — i.e. to grant them access to self-employment, based on their legal status— while they do not distinguish enough between them when they should — i.e. to provide a tailored support for the business, based on their background and skills.
- The fact that some migrants are less engaged in self-employment or face more difficulties may be explained by the lack of institutional opportunities and policy support.

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The Migration Policy Group (MPG) is an independent think-and-do tank based in Brussels. MPG's purpose is rooted in its ability to inspire networks to provide evidence-based projects, research and campaigns in the areas of integration, migration and anti-discrimination.

Introduction

Migrant entrepreneurship has received increasing attention from policy makers, stakeholders and scholars. It has been recognised as a viable alternative of decent and sustainable employment for migrants (European Commission, 2016). Figures have shown that about 12 percent of all foreign-born migrants in OECD countries are self-employed (OECD and EU, 2018). According to Eurostat figures, the same happens for the EU28 countries, in which around the 12% of foreign population is self-employed - 7% if we only consider migrants from non-EU countries (Taddei and Solano, 2020).

Migrant entrepreneurship is not only an alternative way of economic integration, but also a powerful way towards empowerment, self-realisation, income creation and improvement of migrants' social status, as well as positively impacting the economy of the country of destination (Bolzani, 2020; Rath and Schutjens, 2016; Rath, Solano and Schutjens, 2020). However, the potential contribution of migrant entrepreneurship to migrants' lives and economy of the country of destination is often hindered by several challenges and barriers, such as discrimination and unequal opportunities, as well as laws, regulations, difficulties in accessing credit, difficulties dealing the bureaucracy, and lack of familiarity with the (business) environment and the market (UNCTAD, 2018). Migrant-led businesses perform worse than native enterprises on a number of indicators, pointing to disadvantages and untapped potential. Foreign-born migrants are much more likely to be microbusiness owners, concentrated in low-profitable sectors (e.g., petty trade) and are less likely to survive 5 years compared to native businesses (Edwards et al., 2016; Ram et al., 2017).

This has been explained by migrant entrepreneurs' lack of resources as well as unsupportive institutional and policy framework (Rath and Schutjens, 2016). Laws, policies and measures can change the opportunity structure and, in doing so, the business success of migrant entrepreneurs. The institutional framework is particularly relevant as it sets the conditions to access the market and the different business sectors. As shown in the previous literature (see for example, Kloosterman and Rath, 2001), limiting conditions (e.g., requirements to access

certain sectors) can prevent migrants from entering those sectors and push them towards other sectors or informality. Furthermore, the policy framework, namely supporting measures, can make it easier for migrants to set up their own business activities and to overcome existing barriers (European Commission, 2016; Rath, Swagerman, 2016; UNCTAD, 2018).

Despite the importance of the institutional and policy framework, and even though measures to support migrant entrepreneurs have mushroomed (UNCTAD, 2018), scholars have mainly focused on the determinants of the entrepreneurial choice and the resources used by migrant entrepreneurs (Rath and Schutjens, 2016). By contrast, the institutional and policy context in which migrant entrepreneurs operate has received scant attention (Ram et al., 2017; Rath, Swagerman, 2016). Only few scholars have addressed the link between rules, regulations, policy interventions and migrant entrepreneurship (Bolzani and Mizzau, 2019; Rath 2002; Ram and Smallbone, 2003; Ram *et al.*, 2012; Rath and Swagerman, 2016; Rieddle et al., 2010; Solano, 2020). When they have analysed rules, regulations, and policy interventions, existing literature has focused on a limited number of countries or on one or two case studies. A comparative analysis is, therefore, missing (see Rath and Swagerman, 2016, one of the few exceptions to this trend). As a result, a theoretically informed analysis of policies and measures to support migrant entrepreneurs from an academic perspective is lacking, together with a deep understanding of the nature of these policy measures (Ram, Rath and Solano, this issue).

Furthermore, as the mixed embeddedness approach stresses (Kloosterman, et al., 1999; Kloosterman and Rath, 2001), migrant entrepreneurship emerges as the combination of the contextual and institutional/policy framework, which creates the so-called opportunity structure, and the individual characteristics. Depending on their skills and characteristics, migrants are able or not to seize available opportunities. This is how literature has normally addressed this combination. However, different institutional/policy frameworks and opportunities may be available depending on migrant characteristics and skills. This side has been often disregarded.

To close these gaps, this article analyses the institutional and policy framework for migrant entrepreneurs. This article addresses the nature of laws, regulations and measures that create the opportunity structure that influences migrant entrepreneurs' paths in EU and OECD countries.

This article aims to provide new insights on the institutional and policy framework for migrant entrepreneurship in EU and OECD countries, and how this varies according to the migrants' individual characteristics. To do so, this article addresses the following research questions:

- 1) *What is the institutional and policy framework for migrant entrepreneurs in EU and OECD countries?*
- 2) *How does the institutional and policy framework for migrant entrepreneurs in EU and OECD countries vary according to the migrants' individual characteristics?*

To answer to these research questions, this article links laws and policies to their target group - by legal status (e.g., permanent and temporary residence, family reunification and international protection status) and individual characteristics (gender). This article illustrates the findings of two studies on OECD and EU countries (see methodology section): Study 1 addresses the legal standards to access entrepreneurship for migrants (institutional framework), and Study 2 focuses on the nature of the policy measures implemented to support migrant entrepreneurs (policy framework). Together, these studies provide new comparative insights to answer the article's research questions.

Following literature on policies on migrant integration (Pasetti and Conte, 2021), this article addresses both the institutional framework and the policy framework. The institutional framework refers to the legal standards that a country sets concerning access to self-employment for migrants. The policy framework refers to the measures put in place by either governmental or non-governmental actors to support migrant entrepreneurs. As stressed by Huddleston and Vink (2015), migrants' position on the labour market and – in this case – their entrepreneurial paths are influenced not only by their legal status (i.e., guaranteeing equal access to self-employment to migrants as is for national

citizens), but also by the measures directly targeting them or their specific needs (i.e., guaranteeing equal opportunities for immigrant entrepreneurs as vulnerable group). Without disregarding that any governmental interference and any rule/measure matters - and not only the ones that specifically focus on migrants -, this article focuses on and further explores a selected number of migrant-specific legal standards/policies.

This article's contribution is threefold. First, it employs a comparative approach and expands the scope of previous research by analysing 41 countries (all EU and OECD countries). Second, it includes in the analysis both the institutional framework and policy measures. Third, it links the institutional and policy framework with the target groups of those policies.

In what follows, I first introduce the mixed embeddedness approach and the results from previous research on the topic. After describing the methodology employed, I illustrate the findings of two different studies. The first study focuses on the analysis of the institutional framework, while the second one addresses the policy measures (policy framework).

Theoretical background

The mixed embeddedness approach

The phenomenon of migrant entrepreneurialism has been analysed by many scholars, resulting in multiple concepts and theories about the inclination of migrants to choose self-employment. Most conceptual and empirical analyses have explored the supply side of entrepreneurial practices, i.e., migrants' motivations for starting businesses and the role of human and social capital - personal characteristics and resources, and entrepreneurs' networks - (Rath and Schutjens 2016). The economic and market structure and, to a higher extent, the legislative and policy settings where migrants operate has received scant attention (Rath and Swagerman, 2016).

To fill in this theoretical and empirical gap, Dutch scholars Kloosterman and Rath proposed the mixed embeddedness approach (Kloosterman, et al., 1999;

Kloosterman and Rath, 2001). This approach combines agency factors and structural conditions, with the aim of drawing attention to the regulatory framework. The basis of the approach is the interaction between personal and group resources and the context's opportunities and conditions (opportunity structure).

Kloosterman and colleagues particularly focused on the definition of the structural conditions. They emphasised that the opportunity structure is created by both the economic context (economy and specific market conditions), and the political-institutional context (laws, policies, and rules) where migrant entrepreneurs run their business.

On the political-institutional context, institutional perspectives on migrant entrepreneurship highlight the effect of political and economic systems, which bring along rules and regulations easing or blocking the entrepreneurial process. As underlined by Rath and colleagues (2020: 455), "even in the most liberal nation-states, regulation [...] profoundly affects entrepreneurial activities carried out by migrants".

The regulatory context refers to formal acts promulgated by state and non-state entities (for instance, central government, regional and local government, chambers of commerce, business associations, etc.), such as set of laws, rules, and policies that can favour or discourage entrepreneurship. As stressed by Rath and Swagerman (2016, p. 155), this regulatory context refers both to the institutional and the policy framework, as it "encompasses both legislative and non-legislative forms, and is therefore more than just state regulation. Indeed, a multitude of state and non-state agents play a role in regulation processes, such as local, national and international governmental agents, unions, quangos, non-profit organizations, voluntary associations, and individuals and their social networks".

Institutional and policy framework

The *institutional framework* refers to the legal standards that a country sets concerning access to self-employment for migrants. Firstly, legal standards are linked to migrants' legal status (Huddleston and Vink, 2015). As for migrants' integration in general, and especially in the labour market, their legal status

influences whether they have full access to self-employment and the restrictions that they face to enter in certain sectors. When it comes to policy research, these categories have been used given the fact that these legal categories are the ones created and used by policy makers (De Lange, 2018; De Lange et al., 2020).

Literature on comparative analysis of integration policies have mainly focused on the following type of migrants based on their legal status (Bjerre et al., 2015; Gest et al., 2014): permanent residents; residents on temporary work permits; residents on family reunion permits; beneficiaries of international protection (BIPs); asylum seekers. Secondly, migrants can face additional requirements or barriers to start a business (Ambrosini, 2013; Kloosterman et al. (1999). For example, language requirements make it more difficult for migrants to start a business.

Findings on the institutional framework for migrant entrepreneurs are scarce (some exceptions are: Ambrosini, 2013; De Lange, 2018; De Lange et al., 2020; Mahuteau et al., 2014; Kloosterman, 2003; Kloosterman, et al., 1999; Solano, 2020). Furthermore, this literature only occasionally focused on the entry categories as a factor to access self-employed. Existing literature shows conditions in deregulated labour markets seem more favourable than the ones in highly regulate ones (Ram et al., 2017). Kloosterman et al. (1999) analyse the case of Islamic butchers in the Netherlands. They show how regulations (e.g., the professional qualification required for being a recognised butcher), combined with lack of resources, funnel migrants towards the informal sector.

Furthermore, laws and policies are sometimes created to hinder migrant entrepreneurship and/or influence migrant entrepreneurs' paths (e.g., the choice of the sector). Ambrosini (2013) illustrates the development of a wide range of local policies aimed to exclude migrants. The author shows that, in the name of security and urban decorum, local Italian mayors set early closing time for businesses or banned the opening of new non-traditional activities.

Without disregarding the overall set of legal standards that might influence migrants' entrepreneurial paths, this article addresses only migrant-specific requirements or regulations (e.g., migrants' legal status).

The *policy framework* refers to the measures put in place by either governmental or non-governmental actors to support migrant entrepreneurs.

Migrants benefit from policy measures to support them (Ram et al., 2017). These measures are carried out by a wide set of actors (public authorities, Chambers of Commerce, NGOs, etc.), at both the national and sub-national level.

Academic scrutiny of the proliferating measures to support migrant entrepreneurs is overdue (some exceptions are: Bolzani and Mizzau, 2019; Ram and Smallbone, 2003; Ram *et al.*, 2012; Ram and Smallbone, 2003; Rath and Swagerman, 2016; Riddle et al., 2010). As noted by Ram and colleagues (2017), literature underlines that support policy measures for migrant entrepreneurs tend to adopt a 'agency-centric' approach and to be secondary to 'mainstream' support. Firstly, measures usually aim at enhancing the skills of the entrepreneurs, rather than also addressing the structural conditions that may favour or discourage migrant entrepreneurship. For example, Rath and Swagerman (2016) analysed measures to promote migrant entrepreneurship in 32 European countries. They found that the majority of the measures focused on migrants' human capital as well as provide them with relevant information. Secondly, support measures are often detached from mainstream support measures and networks (both on entrepreneurship and migrant integration), as for example showed by Rath and Swagerman (2016).

Different institutional and policy frameworks for different categories of migrant entrepreneurs?

The institutional and the policy frameworks contribute to creating the context that influences migrants' entrepreneurial activities. The institutional framework may or may not guarantee equal access to self-employment to migrants, while the policy framework may or may not provide the adequate support for equal opportunities for migrant entrepreneurs as a vulnerable group. States aiming to tap into the entrepreneurial potential of migrants need to guarantee equal and full access to entrepreneurship to migrants, but also targeted policies and support mechanisms. The mixed embeddedness approach stresses that migrant entrepreneurship emerges as the combination of the contextual and institutional/policy framework, which creates the so-called opportunity structure, and the individual characteristics. Previous literature has analysed this combination mainly looking at

how migrants' skills and characteristics influence their ability to seize available opportunities (Rath, Solano and Schutjens, 2020).

However, different institutional/policy frameworks may be available depending on migrant characteristics and skills. This creates an asymmetry in the opportunities that are available for different categories of migrant entrepreneurs, which may penalise certain sub-groups of migrants. This side has been often disregarded (Rath and Schutjens, 2016). Indeed, previous literature analysing the institutional/policy framework has not often distinguished between the institutional/policy framework for different kinds of migrants. For example, in their seminal work, Rath and Swagerman (2016) do not address the possible differences in the support that sub-groups of migrant entrepreneurs can access and receive.

Methodology

To answer to the research questions outlined in the introduction, the research team carried out a comparative research on OECD (excluding Colombia that was not an OECD country in 2019) and EU countries (including the UK). The research was conducted in the frame of different comparative projects, led by the Migration Policy Group (MPG).

Study 1 – Institutional Framework

On the institutional framework for migrants to start a business, data on migrants in general and beneficiaries of international protection (BIPs) have been collected in the framework of the following projects: MIPEX (Migrant Integration Policy Index, see: Solano & Huddleston, 2020); NIEM (National Integration Evaluation Mechanism, see: Wolffhardt et al., 2019 and 2020; Pasetti and Conte, 2021). These two projects collected information on the institutional framework to promote integration of migrants and BIPs in the destination countries. In each project, for the considered countries, labour market integration was one of the several areas addressed and it included indicators on access to entrepreneurship. As this article approaches migrant entrepreneurship as a way of securing economic (and social) integration in the country (see: Portes et al., 2002), it analyses legal standards to start a business for migrants that are already in the country of destination.

Therefore, this article does not consider the so-called start-up visas. For an analysis of this admission tool see EMN (2019) and UNACTD (2018).

To collect the required information, the research team prepared a standardised questionnaire, consisting of questions (indicators) on different policy areas (e.g., labour market integration, education, and health), including legal standards for migrant entrepreneurship. The use of indicators to compare policies has widely used by previous research (Bjerre et al., 2015; Gest et al., 2014). In each of the considered countries, an expert filled in the questionnaire for his/her country. To answer the questions, country experts carried out desk research and interviews with practitioners. MPG's research team checked all the scores against reports and other policy assessments, assessing the reliability of the answers and when necessary went back to the experts to ask for further information and clarifications. This research process has been designed to tackle the main issue linked to comparative research: lack of in-depth and harmonised information. Indeed, this process allows us to obtain detailed and reliable information as well as comparable data on the considered countries. This comparative approach allowed us to analyse the institutional and policy frameworks of the selected countries and understand cross-country differences.

The collected pieces of information have been combined in a country-level dataset, which reported for each country what kind of migrants have access to self-employment and under what conditions. To analyse the collected information, I ran descriptive analyses (frequency distributions).

Study 2 - Policy Framework

On the policy framework, the review of measures to foster migrant entrepreneurship has been conducted in the framework of the MEGA (Migrant Entrepreneurship Growth Agenda) project (Solano et al., 2019). The research team conducted an analysis of measures in the OECD and EU countries. We employed this approach to provide an overview of the main trends in the OECD and EU countries, rather than focusing on few specific countries, which would not allow us to understand the main overall trends.

More than 170 measures have been collected through:

- a) The inventory of measures included in the two widely recognised, most comprehensive handbooks on policies to support migrant entrepreneurs, namely the United Nations' *Policy Guide on Entrepreneurship for Migrants and Refugees* (2018) and the European Commission's *Guidebook on Promoting and Supporting Migrant Entrepreneurship* (2016);
- b) Additional extensive desk research to find additional measures, by a search in Google and Google Scholar using different keywords (a combination of the following ones: policies, measures, support, migrant entrepreneurs, migrant entrepreneurship);
- c) Measures reported by MEGA project partners on both their countries (France, Italy, Germany, Spain, UK) and other countries.

This led to the creation of a dataset composed by the collected measures and information on those (e.g., target group and the kind of support provided). To analyse the collected information, I ran descriptive (frequency distributions) and multivariate analyses. In particular, to explore further in detail the combination of types of support that the analysed measures provide and understand the underlying dimensions in the approach to supporting migrant entrepreneurs, I ran a factor analysis.

In what follows, I am going to illustrate the findings of those studies. I first look at the institutional framework and then analyse the nature of supporting measures (policy framework).

The institutional framework: legal standards to access self- employment

The institutional framework provides the legal standards for migrants to access self-employment, what migrants are allowed start a business and under what conditions. Countries limit access to self-employment for migrants by: a)

establishing the type of migrants that can start a business; b) setting some limiting conditions, such as language requirements; or c) requiring citizenship to access certain sectors and activities.

The results show that most of the countries set some conditions for migrants to access entrepreneurship. Only five countries (Canada, Finland, Italy, Poland and Portugal) grant full and immediate access to entrepreneurship to migrants (Table 1). Except for Poland, these countries have some of the most advanced integration frameworks in general (Solano and Huddleston, 2020).

Some countries set some conditions for all kinds of migrants to access self-employment. This happens in 11 out of the 41 countries analysed. In those countries, there are limiting conditions that apply to foreign residents, such as migrants' need to produce some documents (e.g., business plan), to obtain a certificate or to pass a language test. For example, the Bulgarian Labour Migration and Labour Mobility Act, which was approved in 2016, introduced a special procedure for self-employment. The procedure requires a detailed plan, at least 2 years of professional experience, Bulgarian language skills, and set some financial requirements. Migrants in Belgium need a professional card both in the Flemish Community and the Wallonia-Brussels Federation. In some countries (e.g., Cyprus and Malta) migrants can start a business only if they invest a given amount of money.

In a few cases (5/41, France, Latvia, Romania, Slovakia and Turkey), having the citizenship of the country is a requirement to access certain sectors and activities, which are solely for nationals. Those sectors are normally linked to public security or the legal private sector (e.g., practice as a lawyer).

Nevertheless, the main restrictions to access to entrepreneurship for migrants are linked to their status. Most countries (35/41) restrict access to certain categories of migrants, i.e., residents on temporary work permits or on family reunion permits. Most countries provide (at least) access to self-employment to permanent residents and migrant residents on family reunification (in 27/41 countries), while others do not grant access to (some categories of) migrant residents on family reunion and on temporary work permits (11/41). These countries only provide permanent residents with full opportunity of starting a

business. Only Chile and New Zealand grant access to temporary residents but not to (all kinds of) migrant residents on family reunification (2/41).

On access to self-employment for BIPs and asylum seekers, although we have data on only 15 countries, the tendency is clear. BIPs are generally allowed to access self-employment, while there are limitations for asylum seekers (see below).

Table 1. Access to self-employment in OECD and other EU countries

What categories of foreign residents have equal access to self-employment as nationals? <i>(number of countries)</i>	
Permanent residents	40/41
Residents on temporary work permits (all categories)	8/41
Residents on family reunion permits (total)	27/41
Asylum seekers	3/15
BIPs: Recognised refugees & beneficiaries of subsidiary protection	15/15
Are foreign residents able to take up self-employed activity under equal conditions as nationals (if allowed by resident permit status)? <i>(number of countries)</i>	
Yes. There are no additional restrictions than those based on type of permit	25/41
Other limiting conditions that apply to foreign residents, e.g. linguistic testing	11/41
Certain sectors and activities solely for nationals	5/41

Table 1 illustrates how many countries allow different types of migrants (based on the type of residence permit) and/or apply other limiting conditions. Permanent residents are usually able to take up self-employment. The only exception is Malta, where, although the criteria for a self-employment licence are less strict for permanent residents, all categories of migrants must have a licence to work as self-employed. In some countries, permanent residents are the only group to be able to start a business under equal conditions as non-migrants. For example, the Self-employment and Work of Foreigners Act in Slovenia establishes that all foreigners with permanent residence can start a business, and others after one year of residence.

Migrant residents on family reunion in most of the EU and OECD countries are able to start a business. For example, in Australia there are no restrictions on accompanying family members to work, and there is also immediate access to self-employment. In Austria, nearly all family reunification permit holders have immediate access to the labour market since 2011. All other family reunification permit holders have the same access as their sponsor. Indeed, in some cases access

to self-employed depends on the sponsor's status. If the sponsor is allowed to start the business, they can do it too. If not, access to self-employment is denied to them. For example, only relatives of permanent residents are allowed to start a business in Cyprus, Japan, and Latvia.

In other countries, access is denied based on the type of family reunion permit, irrespective of their sponsor's status (BE, BG, CL, CZ, HU, IS, IE, KR, MT, NZ, SK, CH, TU). For example, in Chile and Slovakia dependent relatives are not allowed to work. In Iceland, residents on family reunion permits need a work permit even if the sponsor has a permanent residence permit. The same applies to Hungary, where a permit is needed if they want to engage in any income-generating activity – both as employed and self-employed.

Finally, access to self-employment is often limited for migrant residents on temporary work permits, especially within the first year. Most of the time the limitation concerns the fact that they are not permitted to apply for a job other than the one they obtained the permit for. For example, migrant workers on temporary permits in the Netherlands and Norway very often have their work permit tied to a specific job in a specific company. Similarly, migrant residents on temporary work permits in Sweden need to stay with the same employer and in the same profession during the first two years. Migrants with an extended temporary work permit can change employer but not profession. In Lithuania, residents on temporary work permits can in theory be self-employed. However, they would not be able to renew their permit issued on the work basis when it expires. There are of course exceptions to this trend. Beside the countries that allow all the three categories to be self-employed without additional conditions, Chile and New Zealand grants access to self-employment to both permanent and temporary migrant residents.

In the 15 EU countries where the analysis for BIPs has been conducted, recognised refugees and beneficiaries of subsidiary protection can start a business. This holds true for asylum seekers only in Bulgaria, Latvia and Portugal. However, asylum seekers can start a business at latest 6 months after their arrival in some additional countries (FR, GR, IT, ES, NL, PL, RO, SE). Therefore, the institutional

framework does not allow asylum seekers in some countries to work as self-employed while they are waiting for their status to be recognised.

The policy framework: measures to support migrant entrepreneurs

Support provided

Different kinds of support are provided, ranging from business-related support to support on non-business-related skills (Table 2). The focus is on business-related skills (84%) and, to a lesser extent, on provision of tangible support (57% of analysed measures). Measures frequently focus equally on both group training (e.g., business training and legal and administrative advice) and individual business support (coaching and mentoring). One-fourth of the measures provide direct access to financial support.

By contrast, support for the acquisition of non-business-related skills is the one provided less frequently (45% of the measures). When it comes to support the development of non-business-related skills, the focus is mainly on networking activities, while language and other transversal skills are often overlooked.

Business-related skills and financial support are undoubtedly critical for migrant entrepreneurs. However, migrant entrepreneurs lack transversal and language skills, and this negatively influences their business activities (Solano et al., 2019; European Commission, 2016). By not providing this kind of support, support providers overlook an important aspect. By contrast, it seems particularly positive that they provide support on networking, as migrant entrepreneurs have often limited and quite homogeneous networks (Salaff et al., 2003).

Table 2. Support provided: areas and types

Support	n	%
<i>Support to improve business-related skills</i>	148	84
Business training	109	62
Legal and administrative advice	78	44
Individual business support	108	61
Coaching	64	36
Mentoring	69	39
<i>Support to develop non-business-related skills</i>	80	45
Networking	70	40
Transversal skills	39	22
Language skills	21	12
<i>Support to satisfy tangible needs:</i>	100	57
Direct financial support through loans and grants	48	27
Provision of facilities where starting the business	33	19
Support with the application process to obtain a loan	44	25

N=176

To explore more in detail the combination of types of support that the analysed measures provide and understand the underlying dimensions in the approach to supporting migrant entrepreneurs, I ran a factor analysis including all the types of support (Table 3). I opted for a two-factor solution selecting the factors with an eigenvalue > 1.

Table 3. Factor analysis¹

Items	Factor 1 tailor support on (mainly) soft skills	Factor 2 group business- related support
Business training	0.26	0.48
Legal and administrative advice	-0.27	0.99
Tailored support (Coaching & Mentoring)	0.84	-0.05
Networking	0.89	0.07
Transversal skills	0.78	0.25
Language skills	0.01	0.63
Direct financial support through loans and grants	-0.30	0.14
Provision of facilities where starting the business	0.41	0.06
Support with the application process to obtain a loan	0.17	0.77

N=176. Note. Extraction method; principal component factors; Rotation method: Promax with Kaiser normalization. Following literature, loadings larger than 0.4 are in bold.

¹ Given that variables were dichotomous (does the index cover this sub-areas?), as suggested by literature (Olsson, 1979), we first produced a matrix of tetrachoric correlations (not reported here) and then we used that matrix as the input for the factor analysis. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis, KMO=0.72. Bartlett's test of sphericity ($\chi^2(36)=282.836, p=0.000$) showed that correlation structure was adequate for factor analyses. As rotation method, we employed Promax (non-orthogonal, oblique) not the default varimax (orthogonal), due to the high correlations between the two factors (0.62). However, the results on the varimax rotation were the same.

Two dimensions emerge from the factor analysis, suggesting that there are two main different approaches to supporting migrant entrepreneurs. The first approach (Factor 1) seems associated to an approach that focuses on a more tailored kind of support linked to soft skills (networking and transversal skills). The second approach (Factor 2) refers to a more group-based, conventional and business-related support.

Furthermore, the provision of financial support is not linked to any of the two dimensions, rather it is weakly negatively related to factor 1 (tailor support on (mainly) soft skills). This suggests that it does not seem to be an overall strategy behind the provision of financial support and, when there is, this does not include the most tailored and “soft” skills.

Target groups and related support

Migrant entrepreneurs are often treated as a rather homogenous group. However, different kinds of migrant entrepreneurs need different support measures (UNCTAD, 2018). The mixed embeddedness approach stresses that the opportunity structure has a different effect on the business, based on migrants’ individual profiles and skills. In what follows, I focus on two sub-groups: BIPs and female migrants. The former has received increasing attention, due to the number of arrivals in Europe in 2015-2016. BIPs tend to face additional barriers related to their status such as health issues and lack of documentation (OECD, 2019; Wauters and Lambrecht, 2008). The latter encounter additional challenges because of being both migrants and women. This double disadvantage is consistently confirmed by research (EWSI, 2018).

The analysis of the considered measures shows that they often focus on BIPs. Almost one-third of the measures (32%, 56/176) adopt such focus. By contrast, measures that have a female focus are a minority, as only 17 specifically address this group (10%).

Measures to support BIPs

The existing literature has made it clear that, compared to migrants in general, BIPs face additional barriers and challenges that are specific of their situation, in particular (OECD, 2019; Wauters and Lambrecht, 2008): mental and health issues;

low levels of human capital in the form of education and/or difficulties in recognition of qualifications; lack of language skills; underdeveloped social and entrepreneurial networks.

As in the case of measures for migrant entrepreneurs in general, targeted measures for BIPs concentrate predominantly on business-related skills (Table 4). However, the focus is mainly on individual support (coaching and mentoring) and networking activities.

Table 4. Support provided for BIP and female entrepreneurs

Support	BIPs		Women	
	Frequencies	Correlations	Frequencies	Correlations
Factor 1 – tailor support on (mainly)	-		-	0.15*
Factor 2 - group business-related	-		-	
<i>Support to improve business-related</i>	50	16	16	
Business training	14	0.18**	12	
Legal and administrative advice	18	-0.17**	6	
Individual business support	39		15	
Coaching	21		6	
Mentoring	31	0.23***	6	0.17**
<i>Support to develop non-business-</i>	28		9	
Networking	25		8	
Transversal skills	10		6	
Language skills	8		2	
<i>Support to satisfy tangible needs:</i>	6		6	
Direct financial support through loans	18		2	
Provision of facilities where starting	10		0	-0.16*
Support with the application process	10		6	
N	56		17	

N.B. The values in the 'correlations' column indicate the correlation between the support provided and the measures that target BIPs/women. Only significant correlations are reported.

***p<0.01; **p<0.03; *p<0.05.

The main question is whether providers tend to employ a certain type of support when it comes to target BIPs. Given that this group has specific needs, one should expect so. To test this, I run a set of Spearman correlations (Table 4).

The findings show that measures for BIPs are not associated with any of the two underlying approaches (factors) – 'tailor support on (mainly) soft skills' and 'group business-related support'. Therefore, there is not a 'preference' towards one or the other in the measures supporting BIPs. Measures on BIPs are more

likely to include business training and mentoring activities, while less likely to provide legal and administrative advice.

However, the large majority of the measures does not provide BIPs-specific, non-business-related support, to deal with their needs. Only five out of 56 measures address BIPs' mental health and well-being, aiming at mitigating their negative effects, recreating a home feeling, and rebuilding BIPs' self-esteem and confidence. For example, Startts in Australia provides BIPs with psychological treatment and support.

BIPs are also more likely not to be fluent in the language of the country of destination. Policy literature stresses the importance of combine business and language training, both general linguistic courses and business-related ones (UNCTAD, 2018). In the research, the provision of language support emerged in only a minority of the mapped measures on BIPs (10/56).

Measures to support female migrants

Self-employment and entrepreneurship can represent a pathway towards empowerment and increased gender equality. Furthermore, women entrepreneurs can use the skills that they have acquired through non-formal education (EWSI, 2018). However, Eurostat figures show that only one-third of the migrant-owned businesses in the EU has a female migrant as owner (Taddei and Solano, 2020). This might be also linked to the fact that female migrants have to cope with the additional challenges and barriers that they face as women.

As in the case of measures from migrant entrepreneurs in general, targeted measures for female migrants focus predominantly on business-related skills, in particular business training and individual business support (Table 4).

As for BIPs, the main question is whether providers tend to employ a certain type of support when it comes to target female migrants. Spearman correlations (Table 4) show that measures for female migrants are associated with 'tailor support on (mainly) soft skills', in particular in the form of mentoring. Tailored support seems particularly important to support female migrant entrepreneurs in facing the additional gender-related challenges.

However, only a couple of measures explicitly mention the provision of some gender-sensitive support. These measures are mainly related to supporting female entrepreneurs in entering sectors that are perceived as “more suitable” for women, such as the fashion industry and the textile sectors. While it is important to seize opportunities linked to skills that women may already have acquired through non-formal education, this could lead them to a specific niche and limit their opportunities.

Discussion and conclusions

This article contributes to the analysis of the institutional and policy framework for migrant entrepreneurs. Despite the relevance of migrant entrepreneurship in contemporary society and the key role of laws and policies in influencing migrants’ entrepreneurial paths, academic literature has often overlooked this topic (Ram, Rath and Solano, this issue; Rath, Swagerman, 2016). By combining findings from different studies, this article provided new insights on the nature of those laws and policies.

Even though international actors, such as the European Commission, stress that self-employment should be supported as a viable alternative of decent and sustainable employment for migrants, policy makers’ and relevant actors’ attitudes towards self-employment for migrants are conflicting.

This article shows that, on the one hand, the institutional framework often creates barriers that make it more difficult for migrants to start a business. Access to self-employment for migrants is subject to some restrictions, based on migrants’ legal status, the possession of the destination country’s citizenship, meeting some language requirements or having some specific qualifications (e.g., professional certificate). On the other hand, when migrants are able to start a business, a range of measures are now available to support migrants to overcome the barriers and challenges that they face. Different kinds of support are provided, ranging from business-related support (most frequently) to support on non-business-related skills (less frequently). Compared to Rath and Swagerman’s (2016) results, it seems that more diverse measures are available now to support

entrepreneurs. Measures still adopt a rather agency-centric, as existing literature underlines (Ram et al., 2017). However, the relevance of networking initiatives suggests that policies are increasingly addressing market opportunities – e.g., by fostering relationships with large companies.

Furthermore, as the mixed embeddedness approach stresses (Kloosterman, et al., 1999; Kloosterman and Rath, 2001), migrant entrepreneurship emerges as the combination of the contextual and institutional/policy framework, which creates the so-called opportunity structure, and the individual characteristics. In this paper, I addressed this combination by looking at what and how different institutional/policy frameworks are available depending on migrant characteristics (legal status and gender). On this, the situation is once again ambivalent.

On the one hand, the opportunity of starting a business varies depending on the type of residence permit. Entrepreneurship is generally accessible for permanent residents, residents on family reunification - same conditions as sponsor sometimes applies -, and beneficiaries of international protection. By contrast, residents on temporary work permits and asylum seekers face many limitations. In particular, migrant residents on temporary work permit are often not allowed to change the job for which they have been admitted in the country and therefore they cannot start a business. Asylum seekers often have to wait at least six months to be able to start a business. The kinds of migrants that are allowed to enter the labour market as self-employed workers without limitations or additional requirements also suggest the implicit hierarchies (by legal status) that policy makers apply when it comes to migrant integration (Garcés, 2020).

On the other hand, migrant entrepreneurs are treated as a rather homogenous group. Only a minority of measures address one specific group. Even when measures explicitly address sub-groups (e.g., migrant women), they often repeat the same kind of support that is provided to the general category of migrant entrepreneurs. Although there are some exceptions, existing measures overlook the specific challenges and issues that a sub-group face; and a targeted support is somehow lacking. This may partially hamper the beneficial effect of these measures. All in all, these findings suggest that the fact that some groups of migrants are less engaged in entrepreneurship or face more difficulties may be

explained by the lack of opportunities for them, beside their lack of resources or the additional challenges that they face.

This paper contributes to the mixed embeddedness approach. In particular, it addressed the opportunity structure side of the model by focusing on the political-institutional context.

A first contribution was to make it clear that the political-institutional context is not necessarily homogenous. This article shows that different approaches and tendencies emerge when the institutional and policy frameworks are analysed separately and compared. For migrant entrepreneurs, while the institutional framework poses some obstacles, the policy framework is general more favourable and provide migrant entrepreneurs with opportunities and support. This is in contrast with recent literature on integration policies (Conte and Pasetti, 2021; Solano and Huddleston, 2020), which shows that the institutional framework is general more favourable for migrants than the policy one.

A second contribution to the mixed embeddedness approach was to analyse the combination of the institutional/policy framework and the individual characteristics from a different perspective. This article addressed how the opportunities created by the institutional/policy framework differ depending on the group of migrant entrepreneurs, rather than focusing on how different categories of migrant entrepreneurs are able to seize available opportunities - as often done by previous literature. In doing so, this article made it clear that different opportunity structures are available for different kinds of migrant entrepreneurs (e.g., based on their legal status). In this regard, again, the institutional and policy framework differ. This article's findings show that policy makers distinguish between different kinds of entrepreneurs when they should not – i.e. to grant them access to self-employment, institutional framework -, while they do not distinguish enough between them when they should – i.e. to provide a tailored support, policy framework.

Finally, the article applied the mixed embeddedness approach to a comparative research, analysing 41 EU/OECD countries. In doing this, it shows some global trends and differences – at least for the developed world –, instead of analysing the situation of a small number of countries.

The research on which the article is based also presents several limitations. These leave space for subsequent research. First, the research looks only at the national framework, while the sub-national framework can create different conditions. Divergences may occur between the national and local institutional and policy framework. The institutional framework for migrant entrepreneurs may also differ from place to place within the same national context (Ambrosini, 2013; Scholten, 2016). Second, this paper focus on the institutional and policy framework for migrant entrepreneurs, while it does not consider other important aspects, such as the overall policy framework, processes of re-regulation or de-regulation, and the market structure. The focus is on migrant-specific regulations and measures, but I recognise that those other conditions may affect migrants' entrepreneurial paths, too.

Nonetheless, this article represents one of the first attempts to conduct an extensive comparative cross-country analysis of the institutional framework, as well as of the policies to support migrant entrepreneurs (policy framework). Although many initiatives are in place to support migrant entrepreneurs, OECD and EU countries have a long way to go to ensure equal access to self-employment and related opportunities to migrants as for country citizens.

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