# SECTORAL REPORT

## Enter to Transform Comparative Report

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**About Enter to Transform**

Enter to Transform is a joint transnational European project which is developing a supportive environment of hubs. Through mentoring, the hubs function as “door openers” enabling recognised refugee (RR) re-starters to access existing entrepreneurial infrastructures. By the opening of doors, the project avoids parallel structures while introducing RRs to the how and the where and from whom they can obtain the tools necessary to restart business activities. The project is co-funded by the Interreg North-West Europe Programme under a grant agreement NWE1096.

**Disclaimer**

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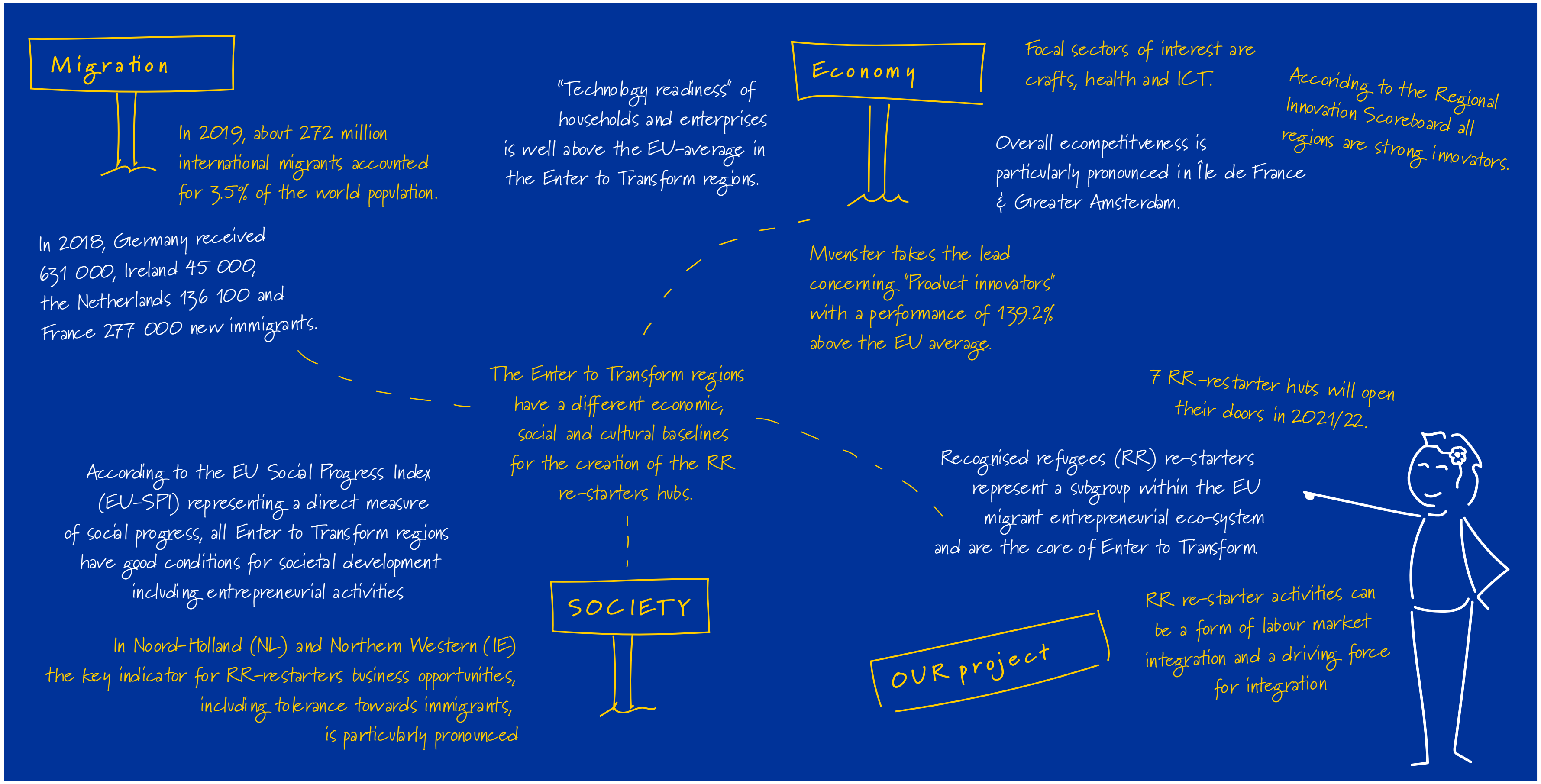
# Key Takeaways



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# 1 Initial Point

Based on the UN Human Development Report (2015), David and Coenen (2017) point out that refugees' fast labour market integration unleashes human potential, creativity, knowledge, and innovation. It is of the essence because it makes human lives productive, worthwhile and meaningful. It enables people to earn a living, allows them to participate in society, and provides security and a sense of dignity. Thus, work is inherently and intrinsically linked to human development. Similarly, other countries with extensive refugee immigration experience, such as the US, emphasise integration through employment. The labour market integration of refugee immigrants seems to be of enormous importance. Immigrants appear to integrate slowly into the labour markets of receiving countries, especially in the case of refugees (ibid). In general, there is still little data that discerns between different groups of immigrants. Consequently, refugees are often included in general immigration surveys, making it even harder to give exact estimations of the process (ibid). Studies that primarily focus on refugees' entrance into Western European labour markets (cf. Aiyar et al., 2016; IAB, 2015) show that refugees are confronted with many obstacles, especially in post-industrial Western cities characterised as fluid living spaces. Since the late 1980s, Western cities have been continuously shaped and influenced by the strong mobility, migration and diversity patterns of citizens who come from all over the world.

On the one hand, this has led to a stronger pluralisation of cultural horizons, lifestyles and life plans, which, in principle, has positive connotations.

On the other hand, new challenges and risks emerge from this situation. Immigration opens new opportunities for Western Europe to deal with factors such as demographic change and the lack of a skilled workforce. Moreover, new mind-sets influence and stimulate former ways of thinking (Faggian & McCann, 2009; Stockhorst, 2011) leading to the possibility of innovative processes. Under certain conditions, cultural influences can play out positively at any level – the individual, the organisational and the institutional (David & Coenen, 2017). This may even contribute to a transition and paradigm shift in Western European countries. Immigration is thus often perceived as a stabilising and innovative entity for regional socio-economic development. Nevertheless, there is a downside when immigrants' integration (unintentionally) fails and is not advantageous.

Migrant entrepreneurship and recognised refugees (RR) re-starter activities – as a subgroup thereof – can also be a form of labour market integration in receiving countries and a driving force for faster integration into society. Moreover, knowledge of RR re-starters and RR entrepreneurship remains scarce. This is why Enter to Transform strives to fill the gaps and generate knowledge about specific target groups. Its aims are to open doors to entrepreneurial ecosystems for RR re-starters while simultaneously incorporating re-starters' direct contributions in the process.

# 2 RR Entrepreneurship – Theoretical Grounding

## 2.1 Who is Who

The Enter to Transform project's topic is to help RR re-starters set up a business again. We envisage creating hubs that support RR re-starters to identify and access the local entrepreneurial ecosystem. To develop appropriate support mechanisms, we position RR entrepreneurship in a larger context of migrant entrepreneurship. In the following text, we introduce some definitions and the project's shared understanding of migrant and refugee entrepreneurship as a sub-phenomenon.

> Refugees are persons who have fled their own country because they are at risik of serious human rights violations and persecution there.

Amnesty International (2021)

"Refugee", "asylum-seeker", and "migrant" are terms used for people on the move who have left their countries of origin and have crossed borders. While research scholars often use the three terms interchangeably, they mean different things, particularly in relation to legal status. The risks to their safety and lives were so significant that flight was considered the only option to escape these threats.

> Asylum-seekers are persons who have left their own country and are seeking protection from persecution and serious human right violations in another country, but who have not yet been legally recognised as a refugees and are waiting to receive a decision on their asylum claims.

Amnesty International (2021)

Seeking asylum is a human right. That is, everyone should be allowed to enter another country to seek asylum. Not every asylum-seeker will ultimately be recognised as a refugee, but every refugee was initially an asylum-seeker (UNHCR, 2005).

Compared to refugee status and the asylum-seeker, a **recognised refugee (RR)** has the same rights as those entitled to asylum. Refugee status is granted to individuals who have been persecuted for their "race", religion, nationality, political beliefs or association with a particular social group in their home country. A person may be subject to persecution by state or non-state groups, as long as the state in their home country does not protect them from harm. In Germany, for example, a person may be granted refugee status even if that person did not enter Germany via a safe third country. This is different to entitlement to asylum for refugee status where a person did not arrive directly in Germany by plane.[1] For instance, in Germany, RRs are issued with a residence permit valid for three years. If the situation in their home country does not improve, the authorities will extend the residence permit for a further three years. After three years (at the earliest), RRs can apply for, and obtain, a permanent residence permit under certain conditions. RRs are also entitled to rights, which point precisely to the labour market.

While no internationally accepted legal definition of a **migrant** exists, most experts agree that an international migrant is someone who changes his or her country of usual residence, irrespective of the reason for migration

[1] Bundesamt für Migration und Flüchtlinge: https://www.bamf.de/DE/Startseite/startseitenode.html (accessed: 22.12.2020)

or legal status. Generally, a distinction is made between short-term or temporary migration, covering movements with a duration of between three and 12 months, and long-term or permanent migration which refers to a change of country of residence for one year or more. The term migrant defines the timespan of the process of migration. After reaching the destination country the person, having once been a migrant, is called a person with a migration history or a person with a migration background. Often the terminology used in the context of migration seems to stigmatise groups of people although some discrimination can become positive in that some groups become entitled to more support than others. The Enter to Transform project partners oppose discrimination and stigmatisation, not just against RRs within the project, but against all groups in general. Nonetheless, to define the target group and co-create hubs to support RR restart activities better, the project uses distinctions and terminology.

## 2.2 Migrant & RR Entrepreneurship

It is undisputed that migrants contribute to the economy both as employees and as entrepreneurs. As a matter of fact, *"[t]he entrepreneurial behaviour of many migrant groups has led to the rise of a new phenomenon that is called 'migrant entrepreneurship' or 'ethnic entrepreneurship'"* (Baycan-Levent & Nijkamp, 2009: 377). Like Hillman and Sommer (2011), we do not distinguish between migrant and ethnic entrepreneurship as such differentiation does not contribute to a better understanding of migrant economies. Despite this, recent research affirms that migrant entrepreneurs are not a homogenous entity. For example, scholars echoed the statement of generational differences (cf. Chababi et al., 2017; David et al., 2019a). For statistical purposes, Eurostat divides the population into three main "migration status" groups based on the country of birth:

*"Native-born with native background", "Second-generation immigrants" (native-born population with at least one foreign-born parent) and "First-generation immigrants (foreign-born population)" (Eurostat, 2021).*

Although useful for statistical purposes, when it comes to migrant entrepreneurship, it is, however, questionable to what extent the second generation perceive themselves as migrant entrepreneurs. In particular, those who have completed the local education system and are familiar with the cultural values, norms and rules of the European or country-specific entrepreneurial ecosystem might have another perception. Within Enter to Transform, we apply the definition depicted below.

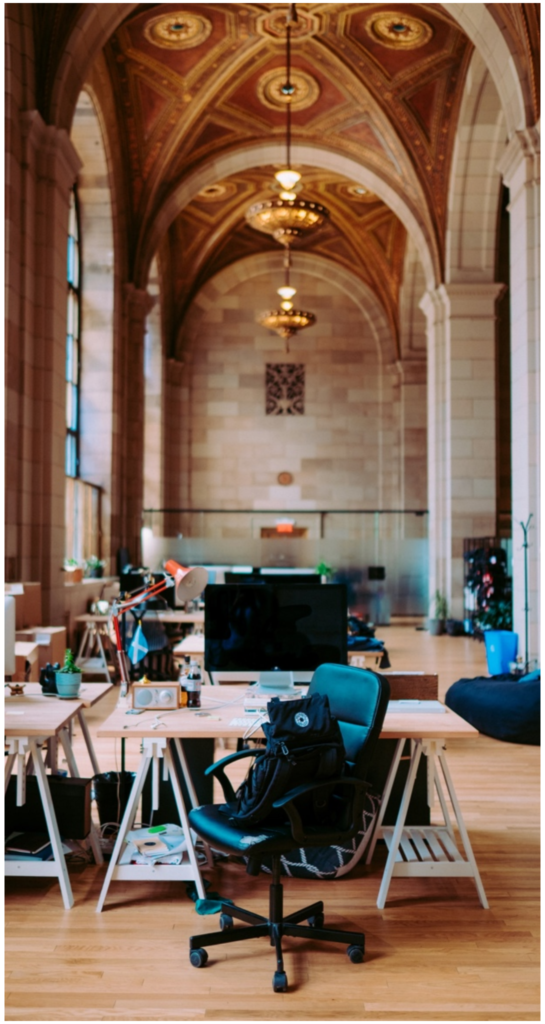
> Migrant entrepreneurship refers to the totality of companies founded [and] or managed by people with a migration background. This includes both those who have been living in NWE for several decades (with or without a country-specific passport), their descendants and those who have recently immigrated – this includes groups of people from EU and non-EU countries including the specific target group of recognised refugee (RR) re-starters.
>
> **MIGRANT ENTREPRENEURSHIP**

Migrant businesses are among the fastest-growing sectors in several European countries, such as the Netherlands and Germany. At micro-level, migrant entrepreneurs help satisfy various migrant needs and the demands of migrant and non-migrant consumers (Super, 2005; Nijkamp & Sahin, 2009). They also impact on the integration of migrant groups and ethnicities into society.

**Recognised refugees (RR) re-starters** represent a subgroup within the EU migrant entrepreneurial ecosystem and are the core of Enter to Transform. Being aware that these people have a different starting point than, for instance, EU migrants who want to start a business, it makes sense to focus on this subgroup of migrant entrepreneurs. They are often neither familiar with European culture nor the languages and cannot fall back on old migration networks as EU migrants can. Therefore, these people face many challenges in entering the labour markets.

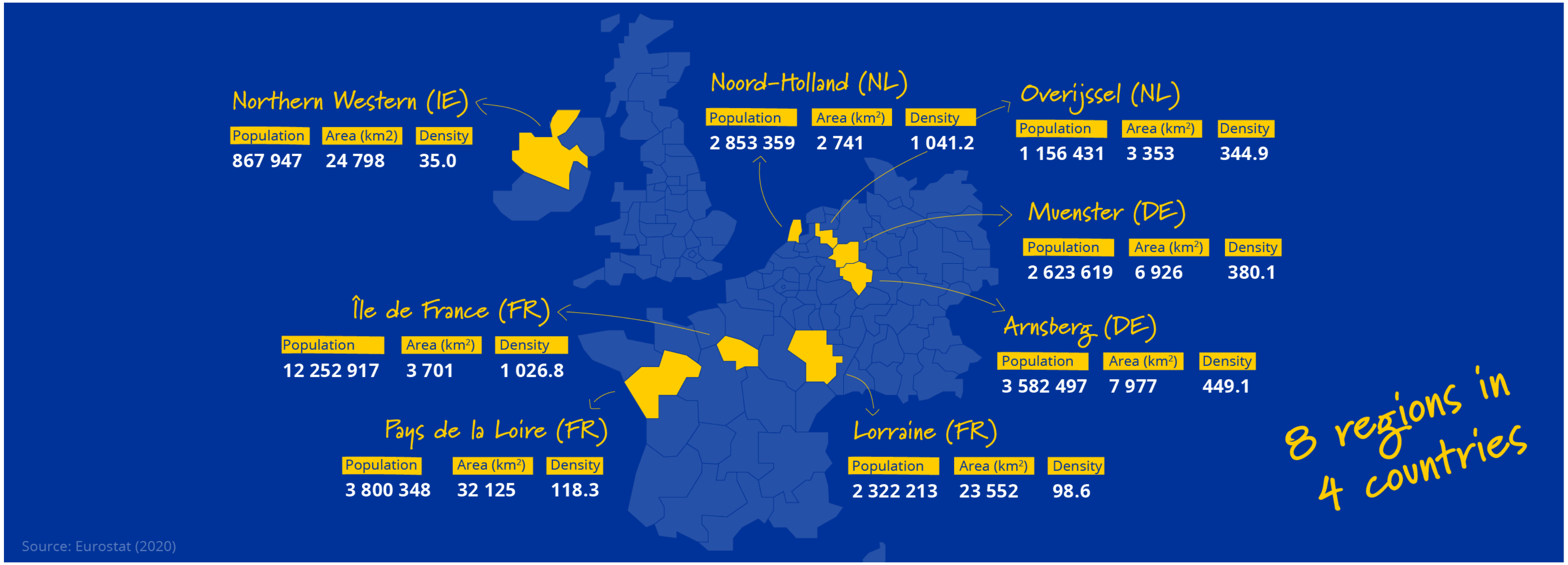
Research in this area shows that the scarce knowledge concerning this target group, inhibits practical support measures being taken by local authorities. The experience of past years illustrates that merely transferring existing actions to RR re-starters does not work. To better understand values, norms and rules and to build social capital and create opportunities to engage in local entrepreneurial ecosystems, RR re-starters must be given a voice and become part of the co-creative development of support mechanisms.

The Enter to Transform project strives to advance knowledge about the target group of RR re-starters, their needs and wishes, and help them become accepted and valued members of the local entrepreneurial ecosystem and to contribute to local economic growth. Equally important is that the project envisages local stakeholders' changing attitudes and behaviour by sharing "good practices" and engaging them in the process.



# 3 Enter to Transform Regions – An Overview

In the figure below, it can be seen that the Enter to Transform regions are relatively heterogeneous in relation to population, area and population density. Île de France in France and Noord-Holland in the Netherlands are urban regions with a high population density[2] of 1 026.8. and 1 041.2. In contrast, North West Ireland and Lorraine and Pays de la Loire in France, are more rural areas with low population densities. Arnsberg and Muenster in Germany and Overijssel in the Netherlands, are somewhat in between. With regard to area size, Pays de la Loire in France ranks first, followed by North West Ireland and Lorraine, France.




[2] Population density is the number of inhabitants per square kilometer.

## 3.1 Migration Flows in OECD Countries

In 2019, about 272 million international migrants accounted for 3.5% of the world population (IOM, 2019). While the global migrant population increased in size between 1995 and 2019, its portion of the world population remained relatively stable (ibid). Migration flows to the US and Germany – the two top receiving countries in the OECD – continued to decrease in 2019 (OECD, 2020). In contrast, most other OECD countries' inflows tended to increase in 2019, notably in Spain (+19%) and Japan (+14%).

The COVID-19 pandemic is expected to significantly impact migration flows. The impact will be exacerbated by lockdowns, travel restrictions and even entry bans in many countries. The number of new residency permits granted to migrants in OECD countries declined in the first semester of 2020 by 46% on average compared to the same period in 2019. In European countries with a minus of 35%, the average drop was smaller than all OECD countries. Nevertheless, migration flows did not come to a halt, as had been expected.

*"Overall, 2020 is projected to be a historical low for international migration in the OECD area"* (OECD, 2020: 16).

First estimates show that asylum applications (which are not included in the numbers above) in Europe declined by 33% in the first half of 2020 compared to 2019. And by 66% in the second quarter of 2020.

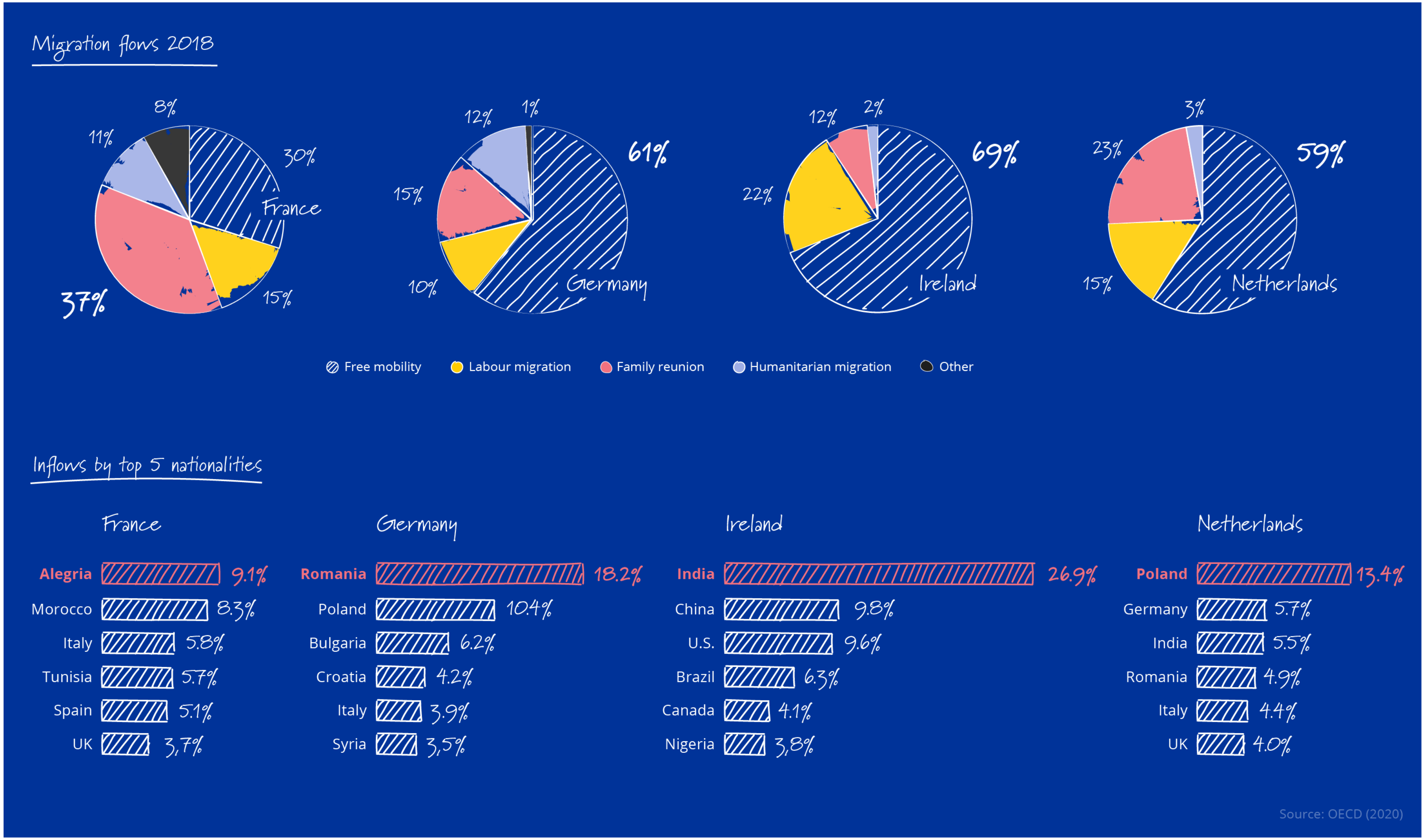
"In most discussions on migration, the starting point is usually numbers. Understanding changes in scale, emerging trends and shifting demographics related to global social and economic transformations, such as migration, help us make sense of the changing world we live in and plan for the future."

Source: IOM (2019: 19)

The countries' situation is as follows (OECD, 2020): In 2018, Germany received 631 000 new immigrants on a long-term or permanent basis. This is a minus of 26.7% compared to the previous year. In the same period, Ireland received 45 000 new immigrants on a long-term or permanent basis (+12%), the Netherlands received 136 100 (+6.2%) and France 277 000 (+6.7%) in comparison to 2017. Taking a closer look at these numbers reveals different immigration patterns in the four countries (OECD, 2020; —» Figure 1):

- EU **free mobility** is a crucial driver of people's movement in Ireland (69%), Germany (60.7%), and the Netherlands (59%). In France, the share of immigrants benefitting from free mobility is significantly lower, accounting for only 30% of all immigrants.
- **Family reunion** plays a vital role in France, accounting for 36.7% of immigrants. In Germany, the share is less than half of France's figure (15.4%) and in Ireland it is only 7.4%. In the Netherlands, family reunion accounts for 22.9% of all immigrants.
- **Labour migration** (excluding free mobility) accounts for 21.7% in Ireland, 15.4% in the Netherlands, 14.5% in France and 10.3% in Germany.
- The number of **humanitarian migrants** varies across the four countries. Germany's share is 12.4% and in France 11%, whereas numbers in the Netherlands (2.8%) and Ireland (1.8%) are significantly lower.

**Figure 1.** Migration flows – A snapshot for Germany, France, Ireland, and the Netherlands



As illustrated in Figure 1 (bottom), Algeria (9.1%) and Morocco (8.3%) account for the largest share of migrant inflows to **France** in 2018. Compared to the previous year, both shares declined in 2018 by -11.4% and -10.1%. Influxes from Italy, Tunisia and Spain range from 5.8% to 5.1%.

In **Germany,** Romanians, Poles and Bulgarians were the top three populations of newcomers in 2018. While inflows from Romania showed the highest increase (+12.6%), inflows from Syria registered the largest decrease (-6.0%) compared to 2017.

In 2018, inflows from India accounted for the largest proportion of immigrants in **Ireland** (26.9%) also in terms of growth (+13, 9) compared to 2017. With shares of 9.8% and 9.6%, China and the US followed at a considerable distance. Brazil (6.3%), Canada (4.1%) and Nigeria (3.8%) were also among the five top countries of origin of immigrants.

In the **Netherlands,** Poles accounted for the largest number of immigrants in 2018, totalling 13.7%, followed by inflows from Germany (5.7%) and India (5.5%). Romania, Italy, and the UK occupied the remaining ranks among the top five inflows by nationality with levels of 4.9% to 4.0%.

**Table 1.** Foreign-born population 2019

| | | | |
|---|---|---|---|
| **France** | | | |
| Size | **8.3 million** | Evolution since 2007 | **+27%** |
| Share of population | **13%** | Share of women | **52%** |
| Main countries of birth | **Algeria (18%), Morocco (12%), Portugal (8%)** | | |
| **Germany** | | | |
| Size | **13.5 million** | Evolution since 2007 | **+27%** |
| Share of population | **16%** | Share of women | **49%** |
| Main countries of birth | **Poland (12%), Turkey (10%), Russia (8%)** | | |
| **Ireland[1]** | | | |
| Size | **0.8 million** | Evolution since 2007 | **+56%** |
| Share of population | **17%** | Share of women | **51%** |
| Main countries of birth | **UK (34%), Poland (14%), Lithuania (4%)** | | |
| **Netherlands** | | | |
| Size | **2.3 million** | Evolution since 2009 | **+28%** |
| Share of population | **13%** | Share of women | **52%** |
| Main countries of birth | **Turkey (8%), Suriname (8%), Morocco (7%)** | | |

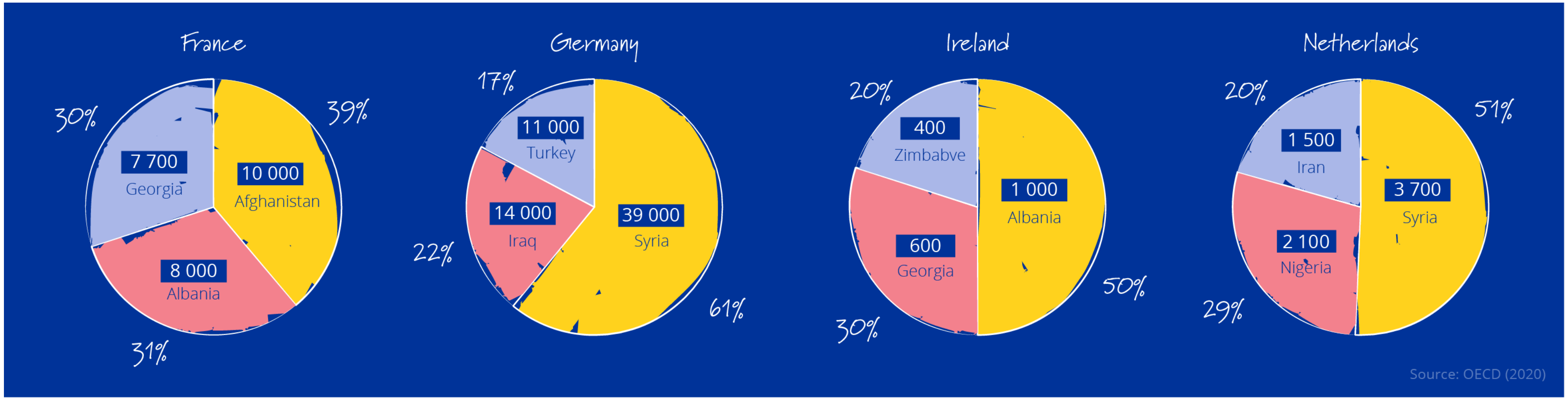
Source: Own compilation based on OECD (2020)

(1) Data is for 2016

## 3.2 Asylum Applications

In **France,** the number of first asylum applications increased by 7.6% in 2019 to 120 000. The majority of applicants came from Afghanistan (39%), Albania (31%) and Georgia (31%). Of the 114 000 application decisions taken in 2019, 24.7% were positive (OECD, 2020). In **Germany,** the number of first asylum applicants decreased by -12%, reaching around 143 000. The vast majority of applicants came from Syria (61%), Iraq (22%) and Turkey (17%) (OECD, 2020). The decrease can primarily be attributed to the lower number of Syrian applicants. About 45.6% of application decisions taken in Germany were positive. In **Ireland** first asylum reached about 4 700, a plus of 29.7%. The number of Syrian applicants decreased (-200), whereas the greatest increase was in Albanians (+500). More than half of the decisions taken to grant asylum (52.1%) were positive, the highest rate among the four countries. As in France and Ireland, the number of first applicants in the **Netherlands** increased in 2019 (+10.1%) reaching roughly 23 000 applications. Although at a significantly lower level, as in Germany, Syrians made up the largest group of applicants (51%), followed by Nigerians (29%) and Iranians (20%). Of the 13 000 application decisions taken in 2019, 37.3% were positive.

**Figure 2.** Top 3 asylum applicants by nationality 2019



## 3.3 Migration History

Western Europe often looks back on common migration history. However, a close look reveals several differences among countries. Most of the differences can be attributed to some countries' colonial history or their recruitment strategies for guest workers from the 1950s onwards (e.g. Germany). Furthermore, while several EU states have always been regarded as immigration countries, others neglected this fact for a long time. Apart from geopolitics, geo-economic developments, including push and pull factors, influenced migration trajectories. In recent years, the long summer of migration and the EU eastward expansion has influenced mobility patterns.

### 3.3.1 France

The migration history of France dates back to the 18th and 19th centuries of industrialisation when decreasing birth rates, which at that time had been an exception in Europe, resulted in labour market shortages. Attracted by employment opportunities, immigrants from neighbouring countries like Italy, Spain, Portugal, Belgium and Poland flowed into France. Between 1851 and the mid-1880s, the number of people with a migration background tripled to nearly 3% (UKEssayes, 2018). In the early 1930s, France was the second most important destination for immigration after the US (Engler, 2017). During the economic upturn of the 1950s and 1960s, France once again recruited, mostly male, workers based on bilateral recruitment agreements with Italy, Greece, Spain, Portugal, Morocco, Tunisia, Turkey and the former Yugoslavia. Due to decolonisation, immigration flows from former colonies also increased at that time. In the oil crisis of the early 1970s, recruitment programmes for foreign workers came to a halt. At that time, the number of migrants reached 7% of the French population (3.5 million migrants) with Algerians and Portuguese accounting for the largest groups, each with about 20% (Engler, 2012). While immigration was long considered a success story, at least from an economic perspective, it has also increasingly been perceived as a cause of social problems and the trigger of conflicts over the last three decades.

> "The new can only be adequately described if, at the same time a look is taken at the old."

Translated from Oltmer (2018: 7)

Today, around 13.1 million people with a history of immigration live in France, accounting for about 20% of the total population. Although immigration to France has risen steadily over the past ten years, it is still moderate in international comparison. These developments become most evident in the issuing of first-time residence permits to third-country nationals. While around 172 000 residence permits were issued to new immigrants from third countries in 2007, the number reached 227 550 in 2016 (Engler, 2017). For third-country nationals, Algeria and Morocco were the most important countries of origin between 2008 and 2015, and they remained so in 2018 (—» Figure 1).

In France, a "migrant" is any person who lives temporarily or permanently in a country in which he or she was not born. The term migrant can therefore cover a wide range of situations such as refugees, asylum-seekers, internally displaced persons, and foreigners in a regular or irregular situation. The term "migrant" has no legal definition and therefore does not correspond to any administrative status. The legal status which best encompasses legal migrants is *"primo-arrivant"*, newcomer. The newcomer is a foreigner in a regular and legal situation concerning the right to residence, who wishes to permanently settle in France and is signatory to the Republican Integration Contract (CIR). The CIR is a contract signed between the French state and all newcomers. Signature leads to an integration programme consisting of 400 hours of French language training, four days of civic training, and a professional orientation service.

The socio-demographic profile of migrants changes drastically when recognised refugees are taken into account as they constitute about 20% of newcomers in France. In 2019, OFPRA (French office of protection of refugees and stateless people), which is responsible for granting refugee status, registered 132 826 asylum applications, an increase of 7.4% compared to 2018, which had seen a rise of 22% compared to 2017. In 2019, the majority of RR living in France originated from Sri Lanka (9.1%), followed by RDC (6.7%) and Sudan (6.4%). In 2019, 13% of people granted refugee status in France originated from Sudan, 7.3% from Guinea and 6.5% from Syria. In 2017, the principal countries of origin of people being granted asylum were Sudan, Syria and Kosovo.

### 3.3.2 The Netherlands

For centuries, the Netherlands has attracted immigrants thanks to its relatively high prosperity and religious tolerance (Ersanilli, 2014). In the 19th century, this proportion decreased and fell to about 2% by 1880 (ibid.). Since 1870, more people have left the country than moved in. Especially after the Second World War, the Netherlands became a country of emigration. Encouraged by the Dutch government's state-sponsored emigration policy, many Dutch citizens emigrated to Australia, Canada, and New Zealand, and later also to Brazil and South Africa (van Meeteren et al., 2013). Between 1946 and 1969, almost 0.5 million Dutch left the country (ibid). Following Indonesia's independence in 1946, the country experienced a massive influx of repatriates from the former "Dutch East Indies". Another immigration wave occurred with Suriname's independence, a former Dutch colony in South America, in 1975. In the subsequent years, almost one-third of the population, about 300 000 people, arrived in the Netherlands. In the late 1980s, a final wave of postcolonial migration began with arrivals from the Dutch Antilles. As the Antilles still belong to the Netherlands, Antilleans are Dutch citizens and thus have free access to the Netherlands. Similar to France, another immigration pattern emerged in the early 1960s. After the influx of immigrants from the former Dutch Colonies, further immigrants, attracted by the economic prosperity of the Netherlands, were recruited for unskilled jobs (guest workers). They came mainly from Mediterranean countries such as Spain, Italy and Portugal, and later from Turkey and Morocco. (Zorlu & Hartog, 2001). As in France, active recruitment came to a halt with the oil crisis in 1973. As different as the "new" citizens' migration histories are, so are their labour market positions (Nijkamp & Sahin, 2009). *Guest migrants*, mainly from Turkey, Morocco, Spain, Italy, and Greece, settled near cities and industrial centres. Surinamese and Antilleans mostly immigrated to study or work in the service sector. Hence, cities such as Rotterdam, The Hague, Amsterdam and Utrecht were target locations for that group (Kraal & Zorlu, 1998). With the third immigration wave, asylum-seekers and refugees, who had fled wars in countries such as the former Yugoslavia, Somalia, Afghanistan, Iran and Syria, entered Dutch society.

Driven by the war in the former Yugoslavia (1992-1995), the Netherlands experienced an increased inflow of asylum-seekers in the early 1990s. This had been rare until the late 1980s. Between 1995 and 2001, 250 000 people requested political asylum in the Netherlands (Sahin et al., 2007). This number has lately grown considerably.

The "VluchtelingenWerk Nederland" (Refugee Service Netherlands) reported the entry of 103 860 new refugees in 2017. Most came from Syria, Eritrea, Afghanistan, Iraq, Iran, Somalia, Ukraine, China and Albania. Although about half of the applications were approved in the 1990s, the approval rate dropped to 10-12% after the introduction of the "Aliens Act" in 2001 (van Meeteren et al., 2013). With the Aliens Act, the Netherlands has introduced a single asylum status replacing the various former statutes with different rights and privileges depending on asylum reasons. According to the new regulations, every asylum seeker whose request is approved will receive a temporary residence permit for a maximum of five years. After that, the temporary permit can be converted into a permanent residence permit. During the procedure, asylum applicants have only limited rights to engage in paid jobs (24 weeks per year). They have no access to the Dutch national assistance system (van Meeteren et al., 2013).

### 3.3.3 Germany

Although Germany had not, for a long time, seen itself as a country of immigration, it has experienced extensive immigration and emigration throughout its history. Like France, its migration history dates back to the 17th and 18th century. The largest, as well as economically, culturally and politically most crucial immigrant group were the Huguenots. After the Edict of Nantes' revocation was proclaimed in 1598 (1685), 30 000 to 40 000 Huguenots immigrated to German territories, mainly north of the Main (Oltmer, 2016). After these immigration movements, which continued until the middle of the 18th century, continental emigration to Eastern and South-Eastern Europe dominated until the 1830s, followed by transatlantic emigration, primarily to the US, until the late 19th century (Hanewinkel & Oltmer, 2017). Between 1816 and 1914, some 5.5 million German emigrants moved to the US (ibid). Due to industrialisation in Germany and the resultant improved economic opportunities, combined with the US's economic crisis, these movements declined markedly.

The First World War marked the beginning of the "century of refugees". The Weimar Republic became the destination of hundreds of thousands of refugees fleeing the consequences of the Russian October Revolution of 1917. In addition, tens of thousands of Eastern European Jews sought protection from pogroms and anti-Semitic movements in many parts of East-Central, South-Eastern and Eastern Europe (ibid). When the National Socialists came to power (1933), Germany once again became an asylum-hostile state, and around half a million people were displaced. These included predominantly Jews, of whom probably 280 000 to 330 000 left the Reich between 1933 and 1940. About 195 000 German Jews, unable to flee, were murdered by the end of the war (ibid).

With the so-called "economic miracle" in the 1950s and economic reconstruction after the Second World War, Germany's economy flourished. However, as in the Netherlands, Germany lacked the necessary labour force. A solution that seemed to meet Germany and the Netherlands' needs was to recruit workers from abroad (guest workers). The first recruitment agreement by the former Federal Republic of Germany was concluded with Italy in 1955. Recruitment contracts with Greece, Spain, Turkey, Morocco, Portugal, Tunisia and the former Yugoslavia followed and continued until the late 1970s. Alongside the so-called guest workers, east-west migration played a significant role in Germany until the early 1990s. In the 2000s, it was mainly EU citizens who used the right to move freely within the European Union.

The year 2016 went down in German history as the year of the "refugee crisis". 2016 saw the highest level of asylum applications since the Federal Office for Migration was founded in Germany. That year, the number of asylum applications totalled 745 545. In 2017, Germany received 222 683 asylum applications, more than any other EU country. Moreover, despite the massive refugee inflow to Germany in 2017, the number of EU citizens who immigrated to Germany under the Freedom of Movement Act significantly exceeded the number of asylum applicants. In the first half of 2017, the EU citizens' group amounted to 307 465 people. That year, Germany was identified by the UN as one of 20 countries worldwide that has hosted two-thirds of all international migrants in recent years. In 2018 most of the people living in, but not born in, Germany, had their roots in Poland (13%), Turkey or Russia (8%) (OECD, 2020). Germany was one of the most attractive and popular destinations for migrants in 2019.

### 3.3.4 Ireland

For much of its history, Ireland has been a country of emigration. In 1841, more than 6.5 million people lived in what is now the Republic of Ireland. By 1901, the population had declined to 3.25 million, mainly due to emigration (Quinn, 2010). During the years of the Famine (1845-50), it is estimated that 1.5million people fled Ireland seeking better lives and opportunities abroad. The population continued to shrink, but not as rapidly, and in 1961 it reached 2 818 000, the lowest level in history. The majority of emigrants who left Ireland in the 19th century and early 20th century went to the US. With the onset of the Great Depression in the 1930s, these emigration flows came to an abrupt halt. Since then, most Irish emigrants have left for the United Kingdom, especially during the Second World War and immediately afterwards. Many Irish found work in the British war effort and subsequent reconstruction. It is estimated that almost 83 per cent of Irish emigrants emigrated to the UK between 1946 and 1951.

During the 1960s, rising economic growth in Ireland slowed the emigration pace, and the population increased again. The 1970s were notable in that the number of immigrants exceeded that of emigrants for the first time (Sexton, 1996). However, this trend did not continue: The weak global economic situation at the beginning of the 1980s hit the Irish economy hard. The result was a recession that lasted well into the second half of the 1980s. It was a decade of high unemployment in Ireland, with high emigration peaking in 1989 when over 70 000 left the country. Net migration in 1988/89 was 45 000 people - 1.3% of the population at the time (O'Connel, 2008).

However, because of growth and prosperity in the 1990s – often referred to as the Celtic Tiger years –, Ireland attracted more immigrants than it historically had. The country has admitted more migrant workers per head of population than any other EU nation since the union enlarged. For example, in the period 1995-2000, approximately 250 000 persons migrated to Ireland, of whom about half were returning Irish. The rest were Europeans, Americans or asylum seekers. In 1992 Ireland received 39 applications for asylum. This figure steadily rose to 424 in 1995 and 1 179 in 1996 (Ward, 2001). However, asylum applications doubled and later tripled throughout the so-called boom years, peaking in 2002 with 11 634 people (Reception and Integration Agency, 2011).

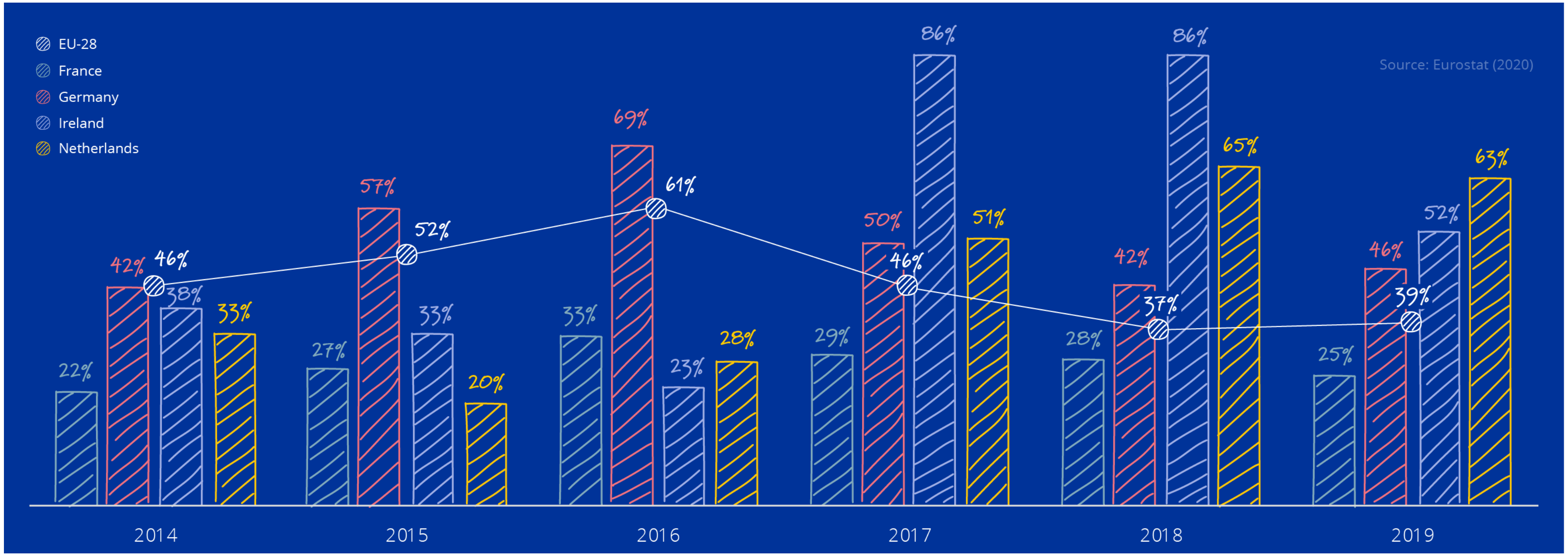
In 2017, Ireland had some 2 910 applications for asylum. Most asylum seekers were from Syria (545 persons), of which none were refused asylum in Ireland (Irish Refugee Council, 2018). Figures available from the Department of Justice reveals that there were 599 new asylum claims in the first two months of 2018 compared to 387 for the whole of 2017 (Lally, 2018). As of November 2018, the International Protection Office (2019) has indicated that Ireland has received some 3 324 applications for asylum. In December 2019, plans were unveiled for Ireland to welcome up to 2 900 refugees between 2020 and 2023 through a combination of resettlement programmes and a new Community Sponsorship Link initiative.

According to the figures provided by the Central Statistics Office (2018) for 2018, there was a 6.7% increase in terms of the number of immigrants to Ireland (from 84,600 in 2017 to 90 300 in 2018), while the number of emigrants declined over the same period. Some 28.4%

were returning Irish nationals, with a staggering 31% classified as coming from "Rest of World", i.e. outside of the European Union. Of these immigrants, many are highly educated, with 49% having a third level qualification (Central Statistics Office, 2018). In respect of general immigrant numbers to Ireland the year before April 2016, 82 346 persons arrived to live in Ireland, of which 53 708 were non-Irish nationals, and 28 143 were Irish nationals (495 did not state their nationality). Among the non-Irish nationals, UK nationals, arriving from European countries, were the largest group (5 840), followed by Polish nationals (4 029). American continental nationalities outnumbered Asian and African nationalities, with the arrival of 4 615 Brazilians being worthy of note. Almost two-thirds of all non-Irish immigrants in 2016 were between the ages of 20 and 34, while 67.7% were single and 27.9 per cent were married.

Regarding the world data, 4 696 asylum applications by refugees were received in 2019 – according to UNHCR. Most of them came from Albania, Georgia and Zimbabwe. Most successful has been the applications of refugees from Syria and Libya. In accordance with the refugee crises, the European Commission devised a plan in which other EU member states would accept prescreened refugees. Ireland was not obligated to participate, but the country volunteered to receive up to 4 000 refugees. As of May 2017, Ireland has taken in 273 refugees. Those awaiting refugee status in Ireland are not authorised to work, so the Irish government provides them with living stipends. Each adult receives €19.10 per week, and each child receives €15.60. This allowance covers any extra living expenses such as cell phones, internet service, clothes and toiletries. On average, refugees in Ireland spend three to four years awaiting refugee status. Some have lived with the Reception and Integration Agency for ten years.

**Figure 3.** First instance positive decisions on asylum applications by country



# 4 Migrant Re-starters

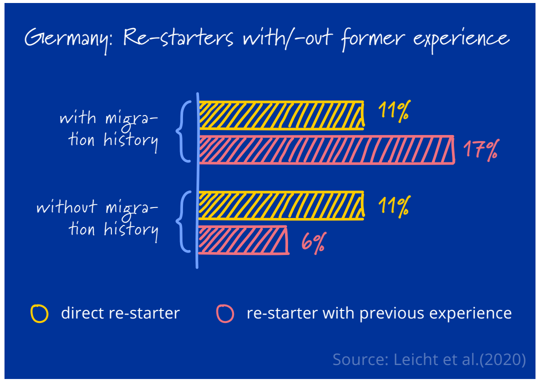
Often the term Entrepreneurial Re-starter refers to someone who failed once with a business and then tried again. In the context of the ENTER project, the term migrant re-starter refers to people with migration histories who had given up their previous professional and independent lives before migration and then made a second (or further) attempt in entrepreneurship immediately after arrival in their new homeland. It also includes those in the same target group who first switched to another professional position and then returned to self-employment from there (Leicht et al., 2016). However, experience and knowledge acquired through previous self-employed activities is not always positive and can sometimes bring with it negative experiences of earlier failure. Individual consideration is always needed, which in Enter to Transform will be guaranteed.

## 4.1 (Recognised Refugee) Re-starters – Overview and Potentials

In **France**, it is widely recognised and proved that re-starters have a higher tendency to self-employment and starting their own business. According to Eurostat (2019), 13% of persons residing in France, and born outside the EU, are self-employed, compared to 6% of French natives. The over-representation of independent professions among immigrants is observable in many other European countries.

Several explanations for this exist. Self-employment can result from a strategy to circumvent the difficulties of integration into salaried employment, the frequency of self-employment in some countries of origin, or the solid entrepreneurial culture of countries of origin. A report on the integration of foreigners arriving in France written by the French deputy Aurélien Taché describes most migrants arriving in France as "young and enterprising". *"[T]hey resemble young French people who pursue a course of study abroad, or are sent by their company to conquer new markets, being driven like them by an energy that pushes them to take control of their future, to be autonomous and enterprising"* (Taché, 2018). In a report by the Prefecture of Haute-de-France entitled "Migrants transiting via the Calais coasts", migrants are described as "mostly young men aged between 20 and 35, often with diplomas or working as entrepreneurs or shop-owners". Therefore, many migrants, and by extension refugees, have the potential for an entrepreneurship journey in France.

As in France, in **Germany,** migrant re-starters play an increasing role in the ecosystem. While migrant re-starters account for 17% of all start-ups, re-starters without migration background account for only 6% (Leicht et al., 2016; see figure below). It remains, however, unclear to what extent migrant re-starters are necessity vs opportunity founders. The same study shows that restarting a business is disproportionately common among Eastern Europeans and migrants and refugees from the Near and Middle East.




Leicht et al. (2017) report that three quarters (73%) of those who came to Germany between 2013 and 2016 gained, on average, six years of work experience before moving to Germany. The average age of the refugees can partly explain their short work experience. However, asylum-seekers who were previously self-employed in their country of origin show, on average, 11 years of work experience (ibid). The authors also found that re-starters in Germany, like other countries, benefit from their experience as re-starters and are generally more successful than those starting a business or entrepreneurial activity for the first time. Women are somewhat disproportionately represented among re-starters, while older people are significantly more common. (Leicht et al., 2016). Having once had experience of failure, older people find it more challenging to get a foothold in dependent employment and so will try to return to self-employment (Leicht et al., 2017). It is interesting that if one or both parents were entrepreneurs, the probability of a repeat start-up increases by 1.4 or 1.7 times.

Among all refugees, around a quarter (27%) have entrepreneurial experience. Among Syrians, it is one-third (32%), and for those from other countries such as Afghanistan, Eritrea, Iraq, Iran, Nigeria, Pakistan and Somalia, the number is 23%. This high proportion of refugees with self-employment experience may provide a good foundation for a new start for both refugees and society. If opportunities for integration into the labour market are limited by dependent employment (David et al., 2019) the question could be posited, to what extent can some refugees run a business in Germany? Ultimately, people with a migration background (overall) tend to often start up again/restart.

Berns (2017) discussed refugee entrepreneurship in the **Netherlands** as refugees' conscious intent to start and maintain a business. According to Fong et al. (2007), refugees' main motivations and ambitions to starting businesses was the idea of being one's own boss (independency). These findings correspond to the motives of re-starters in France and Germany. For the Netherlands, Masural et al. (2002) reported similar motives among Pakistani, Indian and Turkish immigrants restarting a business. Prior *entrepreneurial experience* among migrants is an indication of entrepreneurial ambition. Several scholars (Wauters & Lambrecht, 2006; Fuller-Love et al., 2006; Lyon et al., 2007) have found that refugees with a history of self-employment are more willing to start a business again, as is the case in Germany. Furthermore, in 2007, a correlation between entrepreneurial activity by refugees and prior self-employment experience was identified by Lyon et al. (2007). Hence, refugee re-starters have a higher potential to succeed in their endeavours in a new context than those who were not self-employed in their countries of origin. To contribute to the abovementioned literature and to identify, Enter to Transform aims at identifying ways of making use of the potential of refugee re-starters *(self-employment experienced refugees*) to increase their chances of starting and maintaining a business.

In relation to refugees' entrepreneurial orientation, the SCP (2016) is one of the organisations which advocates improving newcomers' (refugees') opportunities to integrate into Dutch society by actively participating in the labour market. According to Kloosterman and Van der Leun (1999), entrepreneurial activity is one of the options. The Dutch government has included the immigration requirements (for all immigrants) in a course: "Orientation on the Dutch Labour Market". This course must be undertaken and passed together with language and Dutch society courses. Moreover, having an income and economic independence has been reported by CBS (2016) to influence immigrants' positive participation and integration into society. Immigrant integration is considered a "hot topic" in the Dutch political agenda (Den Ridder et al., 2016). Therefore, specific instruments have been implemented to facilitate immigrants' integration into the labour market.

For instance, there are no legal barriers to refugees becoming entrepreneurs. In other European countries like Belgium (Wauters & Lambrecht, 2008), refugees must hold a professional card to start an enterprise. On the financial front, microcredits programmes for refugees started in 2008 (e.g. the Dutch micro-financing agency Qredits). These programmes demand good Dutch language skills because the refugee is requested to deliver a decent business plan and show entrepreneurial skills (Kamer van Koophandel, n.d.). Consequently, being a refugee with prior *self-employment experience* (re-starter) can enhance the chances of obtaining financial support if language is not a barrier. Despite these initiatives to integrate refugees into the labour market as refugee entrepreneurs, Berns (2017) has assessed refugees' entrepreneurship to be in its infancy.

On the other hand, the "Kennisplatform Integratie and Samenleving" (Knowledge Platform Integration and Society, KIS) published in 2018, stated that about 57% of refugees reported having paid jobs. The rest received the support of the relevant municipalities. Of the municipalities, 80% have a concrete policy to increase former refugees' employability opportunities and 66% offer them some sort of entrepreneurship programme. At present, there are no national statistics of refugees' backgrounds in terms of prior entrepreneurial experience. Such information is spread among hubs and incubators specialised in training refugees who wish to start, or restart, enterprises. However, the identification of trustworthy data sources will be continued and may be reported on at a later stage.

As in the other regions, the significance of small and medium enterprises (SMEs) in the **Irish** labour market cannot be underestimated. The Irish economic landscape is dominated by SMEs that are predominantly Irish owned. SMEs account for 99.8% of private business enterprises in the economy, spread across Industry, Services & Distribution, and Building & Construction. There are 270 557 SME enterprises in the economy, employing 1 063 million people, which is equivalent to 68.4% of private business employment. Research carried out by Cooney and Flynn (2008) and Cooney et al. (2011) on ethnic entrepreneurship in Ireland, found that the profile of ethnic business in Ireland is small in scale, accounting for only 2% of enterprises. These businesses are concentrated in locally traded services and operating at the margins of the mainstream economic environment.

Available data does not indicate the method by which migrant business owners came to reside in Ireland, or how they started their businesses. The likely methods include skilled migration, business migration, asylum seeker/refugee status, family reunification and international students. Recent years have seen Irish policymakers seek to leverage economic benefits from the immigration system. Several new migration initiatives and measures have been introduced which are aimed at attracting and facilitating the entry of migrant businesspeople to the State. These include a) The Business Permission scheme facilitates non-EEA nationals coming to Ireland in order to establish business in sectors such as retail, personal services or catering; b) The Immigrant Investor Programme (IIP) was introduced by the Department of Justice and Equality in January 2012 to attract high-worth investments; and c) The Start-Up Entrepreneur Programme (STEP) was introduced by the Department of Justice and Equality in January 2012 to attract non-EEA migrant entrepreneurs to Ireland. The STEP targets High Potential Start-ups (HPSU) in the innovation economy, which is defined inter alia as a venture that is introducing a new or innovative product or service to international markets. No data is available on migrant entrepreneurs who arrived in Ireland as asylum seekers or refugees.

European Union research on the resident migrant population indicates that while the migrant population is more likely to be self-employed in comparison to the native population in most EU States, the trend is reversed in the case of Ireland. Data from the 2013 Labour Force Survey indicate that the proportion of non-EEA nationals in self-employment was lower than the native population (8.5% and 13.4% respectively).

The Entrepreneurship Forum was established by the Minister for Jobs, Enterprise and Innovation in 2013 in order to advise the Minister on policy in the area of entrepreneurship and to draft recommendations which will support business start-ups, sustainable growth and long-term job creation. The Forum recommended improved marketing to increase uptake of the STEP scheme. In addition, it suggested that Local Enterprise Offices should engage directly with migrant organisations, social groups and places of worship to promote services and supports available to persons wishing to establish a business. This would enable immigrant entrepreneurs to immerse their business in the Irish market. Positive media coverage of 'success stories of start-ups' and fostering of entrepreneurship in education have been highlighted as important measures in attracting non-EEA entrepreneurs.

Research suggests that ethnic minority entrepreneurs in Ireland may experience negative stereotyping and discriminatory attitudes in their new country of residence; this may result in the establishment of a small-size business with an ethnic-market focus. In addition, complex business regulations may act as barriers to migrant entrepreneurs. Research indicates that migrants are more likely to set up businesses than the native population, however factors such as language, limited country-specific knowledge, and difficulty in accessing finances may prevent migrant entrepreneurs from realising their full potential. High cost of living and high start-up financial requirements are highlighted as a key challenges and prohibitive factors for migrants establishing a business.

## 4.2 Sectoral Overview – Migrant and Refugee Entrepreneurship

**Figure 4.** Economic snapshot

Bacis economic facts – 2018

| | Seine-Sant-Denise | Moselle | Loire-Atlantique | Gelsenkirchen | Dortmund | Border | Greater Amsterdam |
|---|---|---|---|---|---|---|---|
| GDP per capita | 38 900 € | 25 400 € | 35 900 € | 30 600 € | 38 900 € | 23 900 € | 87 500 € |
| GDP growth | – 1.0% | + 1.6% | + 2.3% | + 1.3% | + 4.6% | -0.8% | + 5.5% |
| GVA per inhibitant | 34 585 € | 22 725 € | 31 903 € | 27 581 € | 35 016 € | 22 314 € | 77 893 € |

Source: Eurostat (2020), own calculations

### 4.2.1 Overview

In 2018, the EU-27 average **GDP per capita** was EUR 30 200 per inhabitant. There are considerable differences between the five regions behind this overall figure in terms of their economic performance.

> *Gross domestic product (GDP), and thus GDP per capita (inhabitant), provides a measure of the total economic activity in a region. It can be used to compare the economic development in regions. However, it does not measure the income available to private households.*

Eurostat (2020)

Among the regions, with roughly 87 500 Euro per inhabitant, "Greater Amsterdam" (North-Holland, NL) exhibited by far the highest GDP per capita in 2018, which is almost three times higher than the EU-27 average (—» ). At the opposite end of the scale are Moselle (Lorraine, FR) and the Border region (Northern Western, IE), with a GDP of 25 400 23 900 Euro respectively per inhabitant. These values are significantly below the EU-27 average and the other project regions. Seins-Sant-Denis (Île de France, FR), Dortmund (Arnsberg, DE) – both with a GDP per capita of 39 800 Euro per inhabitant – and Loire-Atlantique (Pays de la Loire, FR) with 35 900 Euro per inhabitant, following some way behind. All three regions are well above the EU-27 average. Gelsenkirchen (Muenster, DE) recorded a GDP per capita of 30 600 Euro per inhabitant, slightly above (+1.3%) the EU-27 average.

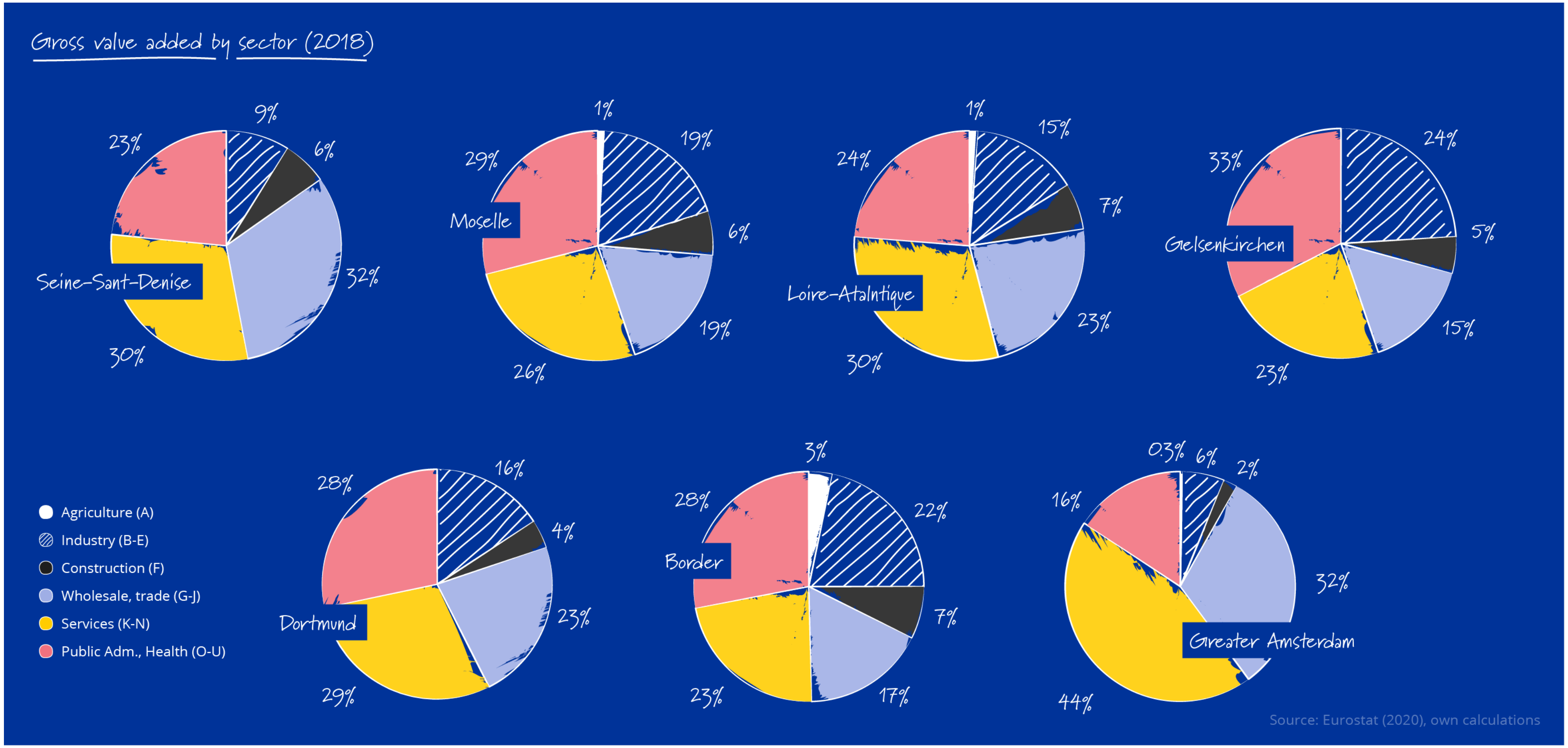
Concerning GDP growth rates in 2018 compared to the previous year, Greater Amsterdam ranks first with +5.5%, followed by Dortmund (+4.6%). At some distance, the two French regions Loire-Atlantique (+2.3%) and Moselle (1.6%) and the German region Gelsenkirchen (+1.3%), follow. In the regions, Seine-Sant-Denise and Border, GDP declined by -1.0% and -0.8% respectively compared to 2017. However, the COVID-19 pandemic should be taken into account. Due to the restrictions implemented globally, it is expected that regional GDPs will have fallen sharply in 2020. In reference to this, the International Monetary Fund, in its Regional Economic Outlook for Europe of October 2020, states (IMF, 2020: vii)

*"Early spring lockdowns, voluntary social distancing, and associated disruptions in supply chains and lower demand led to a record collapse in economic activity. Real GDP fell by about 40 percent in the second quarter of 2020 (annualized quarter-over-quarter), with deeper contraction in advanced Europe, where the virus spread first, relative to emerging Europe. [...] Nevertheless, the outlook for 2020 remains bleak and the recovery will be protracted and uneven. The European economy is projected to contract by 7 percent in 2020 and rebound by 4.7 percent in 2021. [...] The outlook is exceptionally uncertain."*

**Gross Value Added** (GVA) is a measure of the value generated by any unit engaged in producing goods and services. In 2018, Greater Amsterdam had the highest GVA per head, in current basic prices, at 77 893 Euro, while Border had the lowest GVA per head at 22 314 Euro. The highest annual growth in real GVA was in Greater Amsterdam (+6.4%), followed by Dortmund (+4.7%) and Loire-Atlantique (+3,8). Seine-Sant-Denise recorded a decline of -0.2% and Moselle minimal growth (+0.3%). Gelsenkirchen and Border had a moderate annual growth of real GVA (+1.1% and +1.3%).

A closer look at the regional GVA in current basic prices and by economic activities reveals several similarities among the regions and some differences (—» Figure 5). Agriculture, forestry and fishery **(NACE A)** play a minor role in all regions except for Border, where NACE A contributes 3% to the regional GVA. Gelsenkirchen, Border, Moselle, Dortmund and Loire-Atlantique have a solid industrial base **(NACE B-E, except construction)** which accounted for 15% to 24% of regional GVA in 2018. The industry sector GVA contributions of Seins-Sant-Denis, (which lies in the suburban belt of Paris), and the metropolitan area of Greater Amsterdam are less pronounced, accounting for only 9% and 6% of regional GVA respectively. In these two regions, economic activities in wholesale and retail trade, accommodation and food services, and information and communication sectors **(NACE G-J)** account for almost one-third of the value-added (32%), including shares of ICT industry **(NACE J)** of 9.3% in Greater Amsterdam and 7.2% in Saint-Sant-Denise.

**Figure 5.** Shares of GVA at basic prices by economic activity (2018)




In Loire-Atlantique and Dortmund, wholesale and trade generate 23% of the regional GVA, whereas in Moselle, Border and Gelsenkirchen, contributions are significantly lower. In Loire-Atlantique, the ICT sector's economic activities generated 6.3% of the regional value-added, and in Moselle and Border, only 1.9%. For Gelsenkirchen and Dortmund, related data is not available. The service sector **(NACE K-N)** plays a crucial role in all ENTER regions' economic activities, particularly in Greater Amsterdam, where 44% of GVA was generated in the service sector. Less pronounced but equally important are the sectors in Seine-Sant-Denise, Loire-Atlantique and Dortmund, where they account for 30% of the regional value-added.

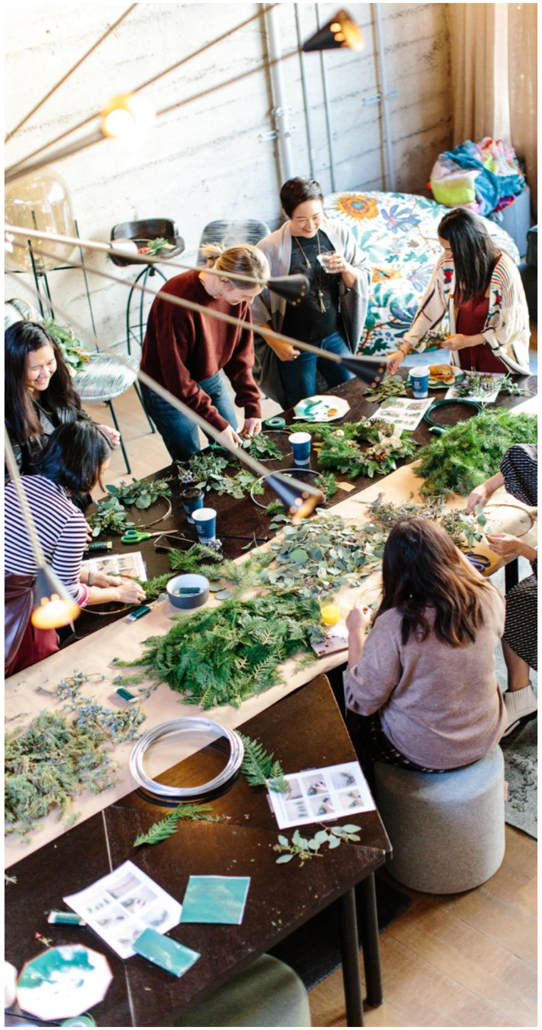
In Moselle, Gelsenkirchen and Border, the service sectors contributed roughly a quarter of the regional GVA. Public administration and defence, compulsory social security, education, human health and social work activities, arts, entertainment and recreation, and repair of household goods and other services (NACE O-U). Contribution to GVA varies between 33% in Gelsenkirchen and 16% in Greater Amsterdam, of which the significant share can be attributed to the sectors of general interest.

### 4.2.2 Sectoral Focus

Within ENTER, RR re-starters will be supported in the business phases of stand-up, start-up and scaling. Support will be distinct from existing initiatives, with a focus on four sectors: **health** (especially care), **crafts** (especially manufacturing), **ICT services and trade** (sales representatives). These sectors have reported recruitment shortages (Cedefop, 2018), and most migrant entrepreneurs still start their businesses in these traditional branches. Although there is still no precise data on whether it also applies to RR re-starters, the ENTER project has derived the information from this data.

In addition, the four sectors vary in their working cultures and traditions, giving a better insight into start-up activities and reasoning. Due to its global structure, the ICT industry is characterised by diversity reflected in its culture. It is traditionally open to start-ups, spin-off and lateral entrances, not least because of the lack of skilled workers. The health sector, especially in care of the elderly, is already well-experienced with migration regarding clients/patients and employees. The need for integration and diversity is met here. Many migrants work in the health sector as dependent employees although recently, there has been a trend towards migrant-led start-ups in the health sector. These start-ups often specialise in care for, or health work with, people of different ethnicities. Crafts and trade are traditional branches open to migrant and refugee entrepreneurship. While trade illustrates the diversity resulting from migration backgrounds, crafts stick more to "we have always done it this way".

However, in Germany, many restrictions exist in the crafts sector. German legislation, for example, stipulates in the Trade and Crafts Code (the "Handwerks-ordnung"), which trades can belong to the sector. It distinguishes between *regulated, skilled crafts*[3] , which require authorisation, and *non-regulated crafts*[4] and *non-regulated trades*[5] which are similar to skilled crafts. Regulated skilled crafts require a master's degree, or comparable qualification, to set up a business. The master’s examination is an essential certified vocational and educational training examination in the skilled crafts sector. Regulated crafts are linked to dangerous work and provide vocational education and training, which is also relevant to other sectors. In non-regulated crafts, a master’s certification can be obtained voluntarily.



[3] Examples are carpenter, metal worker, plumber, joiner, baker, hairdresser

[4] Examples are parquet layer, costume tailor, shoemaker, textile cleaner, photographer.

[5] Examples are building and construction drying trade, alterations tailor, cosmetician

**Table 2.** Priority Sectors by Region (2018)

| | | Crafts[1] | | Trade & Wholesale | | ICT | | Health Care | |
|---|---|---|---|---|---|---|---|---|---|
| | | Units | PE | Units | PE | Units | PE | Unit | PE |
| Île de France | Total | 173 667 | 775 596 | 263 302 | 1 009 847 | 109 373 | 662 265 | n/a | n/a |
| | Share all NACE activities | 27.0% | 8.0% | 21.3% | 10.4% | 8.8% | 6.8% | | |
| | Growth 2016-2018 | -10.3% | -16.2% | +5,3% | +11.2% | +12.4% | +7.2% | | |
| HeLorraine | Total | 23 867 | 64 139 | 29 619 | 70 141 | 3 109 | 5 704 | n/a | n/a |
| | Share all NACE activities | 23,5% | 5.3% | 29.2% | 5.7% | 3.1% | 0.5% | | |
| | Growth 2016-2018 | +0.5% | +18.8% | +1,0% | -14.0% | +6.6% | -17.4% | | |
| Pays de la Loire | Total | 41 231 | 221 995 | 46 930 | 150 426 | 6 987 | 17 529 | n/a | n/a |
| | Share all NACE activities | 22.4% | 9.1% | 25.4% | 6.1% | 3.8% | 0.7% | | |
| | Growth 2016-2018 | -5.0% | -2.8% | -0,7% | -10.8% | +9.6% | -19.7% | | |
| Muenster | Total | 12 751 | 167 904 | 22 458 | 228 929 | 3 813 | 27 957 | n/a | n/a |
| | Share all NACE activities | 15.5% | 9.5% | 27.2% | 13.0% | 4.6% | 1.6% | | |
| | Growth 2016-2018 | +3.9% | -5,1% | -6.4% | +2.6% | +7.9% | +31.1% | | |
| Arnsberg | Total | 15 646 | 159 231 | 31 311 | 318 802 | 4 018 | 31 719 | n/a | n/a |
| | Share all NACE activities | 14.6% | 6.3% | 32.1% | 12,7% | 3.8% | 1.3% | | |
| | Growth 2016-2018 | +2.9% | +0.2% | -1.2% | +4.2% | +23.4% | +16.3% | | |
| Northern Western | Total | 13 655 | 41 734 | 10 409 | 64 938 | 2 087 | 7 573 | n/a | n/a |
| | Share all NACE activities | 27.9% | 6.7% | 21.2% | 10.4% | 4.3% | 1.2% | | |
| | Growth 2016-2018 | -10.0% | +0.8% | +2.9% | +2.3% | +34.8% | +24.7% | | |
| Noord Holland | Total | 44 088 | 104 577 | 30 203 | 279 064 | 30 528 | 101 205 | n/a | n/a |
| | Share all NACE activities | 14.9% | 4.1% | 10.2% | 11.1% | 10.4% | 4.0% | | |
| | Growth 2016-2018 | -12.3% | -8.0% | +1.4% | +3.6% | +9.7% | +11.1% | | |

Source: Eurostat (2020), own calculations

[1] Approximation [2] PE = Persons employed

As depicted in Table 2, the Enter to Transform regions' priority sectors reveal commonalities and differences. In relation to the **crafts sector**, the World Crafts Council Europe posits, based on surveys carried out among all WCCE members, that:

*"concrete and official statistics on crafts are not available in most countries, let alone at the European level. This lack of data and information prevents the establishment of policies that favour the survival and competitiveness of the craft sector. The sector has great potential for economic growth and can contribute to job creation but suffers from a lack of representation and support."*

The figures shown in Table 2 are only an approximation. In Île de France, the crafts sector accounts for 27% of all business units and 8% of all persons employed in the region. In contrast, in Noord Holland, this sector's share of the total business population is only 14.9%. Notwithstanding these differences, the number of craft enterprises in both regions declined between 2016 and 2018. The employment losses in Ile des France were twice as high as those in Holland.

**Trade and wholesale** play a significant role in all Enter to Transform economies. Although the number of business units decreased slightly between 2016 and 2018 (-1.2%) in Arnsberg, it remains a core economic factor in the region, accounting for almost one-third of all business units and 12.7% of the persons employed. In Lorrain, the picture is different: the number of companies increased slightly, while employment fell significantly by 15%. In Noord Holland, the number of businesses and employed persons increased, although with a share of only 10.2% of the total economy. Compared to the other regions the increase is less pronounced.

With a share of 10.4% of the regional economy, Noord Holland ranks first regarding businesses in the **ICT sector.** Nevertheless, all regions saw an increase in the number of companies between 2016 and 2018. The Northern Western region stood out from the other regions with a 34.8% increase, followed by Arnsberg with a plus of 23.4%. Furthermore, except for Lorraine (-17.4%) and Pays de la Loire (-19.7%), all regions recorded increased employment. The rise in employment was particularly pronounced in Muenster (+31.1%) and Northern Western (+24.7%).

As for the crafts sector, comprehensive data on the **health care secto**r is not available at Eurostat. The health economy is a cross-sectional sector within the regions' economies. It comprises, for example, the pharmaceutical industry, biotechnology, medical technologies, hospitals, rehabilitation centres and other care related services. The health economy encompasses the production and marketing of goods and services that serve to preserve and restore health. The lack of sector data inhibits a cross-regional comparison of this sector.

Next to the priority sectors, the analysis revealed further high growth sectors that may also offer RR restarters opportunities. In Île des France, Noord Holland, Pays de la Loire and Lorraine, for example, the number of business units in the transport and storage sector grew between 18% and 25% in two years (2016-2018). The service sector also shows a positive and dynamic development in all regions. Muenster recorded a growth rate of approximately 20%, followed by Noord Holland and Northern Western with plus figures of 10% and 8%.

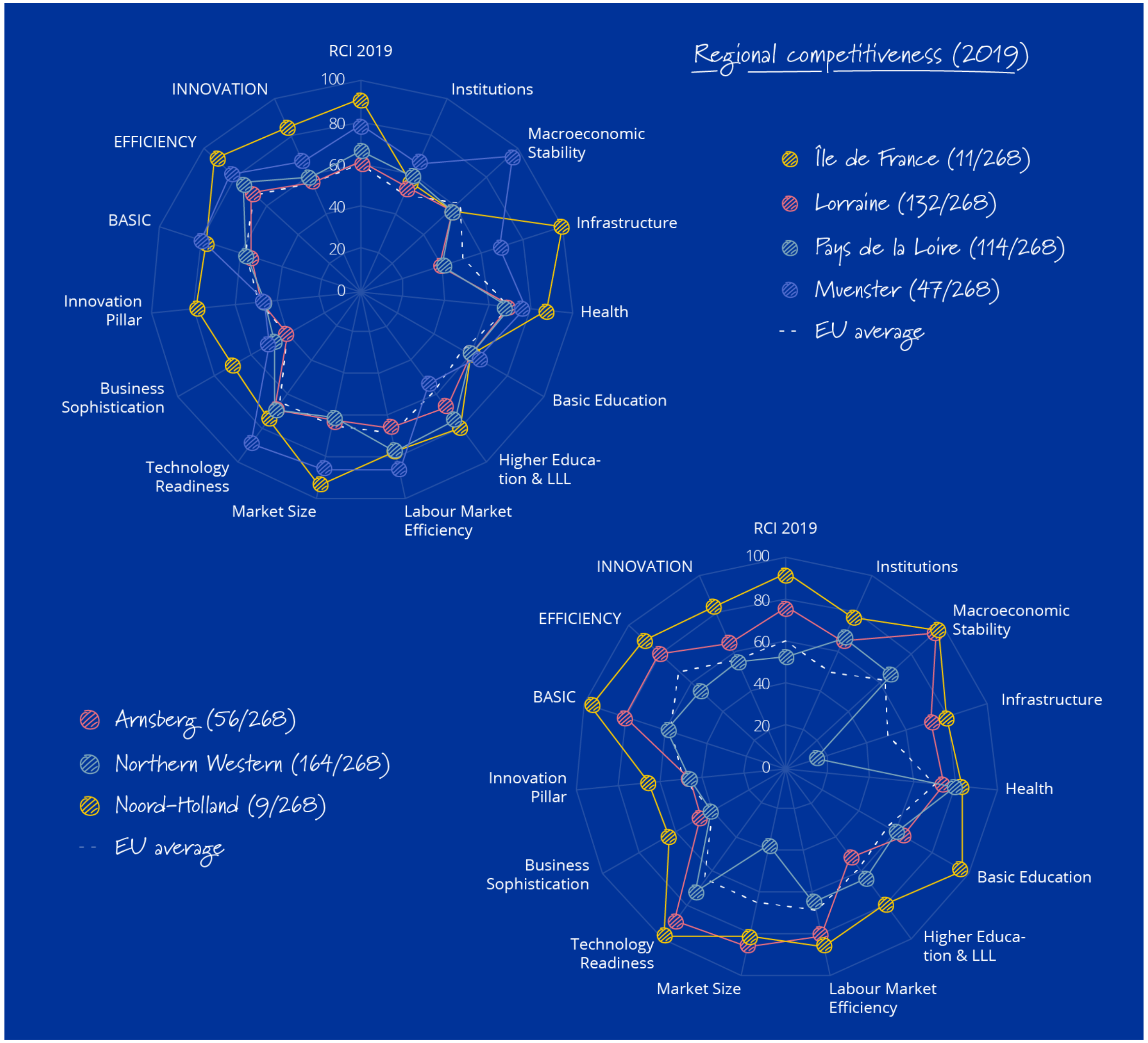
In line with the European Green Deal and the shift towards mission-oriented innovation policy, (which emphasises the value-added for society), "sustainable" businesses and business models provide further opportunities across sectors (e.g. carbon neutral business, sustainable fashion and food, cleantech). A prominent example is Tesla, co-founded in 2003 by Elon Mask, who migrated from South Africa to Canada and then to the U.S.

### 4.2.3 Regional Competitiveness

The **European Regional Competitiveness Index** measures a region's ability to offer attractive and sustainable environments for companies and for residents to work and live in. It uses more than 70 comparable indicators. Data is available for all NUTS-2 regions. As is shown in the figure on the left, ENTER regions' competitiveness scores (0-100) are characterised by wide-ranging varieties. However, in 2019 all regions had scores above the EU average except for the Northern Western region. Île de France (rank 11) and Greater Amsterdam (rank 9) are among the top-performing regions in Europe regarding overall competitiveness. Muenster and Arnsberg follow at some distance ranking at positions 47 and 56, whereas Lorraine, Pays de la Loire and Northern Western sit somewhat in the middle of the 268 European regions.

The RCI is classified into three subgroups: BASIC, EFFICIENCY and INNOVATION. The sub-index BASIC comprises the dimensions of institutions, macroeconomic stability, infrastructure, health and "basic". The ENTER regions' scores range from 97 (Greater Amsterdam to 55 (Lorraine).

**Figure 6.** Regional Competitiveness Index




**Source:** Own compilation based on European Regional Competitiveness Index (2020)

The German regions of Muenster and Arnsberg and the Dutch region of Noord-Holland have been attributed the highest values in sub-index **BASICS**. Taking a closer look at the single dimensions reveals only minor differences among the regions' "Institutions" (SD = 8.4)[6] and in the "Health" dimension (SD = 6.7). In contrast, significant deviations are evident in the dimensions "Macroeconomic Stability" (SD = 20.1) and the "Infrastructure" (SD = 29.1). Regarding the "Macroeconomic Stability", which measures the quality of the overall general economic climate, Noord-Holland, Muenster, and Arnsberg outperform the other regions with values between 96 and 98. The French regions underperform in this dimension, with a value of 100, Île de France over-performs against all other regions regarding infrastructure. In the dimension "Basic Education", i.e. quality of primary and secondary education, Noord-Holland sets itself apart from the other regions with a value of 97 compared to other regions' values which range from 60 to 64.

*"The attainment of upper secondary education has become a minimum requirement for navigating the modern economy and society." (OECD, 2020: 40)*

The economy largely benefits from well-educated people in terms of productivity and growth, and entrepreneurial capacities. That is why the first dimension in sub-index **EFFICIENCY** captures the quality of Higher Education, Training and Lifelong Learning (LLL). Noord-Holland and Île de France show the highest values (80) in this dimension, while Muenster (54) and Arnsberg (52) are ascribed the lowest value among the ENTER regions. "Labour Market Efficiency", i.e. efficient and flexible labour markets, contributes to efficient resource allocation. Here Noord-Holland (87), Muenster (86), and Arnsberg (82) are the top-3 performing regions, closely followed by Île de France (78) and Pays de la Loire (77). With values of 68 and 65, Lorraine and Northern Western rank below the EU average. Concerning "Market Size", which describes the level of regional economic welfare and the size of the market available to firms, Île de France is attributed the highest value (94) and Northern Western the lowest (37). Muenster, Arnsberg, and Noord-Holland rank close to Île de France with values between 86 and 81. The "Market Size" of Lorraine and Pays de la Loire ranks below the EU average of 65.

The sub-index **INNOVATION** captures the regions' "Technology Readiness", "Business Sophistication", and "Innovation Pillar". "Technology Readiness" of households and enterprises is particularly pronounced in Noord-Holland (98), followed by Muenster and Arnsberg (89). All other regions have values well above the EU-average of 65. Pays de la Loire has the lowest level with a value of 69. Île de France ranks first for "Business Sophistication", i.e. the degree of a firm's productivity and its potential for responding to competitive pressure. This pillar includes indicators related to GVA in sectors such as ICT and Financial/Insurance activities (see also section 4.3.1), foreign direct investment, and the presence of clusters of economic activities which are said to facilitate knowledge spillovers. "Business Sophistication" is also a crucial dimension for the ENTER project as it helps to grasp a region's potential for migrant entrepreneurship. The "Innovation Pillar" is designed to capture a region's potential to innovate and its actual performance in innovative activities. In this dimension, Île de France ranks first (79), followed by Noord-Holland (65). With values of between 45 and 47, all other ENTER regions rank below the EU average (49). Further details on the regions' competitiveness are found in Annex 2 of this report.

### 4.2.4 Regional Innovation Performance

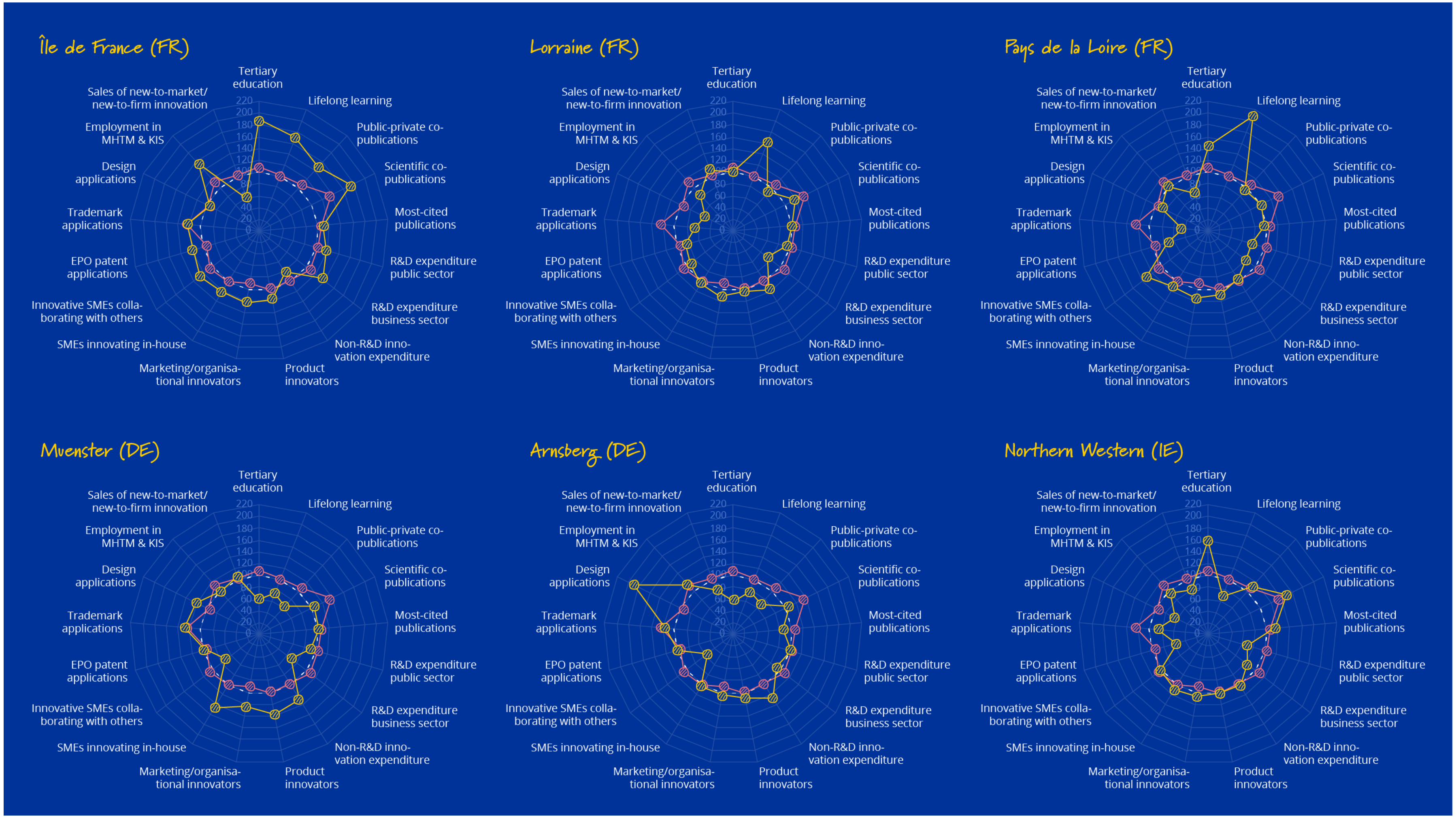
The European Regional Innovation Scoreboard (RIS) is an assessment of the performance of innovation systems across 238 regions in Europe. The European regions have been classified into similar groups of

- **Innovation Leaders:** 39 regions with performance more than 20% above the EU average,
- **Strong Innovators:** 73 regions with performance between 90% and 120% of the EU average,
- **Moderate Innovators:** 97 regions with performance between 50% and 90% of the EU average,
- **Modest Innovators:** 30 regions with performance below 50% of the EU average (Hollanders et al., 2019).

A more detailed picture of the innovations systems' performance is obtained by splitting each group into a top one-third (assigned with a "+"), middle one-third, and bottom one-third (assigned with a "-").

[6] SD = Standard deviation; it reflects the variation in the regional values

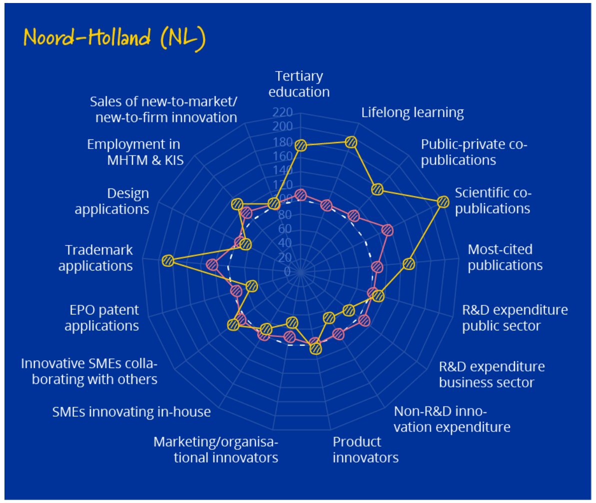
**Figure 7.** Innovation Performance ENTER Regions I




Source: Own compilation based on Regional Innovation Scoreboard 2019[7]

[7] https://interactivetool.eu/RIS/RIS2.html

**Figure 8.** Innovation Performance ENTER Regions II




Île de France is among the top 10 regions of Strong Innovators (rank 9), followed by Noord-Holland in the bottom one-third of this group with a rank of 31. Muenster (rank 82), Arnsberg (rank 85) and Northern Western (rank 76) belong to the middle one-third, Pays de la Loire (rank 96) and Lorraine (rank 106) to the bottom one-third of Strong Innovators. Although at different levels, all ENTER regions belong to the three groups of innovators.

However, the regions are by no means homogenous performers within the regional innovation system. Significant differences become apparent when taking a closer look at the single indicators, as depicted in Figure 7 and Figure 8. Here, the yellow lines mark the regional innovation profile compared with the EU average in 2011. The pink lines indicate the EU-28 average compared with the EU in 2011, and the dashed white line shows the baseline (EU 2011 = 100).

"Tertiary education" is particularly pronounced in Île de France with a performance of 191% of the EU average. Of the Moderate Innovators group, Arnsberg ranks last with a performance of 56.5%, behind Muenster with 57.4%. With regard to "Lifelong learning", which connotes continuous improvement of knowledge, skills and competence, Pays de la Loire ranks first with a performance of 207.9% of the EU average, followed by Noord-Holland and at some distance, Île de France. Muenster and Arnsberg are far behind, with performances 22 to 25% below the EU average respectively. In the three dimensions that capture the quality of scientific research and the research system (co-publications and most cited publications), Noord-Holland takes the lead with a performance ranging from 218.9% to 146.1% of the EU average, Île de France is second and Northern Western third.

Public sector "R&D expenditure" is particularly marked in Île de France and Noord-Holland, while Northern Western's performance is only moderate. Arnsberg, Lorraine and Muenster also have a strong performance in the dimension, ranging from 102.6 to 90.1% of the EU average. A different picture emerges with regard to the R&D expenditures of the business sector. Here Île de France ranks first again, while Noord-Holland ranks only fourth following Arnsberg and Northern Western. While Muenster ranks last concerning business sectors' R&D expenditure, it shows the highest performance in "Non-innovation R&D expenditure" with 130.7% of the EU average. Arnsberg ranks second with a performance of 127.9% of the EU average and Lorraine third with a performance of 117.3% of the EU average. Several components of these innovation expenditures (e.g. investment in equipment, acquisition of patents/licenses) measure the diffusion of new production technology and innovative ideas. Interestingly, although in the group of Innovation Leaders, Noord-Holland's performance is only moderate (72.9% of the EU average), and out of the ENTER regions, ranks last.

Muenster also takes the lead in "Product innovators" with a performance of 139.2% above the EU average. All other regions' performances range between 116.8% (Île de France) and 100.6% (Northern Western).

Concerning "Marketing or organisational innovators", Île de France ranks first with a performance of 123.8% of the EU average, Muenster ranks second and Pays de la Loire third. Here, Noord-Holland also takes the last position with a performance of 9.3% below the EU average.

The indicator "SMEs innovating in-house" is particularly marked in Muenster with a performance of almost 148% of the EU average. In contrast, the region takes the penultimate rank ahead of Arnsberg in terms of innovative SMEs' cooperation with others. Pays de la Loire ranks first with a performance of 131.3% of the EU average concerning cooperation with others, followed by Île des France (126.9%) and Noord-Holland (118.9%).

Concerning "EPO patent applications", Île de France ranks first with a performance of 117.3% of the EU average, whereas Northern Western ranks last with 57% of the EU average. "Trademark applications" are particularly pronounced in Noord-Holland with a performance of 185.0% of the EU average. Muenster and Île de France follow at some distance at ranks two and three. With a value of 42.9% of the EU average, Pays de la Loire shows a modest performance and ranks last among the ENTER regions. Arnsberg ranks first in "Design applications" with a performance of 187% of the EU average. At some distance, Muenster ranks second with a performance of 119.4% of the EU average, whereas Lorraine ranks last with a moderate performance of 53.7% of the EU average.

Employment in medium- and high-tech manufacturing (MHTM) is a proxy for the manufacturing economy based on continual innovation through creative and inventive activity. Knowledge-intensive services (KIS) can enhance productivity throughout the economy and support the diffusion of innovations, particularly those based on ICT. Île de France ranks first in "Employment in MHTM and KIS" with a strong performance of almost 155% of the EU average, Noord-Holland ranks second and Arnsberg third. Lorraine ranks last but still shows a moderate performance, with 81.8% of the EU average.

Despite its leading position in "Tertiary education", "R&D expenditure" in the public and private sector", "EPO applications", and "Employment in MHTM and KIS" among the ENTER regions, Île de France is in last place when it comes to sales of new-to-market and new-to-firm innovations. Its performance is only 61% of the EU average, whereas Lorrain ranks first with a performance of 111%, Muenster ranks second with 103.4% and Noord-Holland third with 102.2% of the EU average.

In summary, the regional innovation systems are an essential framework for RR-restarters. All regions show a good performance, albeit with varying strengths and weaknesses. The regions' complementary strengths promise significant added value resulting from the exchange of knowledge and experience between regions.

## 4.3 Regions' Snapshot

### 4.3.1 France

In France, the SINE survey system (Information System on New Enterprises) set up by the INSEE (National Institute of Statistics and Economic Studies) is the primary data source on entrepreneurial activities. It gathers information about entrepreneurial activities, i.e. the creation, survival and their development of businesses. The statistical database does not explicitly target immigrant populations. However, it does include the entrepreneurs' nationality, which gives a sense of the figures related to migrant entrepreneurs. The survey's coverage extends to all market activities (industrial, commercial and service sectors) except the agricultural sector and the latest figures from 2014.

The survey shows that in 2014, foreign entrepreneurs started 9% of the total businesses in France. More than one-third (34 %) were founded in construction. Like Germany – more frequently, they started "craft businesses" (enterprise artisanal) engaged in construction activities. Another third (35%) of foreign entrepreneurs started their business in commerce, transport and retail. About 6% of foreign entrepreneurs launched companies in the care sector (teaching, health and social action) and 9% in services (including ICT and financial services and real estate).

When brought to a ratio between foreign and French entrepreneurs, the figures are very telling. Migrants represent 9% of the French population today, but foreign entrepreneurs start 16% of the construction/crafts companies in France and 10% of trade and retail businesses. On the other hand, foreign entrepreneurs only account for 6% of businesses in the care and services sectors. The figures vary from region to region therefore we need to take a closer look at the regions in which the Enter to Transform hubs will be set up.

**Île de France** (Montreuil/Paris hub) has the highest concentration of immigrants in France. As a result, foreign entrepreneurs account for more than 15% of businesses start-ups. Entrepreneurs with a migration background start 30% of construction businesses and 20% of the region's businesses in trade and retail. The services sector is also very well represented: 20% of services companies have a foreign founder. The care sector does not tend to thrive among foreign entrepreneurs (5%). In **Loire Atlantique** (Saint-Nazaire hub), only 5% of entrepreneurs have a migration background. They account for 7% of construction businesses, 5% of trade and retail companies, and 11% of care activities. In the **Grand Est** region (Metz hub), foreign entrepreneurs account for 9% of enterprises. They are responsible for the launch of 17% of construction businesses, 9% of trade and retail businesses, 11% of service providing and 7% of care enterprises. This region's figures for national entrepreneurs are close to the national figures.

Based on those figures, one can indeed assert that foreign entrepreneurs, and by extension refugee re-starters in France, tend to launch businesses in trade and construction and retail and are under-represented in care and services sectors. This observation is valid for all regions and at the national level.

As regards the **survival rate** of start-ups, the sector and the founder's experience are central. The sustainability of a company in France strongly depends on the sector of activity. According to INSEE, companies created in the care and social action sectors are the most robust: 83 % are still running three years after their creation. Sustainability is also strong in transport and warehousing (81%). On the other hand, in the trade, construction, and accommodation and catering sectors, which account for nearly half of France's businesses and of which 70 % are started by foreigners, sustainability rates are historically low (around 60%). The coronavirus crisis will probably amplify this trend. In conclusion, migrant entrepreneurs tend to start businesses in sectors where survival rates are lower: trade, construction, and catering.

A business's sustainability also depends on the founder's capability to cope with uncertainty and anticipate difficulties. Therefore, the founder's experience is a determining factor in the success of his start-up. A company is more likely to be sustainable if its founder has a long experience in the same profession or entrepreneurship. Among founders with at least ten years of experience in the same sector, 80% of companies are still active three years after creation, 5 points higher than the average. Conversely, creators who embark on an activity different from their primary profession have a retention rate of 71%, 4 points lower than the average. Thus, explicitly targeting refugee re-starters who have previous experience of the same business activity in their country of origin will maximise the Enter to Transform project's impact.

### 4.3.2 Germany

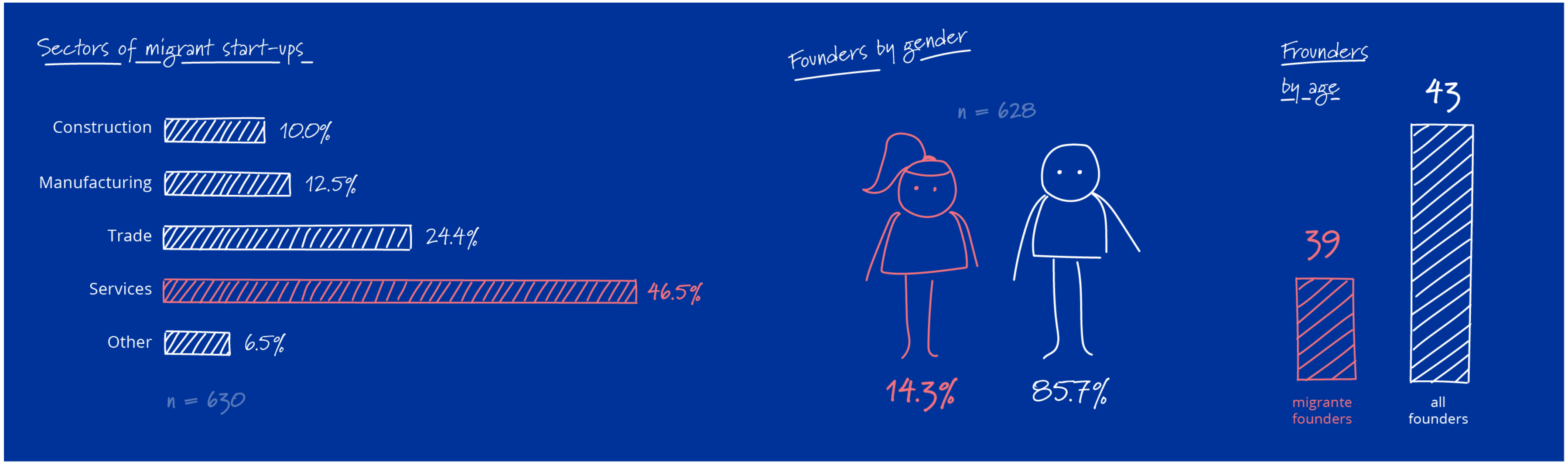
In 2014, 915 000 people were self-employed in Germany, including around 179 000 migrants – among them refugees (Metzger, 2016). German Microcensus [8] data shows that in 2018 the number of self-employed in Germany was around 4 million. In 2019, the number of self-employed amounted to 3.96 million, of which 860 000 (21.7%) were migrants (Sänger, 2020). A closer look at the countries of origin reveals that Polish migrants form the largest group (13.1%), followed by Turkish migrants (12.0%; ibid). Coming from a former guest worker country, Italian migrants (5.3%) follow at some distance. Somewhat surprisingly, migrants from Romania and Bulgaria make up only slightly more of the self-employed than Italian migrants. The proportion and the absolute number of self-employed people from the Near/Middle East increased significantly between 2005 and 2019, not least due to people's free movement in the EU.

In Germany, migrants show an above-average propensity to set up a business. On a long-term average, around one in five start-ups (20%) are founded by people with a migration history (Metzger, 2016). Leicht et al. (2017) found that the number of self-employed migrants rose by one-third (+33%) between 2005 and 2016, whereas the number of self-employed people without a migration history declined over the same period (-3%). In 2013/2014, on average, the proportion of migrants (21%) among founders exceeded the share of migrants among the employable (18%) by 3 percentage points (Metzger, 2016). At 21%, the share of migrants among founders on average in 2013/2014 exceeded the share of migrants among the economically active population (18%) by 3 percentage points (Metzger, 2016).

From 2009 to 2016, the annual start-up rate of migrants was 1.9%, while the overall start-up rate was 1.7% (ibid.).

[8] The microcensus is the largest annual household survey in Germany. The survey has been carried out jointly by the federal and state statistical offices since 1957. Approximately 810 000 people living in around 370 000 private households and shared accommodation are surveyed about their working and living conditions. This amounts to approximately 1% of the population in Germany.

**Figure 9.** Migrant Start-up Activities




Source: Own calculations based on IAB/ZEW (2016)

An analysis of the KfW Start-up Monitor 2018 (Leifels & Metzger, 2019) also shows that around 38% of migrants in Germany would prefer to be self-employed rather than employed, irrespective of their present employment situation, compared to 29% of the total working population. These figures illustrate that the desire for self-employment is significantly stronger among migrants. Leifels and Metzger (2019) attribute the above-average preference to start a business to the general desire for self-employment and the labour market disadvantages of migrants. Migrants' decisions to become self-employed is more dependent on the labour market than among people of working age in general. They start up more often from unemployment and end their self-employment again when they find an attractive, paid job (Metzger, 2016).

In 2016, the majority of migrants (46.5%) founded businesses in the service sector. Of these businesses, 19.2% were in knowledge or technology-intensive services and 27.3% in other services, including personal care (—» Figure 9). About 1 in 4 migrants (24.4%) founded businesses in the trade sector and 12.5% in manufacturing, including crafts (IAB/ZEW, 2016). With a share of 10%, foundations in the construction sector are less pronounced. These numbers are not surprising because migrant founders had previously been more often employed in services and trade sectors (IAB/ZEW, 2016).

The numbers also correspond with the findings of Leicht et al. (2017), who emphasised a higher proportion of migrant founders in non-knowledge-intensive services, wholesale and trade, and the construction industry and that migrant founders are underrepresented in knowledge and technology-intensive services. However, the authors have observed an increase in start-up activities in these sectors as well as in the construction industry (ibid).

Although women's share of start-ups lags significantly behind that of men, with a share of 14.3%, it exceeded the share of all start-ups by women (13.9%) in 2016. Evaluations of the 2009-2015 start-up cohorts show that, on average, migrants are aged 39 when they startup. In contrast, founders of German origin are, on average, aged 43 years at startup.

### 4.3.3 The Netherlands

In January 2015, according to the Dutch Chamber of Commerce (Kamer van Koophandel, 2014), there were 1 711 100 active enterprises. The most popular entrepreneurial activities for male entrepreneurs were in the catering, consultancy, construction, agriculture and horticulture sectors. Female entrepreneurs' activities emerged most often in the consultancy, personal care, hair care (personal service) and catering sectors. In relation to enterprises initiated by immigrants, the Dutch Chamber of Commerce (Kamer van Koophandel, 2014) published that 13% of the registered enterprises were owned by non-Dutch entrepreneurs whose countries of origin were mainly Turkey, Suriname, Poland, Germany, Morocco and China.

In the first years of this century, immigrant entrepreneurs' contribution to the Dutch entrepreneurial system became critical due to a dwindling number of opportunities in the regular labour market. Migrant entrepreneurs started small (family) businesses in sectors where the profit margin is low, where little start-up capital is needed, and production is labour-intensive (Nijkamp and Sahin, 2009).

In only two years, between 2003 and 2005, the number of migrant enterprises increased by almost 40% from 10 700 to 14 900. About 4 600 of those enterprises belonged to migrants from former colonies and guest workers (Kamer & van Koophandel, 2006). In 2004, Amsterdam was home to 18.6% of all migrant enterprises within the Netherlands, followed by Rotterdam (10.5%), The Hague (9.7%) and Utrecht with 2.7% (Reynolds et al., 2004).

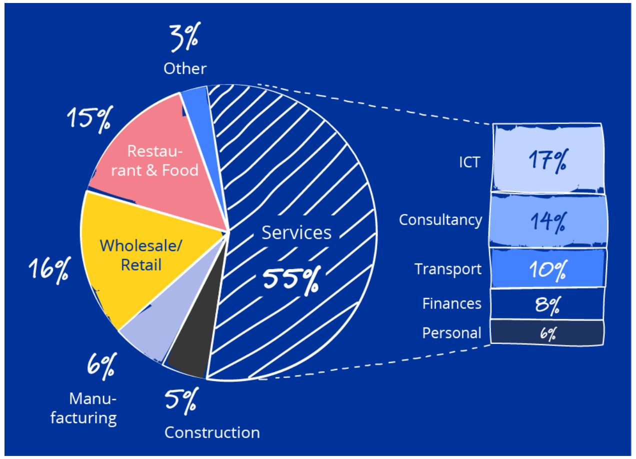
According to CBS, in 2006, a total of 36 461 migrant enterprises in the Netherlands were mainly serving three sectors: the wholesale trade and retail industry (31%), business and personal services (27%) and the hotel and catering industry (26%). More specific sectorial information of refugees' start-ups at national level is not available. Studies such as that by Lange et al. (2019) tried to analyse some migrants' entrepreneurial activities (including refugees' entrepreneurship) and their operational conditions in the Netherlands. In their research, the scholars identified some barriers from a sample of 91 start-ups. However, it was not explicitly stated how representative the sample size was in order to expand the findings country-wide.

### 4.3.4 Ireland

According to research conducted by the Institute of Minority Entrepreneurship, ethnic/migrant-owned businesses are recorded as operating across a broad range of industries, illustrated in the figure below. The information, communications and technology (ICT) sector contains the highest number of ethnic businesses at 17.5%. In line with ethnic business trends in other countries, the restaurant/food and wholesale/retail sectors feature prominently, accounting for 15% and 16% of the sample respectively. Consultancy, particularly in relation to translation services and cultural integration advice, also accounts for a significant number of ethnic businesses (13.5%), as does the provision of transport services (10%).

The remainder comprises businesses located in the financial sector (7.5%), personal services (6.0%), manufacturing (6.0%), construction (5.0%), security (1.0%), and miscellaneous businesses (2.5%). In total, more than 1 out of 2 start-ups are founded in the service sector.

**Figure 10.** Share of Start-ups by Sector in Ireland




Source: Institute of Minority Entrepreneurship

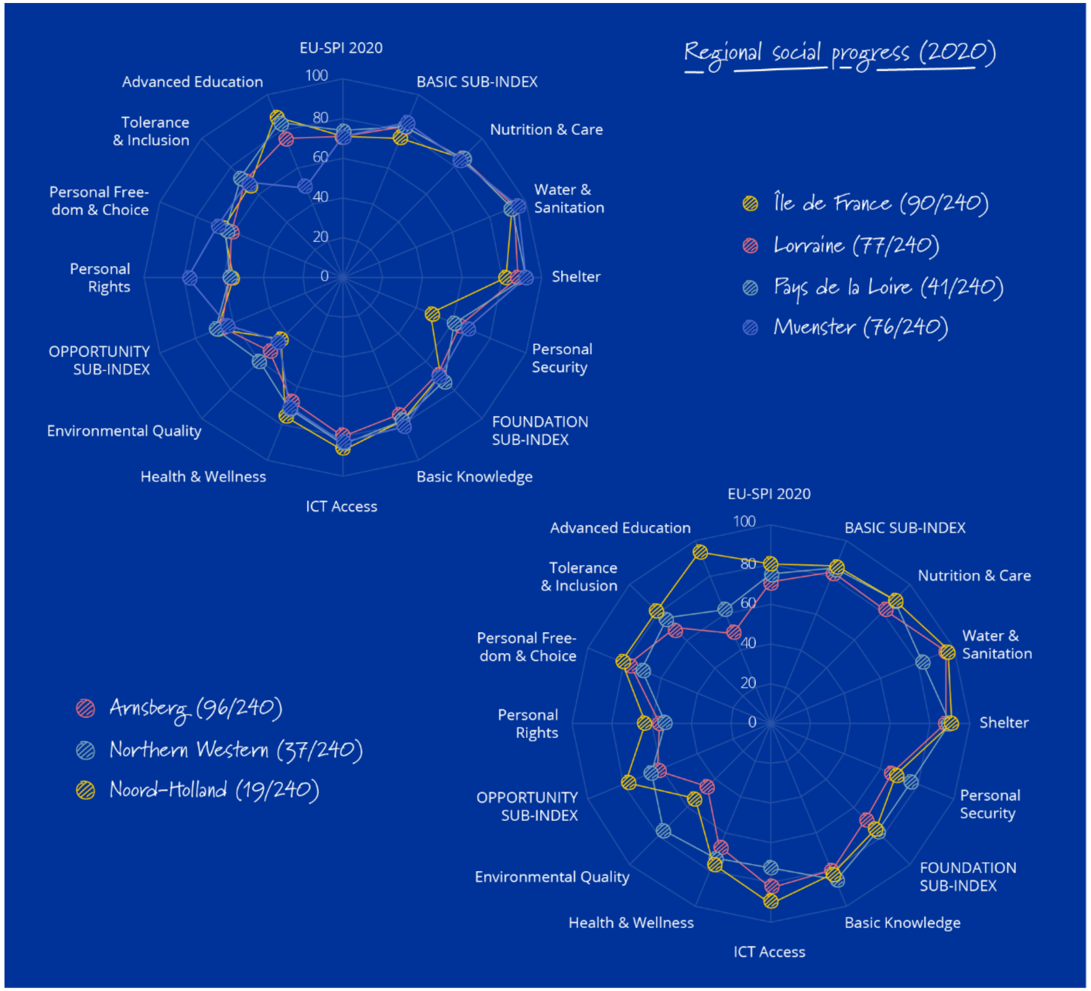
## 4.4 Regional Social Progress

The discussion on "Beyond GDP" promotes alternative metrics to grasp societal development better. While GDP growth will remain an important economic indicator, it only captures material well-being but neglects social and environmental externalities and fails to measure important aspects such as education, inclusion and health. Besides their importance for society, such issues are equally important for the entrepreneurial activities of RR-restarters.

The **EU Social Progress Index (EU-SPI)** represents a direct measure of social progress. The indicator comprises twelve components which are aggregated into the three broader dimensions of "Basic human needs", "Foundation of well-being", and "Opportunity". The latter includes the component "Tolerance & Inclusion", which is of particular interest in ENTER project. Components of the first dimension (BASIC) are considered enablers of societal development. The second dimension (FOUNDATION) measures social and environmental progress. The third dimension includes the most subtle components of a cohesive and tolerant society. EU-SPI scores are calculated based on a 0-100 scale, with 100 meaning the best/ideal performance.

Among the Enter to Transform regions, Noord-Holland ranks first with a social progress index of 80, followed by Pays de la Loire and Northern Western, both with values of 75. Lorraine and Muenster rank third, each with an index of 72. Île de France and Arnsberg bring up the rear with values of 71. Although the SPI varies across the five regions, all rank above the EU average SPI of 66.

**Figure 11.** Regional Social Progress




Source: Own compilation based on European Social Progress Index (2020)

A closer look at the three sub-indices reveals that all ENTER regions have good conditions for societal development. As Figure 11 illustrates, six out of the seven regions are assigned values above 80 concerning the **BASIC** subindex. The values range from 82 in Lorrain, Pays de la Loire and Arnsberg to 86 in Noord-Holland. The only exception is Île de France, with an index of 76, which can be attributed to the low level of perceived "Personal Security"[9] (48).

Concerning the social and environmental development – sub-index **FOUNDATION** – Northern Western takes the lead (77), followed by Noord-Holland (75) and Pays de la Loire (73) and Île de France (70). All other regions are ascribed values between 68 and 69. Northern Western's lead position results from its relatively high environmental quality (76), which exceeds the other regions' values by far. With a score of 43, Île de France shows the lowest environmental quality measured by air quality ($NO_2$, Ozone, particle matter).

The sub-index **OPPORTUNITY**[10] is a key indicator for RR-restarters' business opportunities. With a score of 79, Noord-Holland ranks first. Pays de la Loire follows at a distance of 10 points, while Arnsberg is ascribed the lowest value (62). However, a closer look at the individual dimensions shows significant differences in the regions.

While Muenster has the highest score concerning "Personal Rights"[11] (78), together with Arnsberg, it takes last position in "Advanced Education" (49), which is particularly marked in Noord-Holland (93) and Île de France (88). Significant differences among the regions are evident in the dimension "Personal Freedom & Choice". This dimension includes indicators such as freedom over life choices and job opportunities which are next to personal and economic factors closely related to RRs' opportunities to restart their business.

"Tolerance and Inclusion", including tolerance towards immigrants, is particularly pronounced in Noord-Holland (81) and Northern Western (77), whereas it is significantly lower in Île de France (66). Pays de la Loire and Lorraine are ascribed scores of 72 and 70, and Muenster and Arnsberg of 68. This dimension includes more sophisticated aspects of social progress and thus is harder to improve.

Interestingly, there exists a positive and high correlation between the OPPORTUNITY sub-index and GDP per capita (0.62) in the regions. In contrast, the dimension "Tolerance & Inclusion" declines with a growing population (-0.52).

9 Personal security is measured with the four indicators crime, safety at night, money stolen and share of people, who claimed they have been assaulted or mugged during the past 12 months.

10 See annex 3 for the list of indicators used to measure the dimensions of OPPORTUNITY.

11 Personal Rights are measured by trust in the national government, the legal system and police, active citizenship, female participation in regional assemblies and institutional quality index.

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# 6 Appendices

# Appendix 1: RIS Indicators

| Tertiary education | |
|---|---|
| Numerator | Number of persons aged 30-34 having completed some form of post-secondary education |
| Denominator | Total population aged between 30 and 34 years |
| Rational | General indicator of the supply of advanced skills not limited to science and technical fields because innovation, including the service sector, in many areas, depends on a wide range of skills |

| Lifelong learning | |
|---|---|
| Numerator | Number of persons in private households aged 25-64 who have participated, in the four weeks before the interview, in any education or training, whether or not relevant to the respondent's current or possible future job |
| Denominator | Total population aged between 25 and 64 years |
| Rational | Lifelong learning encompasses all purposeful learning activity (formal, non-formal, informal) undertaken on an ongoing basis to improve knowledge, skills and competencies. |

| Scientific co-publication | |
|---|---|
| Numerator | Number of scientific publications with at least one co-author based abroad |
| Denominator | Total population |
| Rational | International co-publications are a proxy for the quality of scientific research as collaboration increases scientific productivity |

| Most cited publications | |
|---|---|
| Numerator | Number of scientific publications among the top-10% of the most cited publications worldwide |
| Denominator | Total number of scientific publications |
| Rational | The indicator is a proxy for the research system's efficiency as highly cited publications are assumed to be of high quality. |

| R&D expenditure by the public sector | |
|---|---|
| Numerator | R&D expenditure in the government (GOVERD) and the higher education sector (HERD) |
| Denominator | Regional Gross Domestic Product |
| Rational | R&D expenditure represents one of the primary drivers of economic growth in knowledge-based economies. Trends in the R&D expenditure indicate competitiveness and wealth of a region, and R&D spending is crucial for transforming into a knowledge-based economy and improving production technologies and stimulating growth. |

| R&D expenditure by private sector | |
|---|---|
| Numerator | R&D expenditure in the business sector (BERD) |
| Denominator | Regional Gross Domestic Product |
| Rational | Captures the formal creation of knowledge within firms. It is particularly important in the science-based sector, where most new knowledge is created in or near R&D laboratories |

| Non-R&D innovation expenditures | |
|---|---|
| Numerator | Total of innovation expenditures for SMEs, excluding intra- and extramural R&D expenditure |
| Denominator | Total turnover for SMEs |
| Rational | The indicator measures the non-R&D innovation expenditure as a share of the total turnover. Several components of innovation expenditure (e.g. investment in equipment, acquisition of patents/licenses) measure the diffusion of new production technology and innovative ideas. |

| Product innovators | |
|---|---|
| Numerator | Number of SMEs that introduced a new product or new process to one of their markets |
| Denominator | Total number of SMEs |
| Rational | As a measured introduction of new products (goods/services) and processes, technological innovation is key to innovation in manufacturing activities. Higher shares of technological innovators should reflect a higher level of innovation activities. |

| Marketing/organisational innovators | |
|---|---|
| Numerator | Number of SMEs that introduced a marketing/organisational innovation in one of their markets |
| Denominator | Total number of SMEs |
| Rational | Many SMEs, particularly in the service sectors, innovate through non-technological forms of innovation. The indicator strives to capture the extent to which SMEs innovate through non-technological innovation |

| SMEs innovating in-house | |
|---|---|
| Numerator | Number of SMEs with in-house innovation activities that have introduced a new product or process either in-house or in combination with other firms |
| Denominator | Total number of SMEs |
| Rational | The indicator measures the degree to which SMEs that have introduced new or significantly improved products/processes have innovated in-house. The indicator is limited to SMEs as almost all large firms innovate. |

| Innovative SMEs collaborating with others | |
|---|---|
| Numerator | Number of SMEs that have had any cooperation agreements or innovation activities wither other enterprises or institutions |
| Denominator | Total number of SMEs |
| Rational | Measures the degree of innovation cooperation, including knowledge flows between public research institutions and firms and among firms. Today, innovations often depend on the firms' ability to draw on diverse knowledge sources or collaborate to develop an innovation. |

| Public-private co-publications | |
|---|---|
| Numerator | Number of public-private co-authored research publications. Publications are assigned to the country/countries in which the business companies or other private sector organisations are located |
| Denominator | Total population |
| Rational | Captures the public-private research linkages and active collaboration activities between business sector researchers and public sector researchers |

| EPO patent applications | |
|---|---|
| Numerator | Number of patents applied for at the European Patent Office (EPO), by year of filling; the regional distribution of the patent is assigned according to the address of the inventor |
| Denominator | Gross Domestic Product in Purchasing Power Standard |
| Rational | The capacity of firms to develop new products determines their competitive advantage |

| Trademark applications | |
|---|---|
| Numerator | Number of trademarks applied for at European Patent Office |
| Denominator | Gross Domestic Product in Purchasing Power Standard |
| Rational | Trademarks are an essential proxy, especially for the service sector, which identifies the origin of goods/services, guarantees consistent quality through the firm's commitment vis-á-vis the consumer, and is a form of communication, a basis for publicity and advertising |

| Design applications | |
|---|---|
| Numerator | Number of designs applied for at European Patent Office |
| Denominator | Gross Domestic Product in Purchasing Power Standard |
| Rational | A design is the outward appearance of a product (any industrial or handicraft item including packaging, graphic symbols, excluding computer programmes) or part of it. Design as a process and strategy is an integral part of innovation. |

| Employment in MHT manufacturing and KIS | |
|---|---|
| Numerator | Number of employed persons in medium-high and high tech manufacturing sectors including Chemicals (NACE 24), Machinery (NACE 29), Office Equipment (NACE 30), Electrical Equipment (NACE 31), Telecommunication (NACE 32), Precision instruments (NACE 33), Automobiles (NACE 34) and Aerospace and other transport (NACE 35) plus employment in knowledge-intensive services (KIS) including Water transport (NACE 61), Air transport (NACE 62), Post and telecommunications (NACE 64), Financial intermediation (NACE 65), Insurance and pension funding (NACE 66), other activities (NACE 67), Real estate (NACE 70), Renting of machinery/equipment (NACE 71), Computer and related activities (NACE 72), Research and development (NACE 73) and Other business activities (NACE 74) |
| Denominator | Total workforce including all manufacturing and service sectors |
| Rational | Indicator of the manufacturing economy that is based on continual innovation through creative and inventive activity; KIS can enhance productivity throughout the economy and support the diffusion of innovations, particularly those based on ICT |

| Sales of new-to-market/new-to-firm innovations | |
|---|---|
| Numerator | Sum of the total turnover of new or significantly improved products of SMEs |
| Denominator | Total turnover of SMEs |
| Rational | Measures the turnover of new or significantly improved products and captures both the creation of state-of-the-art technologies (new to the market products) and the diffusion of these technologies (new to the firm products) |

Source: Regional Innovation Scoreboard (2019: 72f.)

# Appendix 2: RCI Scorecards ENTER Regions

## Île de France (FR10)

| RCI 2019 | Score | Score 0-100 | Rank | GDP per head PPS – EU28 = 100 | Value | Rank | Stage of development (1 = lowest, 5 = highest) |
|---|---|---|---|---|---|---|---|
| | 0.84 | 91.14 | 11/268 | | 177 | 7/268 | 5 |

**Peer regions:** Oberbayern; Stockholm; Bratislavský Kraj; Eastern and Midland; Hovedstaden; London and its commuting zone; Stuttgart; Bruxelles and its commuting zone; Amsterdam and its commuting zone; Darmstadt; Utrecht; Bremen; Salzburg; North Eastern Scotland and Warszawski stołeczny

| | Score (EU28 = 0) | Peers comparison | | Score (EU28 = 0) | Peers comparison | | Score (EU28 = 0) | Peers comparison |
|---|---|---|---|---|---|---|---|---|
| BASIC | **0.55** | Similar | EFFICIENCY | **0.88** | Similar | INNOVATION | **0.97** | Similar |
| Institutions | 0.24 | Similar | Higher Education & LLL | 0.86 | Similar | Technology Readiness | 0.38 | Similar |
| Macroeconomic Stability | -0.15 | Under | Labour Market Efficiency | 0.33 | Under | Business Sophistication | 1.32 | Similar |
| Infrastructure | 1.80 | Over | Market Size | 1,46 | Over | Innovation | 1.22 | Similar |
| Health | 0.63 | Similar | | | | | | |
| Basic Education | 0.21 | Similar | | | | | | |

Overperforming compared to peers · Similar to peers · Underperforming compared to peers

## Lorraine (FRF3)

| RCI 2019 | Score | Score 0-100 | Rank | GDP per head PPS – EU28 = 100 | Value | Rank | Stage of development (1 = lowest, 5 = highest) |
|---|---|---|---|---|---|---|---|
| | 0.02 | 60.68 | 132/268 | | 77 | 178/268 | 3 |

**Peer regions:** Oberbayern; Stockholm; Bratislavský Kraj; Eastern and Midland; Hovedstaden; London and its commuting zone; Stuttgart; Bruxelles and its commuting zone; Amsterdam and its commuting zone; Darmstadt; Utrecht; Bremen; Salzburg; North Eastern Scotland and Warszawski stołeczny

| | Score (EU28 = 0) | Peers comparison | | Score (EU28 = 0) | Peers comparison | | Score (EU28 = 0) | Peers comparison |
|---|---|---|---|---|---|---|---|---|
| **BASIC** | **-0.06** | Similar to peers | **EFFICIENCY** | **0.07** | Similar to peers | **INNOVATION** | **0.03** | Similar to peers |
| Institutions | 0.11 | Similar to peers | Higher Education & LLL | 0.39 | Similar to peers | Technology Readiness | 0.16 | Similar to peers |
| Macroeconomic Stability | -0.15 | Similar to peers | Labour Market Efficiency | -0,12 | Similar to peers | Business Sophistication | 0.00 | Similar to peers |
| Infrastructure | -0.42 | Similar to peers | Market Size | -0.07 | Similar to peers | Innovation | -0.08 | Similar to peers |
| Health | -0.05 | Similar to peers | | | | | | |
| Basic Education | 0.21 | Similar to peers | | | | | | |

Overperforming compared to peers — Similar to peers — Underperforming compared to peers

## Pays de la Loire (FRG0)

| RCI 2019 | Score | Score 0-100 | Rank | GDP per head PPS – EU28 = 100 | Value | Rank | Stage of development (1 = lowest, 5 = highest) |
|---|---|---|---|---|---|---|---|
| | 0.17 | 66.23 | 114/268 | | 94 | 118/268 | 4 |

**Peer regions:** Leicestershire; Rutland and Northamptonshire; East Wales; Dresden; Cumbria; East Anglia; Greater Manchester; West Central Scotland; Attiki; Alsace; Midi-Pyrénées; Etelä-Suomi; Limburg; Aquitaine; Illes Balears and Malta

| | Score (EU28 = 0) | Peers comparison | | Score (EU28 = 0) | Peers comparison | | Score (EU28 = 0) | Peers comparison |
|---|---|---|---|---|---|---|---|---|
| BASIC | **0.01** | 🟡 | EFFICIENCY | **0.27** | 🟡 | INNOVATION | **0.13** | 🟡 |
| Institutions | 0.35 | 🟡 | Higher Education & LLL | 0.71 | 🟡 | Technology Readiness | 0.21 | 🟡 |
| Macroeconomic Stability | -0.15 | 🟡 | Labour Market Efficiency | 0.29 | 🟡 | Business Sophistication | 0.31 | 🟡 |
| Infrastructure | -0.38 | 🟡 | Market Size | -0.18 | 🟡 | Innovation | -0.12 | 🟡 |
| Health | 0.00 | 🔴 | | | | | | |
| Basic Education | 0.21 | 🟡 | | | | | | |

🟢 Overperforming compared to peers 🟡 Similar to peers 🔴 Underperforming compared to peers

## Muenster (DEA3)

| RCI 2019 | Score | Score 0-100 | Rank | GDP per head PPS – EU28 = 100 | Value | Rank | Stage of development (1 = lowest, 5 = highest) |
|---|---|---|---|---|---|---|---|
| | 0.50 | 78.47 | 47/268 | | 104 | 88/268 | 4 |

**Peer regions:** Gießen; Friuli-Venezia Giulia; Rhône-Alpes; Småland med öarna; Mellersta Norrland; Sydsverige; Közép-Magyarország (Budapest and its commuting zone); Östra Mellansverige; Toscana; Berlin and its commuting zone; Overijssel; Hampshire and Isle of Wight; Liguria; Zeeland and Koblenz

| | Score (EU28 = 0) | Peers comparison | | Score (EU28 = 0) | Peers comparison | | Score (EU28 = 0) | Peers comparison |
|---|---|---|---|---|---|---|---|---|
| BASIC | **0.62** | Similar | EFFICIENCY | **0.50** | Similar | INNOVATION | **0.40** | Similar |
| Institutions | 0.62 | Similar | Higher Education & LLL | -0.19 | Similar | Technology Readiness | 0.89 | Similar |
| Macroeconomic Stability | 1.13 | Similar | Labour Market Efficiency | 0.67 | Similar | Business Sophistication | 0.43 | Similar |
| Infrastructure | 0.67 | Similar | Market Size | 1.04 | Overperforming | Innovation | -0.13 | Similar |
| Health | 0.27 | Similar | | | | | | |
| Basic Education | 0.39 | Similar | | | | | | |

Overperforming compared to peers · Similar to peers · Underperforming compared to peers

## Arnsberg (DEA5)

| RCI 2019 | Score | Score 0-100 | Rank | **GDP per head** PPS – EU28 = 100 | Value | Rank | **Stage of development** (1 = lowest, 5 = highest) |
|---|---|---|---|---|---|---|---|
| | 0.45 | 76.53 | 56/268 | | 104 | 88/268 | 4 |

**Peer regions:** Oost-Vlaanderen; Gloucestershire, Wiltshire and Bristol/Bath area; Kärnten; Cataluña; Gelderland; Nordjylland; Eastern Scotland; Sostinės region; Koblenz; Weser-Ems; Lazio; Liguria; Hampshire and Isle of Wight; Veneto and Overijssel

| | Score (EU28 = 0) | Peers comparison | | Score (EU28 = 0) | Peers comparison | | Score (EU28 = 0) | Peers comparison |
|---|---|---|---|---|---|---|---|---|
| **BASIC** | **0.62** | 🟡 | EFFICIENCY | **0.44** | 🟡 | INNOVATION | **0.32** | 🟡 |
| **Institutions** | 0.62 | 🟡 | Higher Education & LLL | -0.27 | 🟡 | Technology Readiness | 0.89 | 🟡 |
| **Macroeconomic Stability** | 1.13 | 🟢 | Labour Market Efficiency | 0.52 | 🟡 | Business Sophistication | 0.23 | 🟡 |
| **Infrastructure** | 0.81 | 🟡 | Market Size | 1.06 | 🟢 | Innovation | -0.16 | 🟡 |
| **Health** | 0.14 | 🟡 | | | | | | |
| **Basic Education** | 0.39 | 🟡 | | | | | | |

🟢 Overperforming compared to peers 🟡 Similar to peers 🔴 Underperforming compared to peers

## Northern Western (IE04)

| RCI 2019 | Score | Score 0-100 | Rank | GDP per head PPS – EU28 = 100 | Value | Rank | Stage of development (1 = lowest, 5 = highest) |
|---|---|---|---|---|---|---|---|
| | -0.19 | 52.58 | 164/268 | | 84 | 146/268 | 3 |

**Peer regions:** Northumberland and Tyne and Wear; Nord-Pas de Calais; Bourgogne; Liège; Corse; Poitou-Charentes; Castilla y León; Lancashire; Kýpros; Umbria; Abruzzo; Centre - Val de Loire; Sachsen-Anhalt; Mecklenburg-Vorpommern and Derbyshire and Nottinghamshire

| | Score (EU28 = 0) | Peers comparison | | Score (EU28 = 0) | Peers comparison | | Score (EU28 = 0) | Peers comparison |
|---|---|---|---|---|---|---|---|---|
| BASIC | **0.04** | Similar | EFFICIENCY | **-0.42** | Similar | INNOVATION | **0.04** | Similar |
| Institutions | 0.66 | Similar | Higher Education & LLL | -0.27 | Similar | Technology Readiness | 0.29 | Similar |
| Macroeconomic Stability | 0.18 | Similar | Labour Market Efficiency | -0.17 | Similar | Business Sophistication | 0.00 | Similar |
| Infrastructure | -1.29 | Underperforming | Market Size | -1.37 | Underperforming | Innovation | -0.17 | Similar |
| Health | 0.37 | Similar | | | | | | |
| Basic Education | 0.26 | Similar | | | | | | |

Overperforming compared to peers — Similar to peers — Underperforming compared to peers

## Flevoland & Noord-Holland (NL32)

| RCI 2019 | Score | Score 0-100 | Rank | GDP per head PPS – EU28 = 100 | Value | Rank | Stage of development (1 = lowest, 5 = highest) |
|---|---|---|---|---|---|---|---|
| | 0.90 | 93.20 | 9/268 | | 159 | 13/268 | 5 |

**Peer regions:** Darmstadt; Bruxelles and its commuting zone; Stuttgart; London and its commuting zone; Utrecht; Bremen; Salzburg; Hovedstaden; North Eastern Scotland; Warszawski stołeczny; Berkshire, Buckinghamshire and Oxfordshire; Stockholm; Prov. Autonoma di Bolzano/Bozen; Helsinki-Uusimaa and Île de France

| | Score (EU28 = 0) | Peers comparison | | Score (EU28 = 0) | Peers comparison | | Score (EU28 = 0) | Peers comparison |
|---|---|---|---|---|---|---|---|---|
| BASIC | **1.09** | 🟢 | EFFICIENCY | **-0.42** | 🟡 | INNOVATION | **0.67** | 🟡 |
| Institutions | 1.08 | 🟡 | Higher Education & LLL | -0.27 | 🟢 | Technology Readiness | 1.27 | 🟢 |
| Macroeconomic Stability | 1.19 | 🟢 | Labour Market Efficiency | -0.17 | 🟡 | Business Sophistication | 0.13 | 🟡 |
| Infrastructure | 1.08 | 🟡 | Market Size | -1.37 | 🟡 | Innovation | 0.61 | 🟡 |
| Health | 0.49 | 🟡 | | | | | | |
| Basic Education | 1.64 | 🟢 | | | | | | |

🟢 Overperforming compared to peers 🟡 Similar to peers 🔴 Underperforming compared to peers

* No data available for Noord-Holland (NL32)

## Appendix 3: EU-SPI Indicators – Sub-Index "Opportunity"

| | |
|---|---|
| **Personal Rights** | |
| Trust in national government | Share of people who have confidence in their national government |
| Trust in the legal system | Share of people who have confidence in their country's judicial system and courts |
| Trust in policy | Share of people who have confidence in their local police force |
| Active citizenship | Share of people who claimed they had participated in any of the following activities: activities in a political party or local interest group; public consultation; peaceful protest or demonstration, including signing a petition; writing a letter to a politician or to the media (voting in an election excluded) |
| Female participation in regional assemblies | Share of women in Member States' regional assemblies, where appropriate; capped at 0.5, corresponding to a perfect gender balance |
| Institution quality index | Quality and accountability of government services; the index is measured in z-scores |
| **Personal Freedom and Choice** | |
| Freedom over life choices | Share of respondents answering satisfied with the question, "Are you satisfied or dissatisfied with your freedom to choose what you do with your life?" |
| Job opportunities | Share of respondents who think it is a good time to find a job in the city or area where they live |
| Involuntary part-time/ temporary employment | Share of population aged 20-64 years old in an involuntary part-time or temporary job |
| Young people not in education, employment or training | Young people, aged between 15 and 24, not in employment or education and training |
| **Tolerance and Inclusion** | |
| Institution impartially index | Level of impartiality of government services. The index is measured in z-scores |
| Tolerance towards immigrants | Percentage of people who claimed that they live in a good place for immigrants from other countries |
| Tolerance towards minorities | Percentage of people who claimed that they live in a good place for minorities from other countries |
| Tolerance towards homosexuals | Percentage of people who claimed that they live in a good place for gay or lesbian people |
| Making friends | Percentage of people who claimed to be satisfied with their opportunities to meet people and make friends |
| Volunteering | Percentage of people who claimed they participated in voluntary activities (formal or informal) |
| Gender employment gap | Difference between male and female employment rates |
| **Access to Advanced Education** | |
| Tertiary education attainment | Percentage of population aged 25-64 with tertiary education (ISCED 5-6) attainment |
| Tertiary enrolment | The ratio of tertiary students (ISCED 5-8) to the total population (multiplied by 100). |

| Access to Advanced Education | |
|---|---|
| Lifelong learning | Percentage of people aged 25 to 64 who stated that they had received education or training in the four weeks preceding the survey compared to the total population of the same age group |
| Lifelong learning female | Percentage of females aged 25 to 64 who stated that they had received education or training in the four weeks preceding the survey compared to the total population of the same age group |

Source: European Commission (https://ec.europa.eu/regional_policy/en/information/maps/social_progress)