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# EMEN

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European Migrant Entrepreneurship Network



## Deliverable 2.2

Map of services providers in the EU and working paper on state of the art of coaching and mentoring schemes for migrant entrepreneur

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### Map of service providers in the EU and working paper on state of the art of coaching and mentoring schemes for migrant entrepreneurs

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# 1. Introduction

## Contextualising the Mapping Study

Within the methodological framework of Etienne Wenger's "Community of Practice" (CoP) the European Migrant Entrepreneurship Network (EMEN) is organised along three key issues: coaching & mentoring, access to finance and diversity management<sup>1</sup>.

The study constitutes the first milestone for setting up a structured exchange and co-creation process of European-based experts, practitioners and researchers in the field of coaching and mentoring services for Migrant Entrepreneurs (CoP 1). This report is enriched by the insights of exchanges during the first physical meeting and conference in Munich on 23-24 April 2018.

EMEN's origins lie in the existence of multiple structural barriers that hinder the emergence of a European exchange platform for organisations and the lack of knowledge transfer among Business Support Organisations in Europe resulting thereof. With regards to the focus of this working paper on coaching & mentoring schemes, it can be stated that there is a multitude of approaches that are embedded in different traditions of approaching migrant entrepreneurship support in EU member states. As a result, there are no common quality standards for M&E that would facilitate the emergence of a European sector.

The paper's goal is to contribute to both the identification of best practices and learning areas (i.e. to instigate the debates in the upcoming CoP1-exchange). Similarly, the study also contributes to a common understanding of key concepts (i.e. the differentiation between coaching and mentoring schemes) in order to harmonise existing programs that are implemented in various contexts across Europe.

Consequently, the first section of this working paper focuses on the conceptual differentiation of coaching and mentoring approaches. Furthermore, categories for the following analytical work are identified. In chapter 3, the paper sheds light on real-world challenges of migrant entrepreneurs by particularly emphasising three focal points of: lack of knowledge, strong ties to networks and access to (mainstream) financing. The main analytical work is carried out in chapters 4 and 5. By comparing 9 different programs in the field of migrant entrepreneurship support in the 7 different target countries the research embraces the diversity of European contexts in the sector.

While EMEN aims to create a European network representing partners from most of its regions, this working paper does not claim to cover the entirety of the European landscape of migrant entrepreneurship Support. On the contrary, the authors apply a comparative

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<sup>1</sup> The design of the EMEN-project anticipates three most critical support factors for Migrant Entrepreneurs that can be best influenced in a short and medium term. Accordingly, the expert-exchange is structured along CoP 1: coaching & mentoring led by Social Impact, CoP 2: Access to finance led by THUAS-FINE and CoP 3: Diversity management UNITEE

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case study approach that allows in-depth view into the presented case. To complement this work a “list of informants”<sup>2</sup> ( see section ) aims at identifying organisation across Europe and therefore – together with the present report – provides a comprehensive picture of the coaching & mentoring schemes for Migrant Entrepreneurs in Europe

## **The importance of coaching and mentoring for Migrant Entrepreneurs**

Small and medium-sized enterprises (SMEs, defined as firms with fewer than 250 employees), represent 99% of all businesses across Europe, and provide around 70% of employment. But who are these entrepreneurs that form the backbone of the European economy? They are mostly people who are considered migrants. In Germany for example, 17% of the 4.2 million self-employed people are considered migrants (Leicht, 2016). They either migrated to a new country (voluntarily or by force) or they are (grand)children of these immigrants. In the northern, central and eastern EU countries their self-employment rate is above those of natives. The reasons for migrants to consider self-employment can either be out of necessity (e.g. unemployment) or out of free will (e.g. outlook of social mobility). Irrespective of push or pull factors, the multiplicity of migrant-owned business holds a high potential. These migrant entrepreneurs are not only middlemen/women who serve their co-ethnic peers. They have the potential to integrate themselves into the economic environment of their host country. They are an important source of innovation that contributes to economic development in both host and home countries. Besides creating new ideas and products, migrant entrepreneurs generate their own income as well as jobs (Leicht, 2018:526).

Policy-makers have already acknowledged the potential behind this kind of entrepreneurship. The European Commission’s *Entrepreneurship 2020 Action Plan* includes “Entrepreneurial education and training”, creating an “environment where entrepreneurs can flourish and grow” as well as identifying role models and designing outreach to specific groups (EC n.d.). These actions aim to release the full potential of all kind of entrepreneurs. The encouragement of migrant entrepreneurs is a promising strategy for economic growth as well as advancing migrants’ opportunities for social participation. Yet support strategies for migrant entrepreneurship are still scarce and may not always address migrants’ needs. Besides policies that might reduce the institutional and administrative barriers,<sup>3</sup> migrant entrepreneurs still face disadvantages in starting a business compared to natives. There are no standardised schemes and methods to support migrant entrepreneurs. Different kinds of agents with different organisational forms approach the objective of trying to enable migrants to start their own businesses.

This paper aims to give an overview of selected European organisations and identify their differences and similarities. In particular, we want to look at the coaching and mentoring

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<sup>2</sup> Under Deliverable 2.1.2 in the technical Annex 1 of the Grant Agreement

<sup>3</sup> Institutional and administrative barriers are connected to the legal status of migrants and/or refugees. Migrants do not always have permission to start their own businesses. Policy-makers are more interested in transferring them to wage labour. Furthermore, obtaining a permit requires language skills. Most administrative services are not equipped to react to migrants with low or no language skills.

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schemes these organisations use and how these address the barriers that migrant entrepreneurs face. To do so we must first define the terms “coaching” and “mentoring” as well as try to carve out the distinction between them. In the next step we will identify the major challenges of migrant entrepreneurship. A classification of the nine chosen organisations based on their support schemes as well as their ability to address these challenges follows.

## 2. Coaching and mentoring

Distinguishing coaching from mentoring (and vice-versa) is a challenging task. It is likely that any discussion about this distinction would still not lead to a precise result. Both approaches to a learning relationship share a large intersection concerning method, structure and content. Our objective is not to deliver this distinction; but in order to understand the debate surrounding these terms, one must have a broad understanding of the concepts behind them – especially when there is no conceptual consensus among experts supporting migrant entrepreneurs as to how to apply these strategies in practice. In the following we would like to summarise our understanding of coaching and mentoring based on the current scientific discussion, and also to present the controversy that is attached to these terms.

### 2.1. Coaching

Coaching can be characterised as an arranged relationship between a professional coach and his client. The coaching is designed for the benefit of the client (Passmore, 2007:10). A coaching relationship focuses on a specific goal and is linked to a project or performance issue inside the organisation that the client is involved in. Coaching can be seen as a strategy deployed to improve a specific area of the individual’s life (Law, 2013:53). The approach to reaching this goal is therefore a “solution-focused, results-oriented and systematic process” (Tucker, 2007:vi). The coach uses behavioural, cognitive and motivational interventions which enable the coachee to approach the issue in a new manner and helps him/her to move forward (Passmore, 2007:11). The outcome of a coaching relationship should be the enhancement of work performance, life experience, self-directed learning and personal growth. If both parties agree that the goals set out have been achieved, then the relationship is terminated. Coaching can therefore be described as **short-term**. After such a successful period of coaching, the client should be able to conquer future challenges and issues on his/her own (Tucker, 2007:vi).

### 2.2 Mentoring

While coaching can be seen as a scheme to address specific performance-centred issues, mentoring is seen by some as a strategy to conquer career issues. Mentoring can be perceived as a development-centred approach aiming at an individual’s development in a business context. This means that an individual is supported in his or her (career)

development in an organisation (Law, 2013:53). A key element of this strategy is the mentor. He or she is usually more experienced than the mentee and is from the same organisational sector and/or industry. The mentor shares his or her knowledge, experience and insights with the learning associate (Tucker, 2007:vi). The mentor's role is a mixture of parent and peer, working on a transformation of a learning associate within an organisation (Passmore, 2007:12). A mentoring partnership is mostly a **long-lasting** one and can continue outside the context in which it originally started (Law, 2013:53). The outcome and quality of the mentoring relationship can vary a lot depending on the personal characters, skill and experience of the partners (Tucker, 2007:vi).

## 2.3 Discussion

The aspects of coaching described above could also be applicable to mentoring and vice-versa. The reality is that there is a broad overlap between these strategies. Whether a professional, support relationship can be considered coaching or mentoring depends greatly on the coach or mentor's understanding of their work and the skill-set they apply. Both concepts are professional relationships that enable and empower an individual to see and navigate through alternative strategies to improve competence and decision-making (Law, 2013:53). Both coaches and mentors are considered experts in liberating people's potential through a series of conversations and interactions (Tucker, 2007:vi). The purpose is to improve the client's performance or enhance their personal development or both. They have similar and often the same sets of skills and practices which they apply over shorter or longer periods (Law, 2013:53).

However there are some controversial elements that can be compared to each other and that continue to spark discussions about the distinction between coaching and mentoring. First, the concepts can be differentiated on the basis of the **length and intensity** of the relationship. Mentoring is usually a long-term relationship and can be continued even if the goals set out have been reached. A mentoring relationship has broader objectives than coaching. Coaching can be given punctually, addressing a specific and sometimes urgent issue. It is therefore more intense but shorter in duration (Tucker, 2007:vi). This differentiation is however not precise enough! Coaching can also span a longer time-period. A coach can accompany a coachee while he or she addresses different issues and life-stages.

The distinction between coaching and mentoring has in the past concentrated on the **objective** of the relationship. Coaching has been seen as strategy focusing on the development of specific skills and the enhancement of performance (Tucker, 2007:vi). On the other hand, mentoring is more career-oriented. Mentoring is supposed to improve the quality of relationships in the business environment and to support an individual's career development (Passmore, 2007:12). But in practice this distinction cannot be maintained. Coaching which is aimed at skill enhancement rarely happens without context, and will probably feature discussions surrounding career issues. It is also most likely that an individual's skills and talents will be an issue during a mentoring relationship (Passmore, 2007:13). So distinguishing coaching and mentoring on the basis of their objective or focus is not adequate.



Another controversial element of the distinction surrounds **sector knowledge**. It is considered that mentors have to have career and business experience as well as knowledge. Coaches on the other hand do not necessarily have to have in-depth insight into the close environment of the client. He or she should rather bring an independent perspective to the table (Passmore, 2007:12). This notion is very contestable. While we support the argument that a mentor should be an expert in his or her field, and that detailed knowledge of the business or organisational sector is a key element, these characteristics could also fit the description of a coach. Coaching does not exclude knowledge and experience in the same sector as the coachee. The coach at least has a “strong appreciation of business or commercial realities” (Passmore, 2007:13). A far more interesting question is whether it is necessary for a coach to have experienced the same environment or context as his or her coachee to be an adequate support. Is a broad knowledge enough to be a *good* coach or does this job require more profound experience?

*Table 1 : Conceptual differentiation of Coaching and Mentoring*

	<b>COACHING</b>	<b>MENTORING</b>
<b>Length of the relationship</b>	Short-term	Long-term
<b>Intensity of the relationship</b>	Higher (addressing punctual issues)	Lower (addressing a longer development)
<b>Sector knowledge</b>	Not necessary	Necessary
<b>Objective of relationship</b>	Skill enhancement Solving a project or performance issue	Career development

We can summarise that there is no clear distinction between coaching and mentoring. How each concept is designed, perceived and applied depends very much on the style of the coach/mentor and the assignment. Yet, we still want look at how these concepts are being applied in supporting migrant entrepreneurs and whether a characterisation of coaching or mentoring schemes is even possible. Before this can be achieved we must first identify what challenges migrant entrepreneurs face that can be processed through mentoring or coaching schemes.

### 3. What are the challenges that migrant entrepreneurs face?

To be able to analyse the landscape of agents supporting migrant entrepreneurs, we must first be aware of what these entrepreneurs need to overcome to start a business in a new country. Research on migrant entrepreneurs does not necessarily explain entrepreneurial behaviour that in principal refers to migrants exclusively. Migrants have mostly overcome similar barriers, have similar sets of skills and need similar support schemes to native entrepreneurs. Nevertheless, the differences between migrant entrepreneurs and native entrepreneurs are still obvious and need to be addressed. The differences in the behaviour of migrant entrepreneurs arise from their unique social networks, specific knowledge of the market, entrepreneurial experience and/or cultural, linguistic and religious features that can be summarised as ethnic resources (Pruthi and Mitra, 2017:93ff.). A strong network, experience and specific knowledge can be advantageous in the start-up phase of an enterprise. On the other hand, dependence on a migrant network can limit access to opportunities and restrain economic growth. Furthermore, migrant entrepreneurs' lack of cultural, institutional and mainstream market knowledge are clear disadvantages.

Designing a support scheme for this target group has to address both the advantages of being an entrepreneur in a foreign country as well as the disadvantages. In the following, we want to summarise the challenges that migrant entrepreneurs face. In doing so, we inadvertently address some of advantages that these entrepreneurs possess over natives.

#### 3.1. Lack of knowledge

Concerning the educational qualification of migrants, it is a misconception that migrant entrepreneurs have lower qualifications and therefore flee to self-employment rather than wage employment. Research shows that in Europe, the majority of self-employed migrants are more highly educated than wage-employed migrants. There is a slight difference between migrants from OECD countries and those from non-OECD countries. Migrants to Europe from the latter are more highly educated than migrants from OECD states (Koostermann and Rath, 2011:93).

In Germany 39% of self-employed migrants can be designated as highly educated (this only applies to 22% of wage-employed migrants). This shows that migrant entrepreneurship is not a pool of under-educated individuals (Leicht, 2018:537). The challenge that these migrant entrepreneurs face is not that they lack access to education or that they are not qualified enough to run a successful business. The bigger obstacle is that their **qualifications are not always recognised** in their host country (which is a push factor towards self-employment). This is mostly an institutional issue that can seldom be resolved by support schemes for migrant entrepreneurs. A second major issue of this target group is the **lacking of institutional and cultural knowledge** (rather than

entrepreneurial knowledge). A background paper concerning an EU conference in 2016 on migrant entrepreneurship<sup>4</sup> stated that besides missing access to credit and funding, the hardest barriers to overcome were the “lack of information about local markets and their rules, services and support available from the public sector; institutional difficulties, such as permits, licences, time necessary to solve bureaucratic and/or legal issues, contract enforcement, national and local tax and subsidy systems; socio-cultural difficulties, such as language difficulties, cultural framework or religious affiliation.” (European Commission, 2016:4).

A study<sup>5</sup> carried out by the Berlin chamber of commerce supports these findings. The study showed that **deficient language skills** as well as missing knowledge of the German market and customer structure are massive challenges for migrant entrepreneurs (IHK Berlin, 2016:12). This goes to show that “immigrant entrepreneurs cannot just transfer their activities from back home and continue in their new environment as if nothing had changed” (Kloosterman and Rath, 2001:196). They have to adapt to the socio-economic structure of their new home. In order to this they need to acquire the necessary knowledge, either through trial-and-error or through schooling schemes.

### 3.2. Strong tie network

A great disadvantage of migrant entrepreneurs is access to social capital or **a network outside his or her ethnic community** which is essential for the growth of an enterprise. Social capital enables access to information which flows through a network. The amount of social capital is proportional to the connectedness with other individuals in a network (Sequeira and Rasheed, 2004:81).

Migrant entrepreneurs usually have strong ties to a network of their ethnic peers. Their involvement in the ethnic community determines the amount of necessary resources that can be obtained and is a key determinant of a successful start-up. New enterprises have limited resources and lack knowledge. Strong ties help to start up successful business ventures by **reducing transaction costs**. The entrepreneur can rely on his or her network to provide certain information concerning starting a business (Sequeira and Rasheed, 2004:84).

A network built around an ethnic community not only provides an upcoming entrepreneur with opportunities to associate with his or her peers, but also allows the migrant entrepreneur to find employees. Strong ties are crucial for a migrant-run business but they are only useful to a certain extent. The reason for this is that strong ties only reach a small number of agents in a network and do not necessarily reach beyond the ethnic community (Sequeira and Rasheed, 2004:78).

An enterprise can only grow if it is provided with more various, dispersed resources which can only be obtained outside a strong tie network. A migrant entrepreneur must find

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<sup>4</sup> EU Conference on Migrant Entrepreneurship, 23 February 2016: [http://news.ucamere.net/20160217-183433\\_Background%20policy%20paper.pdf](http://news.ucamere.net/20160217-183433_Background%20policy%20paper.pdf)

<sup>5</sup> IHK Berlin: *Integration von Geflüchteten in den Arbeitsmarkt durch Existenzgründung* (Integration of Refugees in the Labour Market through Entrepreneurship)

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access to a **network of weak ties** (Sequeira and Rasheed, 2004:86). According to network analysis Mark Granovetter, information flows more easily and reaches a higher social distance in a network consisting of weak ties (Granovetter, 1973:1366). Indirect contacts are channels through which ideas, innovations and information can be reached. The fewer indirect contacts or rather weak contacts an individual acquires, the more isolated he or she will be from knowledge outside their social environment (Granovetter, 1973:1371). Weak ties help to expand one's network and enable social mobility. Furthermore, weak ties affect social cohesion between groups. If an individual changes his or her (professional) environment, a bridge between both professional groups is built. Information concerning professional and technical specialities flow easily between these groups (Granovetter, 1973:1373).

Migrant entrepreneurs who pursue growth outside their ethnic community must invest in creating a larger network of weak ties. In order to do so, they might need a (trade) organisation to present opportunities to expand their network. It might take just one good contact for an entrepreneur to gain access to a wider network. Human and social capital in the shape of language skills and professional contacts are essential for this endeavour (Sequeira and Rasheed, 2004:89). Both elements are hard to come by as a migrant. Language skills can be acquired through training, but its is professional contacts outside an ethnic community that generate opportunities.

### **3.3. Access to (mainstream) financing**

A challenge that some migrant entrepreneurs face, which is also linked to insufficient network ties, is the lack of financial capital. Migrant entrepreneurs often occupy markets with **low entry barriers**. These markets are characterised by low start-up cost and a low requirement for specific training or education, and depend on a strong social network as well as a hard-working (and cheap) labour force (Rath and Swagerman, 2016:154; Koostermann and Rath, 2001:92). This notion does not necessarily mean that migrant entrepreneurs in general lack access to financial capital. On the contrary, migrants find financial initiatives in their own ethnic community aside from the mainstream means of acquiring capital and financial resources. An example for this is **rotating credit associations**. These are designed around “a core of participants who make regular contributions to a fund which is given in whole or in part to each contributor in turn” (Light and Steven, 2000:115). Nevertheless, the acquisition of finance for the growth or start-up phase is a key challenge that most migrant entrepreneurs face. A bonus in overcoming this challenge is being part of a larger network. Access to a wider network enhances the chances of contacting potential investors (Passmore, 2007:13).

*Table 2: Common challenges of Migrant Entrepreneurs*

<b>CHALLENGES</b>	<b>DETAIL</b>	<b>SOLUTIONS</b>
<b>Lack of knowledge</b>	Lacking of institutional, market and cultural Knowledge	Coaching and mentoring schemes
<b>Strong tie network</b>	No access to information and resources outside tight, ethnic network	Providing possibilities for networking
<b>Access to (mainstream) financing</b>	Migrants entrepreneurs mostly have access to financing made available through their ethnic community	Networking; reducing institutional barriers to finance

## 4. Assessing incubators and programmes

Until now we have discussed the distinction between coaching and mentoring as well as identifying the major challenges migrant entrepreneurs face. On the basis of this we can now dedicate ourselves to the analysis of organisations that support migrant entrepreneurship.

The landscape of schemes supporting migrant entrepreneurship in Europe is very diverse. Even though this group of entrepreneurs is so relevant for the European economy, there are few state-led initiatives to support them. Public stakeholders try to encourage migrants to be self-employed, but the actual counselling and enabling work is more often led by private initiatives such as companies, CSR programmes, NGOs, etc. This field spreads from small and medium-sized companies to start-ups with wide-ranging networks.

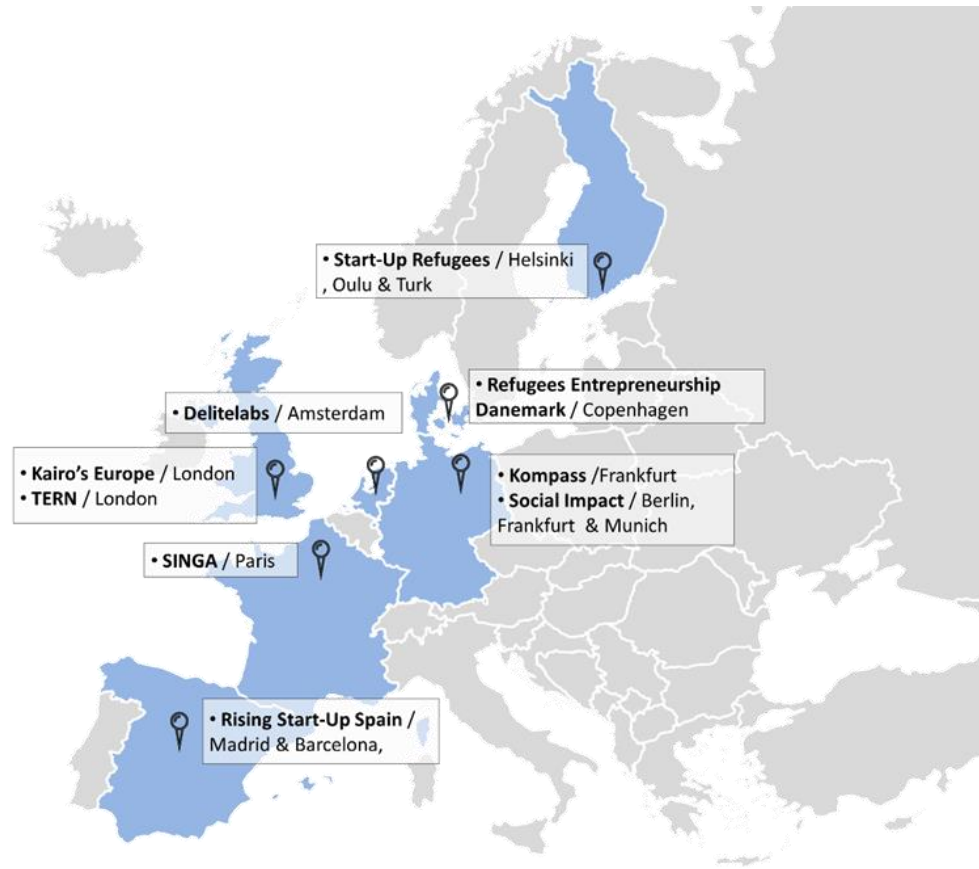
The following nine programmes and incubators were chosen based on their diverse approach to the topic of migrant entrepreneurship. Among other things they differ in practice, services offered and target group. The differentiation we want to examine is whether the programmes use a coaching or a mentoring scheme and how successful they are in addressing the main challenges of migrant entrepreneurs.

Table 3: Overview of programmes integrated in the mapping study

<b>ORGANISATION</b>	<b>LOCATION</b>	<b>PROGRAMME</b>	<b>FUNDING</b>	<b>APPROACH</b>
<b>RISING STARTUP SPAIN</b>	Madrid and Barcelona, Spain	Scholarship programme	State (ICEX Spain Trade & Invest in Spain)	Mentoring
<b>KAIROS EUROPE</b>	London, UK	Seminars & Workshops; “Self-Employment for migrants and refugees” and “Coffee Connect: How To Improve Social Skills and Entrepreneurship”	Private & EU funding (Erasmus)	Coaching
<b>TERN</b>	London, UK	Incubator Programme & (Ben & Jerry’s) Ice Academy	Private	Mentoring
<b>SINGA</b>	Paris, France	Incubator & Accelerator Programme	Private	Mentoring
<b>REFUGEE ENTREPRENEURS DENMARK (RED)</b>	Copenhagen, Denmark	Incubator & Accelerator	unknown	Mentoring
<b>STARTUP REFUGEES</b>	Helsinki, Oulu and Turku, Finland	Incubation	unknown	Mentoring
<b>DELITELABS</b>	Amsterdam, Netherlands	Incubation	unknown	Coaching
<b>KOMPASS</b>	Frankfurt am Main, Germany	Seminars & Workshops	State	Coaching
<b>SOCIAL IMPACT</b>	Berlin, Germany	Incubator	Private	Coaching

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Figure 1: Overview of programmes integrated in the mapping study



## 4.1. Coaching versus mentoring

We have already discussed the difficulties in differentiating coaching from mentoring schemes. There are no ideal types in practice and there will always be mixed approaches. Nevertheless, we dare to undertake this risky endeavour. We characterise a programme as coaching or mentoring if the majority of their elements can be attributed to one or other of the schemes.

### 4.1.1. Coaching

*Kairos Europe*, *Delitelabs*, *Kompass* and *Social Impact* can be identified as organisations that apply coaching methods in their programmes.

***Kairos Europe***<sup>6</sup> is a private company based in London with a Europe-wide network to support transnational exchange. It is mostly funded by and executes projects for the EU Erasmus programme. Its objective is to provide young people and adults with

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<sup>6</sup> <http://kairoseurope.co.uk/>

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opportunities to enhance their skills and knowledge so that they can improve their careers. It is dedicated to intercultural exchange and therefore targets migrants among others. Its “Self-Employment for migrants and refugees” programme was executed once in 2017 with 15 participants and concentrated entirely on supplying migrants and refugees with knowledge and skills. It was designed to provide them with the tools and basic knowledge necessary to transform a business idea into an entrepreneurial project and to have the ability to create their own business plan. This assumes that the participants also understand the legal, financial, management and marketing requirements. At the end of the programme the aspiring entrepreneurs should be able to implement a pilot project. The “Self-Employment for migrants and refugees” programme was not only pure training in a workshop context. The participants also had access to 10 hours of tutoring with a so-called business expert. These tutoring sessions are conducted to assess the needs of the participants as well as to put the knowledge learned into practice.

**Delitelabs**<sup>7</sup> in Amsterdam is a private European start-up incubator. It does not advertise to a specific target group but seeks to support young, ambitious entrepreneurs with or without a migrant background and therefore has an inclusive approach. It is unclear whether their programme leans more into the direction of coaching or mentoring. But based on the fact that most of the programmes are conducted by “the experts at Delitelabs” we identify the majority of their programmes as coaching schemes.

Delitelabs offers evening lessons, an incubation programme as well as a JOYN Bootcamp that has more elements of a coaching scheme than mentoring. These programmes provide the participants with knowledge of the basic terms about entrepreneurship, and most importantly answer the question whether entrepreneurship is something for the participants. Trainers teach methodologies and tools necessary for the entrepreneur to start his or her business. Furthermore, the incubation programme explores the possibility of applying design thinking methods. The other elements of the curriculum are business model generation, leadership, team formation, marketing, access to finance and how doing business works in the Netherlands.

Another programme of *Delitelabs* that applies more elements of coaching is the so-called ICE Academy (sponsored by Ben & Jerry’s). Among other things, the participants undergo a training programme for the start-up phase of their entrepreneurial project which is conducted by Delitelabs. In this the business idea is supposed to grow and be specified. The incubation programme and parts of the ICE Academy are accompanying approaches that support the first steps as well as further developments of the entrepreneurs.

**Kompass**<sup>8</sup> is a non-profit company based in Frankfurt. It executes services provided by the local business development agency. *Kompass* has been supporting (migrant) entrepreneurship in the region for about 18 years. The company has an inclusive approach because the organisation supplies different disadvantaged groups with support and counselling, but does not have any programme designed specifically for each group. Because of the demographics of the city of Frankfurt, migrant entrepreneurs from a large

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<sup>7</sup> <http://delitelabs.com/>

<sup>8</sup> <https://www.kompassfrankfurt.de/>



share of *Kompass's* clients. The services provided are designed to support the entrepreneur in every phase of their entrepreneurial endeavour, and are designed to meet the specific needs of each participant. All workshops, seminars and counselling are provided in German, English and other languages. These services consist of seminars and workshops as well as private coaching sessions, in which the aspiring entrepreneur can address current issues in their entrepreneurial endeavour. The coaching sessions can be taken advantage of on demand. The coaches are trained specifically in methods to enable entrepreneurs and support them on their way to self-employment.

**Social Impact**<sup>9</sup> is a non-profit company financed by the JP Morgan Chase Foundation and the KfW Foundation. The company offers programmes that are predominantly coaching-influenced. Two facilities also have supporting schemes for migrant and refugee entrepreneurs. *ChancenNutzer* is a programme run by the Social Impact Lab in Frankfurt and targets young (under 30 years old.) migrant entrepreneurs. *ChancenNutzer* is an eight-month long incubation scholarship. The scholars are provided with regular coaching sessions in which the business idea is developed and reflected upon. The migrant entrepreneurs have access to multiple workshops concerning a wide range of topics such as institutional and legal knowledge, marketing and leadership skills, and getting access to financial resources. They can also book external coaching sessions (total 30 hours) with experts who have insight in legal, leadership and marketing matters that they then apply to the specific issue of the aspiring entrepreneur. The other programme is *The Human Safety Net* (THSN) which is implemented in the Social Impact Lab in Munich. It is rather similar to its equivalent in Frankfurt with the slight difference that it targets refugees. It has the same goals, elements and duration as its sibling in Frankfurt.

#### 4.1.2. Mentoring

**Rising Startup Spain**<sup>10</sup> offers its participants, among other things, a mentoring scheme. This programme was brought to life by the Spanish Economic and Trade Ministry, and in particular by ICEX Spain Trade and Investment. Both bodies support international trade and national economic development, targeting foreign start-ups, foreign entrepreneurs and non-resident Spanish entrepreneurs with scalable and innovative projects. Projects that already exist can also participate but only if they are less than one year old. One of the attractions the programme offers is access to both the Spanish and the Latin-American markets. Spanish entrepreneurs are invited to offer their knowledge and experience to migrant entrepreneurs. They are specially selected by the programme to give keynote inputs on certain issues. Mentors can also be partners in promoting the business idea or support the entrepreneur in the development of the business plan, but they mostly concentrate on a specific issue.

**The Entrepreneurial Refugee Network** (TERN)<sup>11</sup> is a London-based social enterprise that targets refugees with or without entrepreneurial experience and supports them in all stages of entrepreneurial endeavours (building, growing and scaling up). *TERN* connects

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<sup>9</sup> <https://socialimpact.eu/>

<sup>10</sup> <http://www.investinspain.org/invest/en/resources/information-services/Rising-Startup-Spain/index.html>

<sup>11</sup> <http://www.wearetern.org/>

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its participants with mentors, who are supposed to support them to develop their business idea into a realistic project. These mentors are volunteers who themselves seek experience and want to be part of the community. Two types of mentors are available at *TERN*. The first is the so called *Business Buddy*. This is a young professional or master's student with business or entrepreneurial experience. He or she acts as a teammate and supports the project especially in the start-up phase. The *Business Buddy* does not necessarily require entrepreneurial experience but rather an understanding of the young enterprise and possession of an entrepreneurial mindset. The second mentor role is the *Industry Mentor*. This is a businessperson with significant experience in a particular industry or field. He or she offers advice and can give the entrepreneur access to a network. This mentoring scheme is recommended for more experienced entrepreneurs. It is limited to 1–2 hours a month and is a top-down approach in which the participant benefits from the entrepreneurial and/or sector knowledge of the mentor.

**SINGA**<sup>12</sup> is a private company with branches in Paris and Berlin. Both organisations have a similar mission: the integration of refugees into society through language lessons, providing them opportunities for networking with each other and natives, as well as supporting individuals who want to start their own businesses. Similarly to *TERN*, *SINGA* offers two mentoring schemes that are present throughout the double programme. The first is a *classic mentor*. He or she is usually an experienced entrepreneur and provides the participants at least once a month with insight and sector knowledge. The second mentoring scheme is a more punctual contact: the so-called *professional buddy*. He or she has skills to bring to the entrepreneur (marketing, finance, etc.). The professional buddy acts as a second brain in the young entrepreneurial team. He or she can also be a student with a more junior experience, but willing to take time with the entrepreneur, write documents in French, do market research etc.

**Refugee Entrepreneurs Denmark** (RED)<sup>13</sup> is an incubator as well as an accelerator for refugee entrepreneurs based in Copenhagen. It is part of a network of refugee and entrepreneurial initiatives. Its target group is refugees with or without entrepreneurial experience. Participants can attend the incubation as well as the acceleration programme or join either one of them. Especially in the acceleration phase, a mentoring scheme comes into place to help the entrepreneur advance his or her idea. The mentors are volunteers and are consultants or entrepreneurs themselves with insight into the Danish market. They are recruited from the broader RED network which includes private companies that wish to get involved in aiding refugees.

A second Nordic company is a Finnish social enterprise that focuses on refugee entrepreneurship: **Startup Refugees**.<sup>14</sup> Like *RED*, it concentrates exclusively on refugees with or without entrepreneurial experience, and aims to give them the opportunity to integrate more quickly and successfully into Finnish society. *Start-Up Refugees* relies on a voluntary network of universities, banks and financial institutions as well as other experienced entrepreneurs and bigger (international) companies from the IT, commerce,

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<sup>12</sup> <https://www.singafrance.com/>

<sup>13</sup> <http://refugeeentrepreneursdenmark.dk/>

<sup>14</sup> <https://startuprefugees.com/>

design and service sectors. These partners conduct workshops and seminars, and represent a valuable resource concerning economic growth for the participants as well as for the companies themselves.

A main service they provide is the matching of refugees with local entrepreneurs and businesses. This aid does not only serve the purpose of providing employment and, along with it, familiarity with the working environment, but it also is used for mentoring schemes. The entrepreneurs can take advantage of a large pool of information in a wide range of industrial sectors as well as the public sector. Startup Refugees makes external entrepreneurial advice accessible to its participants. Its network consists of experts in marketing, leadership, financing, etc. Aspiring entrepreneurs can book sessions with these experts to access professional insight into the Finnish market and furthermore get support in their entrepreneurial endeavour.

## **4.2. Addressing major challenges**

Above we identified three major challenges that migrant entrepreneurs face: lack of knowledge, strong tie networks and access to (mainstream) financing. In the following we discuss if and how the nine organisations address these challenges.

### **4.2.1. Lack of knowledge**

Needless to say, providing knowledge and training to the participants is the objective of each and every one of these organisations. The main knowledge that migrant entrepreneurs lack is institutional, market and cultural knowledge. Furthermore, deficient language skills are a major barrier. We are therefore interested in analysing programmes that go beyond the teaching of entrepreneurial knowledge and skills.

*TERN*, *SINGA*, *RED*, *Delitelabs* and *Kompass* are organisations that address all three knowledge gaps: institutional, market and cultural knowledge. They differ in method but the content and the social problem they address are similar. Migrant entrepreneurs mostly have the skills and knowledge that are needed to start a business, but they have difficulties in navigating through the supporting ecosystem and the market as well as understanding the cultural complexities.

*SINGA* and *RED* both offer a double programme which first assesses the challenges and needs of the aspiring entrepreneurs. When these basic skills are covered, the participants can concentrate on their own business models. Requests differ between the pre-incubation period (1st stage) and the incubation period (2nd stage). A part of the *TERN* and *DELITELABS* programme is the so-called “ICE Academy”. Participants go through training in which they are provided with entrepreneurial knowledge and skills concerning new market, legal and institutional issues. Another part of this academy’s curriculum is the development and testing of their business idea. To give refugees a feeling of the economic and working culture and the opportunity to earn money, they have the possibility to work part-time as an ice-cream vendor for the Ben & Jerry’s brand which is a major sponsor of this project. This approach mixes the theoretical learning aspect of institutional and market knowledge with first-hand experience of the business culture in their new

country. *Kompass* offers seminars and workshops that are especially designed to get to know the German way of doing business and approaching new partners.

The organisations *Kairos Europe*, *Startup Refugees* and *Social Impact* concentrate primarily on the transfer of institutional and market knowledge. *Social Impact* uses coaching to help its participants navigate through the institutional “jungle” and get to know the German market and the potential target group the migrant start-up wants to reach. *Startup Refugees* operates with a wide network of volunteers who are themselves entrepreneurs. Aspiring entrepreneurs can book sessions with these experts to access professional insight into the Finnish market and furthermore get support in their entrepreneurial endeavour. Besides the seminars and workshops that *Kairos Europe* offers on entrepreneurial skills and the institutional and economical landscape of the UK, it also offers “Coffee Connect: How to Improve Social Skills and Entrepreneurship”.<sup>15</sup> It approaches staff members of organisations that dedicate their work to empowering migrants, refugees and asylum seekers. In this five-day workshop the scholars will be introduced to an entrepreneurial mindset. It is specifically designed to support start-ups that are emerging into new markets. Part of this consists of giving the trainers the knowledge to realise and take advantage of opportunities, build social networks and to identify risks.

One of the biggest challenges faced by migrant entrepreneurs is addressed the least: the lack of language skills. *Kairos Europe* and *SINGA* are the only two organisations that offer language courses for the aspiring entrepreneurs. Most of the other programmes are conducted in the respective language or optionally in English.

#### **4.2.2. Strong tie network**

In order to grow, a migrant start-up needs to leave its ethnic network and make contacts in other, wider and native networks. These can provide valuable information, such as marketing strategies or finance possibilities.

Organisations such as *TERN*, *RED* and *Startup Refugees* base their mentoring schemes on volunteer external experts. They are recruited from their partners and network and are allocated a start-up to accompany and with which to conduct seminars and workshops. The same can be said about *Rising Startup Spain*, where Spanish entrepreneurs offer their knowledge and experience to the migrant entrepreneurs (but not pro bono). The aspiring entrepreneurs can potentially use the network of the established experts to position themselves in the market. This is not only the case for those three organisations but with all the organisations that support and encourage networking.

*SINGA* and *Social Impact* have a wide network (predominantly in the private sector) ranging from sources that they can use for (pro bono) counselling and mentoring to operational partners and financial and/or strategic partners. *Kompass* is very well connected in the public sector, which can provide financial resources as well as other counselling schemes. It is embedded in the public economic development services of the

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<sup>15</sup> <http://kairoseurope.co.uk/improve-social-skills/>

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Rhine-Main Region. This means that it cooperates closely with the regional business development agencies as well as the chambers of commerce.

Networking possibilities can be created either by specific events or through a co-working space. *Social Impact* and *Delitelabs* offer both. They promote the possibility to co-work and network as one of their most valuable resources. The entrepreneurs can learn from each other as well as benefitting from a strong alumni network. Rising Startup Spain also offers co-working spaces in three start-up incubators (two in Madrid and one in Barcelona). Being a state-led initiative, it has close ties to the Ministry of Economics.

### **4.2.3. Access to (mainstream) finance**

Without exception, teaching or even enabling their participants to gain access to financing is a leading part of the curricula of all nine organisations. This happens either through seminars and workshops or through coaching/mentoring sessions. Access to finance is identified as a major barrier for (migrant led) start-ups. The curricula obviously differ but there are some elements that stay constant, and creating awareness of the topic is the overall consensus. What kind of possibilities does an entrepreneur have to finance his or her business? Who can an entrepreneur approach? How does an entrepreneur talk to investors? These are all questions that need answering and play a part in empowering the entrepreneur.

Some organisations promote their access to scholarships or their connection to financial institutions. *Delitelabs* in Amsterdam offers a three-month incubation programme. The total programme fees add up to €2,970. However, participants can apply for a number of scholarships that reduce the cost to €290. The cooperation partners of *Kompass* include the Frankfurt *Gründerfonds* (Founder Fund) as well as the *Wirtschaftsbank Hessen*. *Kompass* helps its participants to apply to these financial institutions in order to access microcredit schemes.

Besides knowledge transfer and networking possibilities, some organisations offer monetary support. *Rising Startup Spain* is the only one of the programmes under study that grants its scholars €10,000 to cover the initial start-up expenses. Five of the nine initiatives offer their participants a free working space in their organisation or a partner co-working space which can also be considered an additional quasi-monetary support considering that working space is essential for a start-up and rents can be very high in major European cities (*Rising Startup Spain*, *SINGA*, *RED*, *Delitelabs* and *Social Impact*).

## 5. Conclusion

As anticipated, a clear-cut distinction between mentoring and coaching schemes is hard to find. We have identified four organisations that build on coaching and five that implement mentoring schemes in their programmes. The model of acquiring **external experts** who either conduct seminars or commit themselves to mentoring schemes is very prominent. The training of the staff of the organisations themselves to empower the target group is on the other hand not widely used.

Concerning the question of how the challenges of migrant entrepreneurs are framed and addressed in the programmes it is noticeable that only two of nine organisations integrate **language courses** into their curricula. This is remarkable, considering that the lack of language skills is a great barrier to conducting business in a new country.

Almost every organisation emphasises the transfer of **institutional and market knowledge**. Five of these organisations even focus on the aspect of **cultural knowledge**. Intercultural training is therefore not widespread among the curricula of these organisations. They mostly focus on transferring knowledge about the native economy.

We have included in this analysis four organisations that focus especially on **refugee** entrepreneurs as a target group: *TERN*, *SINGA*, *RED* and *Startup Refugees*. This specialisation has the advantage of concentrating on the specific needs and challenges of refugees but on the other hand excludes a certain group from their services. Migrants who might have left their home country voluntarily, or are the (grand)children of migrants or refugees, also have an encumbered access to opportunity structures. They share similar needs and challenges to those that refugees face. Contrary to this approach *Kairos Europe*, *Delitelabs*, *Kompass* and *Social Impact* do not exclusively have migrants as a target group for their programme. They also support **other entrepreneurial groups**. Yet their services are adapted to the needs and challenges of the migrant entrepreneurs.

On the organisational level one can also note that we have only analysed two institutions that have a strong affiliation and dependency on public institutions (*Rising Startup Spain* and *Kompass*). Most of the organisations we have looked at are **non-profit** companies or companies with a mixed-income model. This shows us that while transnational policy-makers are willing to support migrant entrepreneurs, the national or even communal agents are not, and are lagging behind. At the moment, it is in the hands of private initiatives and civil society to promote and advance migrant entrepreneurship.

To continue this analysis of migrant entrepreneurs' supporters and enablers, one could look at the development of the coaching and/or mentoring field. Which schemes are more popular? What are the current trends? Which elements can still be found in both strategies? What is the impact of corporate mentoring in the entrepreneurial field?

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# Annex

Organisation	Country	E-mail and website	Address
Rising Startup Spain	ES	<a href="mailto:financiacion.investinspain@icex.es">financiacion.investinspain@icex.es</a> <a href="http://www.investinspain.org/invest/en/rising/index.html">http://www.investinspain.org/invest/en/rising/index.html</a>	n.a.
Kairos Europe	UK	<a href="mailto:info@kairoseurope.co.uk">info@kairoseurope.co.uk</a> <a href="http://kairoseurope.co.uk/">http://kairoseurope.co.uk/</a>	20 Brixton Rd, London SW9 6BU
TERN (The Entrepreneurial Refugee Network)	UK	<a href="mailto:hello@wearetern.org">hello@wearetern.org</a> <a href="http://www.wearetern.org/">http://www.wearetern.org/</a>	263-269 City Rd, London EC1V 1JX
SINGA	FR	<a href="mailto:contact@singa.fr">contact@singa.fr</a> <a href="https://www.singafrance.com/">https://www.singafrance.com/</a>	50 rue de Montreuil 75011 Paris
Refugee Entrepreneurs Denmark (RED)	DK	<a href="mailto:Info@refugeeentrepreneursdenmark.dk">Info@refugeeentrepreneursdenmark.dk</a> <a href="http://refugeeentrepreneursdenmark.dk/">http://refugeeentrepreneursdenmark.dk/</a>	2450 Copenhagen
Startup Refugees	FI	<a href="https://startuprefugees.com/">https://startuprefugees.com/</a>	Liisankatu 8 A, 00150 Helsinki
Delitelabs	NL	<a href="mailto:magic@delitelabs.com">magic@delitelabs.com</a> <a href="http://delitelabs.com/">http://delitelabs.com/</a>	Linnaeusstraat 2 1092 CK Amsterdam
Kompass	DE	<a href="mailto:info@kompassfrankfurt.de">info@kompassfrankfurt.de</a> <a href="https://www.kompassfrankfurt.de/">https://www.kompassfrankfurt.de/</a>	Hanauer LandstraÙe 521, 60386 Frankfurt am Main
Social Impact	DE	ChancenNutzer (Frankfurt): <a href="mailto:frankfurt@socialimpact.eu">frankfurt@socialimpact.eu</a> <a href="https://chancenutzer.eu">https://chancenutzer.eu</a> THSN (Munich): <a href="mailto:muenchen@socialimpact.eu">muenchen@socialimpact.eu</a> <a href="https://muenchen.socialimpactlab.eu/EN/programme/program">https://muenchen.socialimpactlab.eu/EN/programme/program</a>	FalkstraÙe 5, 60487 Frankfurt / BalanstraÙe 73, 81541 M¼nchen

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