FACILITATING NEW MIGRANT BUSINESS DEVELOPMENT:
A COLLABORATIVE APPROACH
Ashley Community Housing (ACH) and the Centre for Research in Ethnic Minority Entrepreneurship (CREME), University of Birmingham

Research review by Maria Villares-Varela*, Monder Ram**, Trevor Jones**, Sabina Doldor**
*University of Southampton **University of Birmingham
ASHLEY COMMUNITY HOUSING
Ashley Community Housing (ACH) was established in 2008 as a social enterprise specialising in the economic, social and civic integration of refugees through accommodation and community based training support. In this time we have successfully resettled over 2000 individuals from refugee backgrounds and are now a leading provider of resettlement services for refugee and newly arrived communities in the UK. We provide safe, secure and comfortable housing combined with culturally sensitive support and employability skills training. Our unique approach focuses on building individuals’ resilience in the labour market, upskilling and supporting them into sustainable, higher level employment in order to develop their independence and ease their integration into UK life. Employing around 60 staff, we operate in the West of England and the West Midlands as a strategic partner for local authorities and government prime contractors. Through the establishment of our subsidiary training arm ‘Himilo Training’ we are committed to supporting refugees through work experience, language training, IT literacy and employability skills. We aim to redefine the narrative around refugees and skills to one of economic benefit and communicate their positive contribution to our communities.

#rethinkingrefugee campaign is considered outstanding and reflects our commitment to making sure refugees become part of society rather than remaining marginalised and under-employed.

Contact us: info@ashleyhousing.com

CENTRE FOR RESEARCH IN ETHNIC MINORITY ENTREPRENEURSHIP (CREME), UNIVERSITY OF BIRMINGHAM
Based in Birmingham Business School at the University of Birmingham, CREME delivers leading-edge expertise on business support for ethnic minority entrepreneurs. CREME has transformed the ‘perceptions’ of ethnic minority entrepreneurs by working with business policy-makers and influential organisations to engage collaboratively with overlooked or disregarded business communities. Headed by Professor Monder Ram OBE, the Centre has built up an enviable reputation regionally, nationally and internationally for its pioneering research and business engagement activities, promoting diversity and enterprise.

The Centre’s work is governed by three guiding principles:

• Engaged scholarship. Applying the insights and findings from our high quality ‘internationally recognised’ research to ‘real’ business issues, such as capital and finance, supplier diversity, wages, migration policies, technology and social inclusion.

• Transforming practice. Working with a whole host of stakeholders to influence policy and practice, including the Private Sector (large corporate, trade and professional), local and national government funded agencies.

• Outstanding engagement and dissemination. Organising events to bring together local entrepreneurs, business policy-makers and academics, to encourage networks and disseminate valuable information. The Annual Ethnic Minority Business Conference is the highlight of CREME’s year, bringing together key stakeholders to discuss key issues on diversity and enterprise. CREME delivers workshops, seminars and briefings throughout the year.

Contact us: M.Ram@bham.ac.uk

 INDEX OF CONTENTS

04 EXECUTIVE SUMMARY
05 CHAPTER 1
Rationale of the project
08 CHAPTER 2
Methodology and methods
11 CHAPTER 3
The decision to emigrate and to settle in Birmingham
13 CHAPTER 4
Aspiring entrepreneurs: trajectories, barriers and training needs
15 CHAPTER 5
Migrant entrepreneurs: trajectories and motivations
19 CHAPTER 6
The capabilities of migrant entrepreneurs: constraints and opportunities
25 CHAPTER 7
Conclusions and recommendations
28 REFERENCES
This report presents preliminary findings from a joint and co-designed research project by the Centre for Research in Ethnic Minority Entrepreneurship (CREME) and Ashley Community Housing (ACH) to support migrant entrepreneurs. The project examines the aspirations of prospective and existing business owners in Birmingham, and is based on detailed interviews with migrants who are either contemplating or currently engaged in entrepreneurship in the City.

The analysis of our data shows that migrants have high aspirations to become entrepreneurs and/or to grow their businesses. Our respondents bring high levels of education that are generally not maximised in the British labour market. Motivations to set up a business come from their experiences in the labour market (low paid, low status employment), the aspiration to utilise the skills they bring from their countries of origin, and to contribute socially and economically to the UK. These aspirations to start up businesses are also confronted with a number of challenges that might hinder their capabilities to do so, including:

- **Lack of financial capital.** Aspiring and business owners frequently mention difficulties in access to finance as one of the main challenges to realise their aspirations. The lack of credit history, together with being in low paid work for years, make it difficult to accumulate saving and acquire loans. Migrants rely on formal and informal funding from family and the co-migrant community.
- **Language barriers.** New migrants often face language barriers, which constrain access to adequate advice and support.
- **Disconnection from mainstream business support networks.** Despite their interest in accessing business support, most interviewees are not aware of any agencies or institutions that might be able to offer the adequate training they need.
- **Insufficient training for catering their specific business needs.** This can either refer to the training they receive not being specifically tailored for their sector and business size (generally small, service sector), and also related to the difficulties they face in securing customers and a place on the market.
- **Inadequate knowledge regarding rules and regulations.** Our respondents frequently narrate how they are concerned about not having sufficient knowledge of the regulations in the UK, such as those related to taxation, employment and/or health and safety. Business support might need to cater for these specific issues.

"THE ANALYSIS OF OUR DATA SHOWS THAT MIGRANTS HAVE HIGH ASPIRATIONS TO BECOME ENTREPRENEURS AND/OR TO GROW THEIR BUSINESSES"
This research project explores the aspirations and capabilities of recently arrived migrants to become entrepreneurs in order to identify the constraining and enabling factors that hinder and/or facilitate the realisation of migrants’ entrepreneurial aspirations. This project also aims at developing a long-term programme of knowledge exchange and collaborative research between the Centre for Research in Ethnic Minority Entrepreneurship (CREME) and Ashley Community Housing (ACH) to support migrant entrepreneurs and to enhance ACH’s organisational practice.

Migrant entrepreneurs appear to lack a fixed category in the social diversity landscape; they traverse a continuum with categories of social recognition and exclusion at opposite ends (Ram et al. 2012). They have been reified either as the heroic hard working migrant striving for success or the exploitative entrepreneur who uses the illegal labour force of co-ethnics and family members to reap large profits (see a detailed account on facts and fiction of immigrant entrepreneurship in Jones et al. 2015). They have been reified either as the recognition and exclusion at opposite ends (Ram et al. 2012). Minorities businesses serve as platforms for the transmission of skills to enter the labour market or open new firms, access to networks, refuge from marginalisation and integration in the community (Zhou 2004). Migrant businesses act as a buffer against the exclusionary labour markets that migrants face and, being largely located in run-down urban areas, they also revitalise these spaces bringing diversity, dynamism and new services and goods to the community.

Preliminary results of research carried out at CREME in the West Midlands (Ram et al. 2015) reveals how new migrant businesses provide employment for owners and workers in a very harsh and competitive environment. Migrant entrepreneurs in the UK contribute, in particular, to:

- Provision of employment. Migrant entrepreneurs provide employment for migrants who are disadvantaged in the labour market due to discriminatory barriers, insufficient human capital, and/or difficulties in accessing legal status.
- Generation of training and skills for migrants. Beyond providing a source of income for the entrepreneurs and their workers, entrepreneurs can also provide a platform for the acquisition of work experience and skills that can be maximised in the labour market both in paid employment and self-employment.
- Facilitating social inclusion. As well as directly supporting entrepreneurs and workers/helpers’ themselves, new migrant firms also serve the communities where they are embedded, locals and co-ethnics, frequently regenerating abandoned urban spaces. CREME unpacks how EMBs are shaping neighbourhoods across Britain and what is the nature of these processes for their workers and broader communities.

Hence, this project draws on some of these findings with the goal of unpacking the ways in which we can maximise the socio-economic contribution of migrant entrepreneurs, by tapping onto their skills, aspirations and capabilities, and the role that crucial institutions such as Ashley can play in these processes.

PERCEPTUAL DEVELOPMENTS

Given the nature of the project, an aspirations and capabilities framework is implemented in order to identify the constraining and enabling factors that block/facetate migrants in the realisation of their entrepreneurial aspirations. Based on Sen’s capabilities approach (Sen 1985, Sen 1990), this project understands capabilities as the opportunities that individuals can utilise to achieve what they want to do, or in Nussbaum (2000) words ‘what are people really able to do and to be?’ Sen’s capabilities approach was originally formulated to explain human development in the global “South”, but it has also been extensively applied to socio-economic development in other contexts. One of these migration studies, where this approach has emphasised a nuanced distinction between the aspiration to emigrate and the capacity to do so (de Haas 2010) and that structural factors do not only play on the capability to emigrate but also on the aspirations. Migration scholarship has analysed the different mechanisms behind the interplay between aspirations and capabilities, through looking at the formation of aspirations and the selectivity of individuals with higher life aspirations to emigrate (Czalka and Vothknecht 2014); the impact of immigration policies on both the aspirations and capabilities to move (Carling 2002) or to be retained in the country of destination (Toma et al. 2015).

This framework has the potential to understand the nexus between migrants’ aspirations and capabilities to become entrepreneurs, allowing us to focus on likely gaps between business goals and the personal resources necessary to attain them. We pay particular attention to the capacity to aspire to become an entrepreneur (inspired by Appadurai 2004), in relation to how the capacity to aspire is the starting point of realising these aspirations; and the capabilities to accomplish these aspirations (Sen 1990). As part of this we note Appadurai’s (2004) argument that the initial starting point is the very capacity to aspire, something which in itself cannot be taken as a given. In a sense, the dawning of aspiration marks an advance where passive acceptance of existing conditions is replaced by that of human agency and the will to improvement. Even so, any optimism needs immediately to be tempered by a recognition of Sayer’s (2012) vital warning that the effectiveness of human capabilities is sensitive to stuctural conditions that may hinder or facilitate. When it comes to migrant business aspirations, research in the field reveals a host of constraining forces ranging from the in-built disadvantages of outsider status (Kloosterman 2010) to downright racist attitudes (Haniff 2014). Variations in state regulation also shape the realisation of aspirations, as in the present case where the less regulated business environment in the UK triggers the entrepreneurial aspirations of Somali migrants formerly operating in restrictive business environments as Sweden or the Netherlands.

Therefore, the research design has focused on the life, migration, occupational and entrepreneurial trajectories of recently arrived migrants in order to capture the formation of aspirations to become entrepreneurs and the capacities to do so. Focusing on life trajectories the research uncovers how past life, migration and occupational experiences shape the aspirations and inform the decision-making processes of entrepreneurs, as well as the fulfilling of capabilities.
CHAPTER 2. METHODOLOGY AND METHODS

This project employed a qualitative methodology to capture the mechanisms and processes by which aspirations and capabilities shape the occupational trajectories of recently arrived entrepreneurs. Qualitative investigation through semi-structured interviews allowed us to gather information regarding the life, migration, occupational and entrepreneurial aspirations and trajectories of recently arrived migrants, through a conversation that although systematised, gave enough freedom to explore emerging themes. The interviews also gathered basic socio-demographic information about the individual (age, level of education, migration experience, family composition, etc.), as well as the business (year of opening, turnover, employees/ helpers, etc.).

BIOGRAPHICAL APPROACH

We interviewed aspiring and actual entrepreneurs in order to grasp the nexus behind aspirations and capabilities underpinning the strategies and experiences of those who have had the aspirations to start up a business but have not been able to do so, as well as the steps taken to fulfil these ambitions. For the same reasons, the interview guide is also sensitive towards capturing previous failed attempts for both entrepreneurs and non-entrepreneurs.

This biographical approach guided the interviewing process to cover different life stages in relation to the formation of aspirations and the enabling/constraining factors to realise these. This approach to study migrant entrepreneurship has been proposed by Kontos (2003) since it understands entrepreneurship as a process intertwined with other life-cycle circumstances, such as family, migration and occupational trajectories, which are central to the development of the entrepreneur and his/her business ventures (Kontos 2003; Villares-Varela 2017). The data collection followed a biographical timeline of the interviewees in relation to aspects such as migration trajectories and decisions (voluntary, forced); life and professional aspirations before emigrating; type of migration (individual, family); level of education; occupation in the country of origin and (if applicable) other countries of residence; life and occupational aspirations when arrived to the UK; occupational trajectory in the UK; formation of aspirations to start up the business; steps taken; reasons behind failed attempts; financial capital; further training; qualifications required; business support; family networks; other social ties; barriers and opportunities; aspirations for the future, etc. In order to minimise the retrospective biases when inquiring about past events, we also inquire in depth about the future aspirations about their labour market preferences, as well as life aspirations, potential future moves, etc. See below a conceptualisation of the timeline of inquiry.

SELECTION

The criteria for selection of interviewees has been:

- Aspiring entrepreneur; or failed entrepreneur; or business owner.
- Less than 8 years in the UK.
- Born abroad from any nationality and/or country of origin.

Of the total of our 44 interviewees 7 are aspiring entrepreneurs and 37 own a business at the time of the interview.

Graph 1. Prospective businesses for aspiring entrepreneurs and business owners

<table>
<thead>
<tr>
<th>TYPE OF BUSINESS</th>
<th>NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Café/Restaurant/Take away</td>
<td>10</td>
</tr>
<tr>
<td>Clothing/Ethnic fashion shop</td>
<td>6</td>
</tr>
<tr>
<td>Beauty salons/barber shop</td>
<td>4</td>
</tr>
<tr>
<td>Shop (grocery/supermarket)</td>
<td>1</td>
</tr>
<tr>
<td>Translation services</td>
<td>3</td>
</tr>
<tr>
<td>Computer/Phone shop</td>
<td>1</td>
</tr>
<tr>
<td>Accountancy services</td>
<td>2</td>
</tr>
<tr>
<td>Graphic design/IT services</td>
<td>2</td>
</tr>
<tr>
<td>Money transfer agency/Internet café</td>
<td>2</td>
</tr>
<tr>
<td>Car sales</td>
<td>1</td>
</tr>
<tr>
<td>Delivery and rubbish collection</td>
<td>1</td>
</tr>
<tr>
<td>Tourism</td>
<td>1</td>
</tr>
<tr>
<td>Cargo</td>
<td>1</td>
</tr>
<tr>
<td>Care agency</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>37</td>
</tr>
</tbody>
</table>
Facilitating New Migrants’ Business Development: A Collaborative Approach

Our interviewees (both aspiring entrepreneurs and actual entrepreneurs) have narrated a variety of reasons for emigrating from their countries of origin. Most of them (26) have arrived as asylum seekers and have gained refugee status in the UK. The rest of the sample have emigrated for different reasons such as economic difficulties in the country of origin, family reunification, to complete higher education, or to settle in an environment more favourable to businesses. The latter is specific of those migrants who have transited through other European countries before settling in the UK.

Our interviewees narrate these diverse motivations in the following ways:

“I was a teacher there [...] The government knows about our cells and our [political] activities. And then they found out [...] so I left suddenly,” (IR_A01, man, aspiring entrepreneur from Iran)

“I was granted a scholarship from the University to study PhD. So they chose me to study and I chose University of X because it’s one of the top 10 universities in the UK!” (SY_A26, man, owner of takeaway business from Syria)

“I’ve moved here because of my children. There are not many opportunities in Holland […] the UK is an open country’. (SD_A37, man, owner of restaurant from Sudan).

The decision to come to the UK and to Birmingham in particular relates mainly to the refugee policy for asylum seekers and to the previous networks of family and friends already settled in the country. This context is a positive determinant in facilitating their social integration and inclusion in the labour market.

“I had a friend here who helped me to get a rented house […] My children are studying here
Facilitating New Migrants Business Development: A Collaborative Approach

Aspiring Entrepreneurs: Trajectories, Barriers, and Training Needs

Incorporation into the labour market is perhaps the main precondition for the integration of migrants in the countries of destination (Kogan 2011). Even so, there are many hurdles in entering the labour market, notably migrants’ lack of sufficient human and cultural capital (Borjas, 1985; Bourdieu 1986) and sometimes unresolved legal status (Anderson 2010; Bloch 2013). All these pose serious restrictions on choice, resulting in a highly skewed occupational distribution, with a heavy over-representation in low paid, low skilled and precarious sectors (MacKenzie and Forde, 2009; Standing 2014; Virdee 2010). Many turn to self-employment as a means of survival on escaping or being ejected from the labour market (Ram and Jones 2008, Ram et al., 2015), yet this rather negative motivation is often mixed with positive desires such as fulfilling entrepreneurial aspirations (Abada et al. 2014). Immigrant entrepreneurship can also make proper use of migrants’ personal resources that may be undervalued in the mainstream economy (Rajman and Tienda 2000).

Our findings are entirely consistent with this classic literature. The work experience of our respondents in the UK labour market has been one of profound alienation, with low paid low status work representing a complete waste of the skills they bring from their homelands. Essentially this acts as a powerful push factor that combines with positive aspirations for business entry. On top of this, the choice of self-employment is clinched by the absence of worthwhile alternative job opportunities. In their own words our aspiring entrepreneurs convey this fraught mixture of ambition and frustration:

“I was accepted as an English teacher [in Iran]. When I moved here I found it difficult to find a job, especially to be a teacher here […] My support worker said you can find any job just to start and then I found an agency, it was for caring for old people. And then I started working with them for three or four months. It was very difficult for me and the salary or the wages are too low […] Sometimes I think about it [opening a business here]. Maybe a shop. [IR_A01, man, aspiring entrepreneur from Iran]”

“I was an accountant in my country. [I work as] a shop assistant […] first I worked as a butcher [IR_F05, man, aspiring entrepreneur from Iran]”

“Back in my country of origin I was working in Administrative and Finance department in governmental and private firms. After graduating from university I was assigned in the finance department of Ethiopian ministry of Tourism. I was responsible in preparing of payrolls and...”

Additionally, some of the participant entrepreneurs have chosen this particular location to pursue higher education:

“I’ve only applied here in Birmingham. I took a risk because I really wanted to get into this specific one, and this particular module with bioengineering and business was exactly what I wanted (RO_M10, woman, owner of a translation and interpreting agency, from Romania)”

“I was supposed to finish my study and then go back to my country and teach at the University. Because I was teaching before I started my PhD and I was sent here to study and come back as a lecturer but because of what happened in Syria all my plans were… they stopped the funds because of the situation. So that’s why I decided to interrupt my studies and build my life from the beginning in this country (SY_A26, man, owner of a take-away restaurant, from Syria)”

“I chose the UK because it is commonly known in my country Ethiopia as the best place for study with world-renowned universities (ET_B21, man, owner of internet café, from Ethiopia)”

A common driver for those respondents who migrated from different EU countries, was the pursuit of their entrepreneurial aspirations since Britain is known for its much lighter regulations for those who want to set up businesses. This was particularly relevant for Somali entrepreneurs, who have engaged in stepwise migration from other European countries. Immigrating to the UK tapped on new resources such as access to family and friendship networks, as well as the aforementioned easing of regulations:

“Yes I migrated earlier from Somalia to Netherlands then came here […] Goal to come here was to make a business for myself and also kids to study […] I wanted to make a business. Very difficult to set up something there. That why I chose here (SO_X31, man, owner of travel agency, originally from Somalia)”

“We found out that everything was hard in Netherlands. I had some experience on how to do a small business back in my country and was wanting to do that in Netherland but it was difficult for me (SO_X33, man, owner of a shop, originally from Somalia)”

“I left my country Somalia in 1999 and went to Finland first before coming here to UK […] I chose UK because I felt it was better to make my life here and set up some business (SO_X36, man, owner of ethnic fashion shop, from Somalia)”

“Sweden is a beautiful country, amazing infrastructure, everything is fantastic with the country. But when it comes to having your own business, very hard. First of all the tax is very high. Second of all it’s very expensive. It’s very expensive to run a restaurant there (SE_B14, man, owner of ethnic restaurant, originally from Lebanon)”

and I wanted to be with them. (IQ_M07, man, aspiring entrepreneur in the catering sector, from Iraq)”

“I came to UK because of my relatives. My aunty was living alone here and she asked for us to come and live with her (SO_X33, man, owner of a shop, originally from Somalia)”

“I have chosen Birmingham because there were many from my community. It is also a diverse city (ER_T16, man, owner of internet café, from Ethiopia)”

“Because I was teaching before I started my PhD and I was sent here to study and come back as a lecturer but because of what happened in Syria all my plans were… they stopped the funds because of the situation. So that’s why I decided to interrupt my studies and build my life from the beginning in this country (SY_A26, man, owner of a take-away restaurant, from Syria)”

“I was teaching before I started my PhD and I was sent here to study and come back as a lecturer but because of what happened in Syria all my plans were… they stopped the funds because of the situation. So that’s why I decided to interrupt my studies and build my life from the beginning in this country (SY_A26, man, owner of a take-away restaurant, from Syria)”

“I was an accountant in my country. [I work as] a shop assistant […] first I worked as a butcher (IR_F05, man, aspiring entrepreneur from Iran)”

“Forde, 2009; Standing 2014, Virdee 2010). Many turn to self-employment as a means of survival on escaping or being ejected from the labour market (Ram and Jones 2008, Ram et al., 2015), yet this rather negative motivation is often mixed with positive desires such as fulfilling entrepreneurial aspirations (Abada et al. 2014). Immigrant entrepreneurship can also make proper use of migrants’ personal resources that may be undervalued in the mainstream economy (Rajman and Tienda 2000). Our findings are entirely consistent with this classic literature. The work experience of our respondents in the UK labour market has been one of profound alienation, with low paid low status work representing a complete waste of the skills they bring from their homelands. Essentially this acts as a powerful push factor that combines with positive aspirations for business entry. On top of this, the choice of self-employment is clinched by the absence of worthwhile alternative job opportunities. In their own words our aspiring entrepreneurs convey this fraught mixture of ambition and frustration:

“I was accepted as an English teacher [in Iran]. When I moved here I found it difficult to find a job, especially to be a teacher here […] My support worker said you can find any job just to start and then I found an agency, it was for caring for old people. And then I started working with them for three or four months. It was very difficult for me and the salary or the wages are too low […] Sometimes I think about it [opening a business here]. Maybe a shop. [IR_A01, man, aspiring entrepreneur from Iran]”

“I was an accountant in my country. [I work as] a shop assistant […] first I worked as a butcher (IR_F05, man, aspiring entrepreneur from Iran)”

“Back in my country of origin I was working in Administrative and Finance department in governmental and private firms. After graduating from university I was assigned in the finance department of Ethiopian ministry of Tourism. I was responsible in preparing of payrolls and...”

“I have chosen Birmingham because there were many from my community. It is also a diverse city (ER_T16, man, owner of internet café, from Ethiopia)”

“because of what happened in Syria all my plans were… they stopped the funds because of the situation. So that’s why I decided to interrupt my studies and build my life from the beginning in this country (SY_A26, man, owner of a take-away restaurant, from Syria)”

“I was supposed to finish my study and then go back to my country and teach at the University. Because I was teaching before I started my PhD and I was sent here to study and come back as a lecturer but because of what happened in Syria all my plans were… they stopped the funds because of the situation. So that’s why I decided to interrupt my studies and build my life from the beginning in this country (SY_A26, man, owner of a take-away restaurant, from Syria)”

“I chose the UK because it is commonly known in my country Ethiopia as the best place for study with world-renowned universities (ET_B21, man, owner of internet café, from Ethiopia)”

A common driver for those respondents who migrated from different EU countries, was the pursuit of their entrepreneurial aspirations since Britain is known for its much lighter regulations for those who want to set up businesses. This was particularly relevant for Somali entrepreneurs, who have engaged in stepwise migration from other European countries. Immigrating to the UK tapped on new resources such as access to family and friendship networks, as well as the aforementioned easing of regulations:

“Yes I migrated earlier from Somalia to Netherlands then came here […] Goal to come here was to make a business for myself and also kids to study […] I wanted to make a business. Very difficult to set up something there. That why I chose here (SO_X31, man, owner of travel agency, originally from Somalia)”

“We found out that everything was hard in Netherlands. I had some experience on how to do a small business back in my country and was wanting to do that in Netherland but it was difficult for me (SO_X33, man, owner of a shop, originally from Somalia)”

“I left my country Somalia in 1999 and went to Finland first before coming here to UK […] I chose UK because I felt it was better to make my life here and set up some business (SO_X36, man, owner of ethnic fashion shop, from Somalia)”

“Sweden is a beautiful country, amazing infrastructure, everything is fantastic with the country. But when it comes to having your own business, very hard. First of all the tax is very high. Second of all it’s very expensive. It’s very expensive to run a restaurant there (SE_B14, man, owner of ethnic restaurant, originally from Lebanon)”
Facilitating new Migrants Business Development: A Collaborative Approach

Many of the aspiring entrepreneurs interviewed are newly arrived asylum seekers with secondary or higher education in their countries of origin and with a lengthy experience in a diverse range of sectors, and frequently entrepreneurial family background. These experiences and higher aspirations are rarely realised in the British job market. Therefore being independent or ‘your own boss’ are the main motivations narrated by our interviewees, who tend to elevate the prospect of business ownership in the light of their rather dismal experiences in the labour market:

“So if I run a business for myself, so I am a boss of myself and I am the employer and the employee. (IR_A01, man, aspiring entrepreneur from Iran)

“If you run your own business you will be free rather than working for other companies or small business like restaurants or something like that will be obliged to work certain hours and son on, but if you are running your own business you can open from, say, nine o’clock and then you close in the afternoon […] It will be more flexible for you. (SD_E04, man, aspiring entrepreneur from Sudan)

“The main advantage of being an entrepreneur is you are your own boss as you are creating job for yourself and possibly for the local community. You can manage your time and very flexible work pattern. (ER_D15, man, owner of café, from Eritrea)

BARRIERS AND TRAINING NEEDS

The main barriers to business ownership for aspiring entrepreneurs relate mainly to access to financial capital. In the first instance, personal savings (the classic method of funding self-employment; Jones et al., 1994) are in short supply, since working in low paid jobs makes accumulating sufficient capital to start up a new firm very difficult. Even more unhappily, formal mainstream credit (such as bank loans) is extremely limited for newly arrived migrants with their inevitable lack of credit history. This is eloquently lamented by our interviewees:

‘A refugee cannot do it [access a loan] because they are new. If I want to open a business by myself I need some money to open a business and I need another organisation to support me how to run this business. I may face a lot of problems because I am new in this country and I don’t know the law. So that organisation should support that person to run his business, support him for a period of time, not forever. (IR_A01, man aspiring entrepreneur from Iran)

“I would like to run a business here, but there’s a problem with the money, you know. Because it is not a long time that I’ve lived in this country, for two years and about one and a half years just I get the visa. And at the moment I work part time and I go to college so I can’t earn lots of money. But I have a plan. Actually I’d like at the moment if I tried to run a business just like a small supermarket […] but the problem is attracting customers, finding the money, finding a good location, paying rent. (IR_F05 man, aspiring entrepreneur from Iran).

Our interviewees also express anxiety about the challenges of learning about the regulatory requirements of starting a firm and complying with tax demands, as well as improving their language skills:

‘[The business] needs money. One of them [barriers] is the tax. It is very complicated for me. And I don’t know how you pay the tax and rent […] There are some agencies, they give you a service but you have to pay a lot of money. I don’t know how to register. (IR_A01, man, aspiring entrepreneur from Iran)

“My language is very poor. I first need to improve my language […] Before opening the business I first find a job. After you find the job, you can save the money. After save the money, you can open small business. (KW_A02, man, aspiring entrepreneur from Kuwait).

Business owners in our sample represent individuals with high aspirations to become entrepreneurs, due to some of the aforementioned issues like lack of appropriate employment, discrimination and non-recognition of skills. Apart from those respondents holding EU passports and with capital accumulated elsewhere in Europe, most entrepreneurs had had prior experience of working in low paid/low status work (warehouse, cleaning), for some time before opening the business. Hence, business entry motives can be seen very much as “push factors”, strongly linked to negative experiences in the labour market.
Facilitating new Migrants Business Development: a Collaborative Approach

Facilitating new Migrants Business Development: education in the UK but was unable to afford to meet the employers requirements. (SY_A26, man, owner of take-away business from Syria)

I decided to open my business after the Job Centre has sanctioned me. I had an accident which prevented me from looking for work. However, the job centre decided to stop my benefit for three months because I was not actively looking for jobs. As a result I decided to open up this shop. Initially I wanted to open a bakery shop because I enjoy baking. However, the management of this business unit objected the idea of bakery because there is a restaurant. In addition, there is no water facility at my business unit which is an important thing for a bakery shop. Then I left with this choice of sewing and tailoring clothes. (MA_A41, woman, Moroccan, owner of a tailoring business from Morocco)

I was looking for a job, I had no idea about the market so I first found out about the qualifications and the requirements to find a job and then I decided to study some qualifications in accounting when I dropped my study I straight away, I went to the Job Centre and there’s only 20% left for everything else. (SY_A26, man, owner of take-away business from Yemen)

When I came to this country my target wasn’t basically because of the income and second thing because I don’t want to continue my life being employed by somebody else. So I prefer to be the employer than being the employee. (SY_A26, man, owner of take-away business from Syria)

As an employee you don’t develop yourself because you’ll only work in 1 department. The disadvantage as a business owner is taking the responsibility and that’s not that easy. You have to take a liability and sometimes you can’t have your own life because you have to give 100% to the job and there’s only 20% left for everything else. (SO_A38, man, owner of coffee shop from Somalia)

I came here to open my own business because I was having a lot of problems with my warehouse job and I wanted to check how this will work. The warehouse was affecting my confidence, I couldn’t work with the teams. This is my business, when you have your own business you don’t look at how much money you get but how happy you are and how it makes you feel and I feel happy with my business. Compared to working in the warehouse where I wasn’t confident with my English and talking to people, I’m happy with my business but I need to grow it. (SO_A38, man, owner of coffee shop from Somalia)

There are many reasons why I decided to open my own business. First of all because of the income and second thing because I don’t want to continue my life being employed by somebody else. So I prefer to be the employer than being the employee. (SY_A26, man, owner of take-away business from Yemen)

I feel very happy and satisfied because I do not need to go to the Job Centre. When I used to go to the Job Centre, I used to have that feeling of humiliation. I always like to earn from my own work. (MA_A41, woman, Moroccan, owner of a tailoring business from Morocco)

In addition to the conventional desires for material gain and independence, some entrepreneurs were moved by ethical and lifestyle considerations. In the first category is the restaurateur who expressed a desire to help his community and generate new jobs for other migrants:

“I was working in a warehouse and it was very hard and I couldn’t continue. (SO_A38, man, owner of coffee shop from Somalia)

I was working in a warehouse and it was very hard and I couldn’t continue […] because you have to speak proper English and sometimes I couldn’t understand what they were saying so because of the lack in communication I had to leave the warehouse. (SO_A38, man, owner of coffee shop from Somalia)

I wanted to open a take-away business but I was unable to afford to undertake unpaid accountancy internships after his studies. He narrates that:

People will think that once you’ve finished university it is quite easy to get a job but that’s unfortunately not true because the first question that you have to answer when you graduate is whether or not you have experience of what you’ve studied already and that was difficult for me because I was also working in the warehouse while I was studying and I didn’t have time to do a placement because I had to pay my rent and my own expenses. I went to 10 interviews and even though I had my certificate I couldn’t find a job because of the experience. (YE_H44, man, partner in accountancy firm from Yemen)

I had about 9 or 10 years of experience before I moved here. And also this is another thing I found, no employer would take into consideration any experience you had before. Even if you knew what they were doing or whatever they’re not interested. (ZM_D28, man, owner of a IT business from Zimbabwe)

Even more worrying, our interviewees frequently recount experiences of direct and indirect discrimination in the labour market:

“When I came to this country my target wasn’t exactly to study then once I discovered what the environment of the labour market is I decided to further my studies. After I came here I worked for 7 years in warehouses, catering and other different jobs and I found very difficult to get other jobs. There is no direct discrimination but some managers and supervisors prefer to hire other people, especially after they find out that you’re from a different country and this is my honest opinion. There are a lot of opportunities in this country but you’re only going to get them if you have the knowledge of the law and life in Britain. If you don’t know anything about this people will use you, especially the ones who are above you. They will think that people who come from a different country lack of everything and they came here to stay on benefits and that’s not true. We came here to create jobs. (YE_H44, man, partner in accountancy firm from Yemen)

“Sometimes I believe that when I was in smaller towns where migrants are very little compared to English people so sometimes I think when you want to employ someone with the same background it’s easier for them. So sometimes I think sort of discrimination. (SY_A26, man, owner of take-away business from Syria)

The aforementioned difficulties in finding adequate employment has been a crucial motivation for most of the entrepreneurs interviewed, victims as they are of low earnings and unequal power relations in the work place. Hence, starting up a firm symbolises ‘freedom’ and ‘independence’, with interviewees frequently going so far as to claim that owning a business has transformed their confidence and self-esteem, in an all-round development of their capabilities.

The advantages of owning a business… it gives you more confidence about yourself; it gives you sometimes the ability to interact with people and I believe it gives you a strong personality, I believe this is the big advantage. The other advantage when you are financially independent, even if sometimes you don’t earn that much money, maybe people decide to go somewhere else but you get a feeling of personal achievement when you work on your business and you feel happier. This is the advantage. (SY_A26, man, owner of take-away business from Syria)

In terms of advantages of opening a business, I feel I am more confident. I formed many friends through this business. (SO_A29, woman, owner of clothing shop from Somalia)

To be your own boss give you flexibility and freedom. (SO_B40, man, owner of men clothing and perfume shop from Sudan)

When I came to this country my target wasn’t exactly to study then once I discovered what the environment of the labour market is I decided to further my studies. After I came here I worked for 7 years in warehouses, catering and other different jobs and I found very difficult to get other jobs. There is no direct discrimination but some managers and supervisors prefer to hire other people, especially after they find out that you’re from a different country and this is my honest opinion. There are a lot of opportunities in this country but you’re only going to get them if you have the knowledge of the law and life in Britain. If you don’t know anything about this people will use you, especially the ones who are above you. They will think that people who come from a different country lack of everything and they came here to stay on benefits and that’s not true. We came here to create jobs. (YE_H44, man, partner in accountancy firm from Yemen)

“Sometimes I believe that when I was in smaller towns where migrants are very little compared to English people so sometimes I think when you want to employ someone with the same background it’s easier for them. So sometimes I think sort of discrimination. (SY_A26, man, owner of take-away business from Syria)

The advantages of owning a business… it gives you more confidence about yourself; it gives you sometimes the ability to interact with people and I believe it gives you a strong personality, I believe this is the big advantage. The other advantage when you are financially independent, even if sometimes you don’t earn that much money, maybe people decide to go somewhere else but you get a feeling of personal achievement when you work on your business and you feel happier. This is the advantage. (SY_A26, man, owner of take-away business from Syria)

In terms of advantages of opening a business, I feel I am more confident. I formed many friends through this business. (SO_A29, woman, owner of clothing shop from Somalia)

To be your own boss give you flexibility and freedom. (SO_B40, man, owner of men clothing and perfume shop from Sudan)

“When I came to this country my target wasn’t exactly to study then once I discovered what the environment of the labour market is I decided to further my studies. After I came here I worked for 7 years in warehouses, catering and other different jobs and I found very difficult to get other jobs. There is no direct discrimination but some managers and supervisors prefer to hire other people, especially after they find out that you’re from a different country and this is my honest

Facilitating new Migrants Business Development: a Collaborative Approach

Facilitating new Migrants Business Development: education in the UK but was unable to afford to meet the employers requirements. (SY_A26, man, owner of take-away business from Syria)

I decided to open my business after the Job Centre has sanctioned me. I had an accident which prevented me from looking for work. However, the job centre decided to stop my benefit for three months because I was not actively looking for jobs. As a result I decided to open up this shop. Initially I wanted to open a bakery shop because I enjoy baking. However, the management of this business unit objected the idea of bakery because there is a restaurant. In addition, there is no water facility at my business unit which is an important thing for a bakery shop. Then I left with this choice of sewing and tailoring clothes. (MA_A41, woman, Moroccan, owner of a tailoring business from Morocco)

I was looking for a job, I had no idea about the market so I first found out about the qualifications and the requirements to find a job and then I decided to study some qualifications in accounting when I dropped my study I straight away, I went to the Job Centre and there’s only 20% left for everything else. (SY_A26, man, owner of take-away business from Yemen)

When I came to this country my target wasn’t exactly to study then once I discovered what the environment of the labour market is I decided to further my studies. After I came here I worked for 7 years in warehouses, catering and other different jobs and I found very difficult to get other jobs. There is no direct discrimination but some managers and supervisors prefer to hire other people, especially after they find out that you’re from a different country and this is my honest
The types of businesses opened are restaurants, fashion retail, grocery stores, clothing shops, interpreter, beauty salon/barbers, etc. Most of these businesses cater mainly to other migrant groups. Unfortunately but not untypically, only a small number of the interviewees were running thriving businesses. For the most part earnings were far too low to generate profit, an unsatisfactory performance stemming principally from the limitations of their market position but also from the various deficiencies in business resources documented elsewhere in this report – inability to access adequate financial resources, together with an absence of suitable expertise, business experience and mentoring/guidance.

“I support my people as well, the refugees, the new people especially when they don’t speak English so I help them out by employing them” (SY_A26, man, owner of take-away restaurant from Syria)

In the second are people working in low-level jobs, where punishingly long hours give them little time to spend with their families, a concern for work-life balance, which for some is a powerful motivation for self-employment as a means of gaining autonomy over working time.

“When I came to Birmingham, I worked in two restaurants as a chef. I worked in the first restaurant from 9 am to 4 pm and in the second restaurant from 5 pm to 2 am. Later on, I realized that I was not spending time with my family. (SD_A37, man, owner of restaurant from Sudan)

One further consideration relating directly to those who have relocated from another European country concerns the far lighter regulation of businesses in the UK in comparison with the mainland, a degree of freedom seen as creating better conditions to open up a firm when compared to other European countries. The following narrative illustrates this:

“In terms of job opportunities, they are less in Holland whereas the UK is an open country. You can start up your own business with less paper work while in Holland; you cannot start a business without a feasibility study and having a mentor. Here in the UK, you can try a business and if it works, you continue and if not, you stop the business and accept God’s provision. I have chosen Birmingham because most of my friends are in Birmingham. My friends helped me to settle in Birmingham by showing me how to apply for National Insurance Number. Also, I liked Birmingham because I feel like I am in home and my country (SD_A37, man, owner of restaurant from Sudan).

The capability of migrant entrepreneurs: constraints and opportunities
The sources of financial capital of our respondents show a wide range of creative strategies put in place to set up the firm, with personal and family savings as the most common practice. As the case studies below illustrate, there is a small number of more than well-resourced individuals who have been able to transfer assets from their homeland to the UK. For the rest, capital formation has been a laborious matter of saving from meagre earnings from low-level employment, supplemented by borrowings from relatives or co-ethnic friends. As with previous waves of migrant entrepreneurs, avoidance of the formal banking system is widespread, usually a consequence of intimidation, sometimes a faith-based refusal to conduct interest-based transactions.

“For start-up capital, it was my personal saving, and I have to sell you that I feel things I have which is back home I’ve got a car, I’ve got a house. I have to sell this one to start this business. (EG_A03, man, owner of restaurant from Egypt)”  

“No body, I had some personal savings which I used but other than that I had nothing, no support from anyone else. I didn’t take anything. (SO_A38, man, owner of coffee-shop from Somalia)”  

“Financial help was difficult so I had to borrow from my friends. I found that the bank conditions were very tough and I could not meet the requirements to borrow money from them. It would have been hard for me because I would have been stressed out from paying the interest on top of the loan. That was why I went to friends and loaned from them. After about a year I was able to pay back slowly and now it is very good. (SO_X35, man, owner of mobile phone shop, from Somalia)”  

“I did not take money from the bank. I borrowed from friends and families. They supported me. That’s how I obtained initial money for setting up my business. I had to judge my situation whether to go to the bank or not. But I did not need to go to the bank because my friends and families were there (SO_X36, man, owner of restaurant, from Somalia)”  

“When family and personal savings are not available, partnerships are formed with members of the community, which, at times, are even transnational.  

“My friend told me that the owner of this business complex is cooperative and does not charge high rent. I enquired about the rent and I found it reasonable and within our means. My friend suggested if we can form a partnership in which he provides the money and I provide my skill. Thanks God, since we opened this restaurant and we are earning a good revenue. (SO_A37, man, owner of restaurant from Sudan)”  

“I have never got any loan from a bank or any financial institutions. My partner and I started this business with small savings that we have. We have two shops, one in Birmingham and the other one in United Arab Emirate. I trust my partner who is my friend in United Arab Emirate (UAE). We sell Islamic and traditional clothes in shop and online. (SO_A29, woman, owner of clothing shop from Somalia)”  

“We have also observed the case of ‘reversed’ remittances, where migrants in the UK receive money from family members in the country of origin to set up a firm:  

“But the main obstacle for me was the capital. I didn’t have the capital to open my own business. Otherwise I think that the regulations are very flexible, they don’t prevent anybody from starting up a business, and even migrants can succeed so I respect this. In the UK anybody can open his own business. So no other obstacles arise from the financial part. I borrowed from my family back home. (SO_A26, man, owner of take-away business from Syria)”  

“Interestingly, some groups, particularly the Somali interviewees have relied on community credit organisations to set up the business.  

“We used our saving to open up this business. In our Somalian culture, we use our saving to do business. I cannot explain why Somalian people do not approach the banks. It could be due to interest or maybe they have other forms of cooperative saving which is called Higbed. In our case, we used our saving to set up this shop. (SO_B40, man, owner of men clothing and perfume shop from Somalia)”  

“Our interviewees have rarely relied on loans. This is due to the difficulties in obtaining one, or the perception of not being able to get credit:  

“I did not think about taking a loan from the bank because my friends told me that I can’t get a loan if I did not stay in the UK for the past 5 years. Personally, I did not ask because I do not know how the procedures look like. However, my friend who is my partner managed to open a business account because he is working and has income flow in his account every month. However, I did not try to open a business account or enquire about taking a loan from the bank. (SO_A37, man, owner of restaurant from Sudan)”  

“From the bank is a bit complicated because it is a new business and there is a risk that it might not go well but hopefully it should go well as it is planned and so if you take a loan from the bank there is firstly interest if you don’t pay it on time and this my situation did not allow me to take interest. This was one of the problems not taking loan from the bank. And secondly it is high risk when you take from the bank, there is other issues you need to think about. In opposite when you take a loan from a person, it’s only the loan that you have to return. And there is a flexibility as well, on time, if you don’t return it on time you might negotiate the thing to return it a bit longer time without interest (ER_A27, man, owner of a translation and interpreting agency, from Eritrea)”  

“For Muslim communities, borrowing capital from a mainstream banking institution is not an alternative for entrepreneurs. This leaves an interesting market space for faith-based lending institutions.  

“Loans… because we don’t have much alternative for Muslims in this country to finance our businesses especially because we are Muslims and taking loans with interest is not accepted in our religion so if I had the option to borrow from somebody and make him my partner maybe that would be an option for me but I didn’t have that option. (SY_A26, man, owner of take-away business from Syria)”  

“I can’t take money from banks because interest loans are not good for us Muslims so it’s very hard for us to get bank loans. (SO_A38, man, owner of coffee-shop from Somalia)”  

“I borrowed money from my friends to set up this shop and I am still paying back my debt. I did not approach any funding organisation and I will never take a loan from the bank. Taking loan means that I...
“ALL PARTICIPANTS HAVE EXPRESSED INTEREST IN TAKING PART IN NETWORKING EVENTS CONNECTING THEM WITH BUSINESS SUPPORT AGENCIES, LOCAL AUTHORITIES AND OTHER ENTREPRENEURS”

WORK, EMPLOYMENT AND FAMILY SUPPORT
Self-exploitation is quite common among business owners, with working weeks of over 60 hours for many of them, particularly for those in the catering sector and at the early stages of their businesses. Although only successful businesses employ staff, many have helpers who are either not paid or they take home some token money.

In most cases, family members play an important part by providing cheap/ free labour, financial capital, advice or support through the roles they fulfil in the household, taking some of the pressure off the shoulders of the entrepreneurs. A special advantage of family labour is its flexibility, its potential to be concentrated at urgent pressure points:

“No, I never in my life get any support apart from courses for free but I never take a benefit from this country as a loan or a credit card or anything like that. I’m a very boring boy.” (EG_A03, man, owner of restaurant from Egypt)

Knowledge about setting up their firms has been gleaned from family and friends, as well as through self-learning and online support.

“I didn’t get any legal advice here, to be honest. I just ask my friends, they got a business, I go and ask them what shall I do with accountants? They advise me, they sending me to the accountants, they sending me the solicitor and that’s it.” (EG_A03, man, owner of restaurant from Egypt)

“I did a course on how to increase sales and I did an online exam with that company. Also I read books and watch YouTube video on how to attract customers and increase sales.” (SO_B40, man, owner of men clothing and perfume shop from Sudan)

“As is commonly the case for migrant business owners in low value markets, survival is dependent upon fearfully long working hours (Ram and Jones, 2008) and in the present case leisure time and family life are enormously compromised. Often any kind of socialising can only take place in situations linked to work.”

“Sometimes if I am running late, I ask my daughter to go and open the shop and stay there until I come. My family just come to help me in case if I am running late. I have three daughters and one son but I do not think they are interested in this business because each one of them has their own aspirations. They just help me on a voluntary basis. They help me with the responsibility as a mother and wife. I cook and clean the house before I come to the shop. In fact my husband is supporting, bringing customers to my shop, taking me to the shop and returning me back home. In the beginning, my husband was sceptical about the business but later on he was a great supporter of my business. All of us help each other and all of us share the financial decisions. I make sure that my business does not compromise my role as a housewife and mother.” (SO_A29, woman, owner of clothing shop from Somalia)

Aspirations for the Future
Our interviewees have a diverse range of aspirations for the future, but most of them have the goal of consolidating and expanding their businesses. For example, consolidation might involve arranging a more stable tenure, as the following interviewee explains:

“Yeah, I did face a few problems when I start this business, basically I rented this business. When it started getting busy, the landlord start to put pressure on me: ‘Look, you either buy it or you get out ...’ so we sort out a solution which is I’m going to buy it slowly, that is a bigger challenge for me to stay in the business, you see.” (EG_A03, man, owner of restaurant from Egypt)

One of the distinct features of this group of migrant entrepreneurs is their high aspirational level, expressed particularly in their desire for growth, either by scaling up operations for their existing venture or opening new branches. Almost inevitably high hopes are considerably dampened by the recurring problem of insufficient capital.

“I can say that the business is growing and it will continue in the medium and long term. I need many things to grow up my business, the main need being to digitalise my business and sell online so that the customer can come to my shop and know exactly what he wants. I am getting evidence from people who are selling online at this business unit. All of them confirmed that their revenue has done up since they have started selling online.” (SO_B40, man, owner of men clothing and perfume shop from Sudan)

“I have some offers from people to open a restaurant bigger than this. When I struggled in the

have to pay interest rate which is strictly prohibited in Islam. (MA_A41, woman, Moroccan, owner of a tailoring business from Morocco)

ACCESS TO BUSINESS SUPPORT
Some business owners have expressed concern about their poor knowledge of regulations, notably taxation, employment and health and safety requirements. To rectify this, all participants have expressed interest in taking part in networking events connecting them with business support agencies, local authorities and other entrepreneurs. Clearly a great deal of awareness-raising can be obtained here, since our entrepreneurs have not made use of support bodies, in some cases being entirely ignorant of their existence:

“Sometimes if I am running late, I ask my daughter to go and open the shop and stay there until I come. My family just come to help me in case if I am running late. I have three daughters and one son but I do not think they are interested in this business because each one of them has their own aspirations. They just help me on a voluntary basis and whatever they want to take from the shop, they can take it.” (SO_A29, woman, owner of clothing shop from Somalia)

“I did a course on how to increase sales and I did an online exam with that company. Also I read books and watch YouTube video on how to attract customers and increase sales.” (SO_B40, man, owner of men clothing and perfume shop from Sudan)

“As is commonly the case for migrant business owners in low value markets, survival is dependent upon fearfully long working hours (Ram and Jones, 2008) and in the present case leisure time and family life are enormously compromised. Often any kind of socialising can only take place in situations linked to work.”

“All my time is my business. My business is like my child, you see, I have to look after it 24/7 and it’s affecting me, affecting my family because I don’t have much time to spend with my daughter, with my wife. I spend every day over 13/14 hours in the business. I didn’t do the stuff I like to do for a year, like gym, going out with my mates, going out on the weekend, doing the fun stuff.” (SD_A37, man, owner of restaurant from Sudan)

“In the case of women entrepreneurs, the simultaneous management of family and firm requires substantial compromise and cooperation, not to mention time-juggling:

“We work long hours because we are new in this business but this does not compromise my responsibility as a mother and wife. I cook and clean the house before I come to the shop. In fact my husband is supporting, bringing customers to my shop, taking me to the shop and returning me back home. In the beginning, my husband was sceptical about the business but later on he was a great supporter of my business. All of us help each other and all of us share the financial decisions. I make sure that my business does not compromise my role as a housewife and mother.” (SO_A29, woman, owner of clothing shop from Somalia)
Facilitating new Migrants Business Development: A Collaborative Approach

"THE FOOD I'M SERVING, IF I SERVE THAT IN SOLIHULL, IN A GOOD DECENT AREA I KNOW THAT I CAN BE A BUSINESS OWNER"

beginning, I didn’t have that possibility but now because people see the outcome they believe that I am more confident if I go into partnership with this person, with bigger responsibilities. This is my plan for the future. [What I need] Financial support, strategic partners, like a chain and maybe we can sit and discuss about the new chain and establish the business. (SY_A26, man, owner of take-away business from Syria)

“A few years from now I wish I can own about five, six restaurants. I’ve got a good name in the market and in a few years’ time I wish from my heart to employ more than 30-50 people so I will be really grateful of myself if I can do that. (EG_A03, man, owner of restaurant from Egypt)

“We are thinking of moving the restaurant into Villa Road and changing this restaurant into bakery and sweet shop. In doing so, we will reduce the electricity bill. The identified restaurant in Villa Road is big and it can accommodate easily 100 seats because it has two floors. Yesterday, we have catered food for 100 people from this small restaurant. We served the food in a banquet. Today morning, the organiser came to me and asked me to cater for additional 150 people next week. [To do that] I need capital, big oven and big van so that I deliver and cater food to large number of customers. (SD_A37, man, owner of restaurant from Sudan)

“If I had money I could buy different things and change it. As you see my business is not a proper business, you could see that it’s always the same, every year... I don’t change anything because I don’t have the money. If I had money I could change it, I would bring some employees, I could give jobs to different people from different cultures and backgrounds but at the moment I can’t do this because I don’t have the money. (SO_A38, man, owner of coffee-shop from Somalia)

“In three years’ time, I wish if I can be in Somalia and making this business bigger and in 10 years’ time, to expand this business and have different branches in different cities in Somalia. (SO_A29, woman, owner of clothing shop from Somalia)

Some of our interviewees narrate how they would like to break out from catering for migrant communities, in order to make more profit and diversify their customers.

“I would love to open somewhere in Solihull. The food I’m serving, if I serve that in Solihull, in a good decent area I know that I can be a business owner, I can earn the money but in here, there’s too many foreigners just looking for cheap food not quality, they just look for something to keep them not hungry. (EG_A03, man, owner of restaurant from Egypt)

“In relation to catering to non-migrant communities, for instance even the language differences. If you go to a person that was born here, the moment they notice that you are not from here, it was difficult to actually get across to them. And I needed to understand how do I make a sale in such an instance…[at times you can think that I’m not getting this business just because of who I am but if we’d done these experiments we would actually see that with someone that we know and we just told them what to say they’d get it. This is what I’m saying, if we could employ someone else… (ZW_D28, man, owner of IT business from Zimbabwe)

Interestingly, some of our entrepreneurs aspire to invest in education and come back to paid employment.

“In three years’ time, I see a bright future for myself and my family. I believe after three years I will be in a better position than now [regarding business growth]. In 10 years’ time, I will be owning a big business besides fulfilling my academic aspirations of continuing my PhD and having an academic job. (SO_B40, man, owner of men clothing and perfume shop from Sudan)

CHAPTER 7. CONCLUSIONS AND RECOMMENDATIONS

Migrant entrepreneurs make a significant contribution to the business community in the UK and can facilitate employment creation. We have explored how migrant firms can act as a buffer against the exclusionary labour markets that migrants face, and provide employment for others, train newcomers and revitalise run-down areas of our cities. Therefore, maximising the capacity of migrant entrepreneurs to add value to this already remarkable contribution was at the core of this research endeavour. This research project paid special attention to the capacity to aspire to become an entrepreneur and the capabilities to accomplish these aspirations, using a Sen (1990) approach. Drawing on qualitative interviews with aspiring entrepreneurs and business owners, we gathered information regarding the life, migration, occupational and entrepreneurial aspirations and trajectories of recently arrived migrants. We followed a biographical approach to understand the position that opening up a business had in their overall occupational trajectories.

Our interviewees (both aspiring entrepreneurs and actual entrepreneurs) presented a wide range of motivations to settle in the UK. Approximately half of our sample arrived as asylum seekers and have gained refugee status in the UK. The rest of the sample have emigrated for different reasons such as economic difficulties, family reunification, to complete higher education, or to settle in an environment more favourable to businesses. Our respondents have completed higher education in most cases, whilst the rest have secondary education with relevant work experience in their countries of origin. Their educational credentials are conducive to a potential mismatch between their aspirations and the opportunities available in the British labour market.

It is well rehearsed that labour market incorporation is at the core of the social integration for migrants. Exclusion from good quality
Facilitating new Migrants Business Development: A Collaborative Approach

Labour markets, language barriers, discrimination and non-recognised credentials condition the job opportunities of migrants in the UK. These factors lead to skewed occupational distribution, with an over-representation in low paid, low skilled and precarious sectors.

The work experience of our respondents in the UK labour market has been restricted to low paid low status work constraining the maximisation of skills. Essentially this acts as a powerful push factor that accompanies the positive aspirations for business entry. Despite these high aspirations, aspiring entrepreneurs and business owners are confronted with barriers that curtail their capabilities to set up a sustainable firm. Starting a new life in the UK requires interaction with institutions that are able to recognise the nature of their trajectories and skills, which is why the support of institutions like ACH is crucial in their first years of settlement. We suggest the following areas for further work, in order to promote sustainable migrant entrepreneurship, aligned with the work that ACH and other migrant support organisations develop.

Promoting diversity and the contribution of migrant entrepreneurs. Research has shown that migrant entrepreneurs make a significant contribution to the UK, beyond the economic dividend. Our respondents showed that they were critical providers of income for them, their families and broader communities. Their narratives also show a strong sense of commitment to the British society by describing the multiple ways in which they perceive their contribution. They express how they are able to facilitate training and skills for newcomers, as well as cater for communities at lower prices than mainstream businesses. However, the important contributions of migrant entrepreneurs are generally overlooked by business development agencies, policy makers and British society more broadly.

Recommendations: The value of diversity in business should be at the core of organisations like Ashley Community Housing. ACH, in partnership with research and academic institutions, can make these contributions visible to the wider British society. This can be achieved by consolidating the series of engagement and dissemination events that currently ACH puts in place, as well as taking part in future events with institutions at different levels (local, national, international).

Aspirations. Migrants arriving to the UK seem to display important entrepreneurial aspirations, due to their experiences in the labour market or because they want to continue the career development they started in their countries of origin. Aspirations can be elicited by different means, such as exposure to successful entrepreneurs in the region or providing information about alternative occupational paths as part of the training they receive.

Recommendations: These aspirations can be fostered within ACH current activities by offering in-house training, redirecting clients to other organisations in the region supporting entrepreneurs, and/or providing mentoring schemes. Training potentially provided by Ashley and similar institutions can have a crucial role in, either deterring potential entrepreneurs from starting a difficult road to business ownership, or facilitating the path to start up a business.

Situating the business activity within broader occupational trajectories. As we have shown, most of the aspiring entrepreneurs and business owners interviewed have higher education and significant work experience acquired in their countries of origin. The narratives of migrant entrepreneurs frequently show that support agencies and/or job centres are not able to recognise the value of the knowledge they bring, their educational credentials or their transnational connections in the same way as the middlemen in their own communities. This might be due to these institutions lacking sufficient knowledge about new communities, and having unconscious biases when valuing the skills and aspirations of migrants. This issue can have different effects: on the one hand, it might encourage migrants with high employability prospects to start a small firm, or discourage migrants with good chances of starting a firm to remain in low-status low paid niches. In fact, some of the entrepreneurs interviewed expressed the aspiration to go back to full-time paid employment.

Recommendations: A ‘holistic’ approach to training that takes into account how setting up a firm would fit within the career path of migrants would enable a better provision of support. Life and employment training should be accompanied with an exhaustive evaluation of each individual through a biographical interview. This biographical approach would enable tapping into the aspirations of migrants to set up a business and situate the short, medium and long-term goals of entrepreneurs. For some, with higher education and vast work experience, starting up a business might mean getting ‘trapped’ into a sector for which they are overqualified. Whilst for others, with lower educational qualifications and experience, supplementing their training with entrepreneurial skills will constitute an important step up on the social mobility ladder, boosting quality of their employment and life more broadly. Organisations like ACH should then strengthen as much as possible a tailored employment/business support provision for each of their beneficiaries that understands and maximises the skills they have, as well as their long-term goals and pays attention to entrepreneurial sustainability.

Training and broadening support. In relation to the previous point, many of the interviewees were interested in the possibility of attending training courses, mentoring programs, networking events and getting in touch with business support agencies to provide assistance and help them tackle the challenges they were facing in their businesses. They also narrated how they are generally disconnected from mainstream business support providers, and they lack sector specific training.

Recommendations: The main recommendations to tackle some of these challenges are:

- Providing training related to language skills, legal requirements, access to finance, and business management is crucial for the development of these firms.
- Setting up mentoring schemes within the community that would boost aspirations and capabilities, as well as enable access to new suppliers, alternative sources of funding, and promote leadership skills. This would help them start up their ventures, and/or consolidate and grow their current firms.
- Organisations like ACH can also broker connections with mainstream support agencies that can add value to migrant entrepreneurs.
- Redirect entrepreneurs to sector-specific training in specific areas where businesses are concentrated (as we have seen for the cases of catering and retail in our sample).

Financial capital. Absolutely pivotal as a business resource for these respondents is capital, where at present there is too much reliance on informal family/community financing instead of formal bank lending. In addition here we note that for mainly Muslim entrepreneurs there needs to be some form of non-interest financing.

Recommendations: Organisations like ACH can lead the development of community credit associations, or mediate between beneficiaries and faith-based lending groups.

Consolidation and growth. Entrepreneurs expressed their aspirations to consolidate and grow their small firms. However not all of them showed clear capabilities of doing so. This was mainly due to financial restrictions as well as not having the suitable managerial skills for taking their businesses forward.

Recommendations: Facilitating access to formal bank loans or alternative sources of credit would help entrepreneurs boost their firms. Mentoring schemes by consolidated entrepreneurs in the community would also be positive to encourage leadership and growth among migrant entrepreneurs.
REFERENCES


Kloosterman R (2010), Matching opportunities with resources: a framework for analysing (migrant)entrepreneurship from a mixed embeddedness perspective, Entrepreneurship and Regional Development 22(1), 25-45.

Kogan, I., 2011. New immigrants@bold disadvantage patterns? Labour market integration of recent immigrants into Germany. International Migration, 49(1), pp.91-117.


Ram M (1992), Coping with racism: Asian employers in the inner city, Work, Employment and Society, 6, 601-16.


