



Refugee entrepreneurship pilot Findings and next steps

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In 2018, the Centre for Entrepreneurs set out to prove that entrepreneurship empowers refugees.

‘Starting afresh: How entrepreneurship is transforming the lives of resettled refugees’ made the case that refugees possess many entrepreneurial traits, and that tailored business support can increase business survival, reduce public spending, and strengthen integration.

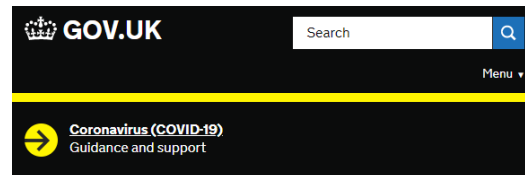
The report presented a bold vision: for refugee entrepreneurship programmes to be available nationwide.



In 2019, the Home Office and The National Lottery Community Fund challenged CFE to design and deliver a pilot scheme to prove the concept and experiment with models of delivery.

CFE ran a competitive bidding process, selecting four existing business support organisations across the UK to run year-long pilots. Each organisation was awarded £60,000 with the aim of supporting 30 refugee entrepreneurs.

The pilot programmes ran between October 2019 and October 2020.



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News story

New business start-up training for refugees in the UK

A pilot to encourage refugee entrepreneur programmes across the UK has been announced.

Published 21 July 2019

From: [Home Office, UK Visas and Immigration](#), and [The Rt Hon Caroline Nokes MP](#)

A pilot to encourage refugee entrepreneur programmes across the UK has been launched with the Centre for Entrepreneurs (CFE) with funding from the Home Office and The National Lottery Community Fund, the Immigration Minister announced today (Sunday 21 July).

The 1 year pilot jointly funded by the Home Office and The National Lottery Community Fund, will identify established local business support organisations to deliver tailored start-up programmes that will take refugees from idea stage to business launch.

Immigration minister Caroline Nokes said:

- "The UK has a proud history of providing protection to those that need it and we are committed to making sure that refugees can successfully integrate to life in the UK.
- "This exciting new programme gives refugees the opportunity to build businesses, leading to further independence as they rebuild their lives in the UK.

Delivery bodies

Bristol

ACH is a refugee-founded social enterprise working across the West of England and the West Midlands since 2008 to resettle refugees through labour market and social integration.



Belfast

East Belfast Enterprise is the local enterprise agency for East Belfast and has provided workspace, incubation and support to new and established businesses in the area since 1995.



East Anglia

Menta is an enterprise agency that has helped established businesses grow and new business ideas become a reality across Norfolk and Suffolk since 1984.



Staffordshire

The Staffordshire Chambers of Commerce are the leading business support and networking group for Stoke, Stafford, and Staffordshire Moorlands, operating for over 200 years.



Demand

Overall, 112 refugees were eligible for training and support. Many more expressed an interest or attended a taster event.

**ACH****Activate My Business**

300 attended digital or community events

101 fireside chat attendees

30 participants - 82% women**East Belfast Enterprise****New Beginnings**

42 enquiries

34 participants recruited

Cohort 1 (12), cohort 2 (8), cohort 3 (14)**MENTA****Changing Faces, Changing Places**

100 attended launch events

47 applications

30 participants: 22 men and 8 women**Staffordshire Chambers of Commerce****Positive Pathways**

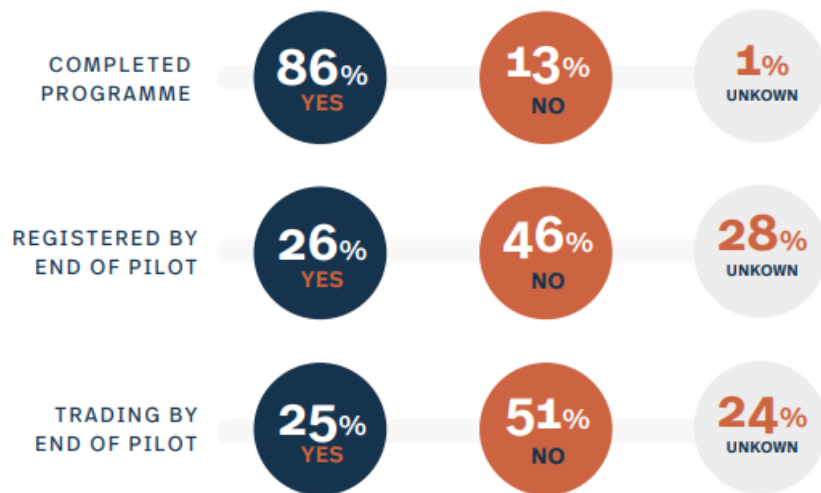
92 registered interest

52 accessed 'Exploring self-employment'
with an entrepreneurship advisor

18 participants recruited: 12 men and 6 women

Programme outcomes

Despite the global pandemic, all pilots saw businesses register and begin to trade.



A further 40% were planning to launch a business within 12 months.

Continuity of support

The success of the pilot helped three of the four delivery bodies to secure

£1.724m

from the Asylum, Migration and Integration Fund to support a further

585

refugees before December 2021.

The pilot scheme was subject to a thorough evaluation led by Dr Michelle Richey of Loughborough University.

The evaluation report identified clear themes that emerged across the four disparate pilot programmes. The academic team distilled these into six key findings and recommendations.

In response, CFE has set out a 10-point plan detailing how we intend to implement the recommendations and expand support for refugee entrepreneurs UK-wide.



Key finding #1

High levels of demand

The pilot highlighted the high demand for business support from the refugee community and the hurdles that prevent refugees from starting businesses.

Non-transferable credentials, depleted personal funds, lack of credit history and linguistic and cultural barriers all significantly disadvantage and derail would-be refugee founders.

Recommendation

We recommend a targeted national programme of business support for aspiring refugee founders.

This should equip local business support and refugee integration organisations to deliver targeted interventions that take refugees from business idea to launch and growth.

CFE's next steps

1. CFE will campaign for local authorities, LEPs and devolved governments to provide sustainable funding to refugee entrepreneurship programmes UK-wide.
2. CFE will work with the government, foundations and businesses to unlock additional funding, including expanding the refugee transitions outcome fund.

Key finding #2

Insufficient finance limits growth

Besides Covid disruption, inadequate finance was the most widely reported reason participants did not start a business.

Most had limited funds to start up and could not access bank finance.

All pilots reported that access to £5k-15k would significantly improve startup rates.

Recommendation

Ensuring refugee businesses can access appropriate financing is key to allowing refugees to establish sustainable and growth potential businesses.

Greater commitments from and coordination with UK banks is needed to address the persistent, preeminent barrier of inadequate finance.

CFE's next steps

3. CFE will work with banks and the Start Up Loans scheme to explore adaptations to better engage, support and finance refugee entrepreneurs.
4. CFE will work with financial institutions and refugee entrepreneurship programmes to test and scale new types of lending models.

Key finding #3

Valuing broader outcomes

The pilots helped participants acquire the skills, industry experience and finance needed to start and grow a business. This can prevent refugees being pushed to launch before they are ready.

All pilots recommended that a minimum of 12 months of support is needed.

Recommendation

While education, industry experience and funding are typically considered means to starting a business, we recommend that in the context of targeted refugee support, they be considered outcomes, since all three strengthen the foundations of refugee founded businesses.

CFE's next steps

5. CFE will continue to support the Home Office in the design and assessment of outcomes and measures used in the refugee transitions outcome fund pilot.
6. CFE will reinforce the importance of broader outcomes when encouraging new public, private and philanthropic funders to support programmes.

Key finding #4

Connecting refugees and the business community

Understanding how business works in the UK was a big leap for most participants.

The pilots played a significant role in facilitating new relationships between refugees and local business communities.

Recommendation

Opportunities for the business community to interact with and support refugees needs encouragement and coordination. Eg:

- Providing paid and voluntary experience, coaching, mentoring, and workspace.
- Identifying existing refugee founders for use as role models and mentors.

CFE's next steps

7. CFE will work with the Refugee Employment Network, the Home Office, UNHCR and others to encourage more businesses to support refugee entrepreneurs.
8. CFE will work with programme leaders to build an ambassador network of refugee entrepreneurs open to speaking opportunities, case studies and mentoring.

Key finding #5

Transitioning from aid to empowerment

Many participants relied on state support. The transition to starting a business was stressful and it was hard to understand when their financial obligations would change. They were confused that many of the grants they could access required them to register for Universal Credit.

Recommendation

Greater coordination is needed between state agencies and business support programmes to facilitate refugee transitions from precarity to economic empowerment.

CFE's next steps

9. CFE will facilitate discussions and process optimisation between programme leaders and the Department for Work and Pensions to smooth the transition for refugee entrepreneurs.

Key finding #6

Refugees as partners

Business ownership enabled refugee founders to address issues at the heart of their communities. Many of their business ideas tackled salient community issues.

Participants were trusted by community members, and they facilitated new relationships between their business contacts and their communities.

Recommendation

Refugee business owners should be seen as potential partners in addressing community issues.

Identifying these founders and building their capacity could improve their status, unlocking partnership opportunities and additional funding aimed at social innovation.

CFE's next steps

10. CFE will work with programme leaders and ambassadors (see recommendation #8) to identify, promote and support refugee entrepreneurs who are delivering positive impact in their communities.

How you can get involved

- Contact the CFE team for advice on how to design, commission, or support a refugee entrepreneurship programme in your area.
- Apply to join the CFE Refugee Entrepreneurship Network, our community of practitioners, researchers, funders and policy makers that spans 28 countries.





Links

Refugee entrepreneurship pilot
evaluation report

<https://centreforentpreneurs.org/programmes/refugee-pilot/>

Refugee Entrepreneurship Network

<https://centreforentpreneurs.org/networks/refugee-entrepreneurship-network/>



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