



Policy Brief | #ICCities

**MIGRANT-ENTERPRISE**  
**POLICIES FOR THE INTERCULTURAL CITY**

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Policy Brief



**Intercultural cities**  
Building the future on diversity

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## INTERCULTURAL CITIES POLICY BRIEFS

### Migrant-enterprise policies for the intercultural city

The Council of Europe and its partner cities have developed an intercultural approach to issues of integration which enables cities to reap the benefits and minimise the risks related to human migration and cultural diversity. Its key elements are:

- creating spaces and opportunities for deep interaction and co-creation between people of different cultural origins and backgrounds, to build trust and realise the creative potential of diversity;
- power-sharing – involving people of diverse origins in decision-making in urban institutions, be they political, educational, social, economic or cultural;
- fostering intercultural competence in public, private and civil-society organisations;
- embracing cultural pluralism and the complexity of identities through leadership discourse and symbolic actions; and
- managing conflict positively, busting stereotypes and engaging in a debate about the impact and potential of diversity for local development.

By definition, those who migrate to and within Europe do so in pursuit of a better life. For most, this will involve working for a wage or salary. But a significant minority may wish, or be encouraged, to establish (or re-establish following similar experience in their country of origin) enterprises themselves, as individuals or in partnership with others. Members of the ICCs network seek to explore the 'diversity advantage' which well-managed cultural diversity may engender. But how does this connect to migrant entrepreneurship?

The [literature](#) on regional economic development has highlighted how what is at stake at these sub-national (including local) levels is establishing 'agglomerations' – clusters of interconnected enterprises, supported by research institutes, vocational training arrangements, cultural institutions and so on, which are animated by democratic public authorities capturing the necessary tacit knowledge and engaging all relevant stakeholders. Such authorities, including municipalities, can thus stimulate an economic performance which is more than the sum of the region or city's individual enterprise parts. In turn, that can be self-sustaining: successful clusters will tend to attract investment and, perhaps more importantly, human resources, adding to the agglomeration effect.

To achieve this, public authorities must engender a high level of social trust internally, so that the various actors collaborate to mutual benefit rather than merely competing against each other. And they must be open to a globalised world externally, if they are to act as magnets, particularly for internationally mobile specialists who could choose to go elsewhere, and if they are to broker market opportunities way beyond the constraints of local demand. The American writer Richard Florida famously showed that the success of US regions – Silicon Valley being the most obvious case – could be encapsulated in terms of their embrace of 'technology, talent and tolerance'.

Migrant entrepreneurship thus becomes key for a number of reasons. Migrant entrepreneurs are by definition self-selecting: they have already shown the 'get up and go' to move in search of a new and better life. Secondly, attracting and retaining well-qualified newcomers who are able and keen to develop their own enterprises can bring new products and processes, outside of the local conventions of indigenous economic actors, to bear – for example, new ideas on design for the long-established clothing industry in Reggio-Emilia. This is enhanced by the flexibility and responsiveness to market opportunities which successful start-ups must embody and which can make them useful partners for more established enterprises keen to diversify their clientele.

But value can also be added by the less qualified. The transcultural connections of migrant entrepreneurs, particularly to their country of origin, can mean they also bring with them ready-made links to hitherto untapped export markets (and supply chains) – especially in an era of near-free, real-time global telecommunication.

The colourful Lisbon neighbourhood of Mouraria is enlivened by a range of retail entrepreneurs, including from south Asia. [‘Patchwork Mouraria’](#) showcases the diverse products, flavours and services the neighbourhood enjoys as a result.

## Principles

The Council of Europe managed a project, ‘Diversity in the Economy and Local Integration’ (DELI), supported by the European Union and involving ten cities whose membership overlapped with that of the ICCs network. DELI confirmed the validity of the ‘diversity advantage’—that individual cities will become more competitive if they treat the organic cosmopolitanisation of their citizens as an opportunity to be exploited, rather than a threat to be resisted. And the project, [reporting](#) in 2015, established the following principles for supporting migrant enterprise in the context of pursuing intercultural integration:

- promote policies which link migrant entrepreneurship and social integration,
- support migrant entrepreneurs in developing their entrepreneurial skills,
- facilitate the inclusion of migrant entrepreneurs in mainstream networks,
- promote equal access to finance for all entrepreneurs and
- use the purchasing (procurement) power of local government to realise social and integration goals.

These principles structure the remainder of this policy brief, with examples of good practice interspersed. While migrants and refugees are often confused (sometimes wilfully) in political and media discourse, obligations to refugees and their motivations do differ and so refugee inclusion is addressed in a separate policy brief. Nevertheless, there are clearly overlaps, particularly as asylum claims progress and refugees enter the economic arena, so the two briefs are worth reading together.

## Policies which link migrant entrepreneurship and social integration

Migrant entrepreneurship and social integration might seem odd bedfellows. Yet they are good partners, as the experience of Oslo shows.

Consistently a top performer in the ICCs Index, [Oslo](#) has elected to place responsibility for leading on intercultural integration with its cultural-affairs and business-development department. It recognises the Florida imperative that it needs to compete to attract members of the international ‘creative class’. Cultural affairs is the other side of that coin: the beautiful modern opera house in the heart of the city is a testament to the comfort and ‘liveability’ it offers to those globally on the move. The municipality’s ‘Oslo Extra-Large’ (OXLO) campaign not only rejects an inward-looking defensiveness but embraces the influx of humanity from more than 150 countries which has changed the face of the city in a generation. Its business-development agency, Oslo Business Region, launched an OXLO Business Charter at the Global Mobility Forum in the city in 2013.

[Neuchâtel](#) in Switzerland is another index-topper. The city-canton similarly recognises the value of symbolic analysts in a knowledge economy – which has evolved beyond precision watch-making to microtechnology and nanotechnology. As with Oslo, around a quarter of the population of Neuchâtel now comprises foreign nationals. It puts a strong emphasis on the welcoming and orientation of newcomers – and indeed connecting them, where appropriate, into the watch industry.

Perhaps of particular interest from an intercultural perspective are migrant professionals and entrepreneurs working in the creative industries. Those with a ‘transcultural’ sensibility already show a capacity to live in more than one cultural milieu at once and they may offer a fresh perspective to ‘locals’ – as in the take on fractious, multi-ethnic Paris offered by the Abidjan-born Parisien Karim Miské in his novel *Arab Jazz*. It is easy to ‘exoticise’ migrant entrepreneurs as stereotypically 24/7 traders of ‘ethnic’ foods but film-makers, gallery curators and music impresarios may all reflect back on their new home in interesting ways deserving of support from municipalities.

Barcelona has recognised how its [Art Factories](#) programme, which converts disused factories for artistic use, can be used to entice migrant creatives.

Public acknowledgment of the achievements of entrepreneurs from newcomer backgrounds is important for awareness within ‘host’ communities of the positive contribution migrant entrepreneurs can make. It is also important, of course, for self-esteem within migrant communities.

In Munich, the Phoenix Prize valorises the achievements of migrant entrepreneurs. The local Chamber of Commerce and Industry (membership of which is compulsory in Germany) is engaged along with others as members of the award jury.

### Supporting migrant entrepreneurs

Municipalities should of course not discriminate against one kind of business in favour of another. But the needs of migrant enterprises may well differ from those originating within the ‘host’ community and, indeed, are likely to differ even more among their number, because of the range of nationalities, ethnicities and so on involved. Local business-support agencies need to develop bespoke supports, responsive to individual enterprises’ needs, which in the case of migrant companies may, for instance, include arranging linguistic support or help with negotiating unfamiliar bureaucracies – such as the taxation system, as Oslo has discovered. This is important to ensure such enterprises do not get baulked in the shadow economy.

To sensitise municipalities, it has been found useful to designate a specific agency, unit or team (depending on the size of the authority) with particular responsibility for migrant-enterprise support. Such a body may seek to build diversity and intercultural competence into its own staffing, as well as making strong connections with migrant associations. In their official dealings with enterprises in general, such as through business censuses, municipalities can ensure that questions included about nationality and ethnicity throw up information about, and contacts with, migrant entrepreneurs, which can later be pursued.

In Berlin, the centre of tech start-ups in Europe, an IT teacher from Aleppo has [co-founded](#) with a Norwegian entrepreneur a recruitment and enterprise platform called MigrantHire. It holds workshops and provides guidance to those seeking to establish their own businesses; internationals comprise one third of workers in Berlin’s start-ups. One project is the Refugee Business Accelerator. It aims to get 10,000 refugees into jobs in 2017, in the context of there being 43,000 unfilled vacancies in the IT and telecoms sector in Germany.

### Including migrant entrepreneurs in mainstream networks

Individual businesses and business associations will tend to follow well-established tramlines in well-established networks. Migrant entrepreneurs may find it hard to break into these networks and this is where municipalities can usefully broker connections, such as by supporting meet-and-greet events to build relationships and trust or developing searchable databases.

[Barcelona](#) is committed to developing intercultural business networks. This is with a view not only to making connections between indigenous and migrant entrepreneurs but also to ensuring that full advantage is taken of the connections of the latter to their countries of origin.

[Santa Maria da Feira](#) in northern Portugal has availed itself of the presence of Moroccan migrants in the municipality to establish regular business exchanges with Kenitra in Morocco, among a number of such international interconnections.

Women may well experience barriers to entrepreneurial success deriving from stereotypes of gender roles and presumed capacities, regardless of ethnicity or nationality. Bringing diverse female entrepreneurs together may build on ready commonalities in this regard, as well as being potentially empowering for all involved.

Local networks of social enterprises and/or co-operatives may also be particularly sympathetic to the concerns of migrant entrepreneurs. They can be a useful asset to build networked connections.

### Promoting equal access to finance

As commercial enterprises preferring low-risk lending, banks may not be sensitive to the needs of migrant enterprises, particularly for start-up support. Municipalities may usefully broker relationships in this regard, introducing migrant entrepreneurs to banks and helping them to make and present credible business plans.

Microfinance may be particularly relevant to migrant start-ups. Agencies offering microfinance should be encouraged to reach out to migrant entrepreneurs, for instance through providing information in a range of relevant languages and making contact with migrant associations.

The [intercultural strategy](#) of Valletta commits the Maltese capital to support and publicise opportunities for migrants to set up small businesses and social enterprises, including with the assistance of the Malta Microfinance Institution.

Where municipalities have their own local-development agencies, they can compensate for the tendency of the banks towards financial conservatism by mentoring individual migrant entrepreneurs and providing start-up loans or equity stakes. They may also set up an investment challenge fund seeking out projects from newcomers to the city.

A related pilot [project](#) has been established for participating cities from the ICCs network, focused on start-up incubators. Spontaneously, these will tend to attract the already well-connected and the project will explore how help with micro-finance, access to business networks and so on can encourage more diverse start-ups to get a foot in the door.

### Using procurement to realise social and integration goals

Procurement is last but by no means least in this endeavour. Municipal authorities are significant economic actors in their own right in cities. They can legitimately link their buying power to social-

policy objectives, while fulfilling their obligations to secure value for money through tendering to the widest possible range of potential suppliers in a non-discriminatory way.

Procurement documents should include as standard an anti-discrimination requirement, with companies demonstrably failing to comply with equal-opportunities legislation being legitimately removed from tender lists. More positively, municipalities can use their relationships with migrant associations to extend the tendering net to migrant enterprises, offering training on how to complete tender documents and organising events where entrepreneurs can meet representatives of public procurers.

Reggio-Emilia has a supplier-diversity programme with a dedicated manager. Relevant measures are included in the performance reviews for members of the buying team. Information about the programme is disseminated through all the municipality's strategic communications means.

Procurement goals can go further, to score respondents positively for good employment and equality policies and practices and for promoting social cohesion. Social clauses can be included in procurement contracts, for example to foster opportunities for inclusion through employment and training, targeting members of disadvantaged groups.

Getxo in the Basque region of Spain has a dedicated team for managing social clauses in public contracts. It includes not only procurement officers but also experts on gender equality and migration. Contracts developed by the team have included clauses designed to promote the employment of people who have a disadvantaged position in the labour market. In individual cases they have included clauses related to intercultural integration.

Breaking up large contracts into smaller components may not only open the door beyond big, generalist, established contractors. It may also allow niche roles for migrant enterprises, which may improve the sensitivity of the overall performance to ultimate users while injecting elements of innovation. Conversely, procurers can also use contract supply chains to lever better performance from sub-contractors and suppliers when it comes to inclusion and integration.

Looking ahead, five members of the ICCs network are involved in a [project](#) which is developing a tool to assess the 'diversity rating' of companies in a city. The project, in conjunction with the Stockholm School of Economics and the association 'New Dane', will move on to collate best practices for enhancing workforce diversity. Local 'diversity charters' can be a threshold test of companies' commitment—several hundred have signed up to such a charter in Copenhagen, for example.

## Conclusion

It is important to recall in conclusion how the intercultural approach to integration differs from multiculturalism. It is not in this context about supporting minority enterprises catering for minority markets. It is about utilising the diversity advantage for a wider transformation of the local economy which also fosters intercommunal networks and relationships, with positive-sum effects all round.

Indeed, the fine-grained approach set out here can avoid the unwitting risk that migrant enterprises enjoying support are simply offering low-value-added 'traditional' goods and services to a 'ghetto' clientele. It also, equally, challenges 'business-as-usual' thinking within the 'host' community.

Schumpeter famously defined innovation as 'creative destruction'. Entrepreneurialism in that context is not for the faint-hearted, who want today to be like yesterday and tomorrow just the same. The rapid cosmopolitanisation of urban *milieux* in 21st-century Europe in that context is not just an economic opportunity rather than a threat – it is an unavoidable reality to be embraced.