

THE CONGRESS OF LOCAL AND REGIONAL AUTHORITIES

Resolution 358 (2013)¹ Integration through self-employment: promoting migrant entrepreneurship in European municipalities

1. The immigrant population in Europe is growing and rapidly becoming more diverse in terms of ethnic or national origin, as well as in terms of length of stay, educational achievement and socio-economic position. Increasing migration to Europe raises the questions of both integration of migrants into the host community and their meaningful contribution to the local economy and economic development, which is especially important in the current situation of economic crisis.

2. An increasing number of migrants are becoming entrepreneurial, with a greater number of migrants interested in setting up their own businesses than among the native population. The ongoing rise in migrant entrepreneurship in Europe is expected to contribute significantly to the integration of immigrants at local level, to the economic development of their city of residence, and to the creation of new businesses in Europe in general, which has been identified as a crucial issue in the European Union (EU) proposal for the programme for business competitiveness and small and medium-sized enterprises (SMEs),² in the implementation of the Europe 2020 strategy.

3. Micro-businesses and SMEs represent 99% of all enterprises in the EU,³ employ 67% of the workforce in the private sector, account for 58% of the total turnover⁴ and create 4 million new jobs every year.⁵ The entrepreneurs behind these businesses play an essential role in building stability and success for European economic recovery and development. However, Europe lags behind other world regions in the creation of new businesses, with only 37% of Europeans interested in starting a business – down from 45% three years ago – compared to 51% in the USA and 56% in China.⁶ Improving the possibilities and conditions for starting and operating businesses in Europe, as well as for supporting and protecting entrepreneurs is therefore crucial for European economic development.

4. Migrant entrepreneurs can be important for various reasons: they create their own jobs; create jobs for others; develop different social networks than immigrant workers; and shape their own destinies rather than waiting for cues from the host society's institutions. As entrepreneurs, they may provide a different range of goods and services, they can enhance the vitality of particular streets or neighbourhoods in cities or of specific economic sectors and, most of all, they play their part in the "natural" process of succession and renewal of the total corpus of entrepreneurs.

5. However, migrants face significant obstacles when starting business careers, which are specific to their situation and include, among others, difficulties in contacting the authorities, receiving funding or accessing local social networks. The typical barriers they encounter are related to: the availability of information about entrepreneurial opportunities and the relevant rules and regulations; the availability of business locations; the availability of financial capital; access to a pool of customers; their integration in local, national and transnational networks; staff management; and the availability of skills and competences.

6. At the same time, many national and local authorities today consider that migrant entrepreneurship is first and foremost a question of entrepreneurship, that efforts towards entrepreneurs are also beneficial for migrants and that no specific measures are therefore needed to promote migrant entrepreneurship. At the municipal level, migrant entrepreneurship has not played, until now, a major role in the overall strategy supporting the integration of immigrants, which is often separate from entrepreneurship and economic policy, and places emphasis on social aspects of integration and employment rather than on self-employment.

7. Over recent years, the Congress of Local and Regional Authorities of the Council of Europe has addressed various aspects of the integration of migrants at local level, in particular in its Resolution 141 (2002) on the participation of foreign residents in local public life: consultative bodies; Resolution 181 (2004) on a pact for the integration and participation of people of immigrant origin in Europe's towns, cities and regions; Resolution 270 (2008) on improving the integration of migrants through local housing policies; Resolution 280 (2009) on intercultural cities; Resolution 281 (2009) on equality and diversity in local authority employment and service provision; and Resolution 323 (2011) on meeting the challenge of inter-faith and intercultural tensions at local level. The integration of migrants through local entrepreneurship and self-employment is another aspect that deserves full attention.

8. The challenge of integrating migrants into local communities as a major factor for better social cohesion and intercultural harmony, and the crucial role of local authorities in this process, were also highlighted in the report on "Living together – Combining diversity and freedom in 21st-century Europe", commissioned by the Council of Europe and prepared by its Group of Eminent Persons in 2011.⁷

9. Maintaining and improving social cohesion through better integration and inclusion of migrants and other minority groups has become a major challenge for all Council of Europe member States, in particular in this time of economic crisis. The implementation of the Europe 2020 strategy in EU countries should provide impetus and positive examples to trigger similar policies and action in non-EU member States as well.

10. In this regard, the Congress welcomes the January 2013 communication by the European Commission on "Entrepreneurship 2020 Action Plan – Reigniting the entrepreneurial spirit in Europe", in which it commits itself to

proposing “policy initiatives to attract migrant entrepreneurs and to facilitate entrepreneurship among migrants already present in the EU or arriving for reasons other than setting up business, building on the best practices developed in the Member States, including by local authorities.”⁸

11. In light of the above, the Congress calls on its own bodies and members, as well as on its partner organisations, in particular the Committee of the Regions of the European Union, the Council of European Municipalities and Regions and national associations of local authorities, to raise awareness of the importance of migrant entrepreneurship for local integration and economic development, and of its contribution to European economic development and meeting Europe’s challenges, as well as of the role and responsibilities of local authorities in improving conditions for the creation and operation of migrant businesses.

12. The Congress invites local authorities of the Council of Europe member States to implement specific measures to promote migrant entrepreneurship by improving the personal capability of migrant entrepreneurs and the business environment for their enterprises, as well as through measures to increase their participation in community life, as part of the overall participation of migrants at local level, and in particular to:

- a.* include migrant entrepreneurship issues in local economic development and integration strategies, with special focus on job creation and social integration, and with the aim of creating local migrant businesses and thereby contributing to strengthening trade and industry and a good integration policy;
- b.* fill the information gap by investing in targeted and efficient ways of collecting information on the situation and conditions of migrant entrepreneurs;
- c.* support, together with chambers of commerce, structures and mechanisms to provide migrant entrepreneurs with assistance in:
 - i.* offering access to advice and information services, familiarising entrepreneurs with regulations and procedures upon start-up of their businesses;
 - ii.* learning the local language;
 - iii.* finding a business location, either through help in finding premises or through the provision of premises within business incubators;
 - iv.* getting access to finance, in particular through micro-credit loans;
 - v.* finding customers, by providing marketing advice;
 - vi.* building local connections and mobilising transnational links;
 - vii.* finding and managing personnel;
 - viii.* improving business and entrepreneurial skills; and

ix. overcoming additional hurdles due to multiple discrimination (for example, migrant women entrepreneurs);

d. develop and implement measures to improve the business environment, including:

- i.* deregulation measures and simplification of administrative procedures;
- ii.* programmes for urban revitalisation, including the spatial distribution of businesses and their accessibility; and
- iii.* measures to set up and promote migrant business associations;

e. put in place mechanisms and structures to involve migrant entrepreneurs in community affairs as part of the overall measures to increase the participation of migrants in decision making at local level, including through local consultative councils of foreign residents, consultations with migrant entrepreneurs and their business associations, their involvement in local chambers of commerce, etc.;

f. promote and facilitate co-operation between different stakeholders in the local economy, including mainstream and migrant business associations, trade bodies, media and professional training organisations;

g. work closely with the migrant community, as well as with the business community, to strengthen bridges between the two and ensure proper support, such as mentorship and adequate information, in order to encourage migrant entrepreneurship;

h. use existing knowledge from projects and practices already implemented in Europe (such as, for example, non-repayable subsidies and real-estate tax exemption for entrepreneurs in Wrocław, regional guarantee funds in Alsace, guarantor services on loans in Amsterdam, specialised enterprise agencies in Helsinki and in Budapest, the Mentoring for Migrants programme in Vienna, co-organised by the Economic Chamber, the Austrian Integration Fund and the Employment Service to support qualified migrants in their labour market access, etc.), and promote experience sharing and dissemination of best practices;

i. stimulate network-building between different actors and co-operation between different levels of governance to raise awareness and increase the knowledge about migrant entrepreneurship.

13. The Congress further reaffirms the continued relevance of its proposals for the integration of migrants contained in its resolutions referred to in paragraph 7 above, and calls on European local authorities to implement them fully. In this regard, the Congress expresses its appreciation to the Cities for Local Integration Policy (CLIP) network for the work it has carried out since 2006, and instructs its Current Affairs Committee to continue close co-operation with the network’s successor within the proposed European Pact for Integration.

14. The Congress further instructs its Governance Committee and its Current Affairs Committee to keep the question of migrant entrepreneurship under review and to ensure the dissemination of relevant good practices to local authorities, including through their European and national associations.

1. Debated and approved by the Chamber of Local Authorities on 30 October 2013, and adopted by the Congress on 31 October 2013, 3rd Sitting (see Document CPL(25)2, explanatory memorandum); rapporteur: Henrik Hammar, Sweden (L, EPP/CCE).

2. COM(2011) 834 – Proposal for a programme for the competitiveness of enterprises and small and medium-sized enterprises (2014-2020).

3. CLIP, *Promoting ethnic entrepreneurship in European cities*, © European Union, 2011, ISBN 978-92-897-1038-1.

4. COM(2011) 834 – Proposal for a programme for the competitiveness of enterprises and small and medium-sized enterprises (2014-2020).

5. COM(2012) 795 – Entrepreneurship 2020 Action Plan: Reigniting the entrepreneurial spirit in Europe.

6. Ibid.

7. “Living together – Combining diversity and freedom in 21st-century Europe”, Report of the Group of Eminent Persons of the Council of Europe, © Council of Europe, May 2011.

8. COM(2012) 795 – Entrepreneurship 2020 Action Plan: Reigniting the entrepreneurial spirit in Europe.