

Link Up! Feasibility Study

Enabling Diaspora Entrepreneurship

In partnership with

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About ICMPD

ICMPD is an international organisation founded in 1993 whose core operations lay in fostering dialogue through its migration dialogues, in contributing to policymaking through its evidence-based research and in facilitating capacity building through its Competence Centres, one of which is in the area of migration and development. Over the years, the Competence Centre for Migration & Development has developed expertise in diaspora entrepreneurship, investments and remittances. ICMPD is committed to disseminating international best practices and facilitating the exchange of relevant experiences through local, regional and global initiatives. This Link Up! Feasibility Study was conducted from March to October 2015 with the aim of exploring business ideas by the diasporas in Austria for the benefit of their countries of origin.

Contents

1. Summary	7
2. Introduction	19
2.1 Background	19
2.2 Aim of the feasibility study	20
2.3 Operational definitions	21
2.4 Research question	22
2.5 Research limitations	22
3. Mapping the diaspora entrepreneurs in Austria	23
3.1 Methodology	23
3.2 Demographic information on the diasporas of the largest countries of origin in the sample	27
3.3 Results from the online survey	29
3.4 Results from the qualitative analysis	38
3.5 Business ideas	59
4. Responding to the gaps - towards enhanced engagement with the diasporas in Austria	69
4.1 Existing business support facilities in Austria	69
4.2 The missing link between integration policies and diaspora entrepreneurship	72
4.3 Making use of financial instruments	77
5. Global examples of diaspora entrepreneurship initiatives	81
5.1 The Netherlands	81
5.2 The United States of America	83
5.3 Germany	84
5.4 United Kingdom	86
5.5 France	86
5.6 Switzerland	87
5.7 Moldova	88
5.8 The World Bank	89
6. Recommendations and next steps	91
6.1 Recommendations for programme implementation	91
6.2 Framework conditions for enhancing diaspora entrepreneurship	93
7. Bibliography	97
8. Annexes	101
8.1 Online survey	101
8.2 Question guide for the semi-structured interviews	107
8.3 Mapping of start-up funding and business coaching/training in Austria	108
8.4 Skills development	123
8.5 Non-institutional stakeholders	124

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1. Summary

The contribution of diasporas in Austria towards the economic development of their countries of origin is under-researched. While strong transnational links are demonstrated not least by the sheer volume of remittances sent from Austria towards other countries, there has been little assessment of the economic involvement of the diasporas beyond the transfer of remittances.

This study contributes to the growing body of knowledge on the role of diasporas in development by conducting the first study on this topic in Austria and thus raising awareness of their contributions or potential contributions when certain preconditions are met. Whereas the importance of the private sector in development cooperation is widely acknowledged, in general, a migrant-centred approach empowering diasporas for private sector development is often overlooked. The contributions of diasporas to sustainable development has been recognised in Agenda 2030 and should be further facilitated and encouraged by governments around the world.¹ An inclusive business approach in which goals that directly affect diasporas are defined jointly can bring substantial gains to countries of destination and origin alike.

The study has a three-fold aim:

1. to gain an in-depth understanding about the forces driving entrepreneurship in countries of origin by diasporas in Austria
2. to identify strong business cases among the diasporas with a high potential to contribute to the development of the country of origin
3. to assess the structural gaps within the business-enabling infrastructure for diasporas in Austria.

Summary of Findings

1) To gain an in-depth understanding about the forces driving entrepreneurship in countries of origin by diasporas in Austria, we undertook a mapping exercise through an online survey and focus group interviews and reached the following conclusions:

The motivation of diasporas to set up a business in the country of origin is manifold, ranging from helping their family or community members to sustain themselves through such a business to maximising on business opportunities through their unique connection to both the country of origin and the country of destination.

Having a social impact in their countries of origin also seems to play an important role: diasporas have a sentimental connection to the countries of origin, making them more inclined to take risks and to favour social impact over financial return when compared to someone who does not have the country connection.

¹ Agenda 2030 is known as the Resolution adopted by the General Assembly on 25 September 2015 named "Transforming our world: the 2030 Agenda for Sustainable Development", which includes 17 Sustainable Development Goals and 169 targets that shall be implemented by all countries and stakeholders.

Moreover, diasporas with an inclination towards entrepreneurship are likely to invest in their countries of origin or the region with which they are familiar.

Challenges in setting up the business are mostly linked to the lack of financial resources, though also challenges with respect to operating a business from a distance and adverse conditions in their countries of origin were mentioned. The lack of knowledge about how to receive business support in Austria seems particularly striking considering their strong expression of interest in setting up a business.

An online survey that was distributed among diaspora organisations in Austria yielded responses from persons with various migration backgrounds, primarily from Nigeria, Kosovo, Kenya and Ghana. Over 68% of the respondents were men and more than half of all the respondents held a university degree. The survey showed that they are highly interested in establishing a business in the country of origin and most respondents seemed to already have a concrete idea in mind. The most popular business sectors were wholesale and trade, followed by education and agriculture, with approximately €10,000 to €200,000 in capital required to initiate their endeavours.

Enabling factors for business creation in countries of origin

In terms of the motivation to establish a business, a differentiation needs to be made between reaction- and resource-oriented factors. Reaction-oriented entrepreneurship is a reaction to difficulties in accessing the labour market, i.e. unemployment and discrimination in the labour market, the lack of opportunities to combine private life and work life, or only being able to exercise one's profession if self-employed. Resource-oriented entrepreneurship is opportunity-driven and based on a proactive decision to become an entrepreneur.

Focus group interviewees were chosen according to their potential for diaspora entrepreneurship. Almost all of them had a resource-oriented approach, feeling pulled rather than pushed into entrepreneurship.² Personal traits of opportunity-driven entrepreneurs, as indicated during the interviews, were an openness to learn and make use of business training or mentors, a high degree of motivation and confidence, an understanding that one needs to be persistent, a realisation of the importance of networks, and the identification of a market niche and opportunity in their country of origin in light of their international experiences, amongst other in Austria.

Socio-cultural factors influencing the decision to support the set-up of a business in the country of origin are a sense of responsibility for the family or community back home, as well as wanting to share expertise and resources in order to have a positive impact. At times, diaspora entrepreneurs' key experiences in Austria have motivated them to contribute to development in their countries of origin, such as wanting to use gained sector-specific professional skills, or bring technologies available in Austria to their countries of origin, especially in the field of renewable energy or waste management. Women empowerment still seems to be a topic that preoccupies more women than men. Other socio-cultural elements that enable entrepreneurship among the diaspora community relate to being brought up in a home in which parents were self-employed and with a positive image of a 'business person' (higher social prestige).

Also economic factors play a role for diaspora entrepreneurs. One aspect is the wish to reduce their families' and friends' dependence on remittances by helping them to make a living. Owning their own business would help family members sustain themselves and minimise their dependence on remittances in the long run. Other

² Only one person mentioned that they did not have any other option other than being self-employed.

interviewees mentioned their intent to support vulnerable or marginalised persons in their communities, e.g. women, youth or people with disabilities. Return on investment was also a factor raised for wanting to start a business and, in that context, the aspect of 'knowing the market' in their countries of origin and in Austria puts diaspora entrepreneurs in a favourable position. Profit-maximisation, though, seems to have a subordinate role compared to the wish to impact their country of origin in a positive way. Therefore, social aspects seem to be more important than the financial return. Being able to make a living for oneself and preparing to move back to their country of birth was also an aspect mentioned by some interviewees.

Private social (informal) networks with key individuals, including beyond families and friends, is for most the first contact point when seeking help in creating a business. Such networks can be very helpful, e.g. in helping to mobilise resources through crowdfunding. Those who have made use of institutional support networks and business training are also the ones who have already established a successful business. Often they have been able to access support and funds through institutions and build their own networks of influential people. They also tend to then become a key individual for another budding entrepreneur, usually as an unpaid mentor. Diaspora organisations are at times headed by such key individuals, who wear many hats as they manage the organisation and operate a business at the same time. Business partnerships with Austrian companies and with persons or businesses in countries of origin were also mentioned, usually in the context of renewable energy and waste management. In the context of business creation in the country of origin, building relations with government institutions seem to play an essential role, as does the need to establish trust with the business partner(s), or to operate within family networks and maintain a good level of communication with them.

Challenges for business creation in countries of origin

One of the biggest challenges for diaspora entrepreneurs is access to capital to establish or run a business. Many of the interviewees mentioned the lack of capital as a hindrance to realise their venture. Overall, there is a lack of knowledge regarding available institutional support or related programmes for business creation in Austria or in countries of origin, for example regarding access to business networks or knowledge on where to apply for business start-up funding. Although respondents agree that a business and financial plan is necessary to access capital, analyse the market and design a business model that can be successful, there often seems to be a discrepancy between 'wanting to do business' and taking the first steps, i.e. drafting a business plan or taking any other required measures to establish a business. In that context, role models, business plan development workshops, skill-building and mentors were mentioned as being useful to reach that necessary milestone. Such support would allow them to gain confidence in themselves and their business, to think through their business model and eventually to access funds from banks, investors, institutions, savings (either their own or through friends and family) or other sources.

Interviewees mentioned problems in determining the right type of funding for their projects. Loans are perceived as risky and difficult to obtain in Austria. It was also mentioned that it may even be easier for someone to obtain a bank loan in their country of origin than in Austria, in particular if they own property. Crowdfunding, which could be a good alternative or supplement to bank loans, is not well known among the interviewees.

Depending on the stage of their venture, the challenges vary from financing oneself during the time of establishing the business or funding the business, in particular, the running costs until the diaspora entrepreneur manages to reach a break-even point. Interviewees mentioned a lack of trust between banks/public institutions and diasporas, making them more inclined to seek funding from private sources. As a result of diasporas' lack of collateral in Austria, banks will not provide them with a loan; rather, they would need another person, often an

Austrian, to vouch for them. Many interviewees highlighted the potential of working with investors, in particular within certain sectors (energy, ICT), but here too it very much depends on the country the entrepreneur is seeking to invest in.

An additional challenge is managing a business from a distance and finding the right person to run it on location. Distance can be a disincentive to stay engaged, in particular when diaspora entrepreneurs face difficulties with a business partner. Some interviewees highlighted the need to spend a substantial amount of time on the spot to supervise the work, which also implies frequent travels for extended periods of time. Some have lost the motivation to continue due to the challenges they have faced in their countries of origin. Establishing a sufficient level of trust and regular communication with the business partner is essential for a successful business.

Integration barriers in Austria that complicate transnational engagement and business endeavours also were highlighted. In that context, language barriers seem to be one of the main challenges, as the perception is that you cannot apply for funds if you cannot write in German. In addition, legal barriers seem to factor into operating a business in Austria, and some interviewees have had problems obtaining the required business license, which is partly linked to not getting their qualifications recognised. When setting up a business in the country of origin, re-integration may bring about unforeseen challenges as the country and networks one used to have may have changed since their emigration. Or diaspora entrepreneurs experience a reverse culture shock making business creation a challenge. Gender and age can also play a role in dealing with suppliers, for example, sometimes leading to unfavourable treatment. Other aspects include the lack of vision and motivation, a lack of needed skills on location, or awareness of the need or possibility to consider a market niche. Another obstacle that was brought to the fore relates to the degree to which the policy environment is business friendly, as well as the issue of corruption and the high level of bureaucracy in the countries of origin.

2) To identify strong business cases among the diasporas with a high potential to contribute to the development of the country of origin, we conducted interviews, mostly in the realm of focus group discussions, and reached the following conclusions:

The purpose of the study was also to assess if there are any high-potential business ideas that could have a positive impact in developing countries and emerging markets. The answer is affirmative. Overall, the interviews showed that there is a strong interest in setting up a business, many of which seem like high-potential business ideas given their personal assessment of the markets and its positive effects in the countries of interest. However, there seems to be a discrepancy between the interest of doing business and the actual fact of implementing the business idea, which can be linked to three main areas: lack of business know-how (K), lack of information (I) on where to get business support in Austria and lack of early stage capital (C) for those who want to establish their business venture outside of Austria. On the one hand, the 'KIC' issues can be linked to the existing business eco-system, on the other hand, they can be linked to personal reasons as they may be employed, for example, leaving little time to carry the business idea further.

Only the set-up of a pilot programme with clear and objective criteria to support 'high potential' and 'strong' business cases and that addresses the 'KIC' gaps will prove if the entrepreneurial potential, as identified in this feasibility study, exists and can be leveraged through such a pilot programme.

Business ideas include extending the production facility for weaving in the South of Ethiopia for an existing online shop with markets in Germany, Switzerland and Austria; producing Shea butter in West Africa and Europe; establishing a mental health clinic in Cameroon; processing cashews in the Republic of Guinea; opening a pellet factory in Kosovo; opening an organic (mode) farm and restaurant in Kosovo and starting a social fashion company in Austria with production in Nigeria. Here, though, the common challenge is securing sufficient funding to start or to scale.

Based on the findings of the research, diaspora entrepreneurs could benefit from more “KIC”: **know-how, information, capital** in particular for **early stage businesses** (start-ups) and an improved policy-environment for such businesses in countries of destination and countries of origin. These gaps in the start-up ecosystem could be filled by facilitating access to capital, business coaching, mentoring and workshops, and providing information that specifically target the diaspora communities.

Know-how gap: There is a gap in supply and demand in business support for those who want to establish a company in a developing country or emerging market. For example, business coaching through the Vienna Business Agency is offered with the expectation that the business will be created (or has been created) in Austria. Not all languages are covered. A Kosovar diaspora member, for example, who wants to ‘get ready’ to start his/her business in Kosovo without registering in Austria cannot access these services, leading to lost ‘diaspora capital’. There is a demand not only for ‘normal’ business training and mentoring, but also for diaspora-specific business coaching that takes into account the transnational element and the local country of origin start-up ecosystem. Most respondents stated that they would like to improve their skills and knowledge in order to be able to start or expand their business. The skills highlighted most were marketing, followed by business plan development and financial planning.

Information gap: While a lot of information on various funding possibilities for business creation and expansion and free-of-charge business training (mostly in English/German) is being circulated, this study shows that little has reached the diaspora communities. The research showed that there is a lack of knowledge about existing funding possibilities among the respondents. Few knew about grants to start their business or about the existence of crowdfunding as a means to mobilise the needed capital. The lack of knowledge on funding possibilities in general and business training thus implies that there are barriers for diasporas in accessing information, and more targeted outreach efforts need to be undertaken to reach diaspora entrepreneurs.

Start-up capital gap: There are many business plan competitions to get funds for a start-up in Austria, but creating a positive impact in developing countries/emerging markets is not a key criterion when funding institutions decide what businesses will get the start-up capital. The current business partnership programme focuses on supporting existing Austrian companies to venture into new markets in developing countries and emerging markets, but since it looks into already established businesses in Austria it therefore excludes start-ups that will only be created in the country of origin. As such, diaspora entrepreneurship has not yet been considered in a systematic way to foster inclusive entrepreneurship.

Supporting such entrepreneurial activities can help establish new trade links in frontier markets and open new possibilities between countries of destination and origin; e.g. trade and product diversification. Bringing in new investments, also in the form of SME creation, in the countries of origin contributes to their economic development and can also impact social, cultural, political and environmental policies.

3) To assess the business-enabling infrastructure in Austria with a view to the needs of the diasporas, interviews with experts working on a related area in an Austrian institution were carried out and that information was supplemented with desk reviews of academic literature and policy papers. The following conclusions could be reached:

Findings regarding existing business support programmes (financial and capacity development)

Existing institutional-led business support programmes in Austria assume that a business will be created in or has already been registered in Austria. Institutions and interest groups, such as the Austrian Chamber of Commerce, support internationalisation and expansion strategies for Austrian companies, including to emerging markets and developing countries. However, there is currently no governmental support towards programme in place that purely looks at SME creation in a country other than Austria.

A vast amount of literature suggests that it is not about mobilising diasporas for private sector development, as they are already mobilised, but to look into existing mainstream initiatives and structures and determine how their services could be extended in order to reach this target group. Development actors and other key institutions supporting business development could be mobilised to engage with diasporas in development cooperation, which would also prevent the setup of parallel initiatives that are not linked to mainstream structures.

Regarding tailored business support for diasporas in Austria, much is being offered, from German business language classes and mentoring in establishing a business in languages other than German to migrant-women specific business workshops. The natural focus of such programmes is to facilitate integration in the labour market in Austria. They therefore do not take into account the potential of transnational business creation, which would foster financial transactions, knowledge transfers and innovation across borders. Moreover, business plan competitions and open calls to receive funding for businesses at an early stage, such as the ones offered by the Austria Wirtschaftsservice GmbH or the Vienna Business Agency, look foremost at the business's value for Austria based on criteria such as creating jobs in Austria in the long run and increasing revenue for companies registered in Austria.

The Austrian Development Bank supports the private sector in developing countries on a large scale and is therefore not suitable for diaspora entrepreneurs who want to set up a small or medium-sized enterprise. The Austrian Development Agency's current business partnership programme offers grants to Austrian companies for their expansion to developing countries and emerging markets and does not specifically target diasporas. It also does not offer a capacity-building programme to assist young (emerging) entrepreneurs in their undertaking to set up a business that would not necessarily be registered in Austria.

As for companies or non-governmental organisations working on promoting innovative start-ups for the improvement of lives in developing countries, there are numerous business support programmes in place in the framework of their development cooperation with partner countries. However, there is no systematic outreach or support programme in place targeting diasporas in Austria to include them in business development in their countries of origin.

Findings regarding integration policies and its relevance for diaspora entrepreneurship

Building a supportive business environment in the country of destination (in this case Austria) as well as in the country of origin, e.g. by facilitating access to existing business associations; including diasporas in policy formulation; and facilitating funding for start-ups, especially those that have a direct impact in the country of destination and origin, requires long-term political commitment. Mainstreaming migration into policy frameworks across different sectors would help to ensure policy coherence, e.g. that a country's integration policy is in line with the national and global goals and standards for development cooperation.

There is a strong link between integration and entrepreneurship: those who are well integrated are more likely and better able to contribute to their countries of origin.³ Austria's integration policy could consider addressing more strongly the transnational link of entrepreneurship and the possibility of establishing promotional schemes, easing the restrictions to obtain a business license and facilitating the strengthening of transnational ties.

The acknowledgement of the transnational role of diasporas is reflected in the European Agenda for the Integration of Third-Country Nationals, which transcends the nation-state-bounded concepts of integration in many European countries and recommends the 'promotion of transnational entrepreneurship through a more dynamic strategy that will favour entrepreneurs operating in both EU Member States and in partner countries'.

In Austria, migration and integration policies do not yet sufficiently take into account the economic activities of diasporas in the country of origin as an integral element for economic integration in the country of destination. If specific aspects related to diaspora entrepreneurship are overlooked and thereby not reflected adequately in integration policies, then opportunities they bring to the labour market may be missed, e.g. as job creators using their human capital for increased trade flows, as door openers to frontier markets or as brokers between supply and demand, and by filling market needs in the countries of destination. The potential thus extends beyond benefits stemming from their business ventures for themselves and their immediate surroundings as diaspora entrepreneurs contribute also to overall economic growth.

Lowering existing barriers for diaspora entrepreneurship will have positive effects for both Austria and the country of origin. Eliminating barriers for diasporas to freely conduct business in an EU Member State in accordance with Community law and national laws and practices is also a fundamental right enshrined in Article 16 of the EU Charter of Fundamental Rights of the European Union.⁴ It implies creating the space for individuals to realise their potential, encourage entrepreneurship and innovation as well as social and economic development. Barriers to achieving this aim are cumbersome bureaucratic procedures to establish a business, language barriers, and the issue of having foreign-earned higher education diplomas and skills recognised. Notwithstanding this, issues with accessing funds from the banking system, for example due to a lack of collateral or a lack of trust, are barriers often mentioned by the study's interviewees. Additionally, there seems to be a lack of knowledge on the various funding possibilities for business creation and expansion, thus implying that there are barriers for diasporas in accessing information, despite the many institution-run business programmes.

Based on the findings of our research and analysis, we have formulated a set of recommendations and objectives that should help guide the efforts of key stakeholders in Austria to define a roadmap for a pilot

³ OECD (2010), *Open for Business: Migrant Entrepreneurship in OECD Countries*, OECD Publishing, p 118–119.

⁴ European Union Agency for Fundamental Rights (2015). 'Freedom to conduct a business: exploring the dimensions of a fundamental right', Publications Office of the European Union, Luxembourg, p 42–43.

programme to leverage the skills and resources of the diaspora communities in Austria for the development of their countries of origin. These recommendations and objectives are listed below.

Recommendations

1. According to a first assessment, there is potential within the diaspora community and business opportunities that can be leveraged through a pilot programme. These businesses are at various stages.

- ◆ Production facility for weaving in the south of Ethiopia: The entrepreneur is from Austria/Eritrea/Ethiopia. She has set up an online shop with focus markets in Germany, Austria and Switzerland.
- ◆ Shea butter West Africa/ Europe: The person was born in the Côte d'Ivoire. The business aims to connect women who produce Shea butter in the Côte d'Ivoire with clients in Europe, and at a later stage, also in West Africa.
- ◆ Mental health clinic in Cameroon: The person is from Cameroon and is currently completing his PhD studies in psychology. He would like to open a mental health clinic especially for mentally challenged children and other patients with mental disorders/diseases in Cameroon and advocate for the recognition of mental illnesses in Cameroon.
- ◆ Cashew processing in the Republic of Guinea (Conakry): The person would like to expand the family business, which is currently only exporting the raw material. By investing in machines, they would be able to process the cashews and yield higher returns to reinvest, therefore creating local jobs.
- ◆ Organic (model) farm and restaurant in Kosovo: The person is originally from Kosovo and is currently enrolled in a PhD programme at the Vienna University of Natural Resources and Life Sciences. The interviewee is interested in combining his research background with his family background by developing a diversified organic farm and restaurant. Such a farm could serve as a sample organic farm, as it is the best way for him to transfer his knowledge to Kosovo. He would also like to be engaged in one of the Kosovo-relevant universities or education institutions and transfer his knowledge to Kosovo students and farmers.
- ◆ Pellet factory in Kosovo: The person is originally from Kosovo and studied architecture in Vienna. His idea is to set up a small factory to produce pellets. The business would be profit-seeking, but should also have a positive impact in the country, in particular an environmental impact, as tons of wasted wood from different small and big wood processor factories would be used to create a new source of renewable energy.
- ◆ Social fashion company in Austria and Nigeria: The person is originally from Nigeria, where she has been working in the film industry. The business idea would build on the already existing social fashion company with the mission to prevent human trafficking. This includes awareness raising in Europe, as well as capacity building and job creation in Nigeria.

2. There is a market gap that should be filled.

Based on the research conducted in the realm of the feasibility study, there is a gap between demand and supply for business support that also reaches diasporas who want to establish a company in a developing country or emerging market. The following next steps are recommended to fill the gap through a pilot programme:

- ◆ **Set up funding for diasporas**, in especially for early stage businesses, e.g. through a combination of a concessional grant and/or a loan and/or convertible debt or equity investment. Consider blending grants with loans as getting the initial funding in order to demonstrate the feasibility of a business idea (the 'proof-of-concept') is often the most challenging step. Grants could vary between €10,000 and €200,000.
- ◆ **Reach out to opportunity entrepreneurs**, as it will require traits found in such people to ensure the needed long-term engagement to make the business successful. Once, and if, a pilot programme is set up, the possible beneficiaries need to be determined. Further aspects would need to be explored: Should they be persons from the first and second generation coming specifically from the beneficiary country? Could they also be persons who have a strong tie to the beneficiary country after having lived there for some time but without being originally from that country?
- ◆ **Build on the power of diaspora organisations and recruit innovation/entrepreneur scouts within such networks for outreach activities.** Such persons could also act as business mentors who transfer country-relevant knowledge.
- ◆ **Embed a programme in existing and well-functioning incubators and global business networks, in particular those with an existing connection to impact investors**, which will allow for the mingling and exchange of experiences, as well as in-house coaching/mentoring and possible financing.
- ◆ **Leave the selection of beneficiary countries open** at first and apply a 'tilted funnel' concept in which over time people who have registered for the training programme drop out based on their engagement (thus only the ones with sufficient motivation and the most promising projects remain).
- ◆ **Create a space at local and global level to affect policymaking** that will improve the business enabling infrastructure for diaspora entrepreneurs, for example, by reducing the transaction costs of remittances used for productive purposes. Institutional development can be fostered by strengthening technical cooperation, knowledge-sharing and networking between entrepreneurs and associations, chambers of commerce, labour unions, relevant ministries (e.g. ministries of economy and finance), organisations and other institutions linked to business development. By mapping global initiatives that tailor specifically the diasporas in view of establishing new business activities in developing countries, it has become clear that there are many new pilot programmes set up in that field of work. In view of this trend, there is ample room to establish a regular exchange of experiences to share knowledge and learn from each other.
- ◆ **Targeted communication is important on two levels: 1) with the media, and 2) with the diaspora communities so that a pilot programme does not become susceptible to misinterpretation.** On the first point, it should be mentioned that media has a strong influence on public opinion and

holds an important role in recognising the diasporas' contributions, improving public perceptions of diasporas, combating discrimination, and promoting integration. For that reason, a pilot programme should include a media component. On the latter point, the programme should not have any motive other than supporting the diasporas' endeavours to establish businesses that have a developmental impact in origin countries. There should be no return conditionality linked to the programme, as it is not an assisted voluntary return programme. Moreover, decisions to return should not be motivated by the prospect of accessing financial support but by the diaspora entrepreneur's genuine willingness to contribute to the development of his/her origin country and her/his belief in the success of the business.

- ◆ The **overall objective of a pilot programme** should be to promote the establishment of SMEs and the development of a business-enabling framework in developing countries and emerging markets by harnessing the potential of diasporas in Austria. Such a programme would have the following specific objectives:
 - facilitate the funding of business ideas from diasporas at an early stage that have a strong business case and a high potential to contribute to the development of their countries of origin
 - enhance the business skills of diaspora entrepreneurs and their business partners in Austria and in the country of origin through mentors, coaching and/or workshops
 - establish a link between the entrepreneurs and relevant institutions and investors that could support their business growth
 - foster institutional development by strengthening technical cooperation, knowledge-sharing and networking between entrepreneurs and associations, chambers of commerce, labour unions, relevant ministries (e.g. ministries of economy and finance), organisations and other institutions linked to business development.

3. Ensure policy coherence

Diasporas can be a valuable resource for development in countries of origin, but that success is not automatic. Rather, it depends on various factors. A pilot programme would therefore need to be based on two policy strands: one in Austria relating to integration measures for third-country nationals who want to start or expand a business and one in the countries of origin relating to the broader business-enabling framework.

As concerns the current framework conditions in Austria and other destination countries, greater coherence should be sought between integration, migration and development cooperation policies. It is important to work on the basis of incremental and small measures with a view to paving the way for increasing synergies and to avoid having policies in place that may bring transnational businesses additional challenges. New knowledge generated on the transnational role of diasporas and current concepts of integration should be used to stimulate discussions on promoting coherent policy objectives and indicators. Unlike older concepts that implied successful integration can only be achieved by severing or discouraging ties to the countries of origin, there is increasing recognition that diasporas can be involved in two or more societies at the same time. Through policies that encourage brain circulation and that facilitate mobility, the benefits of transnational activities, especially relating to business, can benefit both countries of origin and of destination. Diaspora

entrepreneurship should therefore be addressed in integration policies, taking into account their transnational lives and engagement in the country of origin as well as destination. To complement a pilot programme, further positive effects could be achieved by lowering existing barriers, such as cumbersome bureaucratic procedures to establish a business, language barriers, challenges to get foreign-earned higher education diplomas accredited and skills recognised, and difficulties in accessing funds from the banking system.

4. Enter into a long-term commitment with the partner countries

The impact of diaspora entrepreneurship programmes can have both negative and positive development responses, as it does not just depend on the set-up of a programme itself and what forms of financial and business support are provided, nor on how good the business model is (although it is important). The success of any such programme largely depends on the business-enabling infrastructure in the origin countries and policies in the destination country. This is stating the obvious, but worth mentioning since it may mean that the best business model may not be the best choice to support. One must identify the conditions in the origin countries under which the positive results on development can be maximised, and in which negative consequences can be minimised, and to evaluate what role the diaspora member and her/his business idea may have on these societies.

Commitment would also need to be made over a longer period of time. Business failure for start-ups is relatively high, in particular when they are established in countries with adverse conditions. Therefore, such a programme may not bear fruit within the first couple of years. A pilot programme with high-potential projects, however, is more likely to yield results in the medium-term than when no criteria are applied for business support.

5. Anchor a pilot programme in the global policy debate on diaspora entrepreneurship

A pilot programme to support diaspora entrepreneurs needs to be anchored in the ongoing policy developments in this field and should therefore incorporate knowledge management on enhancing diaspora entrepreneurship and continuous learning cycles for better policy making. In view of the gap not only between integration, migration and development cooperation policies, but also within the donor community, practitioners in the 'diaspora engagement' field could meet their counterparts in 'private sector development' in order to discuss commonalities and make progress on supporting diaspora entrepreneurship. The many recent initiatives show that this is an emerging field with a potentially strong learning curve if donor coordination and knowledge exchange among the various actors is strengthened. There is therefore a momentum to foster new policy thinking within various international fora, such as the Donor Committee for Enterprise Development (DCED), the Global Forum on Remittances and Development, the Global Forum on Migration and Development, or the DiaGram, a network in which knowledge and experience by network members is pooled to inform programmatic development. Furthermore, synergies with other donor and country of origin initiatives in the broader field of diaspora engagement should be continuously sought. It is therefore recommended that a pilot programme looks at the various networks in which it could tap into or even establish a standing mechanism at donor level to further the discussions in this area of work.

6. Support further research on the topic of diaspora entrepreneurship

There is a lack of empirical evidence that would allow us to ascertain if diasporas are the real super-entrepreneurs, who can have more of a positive impact in the countries of origin than the native entrepreneurs, as often hailed in literature. Given a lack of available or published evaluations and impact assessments of existing diaspora entrepreneurship programmes, some of which are recent initiatives, it is difficult to evaluate if they can be deemed successful. An assessment would need to include factors that go beyond the number of businesses created in countries of origin, for example, by taking into account the cost-benefit in implementing diaspora entrepreneurship programmes or exogenous factors, i.e. 'what would have been if no such support had been given'. More research on diaspora entrepreneurship would fill the current gap not only in Austria, but findings and knowledge gained from such research could be shared with the growing global community of diaspora entrepreneurship practitioners and policymakers.

2. Introduction

2.1 Background

This study was funded by the Austrian Development Agency with the purpose of shedding light on the interest and potential of individuals in the diaspora community in Austria to contribute to the development of their countries of origin, specifically through investments in the form of SME creation. Based on the findings, institutional partners can explore ways of how best to set up a tailor-made pilot programme in Austria.

The main focus of research in Austria so far has been on integration and access to the labour market from the destination country's perspective, as well as on migrant entrepreneurs in Austria and on the economy in general. While there are some interlinkages with migrant enterprises in Austria, as transnational ties may play a role in purchasing goods for the local market, for example, the wider topic of the role of diaspora communities and their interest in and engagement with their countries of origin has been under-researched. No similar study has been conducted so far in Austria.⁵ Against this background, this study is a first step in exploring the nature of diaspora entrepreneurship in Austria, which should lay the foundation for practicable measures to facilitate it.

There are many arguments that speak in favour of leveraging the potential of diasporas to invest in their countries of origin. Diasporas can bring back new skills and technologies, as well as innovative business practices resulting from their experiences in the countries of destination. Moreover, diasporas can herald new investments into frontier regions or markets as diaspora-owned firms or firms managed by diaspora members are often seen as the first movers into a country. This in turn may act as a catalyst for further investment from other companies by providing business intelligence to potential investors, such as through market and operational information about the country of origin. Diaspora entrepreneurs can also broker relations between buyers, sellers and suppliers, government officials, and other partners in their countries of origin.

Enough hard facts have shown how diasporas have contributed to the economies of their origin countries: Indian diaspora, for example, account for around one-third of the total foreign direct investment between 1991 and 2001, thereby contributing to the vast growth in the service industry.⁶ A similar ratio of investments can be said for the Armenian diaspora to Armenia.⁷ In 2015, global remittances to the developing world represented \$440 billion, more than double the official development assistance.⁸

A large portion of remittances is used for consumptive purposes to meet basic needs, but there are a number of proven examples that can help to leverage and channel remittances for productive purposes, including to support start-ups and the scaling of companies. There is thus growing attention on the role that diasporas and remittances can have in boosting economic growth in countries of origin, in particular if such resources are channelled into productive consumption. Many countries are now increasingly focussing on leveraging

5 ICMPD concluded in early 2015 the Austria report in the context of ITHACA Research Project that analysed the link between integration, transnational mobility and human, social and economic capital, specifically with respect to the Indian, Bosnian, Pilipino and Ukrainian diaspora communities in Austria. However, the aspect of economic capital only formed a small part of the study.

6 Wei and Balasubramanyam 2006.

7 Riddle, Hrivnak, and Nielsen 2010.

8 The World Bank, Migration and Development Brief, Migration and Remittances Team, Development Prospects Group, <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationandDevelopmentBrief24.pdf> (13 April 2015).

the developmental impact through diaspora investments, while at the same time diaspora organisations are calling for the recognition of their potential to contribute to their countries of origin. At the global level, the recent endorsement of the Sustainable Development Goals with its 17 goals and 169 related targets to achieve sustainable development over the next 15 years embraces migration and migrants and recognises 'the positive contribution of migrants for inclusive growth and sustainable development', and 'that international migration is a multidimensional reality of major relevance for the development of countries of origin, transit and destination, which requires coherent and comprehensive responses'. It further calls on cooperation to 'ensure safe, orderly and regular migration involving full respect for human rights and the human treatment of migrants regardless of migration status, of refugees and of displaced persons'. Furthermore, one of the Sustainable Development Goals, Goal 10 to 'reduce inequality within and among countries' specifies the reduction of the transaction costs of migrant remittances to less than 3 per cent and to eliminate remittance corridors with costs higher than 5 per cent by 2030.⁹

In Austria, a manifesto developed in 2013 through the transnational initiative for migration and development (CoMiDe) highlighted the importance of migrants and diaspora organisations as 'bridge builders' between their countries of origin and destination, and underlines two priority themes: diaspora engagement and diaspora entrepreneurship. At the same time, the European Commission's Entrepreneurship 2020 Action Plan¹⁰, adopted in 2013, sets out a number of measures to be implemented at the EU level and calls on Member States to unleash Europe's entrepreneurial potential, calling also on support for groups that are underrepresented among entrepreneurs. It is built on three main pillars: 1) entrepreneurial education and training, 2) creation of an environment where entrepreneurs can flourish and grow, and 3) development of role models and outreach to specific groups whose entrepreneurial potential is not being tapped to its fullest extent or to groups who do not receive business support through traditional outreach efforts. Moreover, the 2014 EU Council Conclusions on the private sector in development cooperation calls on the Commission and Member States 'to explore how to enhance the role of diasporas in the development of the private sector in countries of origin, in particular to promote investment and knowledge transfer.'¹¹ Also the European Agenda for the Integration of Third-Country Nationals highlights the potential of diasporas as entrepreneurs and calls upon EU Member States to reinforce transnational entrepreneurship so that innovation can thrive and the potential to contribute to job creation in the countries of origin can be realised. It creates a link between the integration of diasporas in the EU and increased trade flows that favour entrepreneurs in both EU Member States and in partner countries.¹²

2.2 Aim of the feasibility study

The feasibility study explored the interest, motivation and needs expressed by the diasporas in Austria to set up or expand a business venture in their countries of origin as well as the possibilities of developing a tailor-made diaspora business support programme. The feasibility study examined the diaspora entrepreneur in Austria through a mapping exercise that consisted of interviews and an online survey. Moreover, the feasibility study analysed the business enabling framework in Austria, specifically with respect to the business

9 UN General Assembly, A/69/L.85 http://www.un.org/ga/search/view_doc.asp?symbol=A/69/L.85&Lang=E.

10 Communication From The Commission To The European Parliament, The Council, The European Economic And Social Committee And The Committee Of The Regions Entrepreneurship 2020 Action Plan: Reigniting the entrepreneurial spirit in Europe /* COM/2012/0795 final */ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52012DC0795>.

11 Council conclusions on a stronger role of the private sector in development cooperation: An action oriented perspective, http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/146174.pdf (Principle and Criteria 19) (accessed in July 2015).

12 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions "European Agenda for the Integration of Third-Country Nationals" (SEC(2011) 957 final). http://ec.europa.eu/dgs/home-affairs/news/intro/docs/110720/1_en_act_part1_v10.pdf (accessed 30. July 2015).

ecosystem for diaspora entrepreneurs. Finally, the feasibility study looked at global practices regarding similar diaspora entrepreneurship programmes, and then concluded with recommendations and next steps for the establishment of a pilot programme with Austria

The study was implemented through a participatory approach in which diaspora organisations were part of the study, from its design and data collection to its analysis. The establishment of a tailor-made programme for diaspora entrepreneurs has been anticipated for a while and this study presents itself as an opportunity to move in that direction. By conducting desk research, a survey and interviews, first steps have been taken to ascertain the feasibility for the set-up of a business support programme catered specifically to those who want to make a positive impact in their countries of origin.

It is hoped that the findings from this study contributes to closing the knowledge gap to some extent and that it can serve as a basis for policymakers, the Austrian Development Agency and development partners in designing policies and programmes that could enhance the benefits generated by diasporas in terms of development in their countries of origin. The study is thus of an exploratory nature and presents itself as a discussion paper for policymakers in Austria.

In brief, the specific objectives of this study were to:

1. gain an in-depth understanding about the forces driving entrepreneurship in countries of origin by diasporas in Austria
2. identify strong business cases among the diasporas with a high potential to contribute to the development of the country of origin
3. assess the structural gaps within the business-enabling infrastructure for diasporas in Austria.

2.3 Operational definitions

There is no internationally agreed definition of the term 'diaspora', or of a migrant entrepreneur or diaspora entrepreneur. For the purpose of this study, the definition used is from researchers Van Hear et al. (2004) who argued that diasporas represent 'populations of migrant origin who are scattered among two more destinations, between which there develop multifarious links involving flows and exchanges of people and resources; between the homeland and destination countries, among destination countries'.¹³

For the purpose of the study, it is useful to draw a distinction between migrant entrepreneurship and diaspora entrepreneurship. Migrant entrepreneurship is a reference to businesses owned and/or managed by migrants without necessarily assuming any kind of link to their countries of origin, while diaspora entrepreneurship implies a transnational element of entrepreneurship between countries of destination and countries of origin, whereby the diasporas are not necessarily migrants. Migrant and diaspora entrepreneurship may go hand in hand when a migrant business in the country of destination nurtures business links to the country of origin,

13 Van Hear, Frank Pieke et al., 2004:1. IOM/MPI (2012) Developing a Road Map for Engaging Diasporas in Development. A Handbook for Policymakers and Practitioners in Home and Host Countries, p. 15. The working definition proposed by the International Organization for Migration (IOM) and the Migration Policy Institute is also useful: 'Emigrants and their descendants, who live outside the country of their birth or ancestry, either on a temporary or permanent basis, yet still maintain affective and material ties to their countries of origin'. The African Union defines its diaspora as 'consisting of people of African origin living outside the continent, irrespective of their citizenship and nationality and who are willing to contribute to the development of the continent and the building of the African Union.' African Union, Department of Citizens and Diaspora Organizations: <http://pages.au.int/cido/pages/diaspora-division>.

as is the case when materials are imported from the country of origin, thereby creating monetary flows to and possible jobs in that country, with the materials then being sold in the country of destination.

2.4 Research question

The main research question is whether the potential of the diasporas in Austria has been hitherto fully utilised to support existing or emerging business ventures in their countries of origin.

2.5 Research limitations

Data was collected using both qualitative and quantitative research methods in order to map the diasporas' profile and to assess the enabling and disabling factors for conducting business in the country of origin, the sectors for business endeavours and the diasporas' knowledge about existing funding possibilities for businesses in Austria. The research methodology applied sought only to assess the 'demand side' of a pilot programme. Most importantly, given the limited number of responses to the online survey, the results are non-representative of the diasporas in Austria.

Getting access to the sample is a major challenge in studies of small groups. In the case of this study, access was obtained by contacting diaspora organisations as a first entry point to the communities studied. Hence the quality of sampling for the survey very much depended on their outreach channels. Considering though that primary data on this topic is non-existent, snowball and purposive sampling seemed to be the only realistic option in order to get a glimpse of the full spectrum. In order to validate the survey and to show a more complex picture of the realities, focus group and semi-structured face-to-face interviews complemented the survey. Here too, the recruitment of interviewees was undertaken through the project partners. The interviewees were mostly persons from the diasporas with a higher education and who were part of certain networks. As such, the findings may be skewed towards the opportunity entrepreneurs rather than shedding light on the factors that induce someone to become a reaction-driven entrepreneur ('necessity-entrepreneur').¹⁴ Furthermore, extensive desk research was undertaken to better be able to contextualise the research findings whenever secondary data was available.

This study also attempted to collect empirical evidence from existing programmes that support business ideas by diasporas. However, there is a lack of empirical evidence that would allow us to ascertain if diasporas are the real super-entrepreneurs, who can have more of a positive impact in the countries of origin than the native entrepreneurs, as often hailed in literature. Given a lack of available or published evaluations and impact assessments of existing diaspora entrepreneurship programmes, it is difficult to evaluate on a scientific or non-subjective basis if they can be deemed successful. An assessment would need to include factors that go beyond the number of businesses created in countries of origin (e.g. by taking into account the cost-benefit in implementing diaspora entrepreneurship programmes or exogenous factors, i.e. 'what would have been if no such support had been given').

¹⁴ The 'opportunity entrepreneurs' are those who perceive opportunities in the market and who tend to have strong business acumen, whereas the 'necessity entrepreneurs' are those who decide to run a business because the labour market does not offer them other viable options. The former are also usually the people who are inclined to engage in activities that provide marginal revenues, while the latter have a propensity for innovation and the creation of higher value ventures.

3. Mapping the Diaspora Entrepreneurs in Austria

3.1 Methodology

This study took place between March and October 2015. A mixed methods approach was applied, in which following data sources were used:

- ◆ analysis of secondary data from Statistics Austria: information on population and migration data
- ◆ literature review
- ◆ in-depth expert interviews with persons working in Austrian institutions that support enterprises through seed funding or training (n=15): information on the business-enabling framework in Austria for diasporas
- ◆ semi-structured focus group interviews (n=20) with first and second generation diasporas in Austria: information on subjective dimensions for decisions regarding entrepreneurship and ideas on how such a programme could be set up in Austria
- ◆ a non-representative survey based on purposive and snowball sampling with diaspora organisations and associations in Austria (n=102): information about the interest to set up or expand a business in countries of origin within different diaspora communities.

Structural as well as individual factors play a central role in the decision to set up a business in the country of origin. To assess the 'demand side' of such a pilot programme, the target groups were interviewed and/or invited to complete an online survey. Given the lack of literature and secondary data on this topic in Austria, the survey was conducted to gauge the general interest within a specific target group within the diasporas in Austria – those wanting to set up in or expand their business to their countries of origin. While the results of the survey are in no way representative of the diaspora population in Austria, the sample is large enough to give an indication of their interest, sectors of engagement, knowledge about existing funding possibilities for businesses in Austria and socio-economic background.

The focus group interviews presented an opportunity to share business ideas and discuss how a pilot programme could work best. These discussions also helped to provide a complex picture of opportunities and challenges relating to diaspora entrepreneurship, which are reflected in the study.

To assess the structural factors on the 'supply side', meaning the business-enabling and support infrastructure in Austria, key institutional actors were interviewed. This allowed for the identification of opportunities to expand the business support services to those members of the diaspora who want to set up or expand a business in a developing country or emerging market.

3.1.1 Online survey

An online survey was conducted from May through June 2015 in order to identify interested candidates for a funding programme for diaspora entrepreneurs and to get a general overview of the trends and potential of these candidates in Austria. The survey was undertaken online using surveymonkey.

Sampling

The target group was made up of people with a migration background living in Austria who are interested in opening a business or expanding their existing business in a country other than Austria, in particular in a developing country or emerging market. We used a non-probability sampling method, involving purposive and snowball sampling. Therefore, our sample is non-representative for the overall Austrian diaspora population. Different strategies were used in order to contact and invite people with a migration background living in Austria to take part in the survey:

- ◆ The survey was distributed among the African and Kosovar diasporas through three partners: African Global Development Agency, the Economic Initiative for Kosovo (EIKS) and the Association of African Students (VAS). They disseminated the survey using email, facebook, websites and specific radio programmes. Due to these activities, most respondents of the survey were members of the African and Kosovar diasporas.
- ◆ To reach out to additional diaspora groups, additional diaspora organisations were identified through the internet, taking into account: (1) their location in Austria in order to extend the scope of reach throughout Austria and (2) the diaspora communities' country of origin to broaden the geographic scope throughout the world. Since a potential pilot programme would be directed toward developing countries, only those people who represented organisations from the countries listed in the DAC List of ODA Recipients were contacted.¹⁵ Over 90 diaspora organisations were identified and contacted by email requesting them to complete the survey and spread it within their networks. These organisations and individuals are located in Dornbirn, Feldkirch, Graz, Innsbruck, Linz and Vienna. Organisations with a link to the following countries were contacted: Afghanistan, Bhutan, Bosnia and Herzegovina, Cambodia, Cameroon, DR Congo, Egypt, Ethiopia, Ghana, India, Indonesia, Iran, Kenya, Mali, Morocco, Nigeria, the Philippines, Rwanda, Senegal, Somalia, Thailand, Togo, Turkey, Uganda, Vietnam, and Latin America (general). Despite these outreach efforts, only very few members from the Asian diaspora communities responded to the survey, and none with a link to Latin America.
- ◆ The questionnaire was distributed among potential diaspora entrepreneurs during the African Diaspora Youth Forum in Europe 2015, which took place from 9–10 June in Vienna.
- ◆ By spreading the survey to ICMPD's contacts and through snowball sampling, over 200 individuals were contacted who: (a) had shown interest in the pilot programme at earlier ICMPD events and (b) had been identified by the respondents of the survey as persons who may be interested in such a pilot programme.

15 <http://www.oecd.org/dac/stats/documentupload/DAC%20List%20of%20ODA%20Recipients%202014%20final.pdf>.

Analysis

Altogether, data from 102 questionnaires could be considered for analysis as respondents fulfilled the criteria of living in Austria and being interested in setting up or expanding a business in or to a developing country. Of the 102 questionnaires, 83 respondents provided socio-demographic information. The descriptive analysis was performed using SPSS and Excel.

3.1.2 In-depth interviews

Semi-structured interviews

In-depth interviews were conducted with 29 people between June and July 2015 in order to:

1. gain an in-depth understanding about the forces driving entrepreneurship in countries of origin by diasporas in Austria
2. identify strong business cases among the diasporas with a high potential to contribute to the development of the country of origin
3. assess the structural gaps within the business-enabling infrastructure for diasporas in Austria.

The interviews were conducted with interviewees who have an African or Kosovar migration background. An interview guide was developed to lead the focus group interviews. The questions mainly tackled the participants' business ideas, motivation, experiences and needs. Subsequent to the interview, a questionnaire requesting demographic data was handed out to each participant. The same questionnaire was used for the focus groups and individual semi-structured interviews.

Analysis

The interviews with those who have a migration background from Africa were conducted by ICMPD staff and the Association of African Students (VAS) at ICMPD. These interviews were recorded using a voice recorder and transcribed. These interviews were therefore reviewed using a qualitative text analysis method. The participants for the focus group interviews and individual interviews were identified by the project partner VAS and included people with a migration background who are planning to establish a business in Africa.

Altogether, 15 people with a migration background from Africa were interviewed. Of those, 8 were male and 7 female. 5 of the interviewees presented early stage business ideas, while 10 of the interviewees had already undertaken concrete steps towards implementing their business ideas.

Table 1. Sample structure of interviewees with migration background from African countries (N=15)

M/F	Birth Year	Country of Origin	Education	Field of Study
Male	1984	Cameroon	Higher Acad. Degree	Social Sciences/Humanities
Male	1982	Cameroon	Higher Acad. Degree	Natural Sciences
Male	1974	Ethiopia	High School Diploma	
Male	1971	Ghana	First Acad. Degree	Education
Male	k.a.	Guinea Bissau	First Acad. Degree	Business Administration
Female	1985	Côte d'Ivoire	Higher Acad. Degree	Law and Environmental Studies
Male	1984	Nigeria	First Acad. Degree	Computer Science
Female	1990	Austria/Mali	First Acad. Degree	Law, Social Science, Economics
Male	1985	Nigeria	First Acad. Degree	Social Sciences/Humanities
Female	1966	Rwanda/Burundi	Higher Acad. Degree	Law
Female	1981	Nigeria	Certificate Degree	Polymar Technology
Female	1974	Burkina Faso	Higher Acad. Degree	Tourism Management
Female	1977	Nigeria	First Acad. Degree	Public Administration
Male	1984	Mali	Higher Academic Degree	Economics
Female	k.a.	Cameroon	Higher Academic Degree	Sociology and Law

The Economic Initiative for Kosovo (EKICS) conducted the interviews with persons with a Kosovan background independently, though the same questionnaire was used for those interviewed by ICMPD and VAS. However, since these interviews were not recorded using a voice recorder, they could not be taken into account for the qualitative text analysis and therefore only contributed to the identification of strong business ideas.

Table 2. Sample of interviewees with a migration background from Kosovo (N=14)

M/F	Birth Year	Country of Origin	Education Level
Male	1977	Kosovo	First Academic Degree
Male	NIA	Kosovo	Higher Academic Degree
Male	NIA	Kosovo	Higher Academic Degree
Female	1979	Kosovo	Higher Academic Degree
Male	1972	Kosovo	Higher Academic Degree
Male	1985	Kosovo	Higher Academic Degree
Male	1990	Kosovo	First Academic Degree
Male	1965	Kosovo	High School Diploma
Male	1978	Kosovo	Higher Academic Degree
Male	1986	Kosovo	First Academic Degree
Male	1972	Kosovo	Higher Academic Degree
Male	1974	Kosovo	First Academic Degree
Male	1986	Kosovo	Higher Academic Degree
Female	1986	Kosovo	First Academic Degree

For the analysis, interviews with the African diaspora were carried out, transcribed and analysed using the MAXQDA software. A code system was developed to identify a pattern. The codes focused on the interviewees'

motivation and challenges, as well as factors that determine the success or failure of a business and the potential for diaspora entrepreneurship.

Table 3. The codes which proved to be most relevant to analyse the interviews, ranked according to the frequency applied in the interviews

Codes	# Times Used	Description
Network	123	Including: family, friends, business partners, investors, funders, etc.
Challenge	66	All challenges interviewees mentioned
Funds	63	Anything related to funds – how to access funds, lack of resources, etc.
Potential for CoO	47	What potential could the business have for development in their country of origin?
Motivation	47	What motivates diaspora members to set up a business in their country of origin?
Structure in Austria	46	Institutions, infrastructure and access to such, etc.
Entrepreneur	46	Personal background information of entrepreneurs
Entrepreneurs' Needs	44	What do interviewees still need to establish the business?
Social	31	The business has a social aim/impact
Experience	23	Experience in the field, business experience
Enabling Factors	22	A code to indicate if a quote refers clearly to an enabling factor
Education	21	Formal and informal education
Potential for Austria	19	What potential does the business have for Austria?
Knowledge	15	Knowledge about country of origin, technical knowledge
Gender	14	Gender discussions concerning the entrepreneurs and the businesses
Funding Programmes	11	Everything related to funding programmes
Environment	11	The business follows an objective that relates to the environment
Recommendations for a New Funding Line	9	Recommendations for a new funding line
Structural Obstacles	9	Obstacles related to the structure in Austria and also in the countries of origin

3.2 Demographic information on the diasporas of the largest countries of origin in the sample

Migrants from Nigeria, Kosovo, Kenya and Ghana¹⁶ constitute the largest country-of-origin groups who took part in the survey. Compared with the immigrant population resident in Austria as of 1 January 2015, these groups are not from the largest immigrant communities in Austria. At the beginning of 2014, around 20% of the total population in Austria of working age (15–64 years) was born in a country other than Austria (1,142,700 out of the 5,732,284), of which 58% were from third countries (meaning not EU and EEA Member States or Switzerland). In Vienna, 39% of the working-age population was born in a country other than Austria, whereas in Vorarlberg it is 21%, in Salzburg 19% and in Burgenland 11%.¹⁷ Most of the foreigners of working age in

¹⁶ The order of the countries is set according to the number of responses.

¹⁷ 'Migration & Integration', Schwerpunkt: Arbeit & Beruf. Zahlen. Daten. Fakten. 2014/2015, Austrian Integration Fonds (2015).

Austria come from Germany, followed by Turkey, Bosnia-Herzegovina and Serbia.¹⁸ Outside of Europe and Turkey, Afghans (14,000) and Chinese (10,800) form the largest groups. However, when looking at the flow of remittances from Austria, which totalled \$4.9 billion in 2012, the top recipient country was Serbia (with \$1.85 billion), followed by Germany (\$782 million), Czech Republic (\$275 million), Bosnia and Herzegovina (\$218 million), Hungary (\$185 million), Poland (\$171 million), Switzerland (\$117 million) and Nigeria (\$104 million).¹⁹

Persons born in Kosovo constitute 2.05% of the foreign-born population residing in Austria, while persons born in Nigeria represent 0.50% and persons born in Kenya and Ghana represent 0.07% and 0.15% respectively (Table 4). The age distribution reflects the migration history of these groups in Austria. Among the Kosovars, more than two-thirds are up to 44 years of age, but there is also a considerable number of people in the age bracket of 45–59, which can be explained by the fact that Kosovars were also included as part of the 'guest-worker' recruitment from former Yugoslavia in the 1960s and 1970s. Some 80% of the migrants from Nigeria, but only some 64% of the migrants from Ghana, are 44 years or younger. Migrants from Kenya form the youngest group, with some 82% at or below the age of 44.

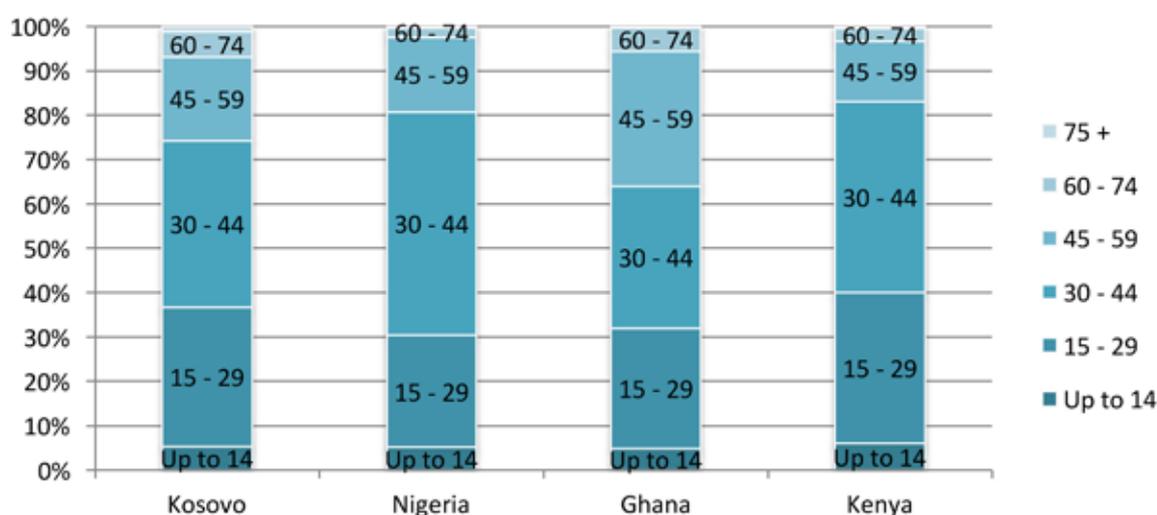


Figure 1. Age distribution of Kosovar, Nigerian, Ghanaian, and Kenyan migrant population in Austria

Source: Statistics Austria, Statcube, own calculations

The gender balance is heavily skewed towards men among the Kosovar, Nigerian and Ghanaian migrants, and towards women among the migrants from Kenya.

18 Ibid, p.13, Statistics from 1 January 2014. The largest group of foreign nationals in Austria are from Germany (165,000 persons), followed by Turkey (115,000 persons), Serbia (112,000 persons), Bosnia and Herzegovina (91,000 persons), Croatia (62,000 persons) and Romania (60,000 persons).

19 <http://www.pewsocialtrends.org/2014/02/20/remittance-map/> (accessed on 2 May 2015). 'Remittances' are funds or other assets sent by diasporas to their 'home' countries, either themselves or in the form of compensation for border, short-term and seasonal employees (World Bank, 2013). Total remittances received by a country, as reported by the World Bank, include remittances sent via formal channels, such as banks and other businesses that transfer money.

Table 4: Persons in Austria born in Kosovo, Nigeria, Kenya and Ghana by gender and age, 1 January 2015

Age		Kosovo	Nigeria	Kenya	Ghana
Up to 14	male	819	186	21	55
	female	792	197	42	54
15–29	male	4.970	1.242	105	322
	female	4.605	641	255	273
30–44	male	6.274	2.350	125	365
	female	5.137	1.402	328	341
45–59	male	3.384	983	53	439
	female	2.371	275	91	233
60–74	male	975	114	13	88
	female	765	49	18	27
75 +	male	155	11	3	6
	female	185	6	1	1
Total	male	16.577	4.886	320	1.275
	female	13.855	2.570	735	929
	total	30.432	7.456	1.055	2.204
% born abroad	male	2,32	0,68	0,04	0,18
	female	1,80	0,33	0,10	0,12
	total	2,05	0,50	0,07	0,15

Source: Statistics Austria, Statcube, own calculations

3.3 Results from the online survey

The online survey and hard copies of the questionnaire were distributed in English and German. 102 data sets, out of which 32 questionnaires were answered in English and 70 in German, could be considered for analysis (when respondents live in Austria and showed at least some interest in setting up or expanding a business in or to a developing country).

The final online sample consisted of 92 online questionnaires and 10 paper questionnaires. Since not all respondents answered all questions, the number of responses per question did not always match the total number of the sample (N). The survey is based on a non-probability sample that is described in detail in the methodology section above. Results of this study are therefore not representative for the Austrian diaspora population.

3.3.1 The respondents' socio-demographic background

Gender and age

Respondents were asked to provide socio-demographic information at the end of the questionnaire. **31.3% of the respondents indicated that they are female and 68.7% male (N=83)**. The respondents' age ranged from 21 to 67 years; **most respondents were between 31 and 40 years old (30.5%)**, followed by respondents who were 41 to 50 years old (28%), 21 to 30 years old (24.4%), 51 to 60 years old (12.2%) and over 61 years old (4.9%) (see Figure 2).

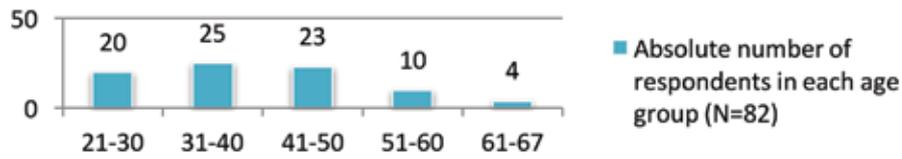


Figure 2. Age distribution of respondents in absolute numbers (N=82)

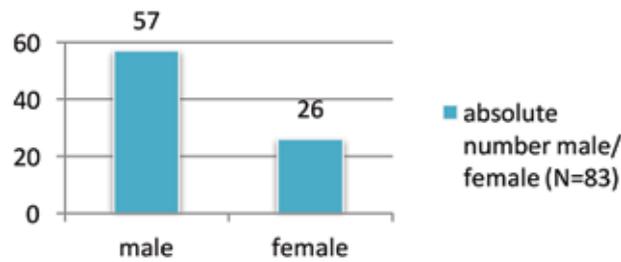


Figure 3. Gender distribution of respondents in absolute numbers (N=83)

On average, the female respondents were younger than the male respondents: 35 versus 41 years old. Most female respondents were in the group 31–40 years old (14 out of 26). Most male respondents were in the group 41–50 years old (21 out of 57 male respondents).

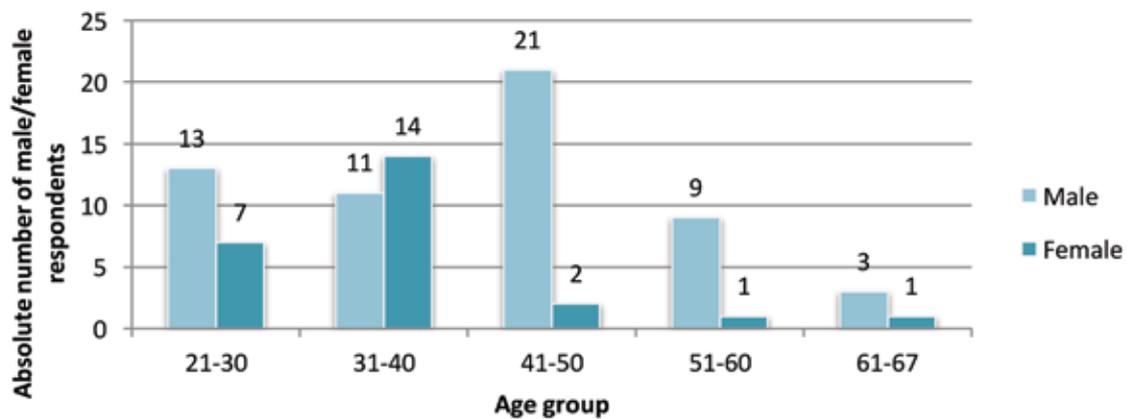


Figure 4. Gender distribution of respondents per age group in absolute numbers (N=82)

Respondents' origins

The respondents were from 20 different countries (see Figure 5), with the greatest group of respondents born in Nigeria (16), followed by Kosovo (15), Austria and Kenya (8 each) and Ghana (7). Côte d'Ivoire, DR Congo and Rwanda each had 3 respondents, while Cameroon, The Gambia, Sierra Leone, Angola, Germany, Croatia, the Philippines, Senegal, Sudan, the Czech Republic, Uganda and Vietnam each had 2 or fewer.

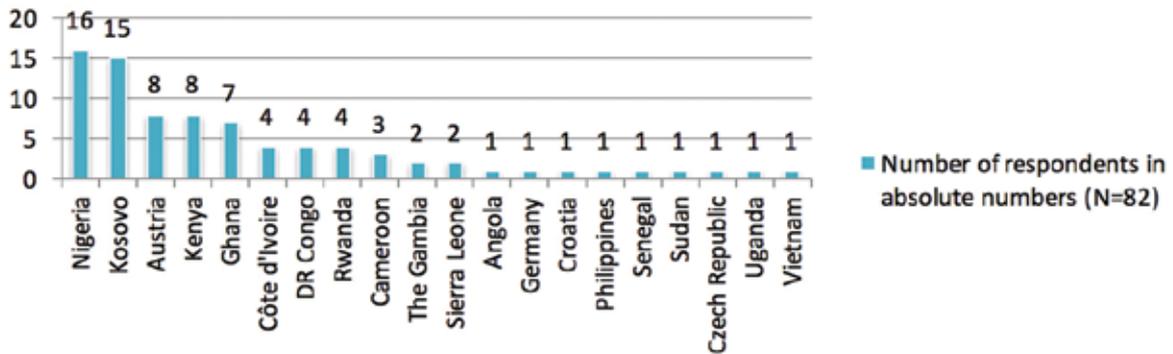


Figure 5: Country of birth of respondents in absolute numbers (N=82)

Due to the choice of the partner organisations, the study focused on African and Kosovar diasporas. Even though the survey was sent to Asian and Latin American diaspora organisations, very few data sets could be considered for analysis. Only one respondent from Vietnam and one from the Philippines could be considered in the analysis. There were no responses from persons linked to a Latin American country. The lack of representation of this group cannot be interpreted as a lack of interest but inherent to the study design and sampling method.²⁰

The gender distribution of respondents from Kenya is exceptional in this sample since, contrary to the gender distribution of respondents of other countries, the share of women is higher than the share of men (6 women, 2 men from Kenya). This could reflect the overall gender distribution of Kenyan people in Austria (Figure 6). Very few women from Kosovo participated in the survey considering the total number of respondents from Kosovo.

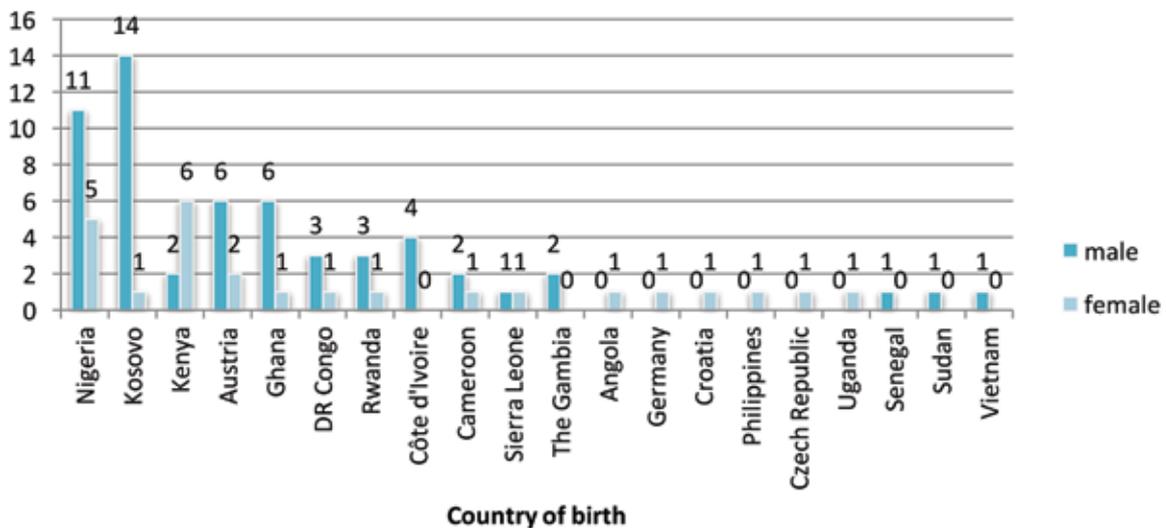


Figure 6: Gender distribution according to the country of birth of respondents in absolute numbers (N=82), ordered according to the total number of respondents per country of origin.

²⁰ It should be noted that the partner organisations for conducting the survey were from Kosovo and Africa; therefore, a higher number of responses are from these regions. Diaspora networks and contacts play a determinant role for outreach.

Respondents' education

Most of the respondents had higher education. Only 3 respondents indicated that they left school at the age of 14 or even earlier. 21 respondents held a high school diploma as their highest degree, and 9 respondents held a certificate degree from a technical-vocational training programme. More than half of the respondents held a university degree, either a first academic degree equivalent to a BA or BSc (21), a higher academic degree such as a MA or MSc (18), or a PhD (7).

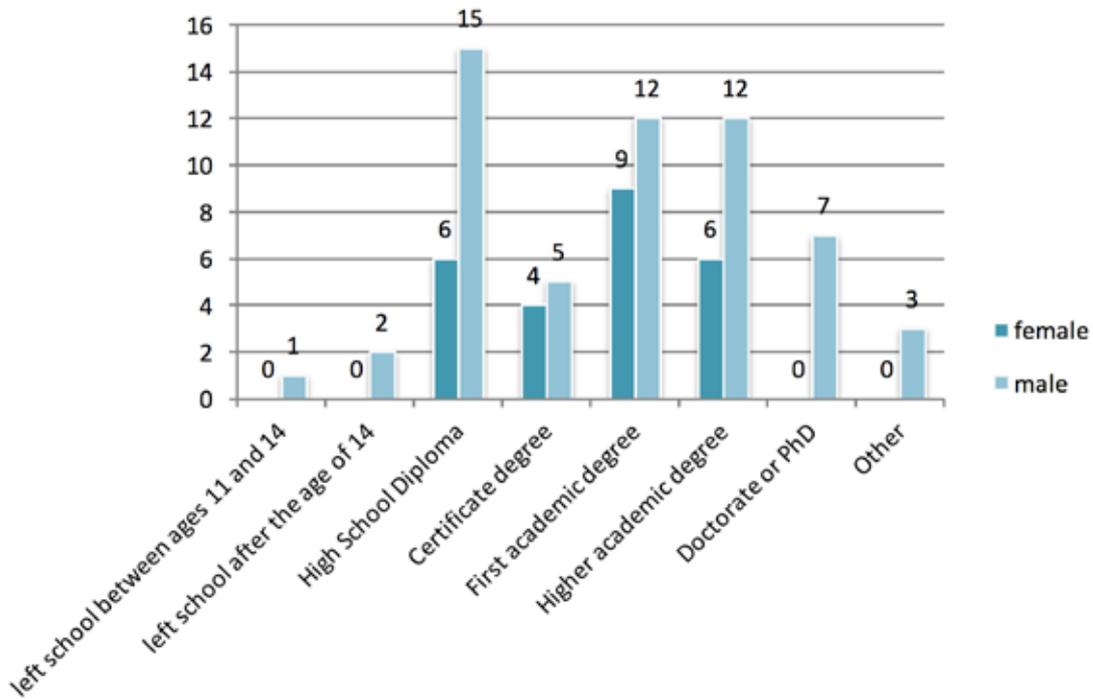


Figure 7: Education by gender of respondents in absolute numbers.

Most respondents were educated in the fields of economics (12 respondents), engineering (12 respondents), and social sciences/humanities (11 respondents), followed by education, natural sciences, medicine, law, environmental studies, and fine and applied arts (less than 3 each) (Figure 8).

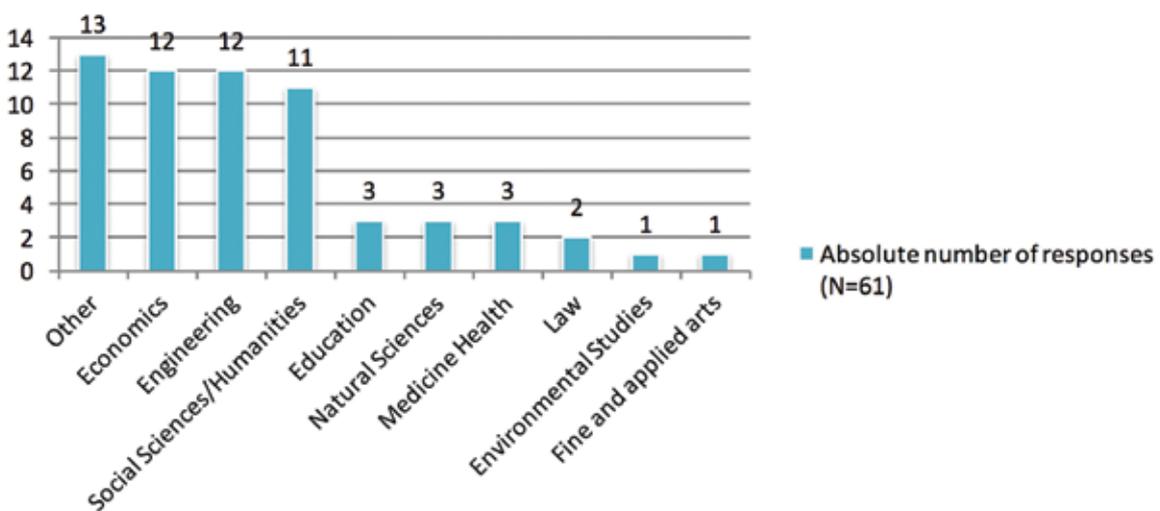


Figure 8: Respondents' educational background: The chart shows the absolute number of responses concerning the respondents' areas of education (N=61).

3.3.2 Respondents' business ideas

In the survey, 79 respondents indicated that they were very interested in establishing a business in a country other than Austria, and 19 respondents were at least 'somewhat interested'. **Thus, the vast majority (96%) of respondents were very or somewhat interested, and most of them already had a very concrete business idea.**

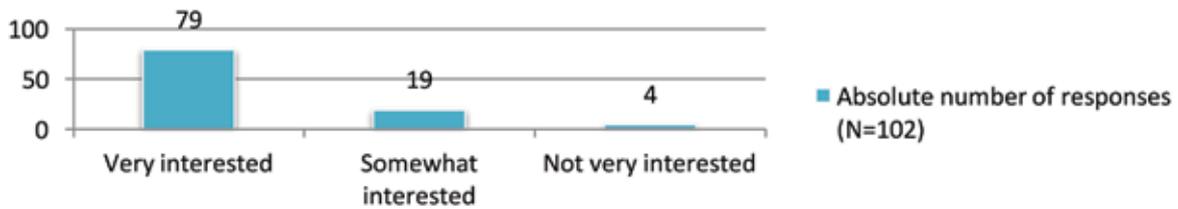


Figure 9: Respondents interest in establishing or expanding a business in/to a country other than Austria in absolute numbers (N=102).

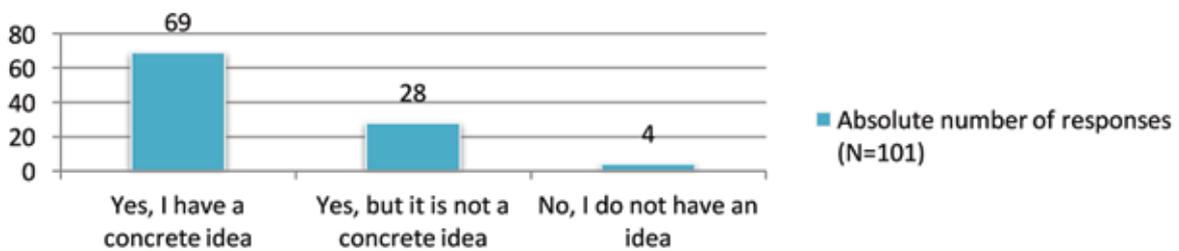


Figure 10: Respondents' answers if they already had a concrete business idea in absolute numbers (N= 101)

87 respondents indicated in which countries they would like to invest: The biggest group of respondents mentioned **Nigeria, where 16 respondents would like to set up or expand a business, followed by Kosovo (15), Kenya (13), Ghana (6), Cameroon and Côte d'Ivoire (5 each), Egypt, Rwanda and Vietnam (3 each), and 13 other countries/country groups which were mentioned by only one person.**

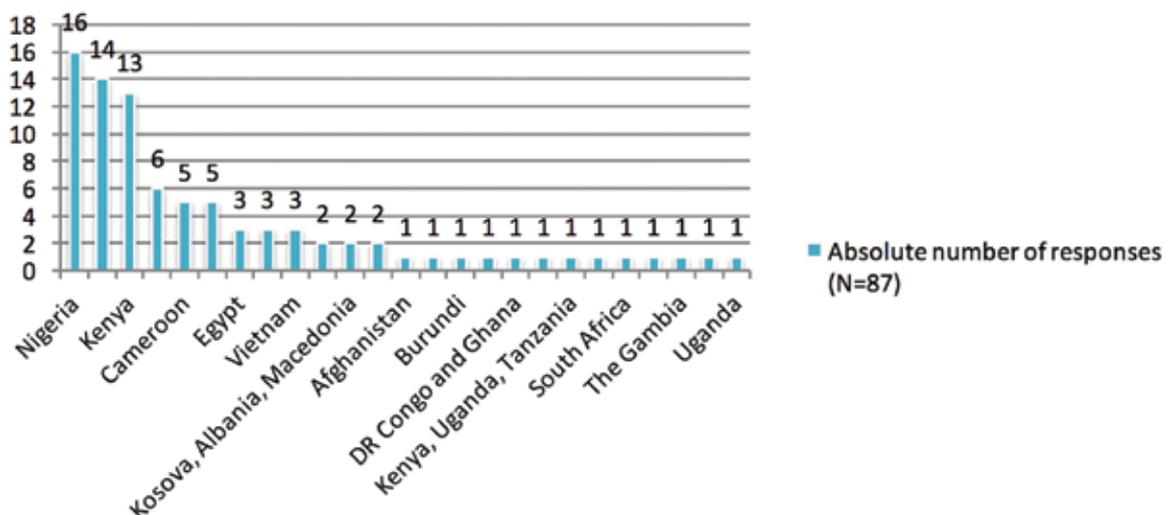


Figure 11: The chart shows in which countries respondents aim to establish their business (N=87).

Most respondents in our sample indicated that they would invest in their country of origin. Some respondents mentioned that they would invest in several countries such as Kosovo, Albania and Macedonia, or in Kenya and Uganda. A few respondents indicated that they would invest in a country other than their country of origin, such as a person born in Nigeria who would like to set up a business in Cameroon. Looking at those who would like to invest in Nigeria, Kosovo, Kenya and Ghana and who also indicated their country of birth (N=40), we found that 86% of the respondents who would like to start their business in Nigeria were born in Nigeria, while 14% were born in Ghana. Of the respondents who would like to start their business in Kosovo, 90% were born in Kosovo and 10% were born in Croatia. Of those who would like to start up their business in Kenya, 80% were born in Kenya and 20% were born in Austria. All respondents who indicated that they would invest in Ghana were born in Ghana. Transnational orientations of potential diaspora entrepreneurs obviously are largely limited to the country of origin or a country in close proximity.

The most popular business sectors were wholesale and trade, which applied to 21 businesses, followed by education (19), agriculture (18), art, design and media (16), social services (16), real estate (15), manufacturing (15) and retail (13). Sectors which applied to less than 10 businesses were: energy, IT services, tourism, transport, consulting or law, healthcare, research and telecommunication. 14 responded with 'other', 2 of which were in the sector architecture and planning, and 2 in recycling and water management.

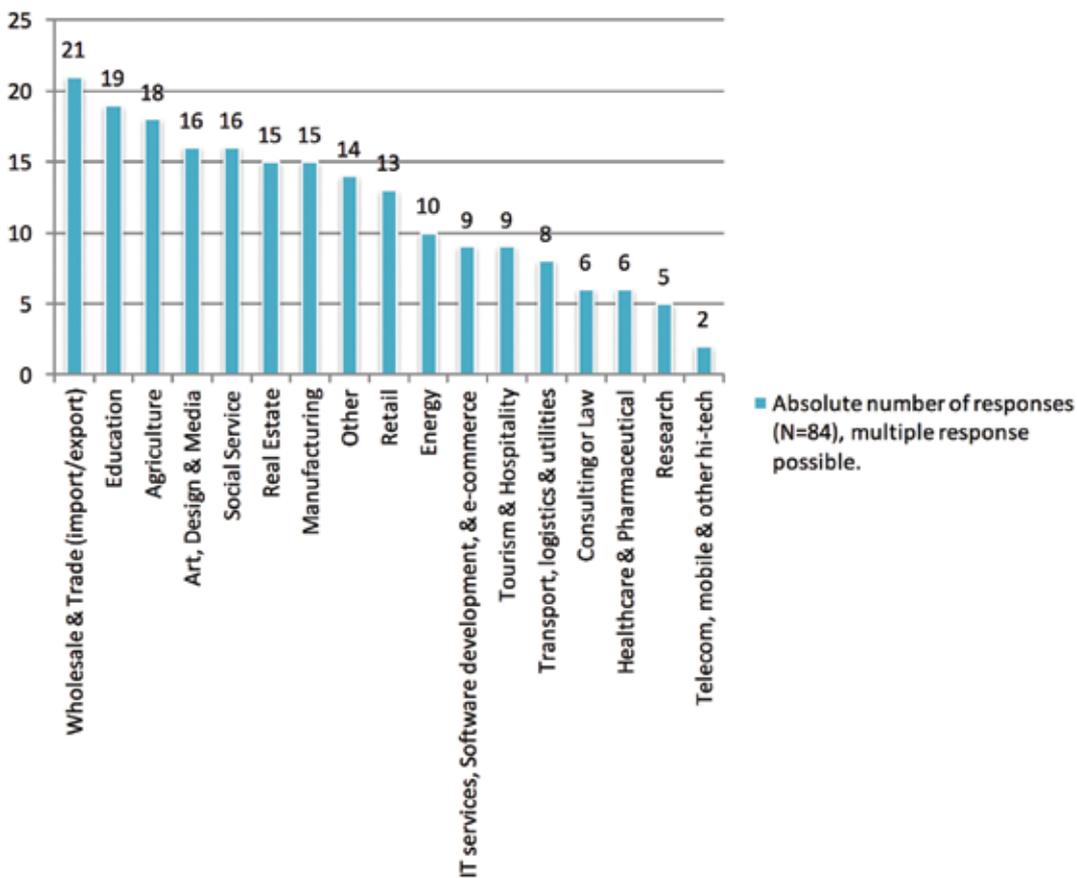


Figure 12: Business sectors which apply to respondents' business ideas in absolute number of responses (N=84) where multiple responses were possible. The total number of responses is 188.

In looking at the sectors which applied to the respondents' business ideas, it was clear that the **women and men had different interests.** While the women's business interests were mostly in the sectors art, design and media, social services, and retail, men's business interests were mostly focused on the sectors wholesale and trade, manufacturing and real estate, with education and agriculture as sectors of common interest.

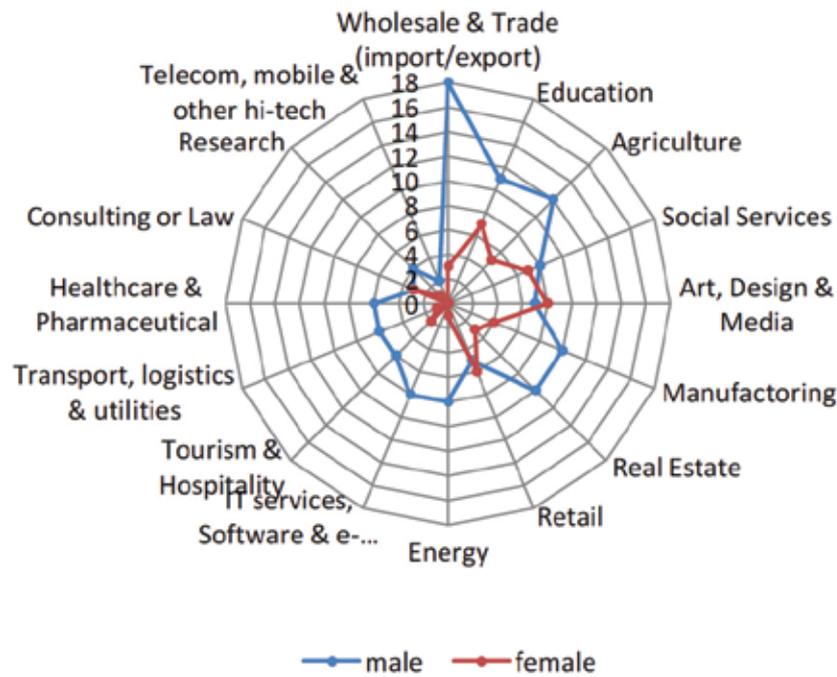


Figure 13: Business sectors which applied to the respondents’ business ideas by gender in absolute number of responses (N=84) where multiple responses were possible.

3.3.3 Respondents’ needs to set up or expand a business

The capital needed to realise the business idea ranged from less than €10,000 to more than €200,000. **Approximately one-third indicated that they required between €10,000 and €39,999 and another third would require between €40,000 and €119,999 in capital.**

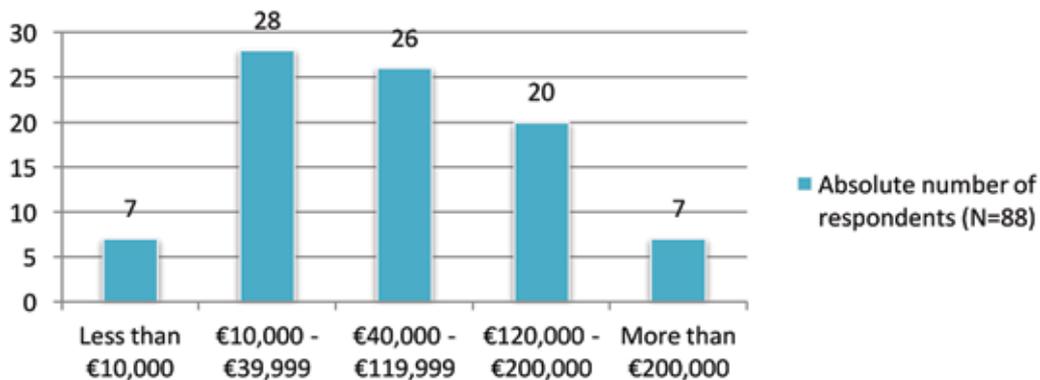


Figure 14: Respondents were asked to indicate how much capital they would need to realize their business idea. The chart shows their responses in absolute numbers (N=88).

Most respondents stated that they would like to improve their skills and knowledge in order to be able to start or expand their business. Many of the 84 respondents who provided information to this question indicated more than one area in which they would require additional training. **On average, respondents reported either 3 or 4 areas in which they would need to improve their skills. Enhancing marketing skills was most often mentioned, followed by skills in business plan development and financial planning.** Five marked ‘other areas’ that relate to very specific technical skills (e.g. for agriculture).

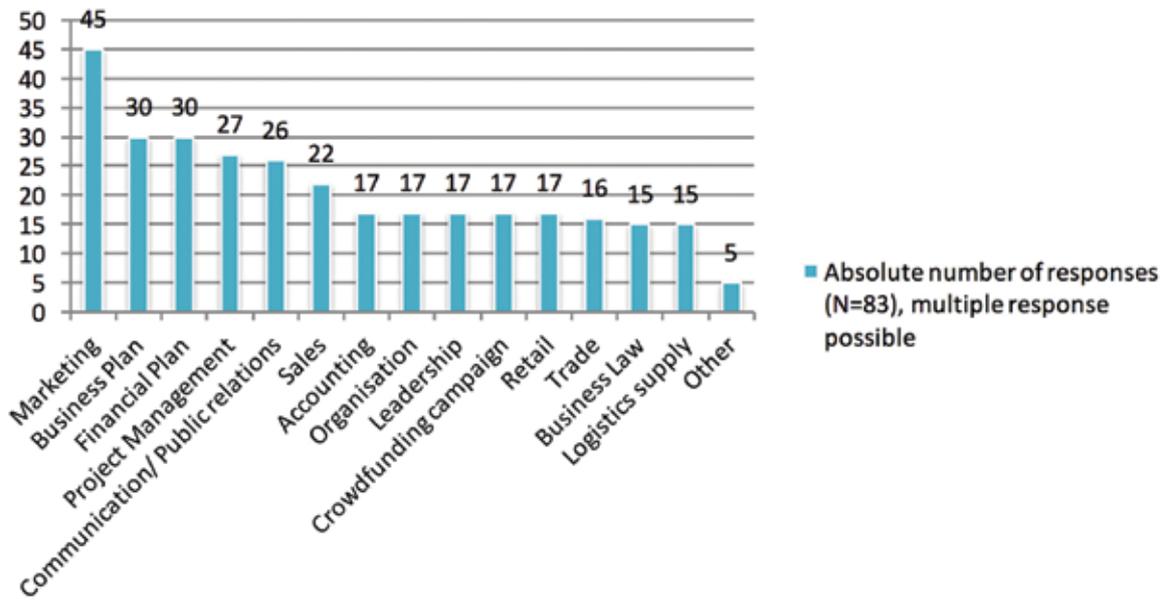


Figure 15: Respondents indicated in which areas they would like to enhance their skills in order to be able to realise their business idea (N=83). Multiple responses were possible.

3.3.4 Respondents’ knowledge about existing funding possibilities

There was a lack of knowledge about existing funding possibilities among the respondents. Out of 86, only 13 indicated that they knew about grant programmes in Austria to start up or expand a business, and only 4 had made use of such programmes so far. 9 respondents indicated that they knew about business mentoring programmes, and 5 had made use of such programmes. 7 people indicated that they knew how to seek venture capital, while 4 had received venture capital so far. 6 respondents knew about business angel networks, and 2 had made use of such networks.

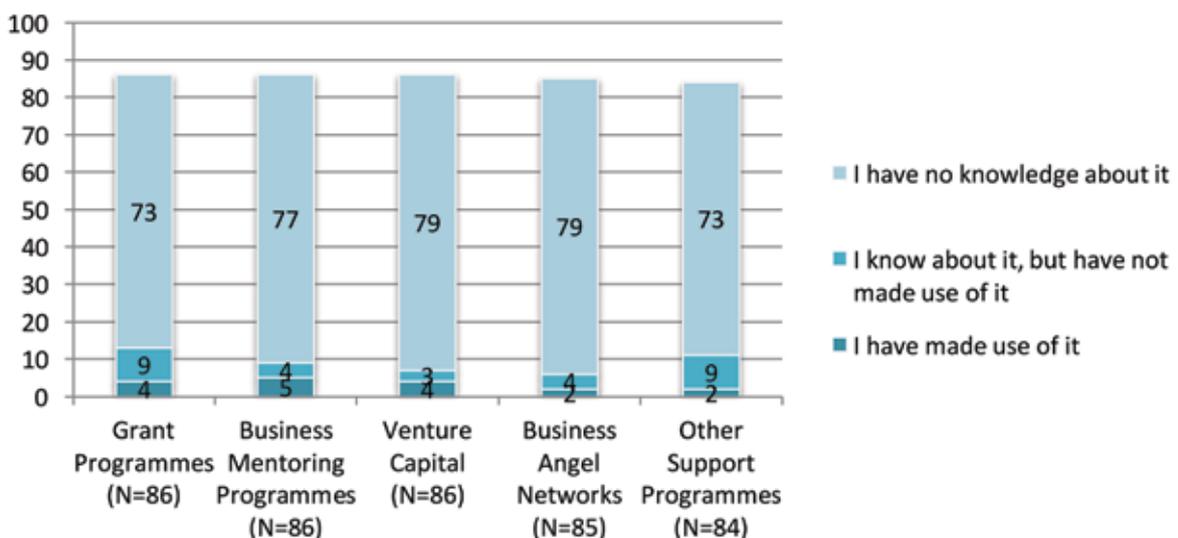


Figure 16: Respondents’ knowledge and actual use of funding possibilities in Austria. For each programme, two questions were asked concerning their knowledge about funding possibilities, and the actual use of it. The chart shows the respondents’ answers in absolute numbers. The number of respondents differs according to the respective question (N=84 to N=86).

11 respondents indicated to have knowledge of other support programmes. The following support programmes and mechanisms were mentioned: crowdfunding, *Radio Afrika* TV, IOA GMBH & CO. KG, ÖAD, *Diakonie Flüchtlingsdienst*, private initiatives, 'fair styria', *Wirtschaftskammer*, ADA and the International Organization for Migration.

3.3.5 How to support diaspora entrepreneurs

The respondents were also asked to indicate their likeliness to make use of different kinds of financial support to set up a business. 67% of the respondents stated they would 'very likely' or 'somewhat likely' use their own savings to set up their business. Apart from this, **grants seemed to be the most popular form of financial support for the respondents:** Nearly half (44%) of the respondents would be very likely and 20% somewhat likely to make use of grants. Approximately the same percentage (62%) of the respondents would very likely or somewhat likely make use of loans. 55% of the respondents would consider making use of shareholders' equity, 48% would make use of financial support from family and friends, and only 46% would evoke the possibility to go through crowdfunding. 20% of the respondents indicated that they 'do not know' if they would use crowdfunding, showing that such a form of financing was not well known among them.

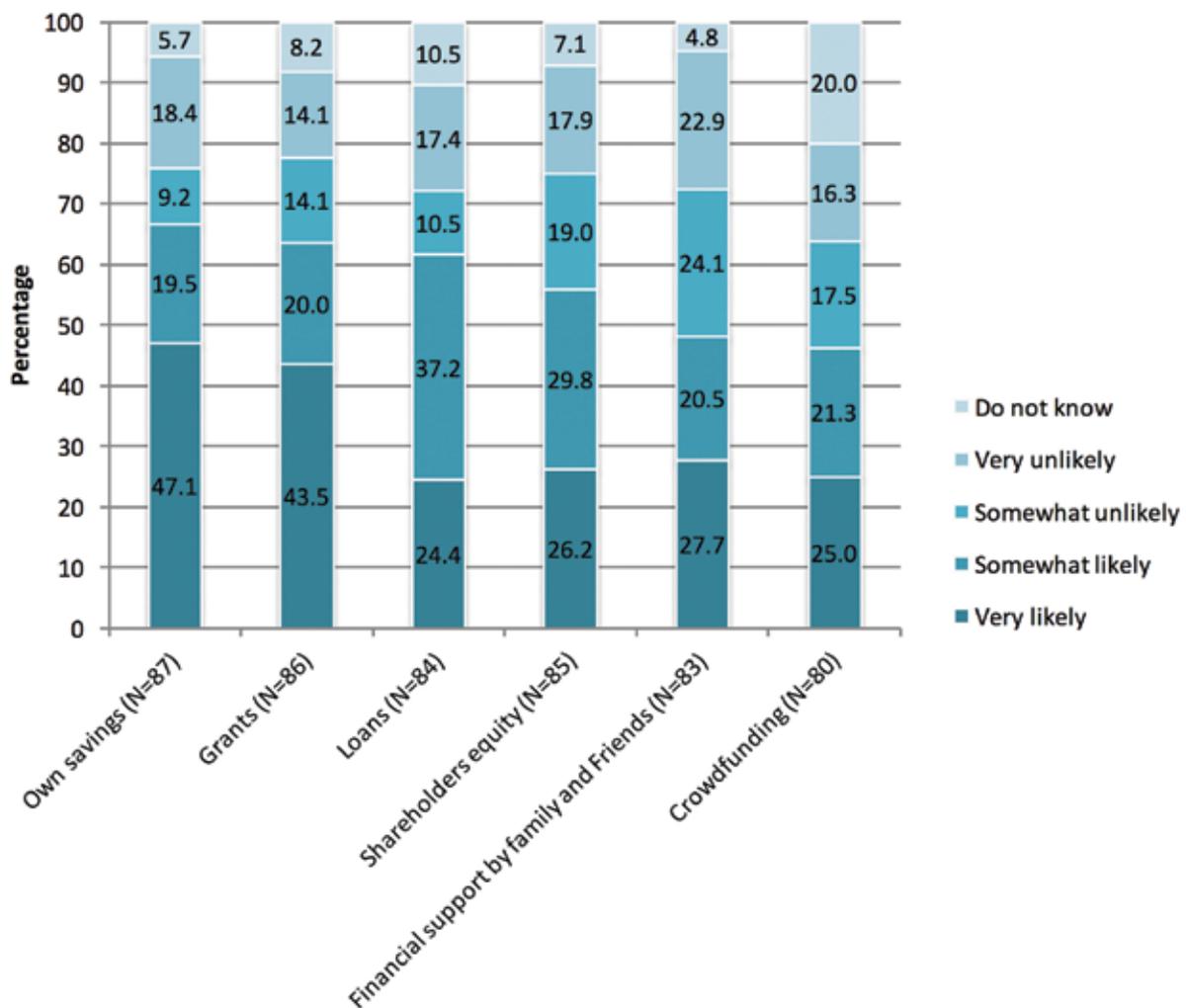


Figure 17: Respondents' assumptions concerning which financial support they would make use of to set up or expand their business in per cent. A rating scale was used to assess each one of the categories. The number of responses for each question differs (N=80 to N=87).

3.4 Results from the qualitative analysis

3.4.1 Motivation for entrepreneurship

All of the persons interviewed, with the exception of one person, mentioned entrepreneurship as an opportunity rather than a result of being structurally forced to become self-employed.

Non-opportunity driven entrepreneurship

Only one of the interviewees with a migration background from Africa indicated that he became an entrepreneur out of necessity: *'When I finished my school just... there were some problems to get a job. Then I decided to be self-employed. And 15 years long I had my own business'*.²¹

Opportunity-driven entrepreneurship

Almost all of the focus group interviewees had a resources-oriented approach, feeling pulled rather than pushed into entrepreneurship.²² A majority of those interviewed did not express that societal or family pressure is the reason for wanting to engage in business in their countries of origin. Various reasons were mentioned that relate to the identification of opportunities stemming from their experiences in their country of origin or abroad, encounters with role models and mentors, personal traits, influences from their upbringing, ideology, or a strategy to move back some day and be able to make a living.

Supporting the family/ community

In many cases, the respondents mentioned that they are expected to support their family, and sometimes even their friends or the whole village back home. For that reason, they send remittances on a regular basis. The societal pressure to send remittances can be very high. Without sending remittances or supporting the family in some way, diasporas may run the risk of losing prestige and status with their family back home:

'The Malian example is something special. We don't have that many resources; therefore we developed migration. And more people send money back. This is how it has developed. When you don't send money, then you're a nobody'.²³

Some interviewees raised their concerns that the strategy of sending remittances is not sustainable. One interviewee mentioned that she always struggled to send money to her mother, and often it was not enough:

'I realised that sending money was good. But the thing is, I wanted to help her to have a proper business. So when I am not here she can go further'.

²¹ As mentioned in the methodology section, this study is not representative of the African diaspora in Vienna. The share of people establishing businesses out of necessity might be much higher.

²² Only one person mentioned that he did not have any other option other than being self-employed.

²³ Translated from the original: *„Der Mali Fall ist was besonderes. Wir haben nicht so viel Ressourcen, deswegen haben wir die Migration entwickelt. Und mehr Leute schicken Geld zurück. Es ist so geworden. Wenn du nicht das Geld schickst, du bist niemand“.*

Support for creating a business within their family in the country of origin is seen as a way to meet their families' expectations and to minimise their dependence on remittances in the long term. One of the simplest ways to support the family, as mentioned by an interviewee, is to buy a car so that the family can operate a taxi business: *'Like they say: Better teach a man how to fish than to give him fish all the time.'*

Aside from exogenous pressure, the diaspora member may also feel a sense of responsibility to carry the lion's share in order to sustain the family. One of the interviewees mentioned that as the first born child in his family, he is expected to be the 'bread winner'. Although with his education and expertise it would be expected that he could get a steady job and be able to send remittances, he feels responsible for his family and is driven by the opportunity to expand the family business and make it more profitable. He intends to establish a new business infrastructure in order to be able to properly process cashew nuts in the community and thus enhance the value of the product.

Key experiences in the country of origin

One respondent mentioned a key experience during childhood: the artist was supported by an art foundation throughout his childhood and now he wants to give back by supporting deprived children, as he was. Another interviewee who lost her family during the genocide in Rwanda is setting up businesses to support (mainly) widows who have to sustain their families but have little means:

'I am in contact with farmers from Rwanda where we have the best coffee in quality. I search for a market in Europe, so that they can get a little bit more. Most of them are widows of the genocide who found themselves playing the role of chief of the family but not having a lot of means. What I do is: I connect them with markets in Europe, also here in Austria.'

A teacher from Cameroon experienced the lack of professional care for mentally challenged children, and thus wants to improve the healthcare system. He was able to pursue a PhD in psychotherapy in Austria and is working on several projects in Austria to learn how and be in a better position later to set up mental clinics in Cameroon, and in the long term, throughout Africa. His aim is to improve the healthcare for these children.

Key experiences in Austria

Many of the interviewees were inspired by the experiences they had in Austria, and also other European countries they had visited. The Austrian infrastructure and technologies often serve as examples that motivate people to transfer technology and set up a business in their countries of origin: *'If you are in a country, you have to open your eyes and look what is really working there. Then you take it and implement it in another region or country.'* Interviewees also stated that they only became aware of new business opportunities in their countries of origin once they were in Austria.

Examples from Austria that had influenced the interviewee's decision to establish a business in their country of origin are mentioned below:

- ◆ The well-functioning waste management in Austria, which includes waste collection, waste separation and waste recycling, by turning it into energy, or re-using it in other ways, impressed several interviewees. One interviewee aims to open a recycling company in Cameroon and to continuously expand to other African countries. Another interviewee would like to organise waste collection and recycling in Burkina Faso, supporting specifically youth and women empowerment.

- ◆ Experiencing the energy infrastructure and the role of renewable energy in Austria also seemed to play a role for some interviewees in wanting to open a business:

'Yes, renewable energy, I was influenced in Austria. When I went through the streets there are these cases where you see solar panels. And each time I said: Austria is one of the coldest cities in the world. So, if it is working here, why won't it work in Africa?'

Due to the lack of energy in Nigeria, she came up with the idea of promoting solar energy in Nigeria. 'Energy is something which is very necessary to fight against poverty'. Another interviewee aims to set up a renewable energy business focusing mainly on solar and wind energy.

- ◆ The experience of working in a mental health clinic in Austria influenced a person to set up a similar structure in his country of origin. Another interviewee visited a business incubator in Spain, which influenced his decision to establish such an incubator in his country of origin.

Experiences in the Austrian market are mentioned below:

- ◆ Several interviewees want to get engaged in organic or fair trade markets since they see that it is a growing industry in Austria. These businesses mainly aim to find a market for products produced in the interviewees' countries of origin.
- ◆ One interviewee developed his idea to process cashew nuts in his country of origin only after having observed the Austrian cashew market:

'When I came to Austria I saw that people are buying it – that it is a product you can sell well in Europe. But, you know, in Africa we just collect and sell the nut like that to people. But I saw the final product. I know the value now. Why should I not to do it myself, get this value, make it more profitable, and have my own company?'

Personal background (including cultural/societal aspects)

Where and under what conditions a person grew up has a big influence on the decision to become an entrepreneur or not. The family and cultural background can influence such decisions. One interviewee stated:

'I grew up in a family that has an entrepreneurial foundation: My mum was working and doing business at the same time, my dad is a typical person growing in this kind of environment, you find out that you feel caged when you cannot help people and do one or two things and all that.'

The dominant culture of entrepreneurship in a country can influence people's decisions on becoming an entrepreneur or not. For example, one interviewee from Mali stated that Malians have a strong culture of becoming entrepreneurs.

'Where ever we are going we are trying to work for ourselves. We don't have the culture to work a long time for somebody. This is something very specific in Mali. For example, even now, three of the biggest diaspora entrepreneurs in Paris are originally from Mali.'

The wish to contribute to the development of the country of origin

Several interviewees stated that by setting up their business they aim to contribute to the development of their country of origin. Most interviewees have a vision to develop their countries and would like to bring about positive changes. Interviewees presented solutions to the country's problems, amongst others, in terms of the environment.

'My motivation is not seeking profit for myself. I could look into being employed instead of being an entrepreneur. I can easily find a job in my field of study, which can be a profit seeking business for me. The point is to support my family and then to try to make the business easy for the people living in my country for them to also benefit from the transformation of the product. It's going to have an impact. Not only on my father, but on everybody that is doing this business in my country.'

Some interviewees stated that the social aspect was more important than the financial aspect, and this is reflected by the fact that some had already established an NGO. But their aim is to become more independent from donors by setting up a social business. The social and developmental aspect of the business seems to play a role in many cases.

'This was the project. It was more social. The aim was social, cultural, and developmental. I studied sustainable development, so I was trying to figure out how we can have the social aspect on the project and not only the financial.'

The wish to have an impact on society seems to go beyond the family networks and communities for some of the interviewees. One interviewee stated that his dream is to 'help people' that they 'do not have to go through the same as me'. One interviewee stated her 'wish is to get some investment for them [the women targeted] so that they can get better'. One interviewee aims to support youth who 'want to make a positive development to the country'. Some businesses focus on working with women since they are convinced that, through women, they are better able to support the development of the whole community in a sustainable manner.

At the national level, by setting up an energy infrastructure, one interviewee aims to 'fight against poverty', another one wants to set up clinics 'to do something for mentally challenged children'. Waste management and recycling businesses pursue the wider aim of developing the country's infrastructure, improving people's living conditions through a clean environment and creating jobs.

Return migration

While most interviewees aim to run/support the business from Austria, one interviewee stated that he aims to establish something in his country of origin in order to move back permanently and be able to live from its earnings.

'I am thinking of going back, and if I go back, of course if I have the chance to implement this business it's maybe a good reason for me to... to be stable and... to run the business'

3.4.2 Enabling factors

Personality traits

Personality strongly influences the decision to become an entrepreneur or not. Some people want to use the opportunities they have in Austria in order to have a positive impact in their country of origin. Still, the decision to become an entrepreneur is difficult. While some interviewees would not want to give up their employment in order to implement their business idea, others fully dedicate their lives to the business.

'You have to really decide if you want to become an entrepreneur or not. Because it is not a 60 hours work week, it's a 70 hours work week, if you really want to establish something. Practice shows that there is no other way.'

Especially at the beginning, an entrepreneur faces a lot of challenges, such as a lack of funds and a high workload. An entrepreneur must have the will and endurance to face these difficulties in order to set up the business.

A person who is able to decide and to focus on one idea has better chances of pulling through with the business: *'I meet a lot of young people and the problem is that you want to do everything and in the end, you do nothing. It is really important, that the focus is put on one thing'*.²⁴ Some interviewees showed that they were focusing all their activities towards reaching the goal of establishing a business, such as enrolling in specific university courses, engaging actively in networking activities, or working on projects and businesses in the area of interest, all of which would help them be able to start up their business.

Interviewees who found themselves at a later stage of business development proved to be active learners by participating in various types of training (e.g. project management, conflict management, technical training) and by learning many skills on their own, e.g. by using online sources, talking to people, or gaining directly relevant experience in that field.

'I am like an online freak. Do you know I had to learn how to sew? I learned online how to sew! [...] The first thing is, as an entrepreneur, if you want to start, you need to have more skills, because you will end up doing most of your stuff yourself at the beginning. Like... I had to learn how to program a website! I had to learn so much stuff! (...) I never knew what was cash flow or financial planning (...). Then you have all these questions, and then you start, you have to learn them. I think this is so important.'

Discussions during the focus group interviews showed that some of the traits needed to be a successful diaspora entrepreneur is to be highly motivated, have a strong personality, be very engaged and enduring, have good networking skills, be proactive, be creative and be able to meet the many challenges entrepreneurs face. *'We have a lot of challenges, but every challenge gives us an opportunity to be creative'*, as one interviewee said.

Experience

The interviewees found themselves at various business development stages. Their experience also differed and included those who had already set up a successful business to those who had absolutely no entrepreneurial experience, including in conceptualising their business idea. Interviewees with no or little business experience

²⁴ Translated from the original: *'Ich treffe sehr viele junge Menschen und das Problem ist man will alles machen und zum Schluss nichts. Es ist ganz wichtig, dass man auf eines einfach einen Fokus legt'*.

expressed that teaming up with more experienced entrepreneurs might be especially valuable for them.

Experience in the area of interest

Most interviewees' ideas were somehow connected to their background. Some interviewees had made a long journey in order to become successful entrepreneurs: taking courses and working in the area to become well prepared for their own business. Long-term experience in the field can convince donors to support them in creating their business. One interviewee stated that she was able to get funds for a feasibility study because she had been working in the field for a long time. Further, it seems to be useful to be proactive since it does not only provide the entrepreneur with the needed expertise but also with the relevant network to support the business. Any previous contact in a similar field might become a relevant business contact. One interviewee with experience in cashew nut production mentioned that even though he had been working in that specific area for a long time, expanding the business requires learning many new things concerning the transformation of cashew nuts before he would be able to expand the business.

Business experience

Many interviewees stated that they already had some experience running their own businesses. One interviewee was self-employed for 15 years:

'I decided to be self-employed. And for 15 years I had my own business. After that I took another way. Now, at this moment, I am just trying to organize myself in business. To work between Africa and Europe.'

Another interviewee is currently running an African shop:

'We are trying to develop African material, and a beauty shop. And I am trying to import products from Africa, and export to back home.'

The same interviewee had already successfully supported his brother in his country of origin in setting up a business. Two entrepreneurs mentioned that they had failed with their businesses and that they had lost investments since the business did not work out the way they expected. They are well aware of the risks of doing business.

'The experience was sweet and bitter, because we had to invest everything we have into it, and at the end of the day we didn't make anything out of it, but still we said we will not give up, we will keep looking forward on how to overcome our down period to see how it may be able to work out again.'

Other interviewees mentioned that they are continuously working with private companies but did not reveal in which area they are active. One interviewee mentioned that he was involved in his family business in his country of origin, but not actively for the moment since he is in Austria.

Those interviewees who had no experience in setting up and running a business see the biggest challenges in business planning and finding relevant support information. They stated that it would be very helpful for them to be able to draw from the experiences of other already more experienced entrepreneurs.

Access to supporting institutions

Some institutions run programmes that support start-ups and established businesses financially and through training. A handful of interviewees were in contact with different institutions that can provide financial and technical support, such as the Austrian Development Agency (ADA), the Austrian Chamber of Commerce (WKO) or NGOs like VIDC or Ashoka. Several interviewees stated that they had already come into contact with these organisations or had attended trainings. Few mentioned anything about access to funding through such institutions. One interviewee managed to get a feasibility study funded by ADA. The interviewee called the funding of her study an 'exception'. She mentioned that *'there were a lot of factors that worked for us, including long-term experience on anti-trafficking, the support from some really good, renowned investors that want to do something'*. Even though the region is not one of ADA's focus countries, the interviewee was able to convince ADA that there is a lot to be done.

Sometimes, these support institutions engage in a long-term commitment and provide mentors for the diaspora entrepreneurs. *'VIDC sent us the two first trainers we had. I am honest, whatever we are doing, I will consult with them'*. The importance of good networking is apparent through the story of one interviewee, who mentioned that through one contact person she was able to attend most of the Ashoka workshops, a global network of social entrepreneurs, free of charge. These workshops were eye-opening for her. *'I must say most of workshops are expensive, but I ended up not paying till today for any, because I was invited. If you are lobbying for migrants they can have access'*. The interviewee further stated that she was able to get a mentor through Ashoka.

Networks²⁵

As many interviewees highlighted, a good network is very important:

'Building a network, that's the very first thing you need to do, you want to start something, you need to start building your network, because that's where you get every information and so... just through networking first of all.'

Respondents who did not have networks or did not have people who could support them in Austria had problems getting funds or getting access to support programmes for starting a business. *'My problem now is to find a proper event to bring me into the limelight; a proper exhibition programme that brings me into the limelight'*, an artist stated. The need for networking does not only apply for Austria, but also for the interviewees' country of origin. Interviewees mentioned that people with a good network have more chances than others.

'I was not the best graduate student from my university but I got information. I used to plan things earlier. I started to do internships, knowing how things are going. You have more chances at the end.'

The types of relevant networks differ between Austria and the country of origin. While in Austria members of diaspora organisations and contact to business people seem to be most important, the networks in the countries of origin rely mainly on families and friends, but contacts to business people and governments are also very relevant. To find relevant people, one needs to be focused: *'I don't do random networking; my networking must have a meaning or purpose'*.

²⁵ As Massey (1987) has shown, migration decisions and migration practices are largely shaped not by migration policies of the sending and the receiving states, but by existing family and regional networks, which provide information on employment and support in the country of residence. These networks do not only support diasporas, but also sustain their moral duty to support the family in the country of origin by defining and negotiating belonging to the community.

Networks in Austria

For networks in Austria, the most relevant groups seem to be: (a) members of the diaspora, often leaders of diaspora organisations who tend to be the first contact point for members of diasporas, and (b) business people.²⁶

a) Members of diaspora organisations

Diaspora organisations seem to play an essential role as a first contact for diaspora entrepreneurs. During the interviews it became apparent that some key people in the diasporas are actively forging connections and trying to support diaspora members with relevant connections and information. If the relevant person in the diaspora organisation detects a need – such as writing a business plan – he/she might take action to initiate such a workshop for the members of the organisation. Further, diaspora members can often get support with legal matters.

b) Business people

Business people are important contacts since they: (1) have capital to invest, (2) have experience and knowledge they can pass on as mentors, and (3) have technical know-how and solutions which they can transfer to their country of origin. The contact with business people and companies in Austria is very relevant when it comes to finding capital: *'I found out that in Austria, you need to partner if you want to have money. Don't go alone, partner with a company'*. Collaboration with already established businesses might help to access the needed capital, through collaboration, joint ventures, investments, and so on.

*'Let's say that I find another business partner in Austria who is already working in that area and who could imagine becoming part of it. That would be ideal. Or when investors in Austria would say: ok, we will provide the capital, that would be even better.'*²⁷

Reflecting on an experience at a start-up event in Central and Eastern Europe, an interviewee stated:

'There is a lot of potential in Africa (...). There is a group of private investors and government entities willing to invest: the European Investment Funds, Sebastian Kurz²⁸ also supporting, and a lot a people from America, ready to invest.'

Experienced business people can act as mentors and pass on their knowledge. One interviewee stated that she used to work with persons from the private sector who want to invest and take responsibility. The connection to and support from good investors enhances the chance also to get further funding for the project.

26 Schmatz S., Wetzel P. (2014). "Migrantische Ökonomien in Wien", ArbeiterKammer, Vienna, p. 62. The study included a survey, which found that persons with a migrant background who were looking into establishing their own business were supported through private social networks rather than through Austrian institutions. Out of the 50% that received support, 81% received it from private networks, 18% from banks/financial institutions and 10% from labour market services. Special support programmes. Special support programmes, such as from the Chamber of Commerce and Mingo, were used only by one-third. This proportion is slightly lower when compared to the native population in which 36% make use of support programmes. According to the study, private networks also played an essential role for securing the financial resources needed to start the business, though much of the financing was through the person's own capital.

27 Translated from the original: *'Angenommen ich finde in Österreich einen anderen Firmenpartner, der auch schon in dem Bereich tätig ist, der sich vorstellen kann mitzumachen, das wäre prima. Oder wenn Investoren aus Österreich sagen: ok, das Geld stellen wir zur Verfügung, das wäre noch besser'*

28 Sebastian Kurz, Minister, The Federal Ministry for Europe, Integration and Foreign Affairs.

'I have 3 mentors, you need to have this. For migrants I think this is so important. These mentors are expert business people, or even retired. One of our mentors retired. He was the boss of Shell. So you have these big mentors, and they don't really have so much time. But I had one that really gave me time and drilled me all through the concept, so this was the thing that will motivate.'

Several businesses presented in this study have as a goal to partner with Austrian businesses to bring Austrian know-how and technology to the respective countries. This applies mostly for the sectors of renewable energy and waste management.

Networks in the countries of origin

To be successful in the country where one intends to invest, a good network is needed. The main focus in the countries of interest is a network of: (a) people who would be able to run the business, (b) businesses to cooperate with, and (c) government entities that can provide support.

a) Individuals to run the business in the countries of interest

Partners in the countries of interest are often found in informal networks, within family networks and/or friends. In those cases where interviewees aim to set up or expand a business in their country of origin to support their family and the local community, cooperating with already well-known people has the advantage that trust has already been established.

Trust seems to be a major factor in setting up a business in the country of origin: *'I never work with people who I can't trust. I have to know that I can count on them.'*²⁹ If available, interviewees rely on people who proved to be trustworthy in previous work relations:

'We have spent like two years building this office, through the network we have. We worked for 18 months with NGOs in Nigeria. We could build up a network. We have a partner. She is on the ground, she is an amazing woman.'

b) Established businesses

Collaboration with already established businesses can prove to be a win-win situation for all. In a partnership, each member contributes with specific expertise: *'We focus on the human capital. We don't have money, but we have the knowledge'*. A start-up can learn much from an existing (similar) business. *'For partnership so far in Africa, I have seen an incubator in Johannesburg, which is amazing'*. Another interviewee aims to learn from similar projects worldwide: *'There are many similar projects in Eastern Europe. There is also one project that I got to know in London; it is very interesting.'*³⁰ Having partners might also enable the business to access funds in the respective countries.

Some interviewees aim to embed the new business into already existing structures in the countries of origin in order to be better able to coordinate their business activities. Especially large-scale businesses which aim to improve waste management or businesses that aim to make an impact on the school or health system need to take existing structures and institutions into account: *'I want to have my own company in Cameroon. And I*

²⁹ Translated from the original: *„Ich arbeite nie mit Menschen denen ich nicht vertraue. Ich muss wissen, ich kann auf sie zählen“*

³⁰ Translated from the original: *„Es gibt sehr viele ähnliche Projekte in Osteuropa. Es gibt auch ein Projekt, das ich in London kennengelernt habe, das ist sehr interessant.“*

would do it in cooperation with the government structures".³¹ Also smaller businesses benefit from collaborating with already existing structures. Businesses that aim to work with youth or women, for example, are in contact with existing groups. They do not want to establish a completely new structure but support these groups by connecting them with other existing structures and coordinating their activities, as well as finding markets in which to sell products in order to ensure a smooth functioning of the business.

Interviewees also aim to increase the reach of the social and environmental benefits of a business through collaboration. One of the businesses aims to enhance the share of renewable energy in an African country and wants to partner *'with a university. Their interest is to bring in their know-how to the workshop and then we will see how we will incorporate it into their curriculum'*.

c) Government entities

Several interviewees mentioned that it is essential to nurture good relations with the relevant government officials to set up their business: *'We have the agreement of the Malian side. We have the political will with us'*. To secure funding, partnerships with established businesses in the country can be beneficial, and the better the connections to government entities are, and the better the partnerships with businesses in the countries are, the more likely a business will be able to access such funds.

*'The Ministry of Environment in Burkina Faso is also interested to tie it to this programme: And like that, we have a network at every municipal authority. Because normally, it should be their job, but it does not work like that. And for that, we get their support, so that things move.'*³²

Communication within the network across countries

Digital communication means such as telephone, skype, email and online work platforms are reported to be very helpful to run a business across countries: *'The best thing that works is communication. Thank God it's a digital new age, we communicate, we have got like a work platform online where even she communicates with us from Nigeria'*. Some interviewees stated that they are in constant contact with their partners and families.

'We have 2 staff, that we employed that are permanently there and when I am not there, the world is in one place you can communicate to anywhere you want to in the world as long as you have internet connection and phone. [...] I have met so many people as well through twitter, LinkedIn, and others, so it's easier than before having these means of communication'.

3.4.3 Challenges for diaspora entrepreneurship

The interviewees mentioned various challenges in the context of starting up and running businesses in their country of origin. The most often mentioned challenge is the lack of funding. Interviewees explained their experiences in gaining access to capital through various channels: banks (loans), private investors, crowdfunding and support programmes in their respective countries of origin.

31 Translated from the original: *„Ich will meine eigene Firma in Kamerun machen. Und ich werde sie in Kooperation mit den Regierungstrukturen machen“*

32 Translated from the original: *'Das Umweltministerium in Burkina Faso hat auch ein Interesse, dieses Programm anzusetzen: Und damit haben wir ein Netzwerk in jedem Magistrat. Weil normalerweise sollte das ihre Aufgabe sein, aber das funktioniert nicht so. Und deshalb haben wir ihre Unterstützung, damit das weiter geht.'*

Getting funding through private investors seemed to be the most prominent way to seek capital. The interviewees had issues in finding the right type of funding for their projects. Loans were perceived as risky and difficult to obtain. Crowdfunding seemed to be not well known among the interviewees. To secure resources, interviewees mentioned various types of funding possibilities, such as: (1) cooperation with private investors, (2) capital through banks, (3) institutional support programmes and (4) savings or family support. Almost all interviewees stated that acquiring financial means for their business is one of the main challenges. Depending on the stage of the business, the challenges varied from financing the drafting of a business plan and financing oneself during the time of establishing the business, to funding the business, in particular the running costs until they manage to break even.

To illustrate the importance of financial assistance, one interviewee stated: *'What I need in order to set up this business? First of all, I would... it is inevitable... I will need financial assistance'*. Another stated that there is *'no way to implement her ideas without having the resources'*. A third was *'struggling with funds to get the basics done'*.

Capital for the early business stage

Most seemed to agree that to set up a business properly, a business plan needs to be drafted. This planning phase takes a lot of time and is often very cost intensive. Entrepreneurs who had already set up their business had difficulties in accessing funds for them to fully concentrate on the business while it was being built up.

'Of course I reduced much of my costs during that time, and I had saved a lot of money. Because then I could decide to work on the business.'

Besides investing a lot of time in setting up a business in a country other than Austria, traveling to the country of origin to find good business partners or to do market research in order to be able to set up the business plan, proved to be costly. Further to this, experts' help with developing the business plan was also costly. The interviewees all agreed that it was very difficult to get the capital needed for business development.

Capital for running costs and investments

After writing the business plan, funds are needed for first investments. Some businesses are in need of proper equipment, other businesses need to finance their running costs. This was mentioned by an interviewee who required working space in order to start the business incubator in Mali. Another experienced entrepreneur who had been active in the restaurant business for 15 years mentioned a similar problem in covering the running costs of his restaurant:

'To manage a restaurant or to start this business you need capital. You need financial cover for at least two years. You pay a salary for the people working with you, until you really become a business. You need advertising, funds for labour costs, material cost, energy costs, and time.'

While many interviewees were searching for seed capital to start their business, more experienced entrepreneurs perceived financing as 'a long-term challenge'. Some interviewees stated that they used their personal savings to start the business. To be able to continue successfully, a proper business plan needs to be in place, as stated by the interviewees, or you run the risk of continuously struggling with funds.

Access to funds through support programmes

Only one interviewee mentioned that she was able to get funds from public sources in order to finance the early stage of business development. All other interviewees either did not make use of support programmes, or did not know about them. Most of the ones who knew about existing funding possibilities mentioned ADA; some also made a reference to the Austrian Chamber of Commerce (WKÖ). Still, most of them were not able to identify a funding programme to tap into for the realisation of their business idea. As one interviewee stated:

'I think the idea of the business partnerships from ADA is more about finding companies in Austria who want to invest in a developing country. But our idea is to build a company. So, a support program for this does not really exist right now.'

There was also the perception that the business ideas do not fit into ADA's regional strategy and that the interviewees would have difficulties to comply with all the requirements to access funds by ADA. Three interviewees mentioned that they knew about the possibility of getting a feasibility study partly funded by ADA. While one interviewee knew about it but has not yet applied, another interviewee managed to get a feasibility study funded by ADA in order to put together the business idea, including all information about economic, technical and structural challenges. *'It's not really much, and they got really these criteria at the beginning'*, the interviewee stated. One interviewee mentioned that she had worked with ADA for 12 years, but not in the area of business development. One interviewee was trying to get EU funds, but was advised that he should not apply since *'managing an EU programme is very difficult for young people'*.

One mentioned the ongoing issue of mistrust that results in public institutions not willing to fund diaspora members.³³ Other interviewees mentioned that they prefer to rely on funding sources other than public funds due to a lack of trust in public institutions. As one interviewee stated: *'I will only invite private investors, no one from the public sector. Not... it's not a political thing... this is very sensitive'*. This lack of trust might derive from previous experiences in the interviewees' country of origin, as another interviewee pointed out: *'public is not political... I did not talk about politics. But you are right, in Africa, there is no difference sometimes'*.

Access to capital through the bank

Interviewees perceived taking out loans as risky and difficult. They stated that the major difficulty in getting a loan is the required collateral. In order to get a loan, an Austrian person needs to vouch for them:

*'If you are from another country, you need an Austrian who is working and who has a salary, who signs. It is like a collateral [...]. The matter with Africans is not that the business is not good, but they can leave the country any time. They could go to Nigeria tomorrow, and the bank does not know how to get the money back. That's why they need an Austrian to sign with you'*³⁴

33 'Diese Debatte gibt es in der Migrationsszene immer wieder. Die Personen bekommen Geld, aber man weiß nicht wo das Geld ist. Da ist ein Vertrauensbruch da. Auf öffentlicher Ebene sagen sie: Ja, wir haben kein Vertrauen mehr. Wenn wir euch €1000 geben wissen wir nicht, wo das Geld hinkommt, ob es wirklich ankommt und was raus kommt'.

34 'They don't just need anyone, they need people from Austria. It is difficult to find a guarantee. I understand their school of thought... in case anything happens in the nearest future the bank would go back to them. Irrespective of how good your ideas could be, if you don't have someone who could vouch for you, or you have a property to put down, even if you have worked for 2–3 years, you can't get the funding that you want'.

Therefore, especially if diaspora entrepreneurs have not been living in Austria for a long time, the challenge to get a loan is bigger for them than for Austrian citizens.

'If you don't have someone who could vouch for you, or if you do not have property to put down, even if you have worked for 2–3 years, you can't get the funding that you want.'

One interviewee stated that she had a person from Côte d'Ivoire who would vouch for her, was settled in Austria and had a good employment contract. Still, as another interviewee stated from his experience, it is very unlikely that a bank would accept a foreigner to vouch for them.

Access to capital through investors

Accessing funds through investors seems to be a viable option for diaspora entrepreneurs. One interviewee mentioned that according to her experience *'enough investors exist but they lack projects which fit their framework to invest in'*. Another interviewee stated that she strongly prefers to work with investors: *'I find it easier to work with private people, because it is just an interest, it's a goal to reach, it's quite easy'*. The ability to find investors though varies in accordance to the country of interest:

'For small countries like Rwanda I sometimes have challenges to find investors. For Nigeria I have many people who want to invest... who say: 'we want to buy! We have the money but we don't know where to put it!' It is different from country to country and the people you talk to.'

Several interviewees mentioned their strategies of how to collaborate with private companies. Said strategies ranged from joint ventures with African and Austrian companies to investments received through another one of their businesses. One interviewee financed the start-up of his new restaurant business with the funds of his own private printing company that was already operating. However, when the printing company needed to be closed, the new restaurant business was also not profitable and needed to be shut down.

Access to capital through crowdfunding

Crowdfunding did not play an important role in funding strategies. Only one interviewee stated to have seriously thought about making use of crowdfunding. Not every project and business is equally suitable for crowdfunding, and a crowdfunding campaign has to be well planned: *'There are different types of crowdfunding. You really have to think in what people are interested in. Because even if crowdfunding is like sponsoring and giving you something, people expect something in return.'* A good network might increase the chance of obtaining funds through crowdfunding.

Access to capital in the respective countries of origin

Only one interviewee mentioned that he would like to secure funds in the country of origin: *'I prefer taking out a credit in Mali because it's cheap'*. He was convinced that he was able to get the credit: *'I have a house in my own name, I worked in a bank, and I believe more in the project than in the house'*. Besides obtaining credit, it is very challenging for a person from abroad to access public funds in Mali. The requirements are high. Banks require, among other things, a business and financial plan.

Access to capacity development for a business

Drafting a business plan, including the financial plan, is, besides the lack of capital, the most often mentioned challenge. Many interviewees stated that they need to build up their knowledge and support network in order to be able to develop a business plan. *'I would need someone to help me to organise this idea. Because I think to draft a project is really a discipline on its own'*. Even those who already have experience in writing business plans might require more support, since people coming to Austria might be used to planning their business in a different way. *'If you do not go through this process of planning the business, the business will fail'*. One interviewee stated that he was used to *'another way to write the concept'*, and he found out that *'it's quite different in Austria'*. The financial plan seems to be especially challenging. One interviewee reported that a major difficulty was to find out the specific information on prices in their country of origin.

Aside from this, many interviewees mentioned that they had little knowledge about existing support programmes in Austria, and few had even tried to get support in writing their business plan. Some mentioned that they found it difficult to find the right programme. One interviewee reiterated her journey to get support:

'Some people advised us to go to those people, who know about business, how to start a business, and how to develop a business, to help us to make our business plan. We first tried to go through WKO, and I asked somebody who can do that, but the thing is: either you have to pay for that, or you have to have time to go at the time they are making it. So it was a bit of a challenge. We went to the business fair where I met somebody from the WKO. I told him our idea and asked where to find a person to support us. At that time we didn't have the analysis of the product. He told us we should first do the analysis and then come back to register for this information day, but we couldn't go.'

Managing from a distance

Operating a business which is located in a different country is challenging. The challenges reported were to find good staff to run the business and which could be trusted, as well as to find good business partners. If the business is already set up, experienced entrepreneurs reported that frequent travels are necessary. During the time when the entrepreneur is in Austria, the business requires constant communication in order to solve day-to-day problems.

Finding staff to run the business in the country of origin

Interviewees stated that one of the main criteria for their staff is trust. One strategy to find trustworthy people is to work with already well-known and trusted people, such as family and friends. *'I am not looking for other partners in my country. There is directly my family. So there is trust that is already established'*. Those who did not have the possibility to cooperate with friends and family tried to recruit trustworthy people through official procedures in order to run their business in their country of origin. It might take a very long time to find the right partners, as one interviewee stated: *'We have spent like 2 years building this office'*.

Finding the right business partners

Interviewees stated that it is difficult to find business partners in their country of origin who would like to invest in a business. *'We tried also to partner with a university. [...] But they don't want to invest anything. The only thing*

they can do is to incorporate what you are bringing into their own curriculum'. Another interviewee stated that he aimed to find a partner who would invest in a recycling business, but he could not find any. This motivated him to set up the business himself

'You know, in Africa, they want investors rather than spending their own money. This is a different kind of politics. And then they said: Ok, when I do the business myself, then they will tally along, then they want to be part of it. That is, we then work as partners – the so-called joint venture'³⁵.

Travel

Once established, the management of a business in a different country requires frequent travelling, several times a year for some weeks. *'I had to fly three times in year, minimum. That was very challenging, a big challenge for me'*. The requirement to travel frequently and for a long time has implications on one's life in Austria and on one's personal life.

'First and foremost, you must make sure that your home front is very okay. My kids are here, they go to school. We have to discuss it as a family and say: okay, I have to be off because you cannot start something and not be there. So what I discussed with my husband was that every 3 months I have to go to Nigeria and stay between 4–6 weeks. Then I come back'.

Travelling also has implications on the possibilities to work as an employee. *'I don't really have a regular job right now, because with the regular job you can't really travel'*.

Time and communication

Those interviewees who were already experienced in managing businesses between countries reported that when they are in Austria they are constantly on their phones and online in order to solve day-to-day problems.

'Every day we communicate through skype, Viber, WhatsApp, normal telephone calls, email. I am always on my email. So I have my world and the office in my hand 24 hours'.

One interviewee who had two restaurants in Austria and one restaurant in Kenya reported that *'the management of the restaurant in Nairobi went down because of time'*, which led to the decision to focus on the restaurants in Austria and to give up his restaurant in Kenya.

'I had to be 24h with my mobile. Every problem I had to solve, from everyone. If they had a problem in Nairobi, they called me. The time was just not enough to continue with the restaurant in Nairobi'.

Structural challenges

One successful diaspora entrepreneur stated that *'especially if you a migrant here in Austria, you are stuck, because it is so difficult'*. One challenge mentioned is the language. The interviewees stated that a person needs to be able to talk and understand German in order to achieve something in Austria. *'German is almost a must'*.

³⁵ Translated from the original: „Weißt du, in Afrika, sie wollen mehr Investoren als dass sie selber Geld ausgeben. Das ist eine andere Politik. Und dann haben sie gesagt: Ok wenn ich das Business selber mache, dann machen sie gerne mit, dann steigen sie ein. Das heißt, wir arbeiten dann als Partner. Diese so genannte Joint Venture.“

One interviewee mentioned that it is better to be able to speak English in Austria than French: *'We are very limited because of our language we cannot apply for fund, we can't do anything. This is a big problem'*. Another challenge mentioned relates to the legal requirements for operating a business in Austria: *'there are so many challenges'*, for example getting the business license. In this context, also the recognition of qualifications was mentioned. Interviewees further stated difficulties in finding and getting into the right networks to achieve something.

Country-specific challenges

Political issues

Interviewees stated that politicians and governments in the target countries have a major influence on businesses and projects. *'You can have the best programme! Going to Africa... if you do not have the government behind you, you cannot do anything'*. Depending on the aim and nature of the respective business, the relevant ministries should be involved: *'to set up this institution in Cameroon I need to present it as a project first of all to the Ministry of Education and to the Ministry of Social Affairs. And I hope it will be recommended'*. Corruption and bureaucracy were also highlighted as major obstacles that diaspora entrepreneurs might face when setting up their businesses in their countries of origin.

Culture

All interviewees had been living in Austria between 1 and 25 years. One interviewee stressed the fact that things change when one leaves the country and that should be considered:

'I discovered that whenever you leave, the country continues to develop without you. This time you left the country is knowledge you miss. You think you know everything, but there is a gap. Sometimes you see something that is working well in Europe and you would like to transfer the technology or knowledge there. You come with your super cool idea, but then it does not work. The project does not work because you didn't plan.'

Another challenge which has to be taken into account are the cultural differences of people in a specific country. In some countries, age plays a bigger role than in Europe, as one interviewee mentioned: *'They will laugh at me. I am young. They see a young guy that is coming and telling them: ok give me your products. It will not be easy to convince them'*.

Further, not all solutions which work well in Austria or Europe are easily accepted in the country of origin. One interviewee who would like to open a mental health clinic in various African countries was confronted with the overall lack of acceptance that such illnesses even exist. As the interviewee stated:

'If we come to psychotherapy, I am sure that an African will never go to see a psychologist. Because, where I am living we have a refugee's camp. If you tell the Africans: Go to the psychologist, it is a big issue! Their answer will be: Do you think that I am crazy or what? And no! They will not go there.'

Another interviewee stated that it is challenging to convince and motivate the women she is working with to take up their weaving hobby as a business. *'They are not very motivated to take that up from almost a hobby to a business. So, it takes us so much time to get them back on board to start making this'*.

Project-specific challenges

Project-specific challenges which were mentioned relate to a lack of know-how to establish a business in the respective field, investments to buy specific goods and equipment, finding the proper working spaces, and to take care of logistics in general. Furthermore, some projects require specific licenses in order to be able to get started.

3.4.4 Potentials of diaspora entrepreneurship

Potential for Austria

Business creation in Austria

One interviewee plans to stay in their country of origin to set up the business, while other interviewees stated that they intend to manage the business from a distance and run it from Austria. By doing so, the entrepreneur has the same tax obligations and potential to create jobs as other entrepreneurs from the native population: *'We have someone in our payroll. Registered, which we pay every month... he studied international business management, and the Austrian government allowed us to employ him, and he is living legally right now... And we have to pay him'*. Another interviewee aims to re-open his Ethiopian restaurant with employees in Austria with part of the production chain in Ethiopia.

Entering new markets

The businesses created by diaspora entrepreneurs might open new markets for Austrian businesses. Up to now, only a few Austrian businesses have set up operations in African countries, for example Red Bull and Strabag. Some interviewees intend to establish a network of business people between their countries of origin and Austria:

'Austrian businesses in Africa, we found out that it is actually less than 10%. The big companies like Red Bull and some others like Strabag and some German companies are well known. So why don't we see how to also help these companies to get established in Africa, starting from Nigeria where I come from. So we started to think: how do we bring Austria to Africa.'

One of the entrepreneurs aims to organise a summit to connect business people from Austria with business people from Rwanda:

'to talk about the potentials, to join the 2 efforts from both sides. It is a give and take; it is not that Austria only has something to export. We have also things to export like coffee, we have tourism. Rwanda is the place where you find mountain Gorillas, but it's not really known. Even when you go in a tourist office here, they only thing they know about Rwanda is the genocide. But they don't know that it's been already 21 years. We turned the page. We are up to the development. And I want these people to come here to share their experiences with the Austrian companies which also can get a new market to discover.'

Networking activities, as well as cooperation with businesses set up by diaspora entrepreneurs, might enable Austrian businesses to enter the African market and the possibility to expand further.

'Rwanda is part of the East African community which is a 170 million people market. And when you enter in one country, you enter in all of them. When you have a visa for Rwanda, you have it also for Kenya and Uganda. And I want that people know about these potentials!'

In this small sample of entrepreneurs, there were concrete plans to cooperate with Austrian businesses: involving the City of Vienna in a waste management business in Burkina Faso, a company producing recycling sites in a recycling business in various West African countries, solar energy companies in Nigeria and other West African countries. Another intends to contract Austrian citizens as trainers to provide inputs to businesses in their country of origin. Further, interviewees reported that they had already established contacts with several investors who are interested in cooperating: *'we have got 95 investors: 90 small investors, 3 medium size investors, from €40,000 down, and one lead investor'*.

New products on the Austrian market

Several interviewees intend to contract people to produce a specific product in their country of origin such as textiles, cosmetics and food, and to sell them in Austria. Thus, new, 'authentic' and international fair trade products would emerge on the market.

Diaspora who have studied in Austria

Many of the interviewees have studied in Austria and know the Austrian market as well as the market in their country of origin. They have good contacts and a strong business acumen. Knowing the culture of a country helps to open doors quicker than not knowing the local culture. Some interviewees stated that they were given lots of opportunities in Austria and that they would like to give back to their country of origin. Such persons can be door-openers for Austrian businesses that do not know the local culture and markets and may not have the confidence to venture into the new market.

Potential for countries of origin

Diasporas play a key role in the development of their countries of origin, especially by sending remittances. *'Most of the schools in the northern side of Mali and the North-west side have been built by the diaspora'*. Many members of the diaspora aim to have a sustainable impact by establishing businesses in their countries of origin, by fostering technology transfers and transfers of know-how. Diaspora entrepreneurs have the potential to make a strong economic, social and environmental impact in their country of origin.

Economy

Businesses create jobs in the countries of interest, for oneself and possibly also for others. One interviewee expressed his keen interest in reducing the unemployment rate in Mali by setting up a business incubator to help people set up their own businesses. Others mentioned that they aim to create value by transforming raw products. Some businesses aim to open up new markets for African producers who want to sell on the Austrian market or to support producers in remote areas to make use of e-commerce. Some businesses aim to create partnerships between African and European businesses.

Social

The businesses presented in section 3.5 below have the potential to achieve a sustainable social impact in their target countries. Social businesses differ from social projects in that they do not depend on external financial flows (donors). Many businesses aim to cooperate with women, *'because when you empower women*

you have empowered a family', and with children and youth. Those that aim to help families can make a local impact or even one at the national level. Additionally, some businesses want to accompany those who are disadvantaged, such as through social impact funds or accompanying training and support programmes. Other ideas presented by the interviewees aim to combine their business with an awareness-raising campaign in Europe in order to lobby for their social aim.

Women

The interviewees stated that they think it is more sustainable to support women than men if the business has a social aim, since the role of women is often to manage the money in the family. *'We must be working with the women (...). If we help women, we indirectly help the children, we indirectly help the whole society.'*

The interviewees stated that there are differences in gender relations and roles depending on the region and country in Africa. An entrepreneur therefore has to be well aware of cultural and gender issues and how a gender-sensitive social business can be set up.

Social businesses can help women generate their own income with a lot of creativity and power to manage things. One business is directed towards *'widows of the genocide who found themselves playing the role of chief of the family but not having a lot of means. I try to work together with them so that they can have a sustainable life, women and children, more girls and women than men.'*

The businesses to support women in particular focus on following sectors: producing textiles and sewing, making fashion out of recycled materials, producing Shea butter and cosmetics, cooking Injera, and growing coffee. Some of these businesses have a tradition of being managed by women. But in many cases they lack the knowledge or access to other markets in order to sell.

'When I was asking them what they need to grow, the first answer was: we need clients! That's it. We don't need social, we don't need environment, we need clients, because, anyway: if we produce, and we don't have clients then we lose our product.'

Enabling women to sell their products in Austria helps them 'to earn a little bit more'. In the long term, some of the businesses aim to cooperate with investors in order to have sufficient funds to improve the working environment and quality of the product and to increase the value of the products.

Children/Youth

One business that focuses on children and youth is a mental health clinic for children that offers treatment and education facilities.

'I would like to give them a chance. At least give these children a chance. I will have this perspective, this vision of opening up institutes or clinics in each province in my country.'

Another business aims to set up an art foundation in order to motivate children to go to school.

'With my art foundation I can organize competitions for challenged children, and then give them remuneration depending on their effort that they are going to put in.'

Another business aims to support already organised youth to be able to make a living while continuing their education. In Austria, one business aims to support African youth and students.

Environment

The interviewees reported a range of environmental problems in their countries of origin, especially concerning plastic waste and a lack of waste management. The proposed solutions by the interviewees ranged from installing proper waste management systems by cooperating with existing waste collection groups to working on waste separation and recycling systems. The recycling industry is very poorly developed in some African countries. To counter this, some interviewees mentioned that the following solutions could be endeavoured: producing raw materials such as crude oil, gas, carbon and copper through existing technologies and technology transfers, or establishing recycling groups to re-use the waste in an artistic way and sell the new objects.

Such waste management projects not only benefit the environment, but also improve the living conditions for the people in the regions. Proper waste management can contribute to healthier living since it improves the air quality as people will not resort to burning their waste any longer.

*'Many old tires are being burnt. They burn non-stop, on the streets. This is bad for the environment, and for the health it is even worse. Therefore, I think that it fits, and the time for it is right.'*³⁶

It can also help improve the energy supply as the waste could be used for energy production (e.g. biogas). It can further improve the economy as raw-materials can be re-used or sold.

In the respective countries, the interviewees aim to cooperate closely with existing businesses and government institutions:

*'The government said, ok: they also have companies. They have their own companies. They do the work of waste management for me. And I already have customers, this is not an issue.'*³⁷

Energy

The energy infrastructure seems to be insufficient in some African countries. *'In Nigeria, you can go days and weeks without electricity'*. Many people do not have access to electricity, so they use generators or Kerosene instead.

'I grew up with Kerosene lamps. It is not that good, because when it burns it smokes. And in Nigeria you hear that fumes from generators kill families. So I started to think that solar might be something very big.'

Two business ideas target renewable energies, especially with solar and wind energy.

'Africa needs energy, we lack electricity, we lack energy, we now said okay we want to bring energy, we want to bring employment to the people we want the technology of Austria to be transferred to Nigeria.'

36 Translated from the original: *'Viele alte Reifen werden verbrannt. Sie brennen ständig, auf der Straße. Das ist schlimm für die Umwelt, und für unsere Gesundheit ist es noch schlimmer. Also ich glaube daher das passt genau, und die Zeit passt auch gut um sowas zu machen'*

37 Translated from the original: *"Die Regierung hat gesagt, ok: Sie haben auch Firmen. Sie haben eigene Firmen. Sie machen diese Arbeit der Mülltrennung für mich. Und ich hab bereits Käufer, das ist kein Thema"*.

The beneficiary countries of such initiatives are Nigeria and Rwanda, but the aim is to expand it to further African countries, in particular those countries in which they find partners to work with:

'Because I think the problem is everywhere, the problem of electricity and poverty is everywhere in Africa.'

One of the business ideas looks at transferring to African women know-how on:

'how to produce their own solar system. If they have the technology and the know-how, they can do it. The women would be able to reproduce things like the solar lamp, those mini things. What ICNT is trying to do is to empower women through building solar lamps, and sell the solar lamps.'

Projects looking at waste management may be able to improve the energy infrastructure by using biomass and biogas.

3.4.5 Suggestions for a pilot programme for diaspora entrepreneurs

Those interviewees who were experienced entrepreneurs provided inputs about what a pilot programme could look like. Most suggestions mentioned the need to provide funds, but also the transfer of know-how and mentoring to set up a business.

Concerning financial support, the most concrete suggestion was a scholarship, e.g. for three years, in order to be able to fully dedicate the time to set up the business. The idea was borrowed from the Ashoka-Fellowship programme:

'When they [Ashoka] find the idea great, then the person receives a stipend for the first 3 years. So that you don't need to work on the side in order to build up the company. Because exactly that time would be missing from setting up the business.'³⁸

Other entrepreneurs called for seed capital or initial funding for the business. Concerning the question on what type of funding would be best suited, a few interviewees had suggestions. One interviewee mentioned that by obtaining credit, the business would need to be at a break-even point during a specific time frame in order to be able to pay back the credit. It was advised to take into account the particularities of a social business, which might not be profit-making within that set time period, as it could take longer with a social business.

In addition to financial support, the (budding and established) entrepreneurs mentioned the need for business support. This includes further education and mentoring (to draft a business plan), as well as the possibility for networking, which would help the entrepreneur successfully structure and set up the business.

'When you give someone money, then you need to look at tying it with exactly the kind of support that will help you to structure and plan.'³⁹

Experiences showed that supporting the entrepreneur with a network and business support services enabled many to set up successful businesses.

³⁸ Translated from the original: 'Wenn sie [Ashoka] die Idee super finden, dann kriegt die Person 3 Jahre Startstipendium. Damit du nicht nebenbei irgendwas jobben musst um das Unternehmen aufzubauen. Weil genau diese Arbeitszeit fehlt dir am Aufbau.'

³⁹ Translated from the original: 'Wenn man jemandem Geld gibt sollte man auch schauen dass man das mit genau dieser Unterstützung verkuppelt, dass man sich strukturiert und einen Plan macht'.

In order to specifically reach diaspora entrepreneurs, one interviewee suggested setting up an information point for people with a migration background that provides specific information on how to build a business in a different country and a database of diaspora businesses for networking. The interviewees also called for trainers and mentors with specific business experience from countries other than Austria.

3.5 Business ideas

3.5.1 Production facility for weaving in the south of Ethiopia

Entrepreneur: Female, born in Eritrea in 1982, lived in Ethiopia and Eritrea before moving to Austria in 1994; studied socio-economics

Background: She founded an online shop in Austria in 2013 that sells high-quality and affordable products made in Africa. Her markets are mostly Austria and Germany but she aims to expand over the years to more European countries, which will require a lot of marketing, in particular online marketing. Apart from promoting African products, she has a broader aim of empowering talented young designers in Africa as well as small producers. She has been purchasing products from South Africa, Tunisia, Kenya, among other countries, and has been also working very closely with weaver cooperatives in Addis Ababa, Ethiopia. In doing so, she has found herself traveling to the city multiple times to provide guidance to the weavers and to do quality checks. She has noticed that being dependent on a third party for production, as is the case with the established cooperative in Addis Ababa, makes the pricing volatile and unreliable. For the recent order she made, they increased the production price by 50%. She has also noted issues in getting the products she has ordered in the expected quality and in communicating with the weavers, as response rates are very slow and there have been misunderstandings concerning the colour of the woven clothes. At one point she was told that it is important 'to be at the production site every day' in order to safeguard the quality of the products. However, she highlighted the fact that it has helped her to be from the region, as connections and cultural understanding play a role in the functioning of her business. Trust and trust-building are some of the most important factors to be able to do business effectively.

Idea: She would like to build her own production facility in the south of Ethiopia for which she would require capital investments for the weaving tool. The south has a long tradition of weaving, but the people there lack access to foreign markets to sell their products. She would like to invest in that region in order to build up their capacities to produce according to set standards (EU norms, ecological standards, labelling, etc.) and to expand the network of retailers for those products worldwide, also for her online shop. To do so effectively, she would need to have someone work on the marketing side regularly, to train someone in Ethiopia to supervise the production, and to build up a brand over the years. For that, she would require financial resources, as her own savings would not suffice.

Business development/stage of the project: Established business, business expansion

Personal traits:

- ◆ She had wanted to become an entrepreneur since she left high school, but did not have the courage and enough savings to found her company back then.
- ◆ In view of her plans to set up her own business, she initially accepted a job with a business angel

fund and decided to leave once she felt ready to found her own venture (self-confidence played an important role).

- ◆ She can see herself establishing more than just one business (serial entrepreneur) in the future.
- ◆ She is very familiar with the markets she operates in, from the source countries to the sales markets.
- ◆ She sees a lot of potential in Africa and in increasing the ties between Europe and Africa.
- ◆ What drives her ambition too is the fact that she can have a positive impact on the people in Ethiopia with her business. She believes that she would be able to provide a job for 3-4 people once she has the resources available to set up the production.
- ◆ She currently also has waged employment, and from these earnings she has been investing in her business.
- ◆ Due to the fact that she has lived outside of Ethiopia for some time, she does not quite feel like a native, yet also not like a foreigner.

Greatest challenges:

- ◆ Capacity development of the weavers in Ethiopia
- ◆ Securing sufficient resources to set up the production facility in the south of Ethiopia and for marketing the products

3.5.2 Shea butter West Africa/Europe

Entrepreneur: Female, born in Côte d'Ivoire in 1985, has been living in Austria for four years, obtained a higher academic degree in France in law and environmental studies, and studied business management for one year.

Idea: The goal is to support women in West Africa to develop their shea butter business. The motivation to start a business came from wanting to support family members: *'I had to send money [to my mother] but I couldn't always as I wanted... So [...] I realised that sending money was good, but I wanted to help her to have a proper business, that when I am not here she can go further'*. This business aims to support women to become independent, especially from remittances.

Project description: The project aims to connect women who produce shea butter in Côte d'Ivoire with clients in Europe, and at a later stage, also in West Africa. In the first year, she intends to sell mostly the raw material that is slightly processed. Based on her market research, she has assessed that three markets might be interested in shea butter as a raw material: the food industry, pharmaceutical industry and the cosmetics industry. In the second year, she plans on establishing her own product range and creating her own brand for shea butter products. In the third year, the products would be launched on the market. She has identified possible clients for the product, consisting mostly of people interested in organic and fair trade products, as well as the African diaspora in Europe and the US.

The business will be managed by women in the region that is best known for shea butter. She mentioned that producing shea butter is a traditional female business, and she therefore believes that it would empower women and contribute to society as a whole. Besides the financial aspect (finding clients to sell shea butter), social aspects should also be considered, such as a place where the women can work together, where machines are provided, and where a teacher can educate the children while their mothers work.

Business development/stage of the project: Concrete idea, first steps taken to implement it

- ◆ She has had the idea for some time, but concrete steps were only undertaken in 2014 after reading an article about the crisis in Côte d'Ivoire.
- ◆ Market research has been done.
- ◆ In 2014, she went on a field trip to Côte d'Ivoire, which was made into a film to promote the business:
 - (1) Meeting the women for the business, she discovered that finding the clients remains the biggest challenge: *'We need clients. That's it. We don't need social, we don't need environment, we need clients, because, anyway: if we produce...and we don't have clients then we lose our product.'*
 - (2) While researching about other projects in the same area, she discovered a similar project by UNIDO in Mali: *'And they also help a group of women. And then what happened is that, I think they figured out more about how to help to develop if you have more machines to have more quantity, but they didn't think about the aspect of clients. And then the project is still I think going, but it was not that successful because of this question.'*
 - (3) An expert assessed the quality of the shea butter produced: *'We did the analysis and found out that the product is good, but the professor told us that, anyway if we want to have the best quality, you have to go through a chemical process.'*
 - (4) She visited older production sites: *'There were machines, there was processing, there was everything but the women were not working there. So there were people who know these machines. They are people who have studied or something. So finally the women were just going to have the raw material and bring it to the manufacturer.'*
- ◆ A business plan has been drafted.
- ◆ A stakeholder analysis to find possible clients has been conducted, and possible clients have been contacted. There are three possible markets: (1) the food industry, as it can be used instead of cocoa in chocolate; (2) the pharmaceutical industry and (3) the cosmetic industry. For (2) and (3), the raw material has to be top quality.

Greatest challenges:

- ◆ To find the €35,000 needed to set up the business
 - She does not want to go through a bank.
 - She finds it difficult to find private investors.
 - She has no private funds.
 - Existing funding possibilities do not match (ADA *Wirtschaftspartnerschaften*).

- Crowdfunding is possible, but a challenge because of missing products.
- ◆ Lack of information
 - She does not know where to find the funds (if it is not through the bank).
 - She does not know how to find partners who would invest.
- ◆ Support for the business plan needed
 - At a business fair, she established contact with a person working at the Austrian Chamber of Commerce (WKO). She was informed that she could get information about support on a specific information day, but she was not able to go there on that day: *'either you have to pay for the service, or you have time to go at the time they are making it...'*
 - Figuring out the budget and writing the financial part of the business plan was 'really challenging'.
- ◆ To find the right clients for the product:
 - *'The quantity [the clients] were asking was for example 30 tons. The group we are working with cannot deliver these 30 tons. We know many [producer] groups. If they all are working together we can have this [amount], but then you have a logistic problem because we have to deal with different groups of people. You are in an area where they are not really connected, and you have difficulties to go from one village to another village. We need somebody who can really relate to all those people.'*

3.5.3 Mental Health Clinic in Cameroon

Entrepreneur: Male, was born in Cameroon in 1984, and has been living in Austria for three years. He studied psychology and education in Cameroon and is continuing his studies in psychotherapy at the Sigmund Freud University in Vienna. He worked as a teacher in Cameroon for five years and can draw from his experience working as a psychotherapist and psychologist in a trauma project and in a project working with refugees at Ute Bock. He leads a local Caritas organisation that raises funds for families who have children with autism. He is about to finish his training as a psychotherapist at Sigmund Freud University in Vienna. He is thinking about continuing with a doctorate and focusing on children with autism.

Idea: His goal is to open a mental health clinic especially for mentally challenged children and patients with mental disorders/diseases in Cameroon and to advocate for the recognition of mental illnesses in Cameroon.

Project description: A first such institute should be set up in Yaoundé to take care of mentally challenged children, where they should be treated and receive the right kind of education. The long-term vision is to open up institutes or clinics in each province in Cameroon. Part of the business will eventually involve the transfer of knowledge to Cameroonians and training people to be able to work with children who are mentally challenged.

Motivation: As a teacher in Cameroon, he noticed the lack of methodology for treating mentally challenged children. Teachers are not able to support them due to a lack of training and awareness about this type of illness. In the local clinics, staff members often treat people with mental disorders improperly, and due to the lack of mental health clinics in Cameroon, they are being treated by non-professionals. The insurance policy in Cameroon does not cover the treatment of mentally sick patients. In many Sub-Saharan African countries, there is a lack of knowledge and awareness concerning mental illnesses and disorders.

Business development/stage of the project: Early stage idea**What is needed to realise the idea:**

- ◆ Financial assistance
- ◆ Presentation of the project to the Ministry of Education and the Ministry of Social Affairs in Cameroon
- ◆ Bear in mind that *'in Cameroon there is a list of things that you need to accomplish in order to set up an institution like this'*.
- ◆ Help with formulating the idea and writing the business plan

Greatest challenges:

- ◆ Cultural problems: people might not accept psychotherapists or psychologists
- ◆ Funding
- ◆ General challenge of how to categorise mental disabilities
- ◆ The biggest challenge is *'to come up with something really concrete that can help them. Because it's a big issue. Yeah, it's a very big issue in the country.'*

3.5.4 Cashew processing in the Republic of Guinea (Conakry)

Entrepreneur: Male from Guinea Conakry. He holds a Bachelor's degree in Business Administration. He has recently completed his Master's in International Banking and Finance. He has been living in Vienna for two years. Before coming to Vienna, he was involved in his father's business; the family owns three hectares of agricultural land, where they have been growing cashew nuts for about six years. They collect the nuts during the wet season, open them manually, dry them in the sun and sell them in the dry season to businesses which export them as raw material. Cashew production is a growing business in Guinea and many people are growing cashews in the same way as his family. The nuts are sold as raw products and not further processed in the country. Prices fluctuate due to inflation, but the main challenge is that it is a low-profit business. The value of the cashew nuts could be much higher if it would be processed within the country, but that requires investments in cashew-processing machines.

Idea: When he came to Austria he saw that cashew nuts are popular and that they are being sold in every supermarket. He found out about the real value of cashew nuts. In response, he came up with the idea of establishing a factory in Guinea where cashew nuts could be processed further and turned into a finished product. He expects that the prices for the final product are better and more stable than for the raw material.

Business development/stage of the project: Early stage idea

Motivation: As the firstborn child, he is under pressure to provide for his family. By setting up a business he aims to live up to the expected role within the family. He wants to support his family and also provide more business opportunities for those in the cashew business in Guinea, enabling them to benefit from having the

nuts processed in the country rather than abroad. He aims to establish a sustainable business that has a positive impact. Currently, people are working a lot without making enough for a decent living,

Project description: First, market research would have to be undertaken to gain knowledge about processing, the market, regulations, etc. Then a business plan should be drafted to build on the family business and the three hectares of agricultural land so that there is some financial stability. Then, a small factory to process the nuts should be established. There are different modes of processing the nut (roasting, etc.), which has to be decided upon after conducting the market research. The aim is to show his family and community that processing is very useful and to establish trust among the farmers. Then, the factory should be made available at the local level for many farmers. He is thinking about going back to Guinea in order to establish the business and get it up and running. His father can work at the local level directly with other farmers since he already enjoys a certain level of trust among them. His long-term vision is to expand the business to several regions and create jobs in processing cashews, as well as in transport and logistics. The business would also involve training local employees.

What is needed to realise the idea:

- ◆ Gather knowledge: need for training courses and research to gain more knowledge about:
 - Planning and running the business, such as budgeting and finances
 - Knowledge about processing cashews: machines needed, their costs, etc.
 - Knowledge about existing standards, markets, etc.
- ◆ Draft a business plan
- ◆ Reach a break-even point and make the business sustainable

3.5.5 Restaurant business in Europe and Kenya

Entrepreneur: Male, born in Ethiopia in 1974, has been living in Austria for twenty five years. He has a high school diploma, and is also a certified machinist. He has been self-employed for fifteen years, first with a printing business and then with three restaurants.

Business development/stage of the project: Ongoing/closed

Idea: He would like to start a business between Europe and Africa by continuing with an Ethiopian restaurant in Vienna. *Injera* would be produced in Ethiopia by women who would send the *Injera* every second day to Vienna. At least three women would have a job through the restaurant.

Motivation: He already had three Ethiopian restaurants: two in Vienna and another one in Nairobi, Kenya. He would like to set up a restaurant in the same manner but taking into consideration the experience from his previous businesses:

- ◆ Two restaurants in Vienna: One restaurant was established and then later a second one. The big problem in Austria is securing capital. The capital must cover costs for at least two years, including costs for labour, materials, energy, time, etc. Advertising is needed. The company which provided financial support to his restaurant went bankrupt and that affected his businesses, which are currently not operating.

- ◆ Restaurant in Nairobi, bought in 2001: The main costumers of the Ethiopian restaurant were Europeans and Americans and a lot of tourists. The problems in keeping his business running were a lack of time and managing it from a distance since he was residing in Austria. In order to keep his business running, he had to travel to Kenya three times a year. Additionally, he had to be available by mobile phone 24 hours, 7 days a week. He closed his business in Kenya after five years due to a lack of time since he already had two businesses in Vienna to take care of.

Greatest challenge:

- ◆ Financial resources

3.5.6 Pellet factory in Kosovo

Entrepreneur: Female, born in Kosovo in 1986, is currently pursuing a Master's degree in Architecture at the Technical University of Vienna

Idea: The idea is to set up a small factory to produce pellets. The business would be profit-seeking, but should also have a positive impact in the country, in particular an environmental impact, as tons of wasted wood from different small and big wood processor factories would be used to create a new source of renewable energy. In addition, it would have a large impact on employment and would increase the disposable income of the affected groups.

Motivation: Her main motivation is the desire to help the development of the country, as well as to contribute to protecting the environment and creating a recycling culture in the country. Additionally, the business enables her to put her acquired knowledge to use and to invest in a more secure future.

Business development/stage of the project: Early stage idea

Potential: She already has partners who would be ready to work with her on the project.

What is needed to realise the idea:

- ◆ Financial support and advice

3.5.7 Organic (model) farm and restaurant in Kosovo

Entrepreneur: Male, born in Kosovo in 1985; currently enrolled in a PhD programme at the Vienna University of Natural Resources and Life Sciences; his research focuses on the social aspects of agriculture and organic farming.

Idea: He is interested in combining his research with his family background to develop a diversified organic farm and restaurant. Such a farm could serve as a sample organic farm, which would be the best way for him to transfer his knowledge to Kosovo. He would also like to be engaged in one of the relevant universities or education institutions in Kosovo and transfer his knowledge to Kosovar students and farmers.

Business development/ stage of the project: Early stage idea

Motivation: He is interested in organic farming and in helping his family. Kosovo offers opportunities to realise such a project, including the availability of land that is currently not sufficiently utilised (also land of relatives living abroad), the agricultural tradition of the family and the market need for rural tourism. A further motivational factor is to fill a market niche, as there is no such similar concept currently being implemented in Kosovo.

Greatest challenges:

- ◆ The political situation negatively affects the business environment in Kosovo.
- ◆ He lacks time, available funds and knowledge about the local market and consumption to realise his business idea.

What is needed to realise the idea:

- ◆ He would need start-up capital for the realisation of his business idea.
- ◆ State incentives that would provide equal opportunities for local agricultural businesses and their products against imported ones would need to be introduced. Such incentives have been introduced by other countries. This would be the trigger for him to start a business in Kosovo.
- ◆ He would need access to advice and consulting in terms of management and business knowledge in general.

3.5.8 Social Fashion Company in Austria and Nigeria

Entrepreneur: Female, born in Nigeria in 1981, living in Austria; has a certificate degree (Polymar Technology) and has been working in the film and fashion industry.

Idea: The idea is to start a social fashion company with the mission to prevent human trafficking. This includes awareness-raising in Europe, capacity building and creating jobs in Nigeria.

Motivation: She has a non-governmental organisation called EXIT, which has been working on anti-trafficking since 2006.⁴⁰ The organisation depends on grants and donations, and raising money is a constant struggle. Therefore, she came up with the idea to build something more sustainable in order to not have to depend on donations. The motivation to work with women in Nigeria came from her experience with victims of trafficking in Europe and the desire to do preventive work in Nigeria.

Project description: She owns a factory that has a large production space providing enough room for machines and workers. The idea is to create a franchise that provides women on the ground with know-how to set up their own small or medium-sized enterprise. The goal is to work with lots of micro-enterprises to make them competitive, create fashion that meets international standards, package it with information to raise awareness, and identify and supply consumers. The target markets are Austria, Nigeria and the UK. Women in Nigeria are encouraged to first come up with their own business ideas. They then are trained and can use the available structures.

40 <http://www.ngoexit.org/about-us.html>.

Currently, ten women are working in the factory. One of the women has already established a business, and although she does not have a high school certificate, she has the skills and creativity to manage it. She received training from November 2014 to February 2015, is currently renting a space at the factory with machines, and has three workers. Further to this, a collaboration exists with other SMEs in the sector to synergise on the production.

Business development/stage of the project: Established business

- ◆ The first pilot project with women in Austria was carried out in 2012.
- ◆ She conducted one year of research about business possibilities in Nigeria in 2012 and then decided on fashion due to her professional background.
- ◆ She received support from ADA to conduct a feasibility study from November 2014 to June 2015 and put together her business idea. She analysed economic, technical and structural challenges, developed a financial plan and found 95 investors ('90 small investors, and three medium size investors, from €40,000 and down investors and one lead investor').
- ◆ The production structure is set up (it took eight months).
- ◆ The office in Nigeria is set up (it took two years).
- ◆ Marketing is ongoing: *'for us, marketing is not a classic bill boards and adverts, because our mission is always what it is, so the market for us is awareness raising'*. A kit was designed for marketing reasons that informs the customer about human trafficking.
- ◆ She set up a GmbH in Austria.
- ◆ She is currently working in setting up the financial structure in order to make the whole business sustainable.

Enabling factors:

- ◆ She has been working in anti-trafficking for a long time.
- ◆ She has investors backing her project.
- ◆ She works in a region where ADA does not have projects, and there is a lot to be done.
- ◆ She has good knowledge about funding opportunities (ADA, Wirtschaftsagentur and the European Union).
- ◆ She has a good network: *'That's the very first thing I have realized here: If you want to start something, you need to start building your network. Because that's where you get every information. Just through networking first of all. But there is a lot of stuff online. You just have to use google to get the right pop ups. I don't do random networking, my networking must have a meaning or purpose. Through EXIT, we had this UN/IOM project where we worked with six EU countries for 18 months and with NGOs in Nigeria. So we could actually build up a network. Our major civil partner is ISHD (Innovative Strategy for Human Development)'*.

- ◆ She is getting support from three mentors through Ashoka. *'You need to have this. Mentors are experts in business, even retired.'*
- ◆ Personality:
 - Does not give up: *'every challenge gives us an opportunity to be creative.'*
 - Sees opportunities and uses them: *'if you are here, you have got opportunities, this is a fact. I know it's difficult to get into the network but there are so many things going on that you can actually profit from.'*
 - Self-driven: *'the first thing is: as an entrepreneur, you want to start. You need to have more skills, because you will end up doing most of your stuff yourself at the beginning. I am like an online freak, I just learnt everything online, then later on there were a lot of workshops you can actually attend.'*

Greatest challenges:

- ◆ Finance is going to be a long-term challenge.
- ◆ Supply chain management is also going to be a challenge.

4. Responding to the gaps - towards enhanced engagement with the diasporas in Austria

4.1 Existing business support facilities in Austria

Existing institution-led business support programmes expect that a business will be created in or has already been registered in Austria. Institutions and interest groups, such as the Austrian Chamber of Commerce, support internationalisation and expansion strategies for Austrian companies, including to emerging markets and developing countries. However, there is currently no support programme in place that purely looks at SME creation in a country other than Austria.

Regarding tailored business support for the migrants in Austria, much is being offered, from German business language classes and mentoring in establishing a business in languages other than German, to migrant-women specific business workshops. The natural focus of such programmes is to facilitate integration in the labour market in Austria. They therefore do not take into account the potential of transnational business creation, which would foster financial transactions, knowledge transfers and innovation across borders. Moreover, business plan competitions and open calls to receive funding for businesses at an early stage, such as the ones offered by the Austria Wirtschaftsservice GmbH or the Vienna Business Agency, look foremost at the business's value for Austria based on criteria such as creating jobs in Austria in the long run and increasing revenue for companies registered in Austria.

The Austrian Development Bank does support the private sector in developing countries on a large scale, and it is not suitable for diaspora entrepreneurs who want to set up a small or medium-sized enterprise. The Austrian Development Agency's current business partnership programme offers grants to Austrian companies and does not specifically target the diasporas. It also does not offer a capacity-building programme to assist young (emerging) entrepreneurs in their undertaking to set up a business, which does not necessarily need to be registered in Austria.

As for companies or non-governmental organisations working on promoting innovative start-ups for the improvement of lives in developing countries, there are numerous business support programmes in place in the framework of their development cooperation with partner countries. However, there is no systematic outreach or support programme in place targeting the diasporas in Austria to include them in business development in their countries of origin.

There are four major start-up support institutions in Austria, in addition to various regional funding opportunities:

1. Austria Wirtschaftsservice GmbH (AWS)
2. Vienna Business Agency (*Wirtschaftsagentur Wien*)
3. Austrian Research Promotion Agency (FFG)
4. Austrian Tourismusbank (ÖHT).

Additionally, the **Public Employment Service Austria** (AMS) provides support to those who were employed before and want to become self-employed. Among these, the AMS and the Vienna Business Agency provide migrant-tailored business support. The AMS *Beratungszentrum für Migrantinnen und Migranten* supports and informs diaspora members of various matters, such as finding work, the recognition of qualifications and naturalisation. The Vienna Business Agency, an investment promotion institution, provides targeted support to diaspora enterprises in Vienna, which includes free-of-charge business consultations and workshops in 15 languages. The workshops are held in cooperation with the Vienna Adult Education Centre (VHS).

The **Austrian Chamber of Commerce** (WKO) provides support to established businesses or to those who want to establish a business in Austria. The *Gründerservice* of WKO is the first point of contact, a one-stop shop that offers support to businesses, in particular for the first crucial steps when setting up the business. WKO provides free advice for business founders and start-ups in Austria. In more than 90 centres located in the provincial chambers and regional contact points, founders and start-ups can benefit from legal and economic consulting and coaching. WKO offers *Gründer-Workshops* in all provinces of Austria and informs those who wish to establish a company about the steps and processes. Once established, the entrepreneur is expected to become a member of the Austrian Chamber of Commerce and to register their business whenever a business license is required for that type of business. For Austrian businesses which plan to expand to new markets, including developing countries, WKO supports such endeavours financially through the go international programme. Also, through WKO's initiative *Mentoring für MigrantInnen*, experienced persons from Austrian companies mentor others in finding their way in the Austrian labour market, including founding their own companies. The mentoring partnership lasts for six months with an average of five hours a month. It is a joint initiative between the **Austrian Integration Fund** (ÖIF), the Austrian Foreign Ministry and the WKO.

There are a number of organisations that provide general information and advice to diasporas, for example: interface Wien, Menschen leben, the MigratInnenzentrum of the Caritas, migrare – Zentrum für Migranten Oberösterreich, Zentrum für MigrantInnen in Tirol, Plattform Migration, 'migrant care', a programme of Volkshilfe Österreich, Biber Bildungsberatung and the biv – *die Akademie für integrative Bildung*.

Of special mention is also the ÖIF, which supports the diasporas in Austria through language training, legal advice and other aspects supporting their professional and social integration. The integration centres are located in Vienna, Upper Austria, Tyrol, Styria and Carinthia. Their services include German language classes up to the B1 level, job-specific courses such as computer training, job search training, job-specific German language classes, labour market counselling, and support regarding educational issues, child care groups and in-house German language classes as a special service for businesses. Furthermore, the ÖIF offers starting aid for integration in the form of financial support in the area of language, education and employment. The programme targets recognised refugees, people who have been granted subsidiary protection, third country citizens and Imams. Similar to the ÖIF, WIFI offers *Deutsch für Unternehmensgründer mit Migrationshintergrund*,

helping persons with a migrant background to learn about the form of organisations, marketing, communication and advertising in German.

The initiative *Frauenberatung - Beratungsstelle des Vereins Beratungszentrum für Migranten und Migrantinnen* supports female diaspora members in developing their skills (education and qualifications) as well as in finding work. The *Arbeiterkammer Wien* consults and supports diaspora members regarding their accreditation of qualifications.

The **Austrian Development Agency's** (ADA) Business Partnership Programme offers financial support to Austrian companies who are willing to make a long-term commitment with both a commercial and developmental impact in a developing country or emerging markets. It focuses on creating synergies between private businesses and public development cooperation by strengthening the private sector and business environment of its partner countries. Projects can receive co-funding in the form of grants of up to €200,000 for three years. The development of feasibility studies are also supported with up to €20,000. Only businesses with a strong business case and with a long-term investment plan fit into this programme. Currently, ADA has projects in Europe, Asia, Africa, Central and Latin America, and in different sectors, such as IT and telecommunication, energy and environmental technology, textiles, health, agriculture, education, processing, tourism and food products. The **Austrian Development Bank** similarly finances projects in developing countries, albeit in the form of investment lending, equity participation and advisory programmes, mostly to higher-volume projects (starting at around €5 million) with a focus on renewable energy and resource/energy efficiency sectors. Moreover, it also focuses on projects that have beneficial effects on micro-, small- and medium-sized enterprises. However, private individuals cannot open an account or take out a loan with the Austrian Development Bank since it works mostly with financial institutions (to facilitate on-lending).

There are a number of companies and NGOs that operate internationally to support private sector development in developing countries or emerging markets, yet only a few seek to link the know-how and resources of the diasporas in Austria towards creating businesses, often family businesses, in their countries of origin. One example is **Ennovent**, a global innovation company based in Vienna that supports innovation for sustainability in low-income markets. Their services, catered towards innovative start-ups, include research, advisory and implementation services. They also help entrepreneurs secure financing by facilitating investments and scaling their businesses to produce profit and impact. On the NGO side, **Oikocredit** has a base in Vienna and operates in over 60 countries worldwide providing loans to micro-finance institutions, cooperatives and SMEs. Most of Oikocredit's micro-credits go to micro-finance institutions (80%) and approximately 20% go to cooperatives. National staff oversees the implementation of the projects. The micro-loans are disbursed to businesses that would not be qualified as bankable, as the person who would like to set up the business lacks either lacks collateral or financial literacy. Their approach is focused on inclusive financing and women businesses. According to the information provided by the Oikocredit representative in Austria, only 1.4% of such credit is not paid back. A scorecard helps them identify the right institutions and cooperatives to support. It has been noted that there is much demand for eco-tourism projects. There are many other NGOs, such as Care, Caritas and Horizont 3000, which provide direct business support in developing countries.

The **Impact Hub Vienna** is a hub for young entrepreneurs, which provides co-working space in addition to customised business support for diverse target groups. It is set up specifically for social businesses and has a wide geographic scope, including in Africa. For social entrepreneurs, there are currently three specific fee-based programmes in place:

- ◆ The accelerate programme, providing an individualised entrepreneurial experience with the aim of accelerating an already existing social business (an early stage idea, an existing prototype or already running business). The programme is four months long and connects the mentee with mentors who are successful Austrian social experts and entrepreneurs. In addition to that, they support them by providing office space and networking events. There is an open call for this every 4 to 6 months, but no grants are provided.
- ◆ The investment ready programme, on the other hand, has a fee to enter. The business person already needs to have a proven market concept. Around ten are selected into this programme, and there are three modules representing around three days of lectures. The success rate for those selected to get investments is around 83%. They have a list of established mentors to support the trainee.
- ◆ The scaling programme provides the opportunity to 100 social entrepreneurs to scale up. They are linked up with 'Scaling Managers' in Amsterdam, Athens, Bucharest, London, Madrid, Milan, Stockholm and Vienna who accompany the entrepreneurs on their year-long journey.

As for the aspect relating to **capacity development through business training, coaching and mentoring**, there are various service providers that could offer this or extend their services (Vienna Business Agency, Wifi, Bfi, Impact Hub, Ennovent, etc). There is ample room for cooperation with academic institutions and those incubators linked to university programmes, in especially cross-disciplinary incubators. In that way, students from the Technical University who are part of the INITS, a Vienna-based incubator tailored towards academics in the field of sciences (mostly IT, life sciences, etc) would be able to cooperate more closely with those who are part of the entrepreneurship programme/incubator at the University of Economics and Business, for example.

4.2 The missing link between integration policies and diaspora entrepreneurship

Migration and integration policies were analysed in this section as they are important legal and business enabling factors to consider for diaspora entrepreneurship. Circular migration enabling regular movement between Austria and country of origin, for example, plays an essential role for doing business transnationally. Restrictive immigration policies that impede circular movement push migrants into permanent settlement and restrict their mobility with negative consequences for their transnational engagement. As many studies have shown, closing or tightening the door for migrants typically results in migrants wanting to stay in order not to run the risk of returning to a country that may offer less prospects for them and their families rather than trying to re-establish themselves in the origin countries with the possibility to move back to the countries of destination.⁴¹

Barriers to facilitating diaspora entrepreneurship can relate to the framework conditions in the country of origin and/or in Austria. Since partner countries had not yet been specified, this section did not analyse the possible legal and technical barriers from the perspective of the country of origin.

Being well integrated and able to accumulate some savings is important for setting up a new business.

41 Entzinger, Han (1985) Return Migration in Western Europe: Current Policy Trends and their Implications, in Particular for the Second Generation. *International Migration*, XXIII(2), 263-90

Austria's integration policy could benefit from a more dynamic strategy that would target entrepreneurs in both Austria and partner countries. The potential of the diasporas could be harnessed by taking into account transnational entrepreneurship, establishing promotional schemes, easing restrictions to obtain a business license, as well as facilitating the strengthening of transnational ties. Lowering existing barriers to diaspora entrepreneurship would have positive effects for both Austria and the country of origin. Eliminating barriers for the diasporas to freely conduct business in Austria, as an EU Member State, in accordance with Community law and national laws and practices, is also a fundamental right enshrined in Article 16 of the EU Charter, and implies creating the space for individuals to realise their potential, as well as encouraging entrepreneurship, innovation and social and economic development.⁴² Barriers to achieving this aim are cumbersome bureaucratic procedures to establish a business, language barriers, and the issue of having foreign-earned higher education diplomas and skills recognised.

Relating to the provisions on gainful employment for third-country nationals in Austria, it can be said in generic terms that the immigration policies have been tailored to welcome highly qualified workers and skilled workers in shortage occupations, yet without considering immigration policies that would attract high-potential start-ups by third-country nationals. In per the current provisions they may lack evidence of being able 'to contribute to significant economic importance for the region', one of the underlying criterion for the obtainment of the Red-White-Red Card for the purpose of self-employed key workers.

This study has shown that there are many diaspora members with higher education and entrepreneurship potential, some of whom have studied in Austria and are relatively young. Third-country students or recent graduates who could be the target beneficiaries of such a programme only have six months to obtain an employment permit and be issued a Red-White-Red Card without a labour market test. During the study, this group expressed a strong interest in establishing a business in their countries of origin, and it is also the group that may face the most difficulties relating to their immigration status.

The diaspora entrepreneurs' residential status plays a role

The road to obtaining a work permit or residence permit from a third country can be quite challenging and volatile, as the requirements change continuously and there are strict settlement requirements. There are no specific policies in place in Austria for immigrant investors or business owners.⁴³ Moreover, requirements for a settlement permit, such as the Red-White-Red Card for the purpose of self-employed key workers, on the basis of 'creating macroeconomic benefit going beyond its own operational benefit' are restrictive, and applicants are assessed case-by-case. This leaves out high-potential start-ups by third-country nationals as they, for example, may lack evidence of being able to significantly contribute to the economic importance of the region.

Self-employed key workers

For applicants of a Red-White-Red Card under the self-employed key worker category, a twelve-month visa needs to be granted by a competent Austrian representation (embassy or consulate in the person's country of origin) and the applicant needs to prove that their self-employed occupation in Austria 'creates macroeconomic benefit going beyond its own operational benefit'. This is the case when 'the intended occupation involves

42 European Union Agency for Fundamental Rights (2015). 'Freedom to conduct a business: exploring the dimensions of a fundamental right', Publications Office of the European Union, Luxembourg, p 42-43.

43 Study 'Admitting Third-Country Nationals for Business Purposes in Austria', EMN-focused study 2014, Gudrun Biffl.

a sustained transfer of investment capital to Austria, the intended occupation creates new jobs or secures existing jobs in Austria, or the settlement of the key worker involves the transfer of know-how respectively the introduction of new technologies, or the key worker's company is of considerable significance for the entire region'.⁴⁴ The Red-White-Red Card is granted for the first twelve months, followed by a *Niederlassungsbewilligung* (settlement permit) for another twelve months if all legal requirements are met. After a fixed-term settlement of two years, a new settlement permit is issued for three years.

Establishing a business in Austria

Third-country nationals can operate businesses in Austria if they fulfil the legal requirements for a settlement permit, which can be obtained through the Red-White-Red Card for self-employed key workers or through a settlement permit excluding gainful employment. In the latter case, 1,349 persons were registered in 2013, while in the case of self-employed key workers there were 787 persons with valid settlement permits. Only 23 new Red-White-Red Cards for self-employed key workers were issued that year.⁴⁵

In addition to these relatively strict regulations to enter the labour market, there are various other hurdles to overcome on the path to setting up a business. For many professions, a business license is required (*Gewerbeschein*) to establish a business, which is granted if following criteria are fulfilled:

General requirements:

- ◆ Personal suitability (legal age)
- ◆ Integrity
- ◆ No grounds for disqualification (exemption from disqualification)
- ◆ EEA or Swiss citizen or relevant permit of residence (business license for foreigners)

Special requirements:

- ◆ Proof of qualification for regulated trade and crafts (*Befähigungsnachweis*)
- ◆ Further requirements are required for businesses under the Austrian Law on Freight Transport and Occasional Transport

Many of the barriers for diaspora members to establish a business in Austria may come from not being able to provide proof of qualifications, or in getting such qualifications or vocational training and skills recognised (*Gleichstellungsbescheid*), in order to get a business license for a regulated trade and craft. If the *Gleichstellungsbescheid* decision is negative, then there is the possibility to have someone with the required certifications to head the business as Chief Executive Officer. However s/he would need to work at least 20 hours per week and have the required insurance, thereby driving up the costs for the business.

⁴⁴ 'Sustained transfer of investment capital to Austria' according to Art. 41 para 2 subpara 4. Settlement and Residence Act in connection with Art. 24 Act Governing the Employment of Foreign Nationals⁴ FLG I No. 126/2002. Connection with Art 9 para 4 subpara 1 Settlement and Residence Act – Implementation Act.⁵

⁴⁵ Data from: 'Admitting Third-Country Nationals for Business Purposes in Austria' – EMN, IOM, p. 6. Gudrun Biffel. It should be noted that there are no available statistics on the number of applications in total, thus not providing any indication on the number of rejections.

Integration policies play a role

The picture in Austria

According to the 'migration & integration' publication, at the beginning of 2014 around 20% of the total population in Austria of working age (15–64 years) was born in a country other than Austria (1,142,700 out of 5,732,284), of which 58% are from third countries (meaning not EU and EEA Member States or Switzerland).⁴⁶ In Vienna, 39% of the working-age population was born in a country other than Austria, while in Vorarlberg it is 21%, in Salzburg 19% and Burgenland 11%.⁴⁷ Most of the foreigners of working age in Austria come from Germany, followed by Turkey, Bosnia-Herzegovina and Serbia.⁴⁸ In Austria, when compared to the native population, persons with a migrant background are more represented among those with a higher education (18% with a migrant background versus 16% natives) and among those with lower education levels (29% with a migrant background versus 12% natives).⁴⁹

In Vienna, there are 76,322 self-employed persons, out of which 22,309 (equivalent to 29%) have a migrant background, most of which are from 12 non-EU member states, followed by 'other', the former Yugoslavia and Turkey. There are more persons with a migrant background in self-employment (11%) compared to the native population (7%).⁵⁰ The formal qualifications tend to be high: one-third have a high school diploma and another third have a tertiary degree. Around 60% have completed their higher education in a foreign country, and of these around 40% have been able to have their qualifications formally recognised in Austria.⁵¹ 81% hold a business license, another 16% are 'neue Selbststaendige' and 2% are freelancers. The typical profile of a diaspora member with a business in Austria is a middle-aged (between 25 to 45 years) man (63%) who he is the sole proprietor (90%).⁵² 37% of Viennese companies are managed by a person with a migrant background.

Migrants in Austria offer a variety of economic goods and services, most of which are in the area of trade (18%) followed by professional or technical services (15%), and then by health and social services (8%).⁵³ Women tend to be in the latter sector and represent around one half or more of the self-employed.⁵⁴ The fluency in German correlates to the amount of years spent in Austria; if the diaspora member has been living in Austria for only 10 years, then 40% would qualify their German language skills as fluent, yet another 30% would describe their German language skills as basic.⁵⁵

The status of diaspora members in Austria plays a crucial role in the success of their businesses.⁵⁶ Once they are recognised refugees under the 1951 Refugee Convention, they have the same access to the labour

46 Austrian Integration Fond, Vienna 2015/Statistik Austria.

47 'Migration & Integration', Schwerpunkt: Arbeit & Beruf. Zahlen. Daten.Fakten. 2014/2015, published by the Austrian Integration Fonds (2015).

48 Ibid. p.13, Statistics from 01.01.2014.

49 'Migration & Integration', Schwerpunkt: Arbeit & Beruf. Zahlen. Daten.Fakten. 2014/2015, published by the Austrian Integration Fonds (2015), p.19.

50 Schmatz S, Wetzel P (2014), *Migrantische Ökonomien in Wien*, Arbeiterkammer Wien.

51 Ibid. p. 35.

52 Ibid. p.1.

53 Ibid. p. 24. They survey examined migrants from the new EU Member States, the former Yugoslavia (without Slovenia), Turkey and 'other countries'.

54 Ibid p. 24.

55 Ibid. p. 34.

56 A special note regarding the issue of refugees and their access to the labour market in Austria: Under the EU Reception Conditions Directive, asylum seekers must be granted access to employment within a maximum period of 9 months, once they are recognised refugees. Directive 2013/33/EU of the European Parliament and of the Council of 26 June 2013. <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32013L0033&from=EN>. At the time of writing, the European Commission has launched an infringement procedure against Austria and other EU Member States for not having transposed the EU Directive into national legislation.

market as Austrians. Usually, the longer the period of established status, the higher the chances that the diaspora members are well integrated, have mastered the language, have accumulated capital, have built up a credit history and accumulated assets that facilitate their access to credit. Indeed, in virtually all destination countries, one observes the highest rates of entrepreneurship among diaspora members who have been in the country for the longest period of time.⁵⁷ Also, the better one is integrated in society, the more likely the person is in a position to share the benefits with their families and communities in their country of origin and become a positive force in society.

The Austrian National Action Plan for Integration recognises the importance of integration for the diaspora members themselves, for social cohesion and for economic growth. As with many integration policies, however, it does not sufficiently consider the transnational social space in which diaspora entrepreneurs operate. There is hardly any mention of diaspora members as entrepreneurs. Action field 2 of the Austrian National Action Plan for Integration 'Work and Occupation' refers to setting up or expanding targeted information for business creation and measures to support the recognition and validation of foreign-earned qualifications and academic degrees, which are also crucial enabling factors for diaspora entrepreneurship.⁵⁸

Integration policies and transnational ties

In general, an understanding of integration purely focused on the country of residence fails to understand the migration decision process and the role of networks as the locus of social negotiations on belonging and respectability in the country of origin and the country of residence. Failing to understand the persisting linkages to the country of origin, it also neglects the role of diaspora organisations for the country of origin and their potential wider impact on migration decisions. By supporting their country of origin, they can both contribute to their development in economic terms, but also act as facilitators of social change by providing social remittances, i.e. the transfer of new ideas (Mazzucato 2008, Lacroix 2013). In this respect, integration theory and integration measures could take into account more modern approaches on transnationalism and the role of economic and social remittances. They can also develop indicators for integration that reflect the idea that transnational involvement is not an impediment to integration in a nation state, but an element of integration in a globalised and interconnected world.

This broader view is also reflected in the European Agenda for the Integration of Third-Country Nationals⁵⁹, which transcends the nation-state-bound concepts of integration currently in place in many European countries and can serve as a starting point for further consideration:

*'Remittances as well as the transfer of skills, innovation and knowledge may favour sustainable investments and the development of the countries of origin. The promotion of transnational entrepreneurship through a more dynamic strategy will favour entrepreneurs operating in both EU Member States and in partner countries. Such enterprises can create employment in the countries of origin and bring benefits both in terms of integration of migrants and increased trade between countries.'*⁶⁰

57 OECD (2010), *Open for Business: Migrant Entrepreneurship in OECD Countries*, OECD Publishing, p 118–119 and EU (2011), The European Agenda for the Integration of Third-Country Nationals (COM(2011)455 final), http://ec.europa.eu/dgs/home-affairs/news/intro/docs/110720/1_en_act_part1_v10.pdf.

58 Austria's National Integration Plan, <http://www.bmi.gv.at/cms/cs03documentsbmi/809.pdf>, p. 17 and 23 (accessed on 21.09.2015).

59 The European Agenda for the Integration of Third-Country Nationals (COM(2011)455 final), http://ec.europa.eu/dgs/home-affairs/news/intro/docs/110720/1_en_act_part1_v10.pdf (accessed on 12. July 2015).

60 Ibid. p.10.

Thus, diaspora entrepreneurship should be addressed in integration policies, taking into account the transnational link of diasporas and corresponding policies that facilitate circular migration to the country of origin as well as destination. Unlike older concepts that implied successful integration can only be achieved by severing or discouraging ties to the countries of origin, there is increasing recognition that diasporas can be involved in two or more societies at the same time. Through policies that encourage brain circulation and that facilitate mobility, the benefits of transnational activities, especially relating to business, can benefit both countries of origin and of destination. As such, the concept of 'country of destination' and 'country of origin' becomes more vague as the lives of diaspora members are more and more about engaging in more than one society and in circulating, thereby making diasporas effective partners for implementing development policies.

4.3 Making use of financial instruments

Findings

Various types of funding mechanisms could be used to support diaspora entrepreneurs and promote SME creation in countries of origin, in particular when it comes to expanding a business registered in Austria to a developing country or emerging market.

Access to funding depends on multiple factors, such as at what stage the business finds itself (early stage capital versus capital for scaling) and the company's growth strategy. For example, the SME Credit Guarantee Schemes from the AWS offers micro-loans, hence this might not be the ideal type of financing for a diaspora entrepreneurs who operate in a more capital-intensive sector, such as infrastructure where public-private partnerships and equity investments may be more fitting.

For early-stage SMEs, there is much debate whether concessional loans, usually with below-market interest rates and/or with a long grace period, or grants would result in a higher success rate for the business. On one end of the spectrum, outright grants can create dependency and a business model that fulfils the checklist of the grant-giver rather than looking into developing a sustainable business plan. However, grants are usually provided in the form of matching grants, hence the entrepreneur is also putting in their resources, possibly even their own savings, thereby taking the risk inherent to starting a business. On the other end of the spectrum, loans can result in debt accumulation, especially when businesses are planned in high-risk countries where exogenous and unexpected risk factors can have adverse effects on the business.

Given the fact that the focus has been on assessing funding modalities for SMEs in developing countries and emerging markets, where the risk is especially high, the recommendation for a pilot programme is to look into a combination of early stage grants up to the level in which the business has a proof-of-concept and concessional loans and/or venture capital and/or crowdfunding, depending on the company valuation and other factors. Some mechanism should be put in place where the payback of loans can be used to support other start-ups (revolving loan funds). The setup of a funding mechanism would need to be accompanied by a strong outreach and communication plan so that this information reaches the intended opportunity entrepreneur.

The following table lists the different forms of financing, applicable laws and possible partners in Austria or other countries:

Type of funding	Description	Applicable law/ regulation in Austria	Possible implementing partners
SME Credit Guarantee Schemes	This type of support increases the working capital for financial institutions in developing countries to incentivise them to increase debt and equity investments in SMEs, in particular those businesses that lack collateral. It eases access to financing for SMEs in developing countries, thereby fostering financial inclusion. Such schemes are conducted in cooperation with banks to encourage them to work more closely with SMEs (easing their bankability and appraisal)	Commission Notice on the application of Articles 87 and 88 of the EC Treaty to State aid in the form of guarantees, OJ C 155, 20.06.2008 ⁵⁹	Austrian banks and banks in the country of origin, Austrian Wirtschaftsservice
Impact Investment (venture capital, private equity)	Impact investing is recognised as a newer type of investment, whereby social and environmental factors play a crucial role next to the financial return. Unlike socially responsible investing that takes into account the 'do no harm' principles for investment decisions, impact investments evaluate specifically the positive impact on society and the environment for investment decisions. Usually it would imply a higher risk or incubation time, but the impact would also be higher. The EU-ACP has set up an Impact Financing Envelope under the ACP Investment Facility managed by the European Investment Bank.	Law on Investment Fonds ⁶⁰	Ennovent, Homestrings, FSP ventures, Austrian Development Bank
Risk Capital (state aid to promote risk capital investments in SMEs)	In contrast to impact investment and socially responsible investing, risk capital refers to funds used for high-risk investments that also bear high-returns. This type of funding instrument works for start-ups or established businesses in specific sectors more so than others, such as biotechnology, ICT and mining.	Community Guidelines on State aid to promote risk capital investments in small and medium-sized enterprises, OJ C 194, 18.08.2006, p. 2 1.11.2008 ⁶¹	Austrian Wirtschaftsservice, Austrian Development Bank, private investors
Grants	Grants are non-repayable funds and are usually provided in the form of co-financing. The grant allocator could be a public institution. The grant-receiver could be a start-up at a very early stage that needs financing to establish proof of their concept for their products and market. Grants could be blended at a later stage through investment funds (investment ready programmes) or loans.	EU Competition Law (state aid law) – De minimis aid Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, OJ L 352, 24.12.2013 ⁶²	<i>Austrian Wirtschaftsservice</i> , Social Impact award or another award in the form of a business plan competition, ADA (directly)

61 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2008:155:0010:0022:EN:PDF>

62 <https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=20007389>

63 [http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52006XC0818\(01\)](http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52006XC0818(01))

64 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>

Crowdfunding⁶³	Crowdfunding platforms are web-based tools to attract funding ranging from reward-based to lending and equity-based. (Usually) many micro-investors/ micro-funders support a project, thereby helping to realise the business. For lending, Kiva is an already established crowdfunding platform. Alliedcrowds is also gaining in popularity. In Germany, bettervest.de supports projects in the area of renewable energy, for example.	<i>Alternativfinanzierungsgesetz</i> (Alternative Financing Act) ⁶⁴ only applies to crowd-investing and not to reward-based crowdfunding platforms: a payment intermediary usually offers payment services through crowdfunding platforms.	Possibility for ADA to provide matching grant for the mobilised project: many cooperation partners possible
Credit/loans	Loans are repayable funds along with interest and other financial charges. Micro-loans are typically provided to those who would have difficulties in receiving credit due to their lack of collateral, credit history, steady income or other requirement	Austrian Banking Act ⁶⁵	Austrian Wirtschaftsservice, Austrian Development Bank, ADA in partnership with a Treuhand, Oikocredit, African Development Bank
Multi-partner Trust Fund	Multi-partner/donor trust funds are a way to pool resources from various stakeholders, whose cooperation can be regulated through a memorandum of understanding. It can be a flexible mechanism for disbursements to businesses, for example, along specific sectors.	Various laws may apply	Many cooperation partners possible
Blending	Blending implies the use of various types of funds, such as grants combined with loans from private and public financing partners. Blending is often used for larger-scale projects to cover the substantial investment needs, where the official development assistance (ODA) in the form of grants would not be sufficient and used to leverage additional resources. The EU-Africa Infrastructure Trust Fund applies such a blending instrument.	Various laws apply	European Investment Bank, African Development Bank

All of the above-mentioned types of funding would need to fall in line with Austria’s Federal Act on Development Cooperation.⁶⁸

Aside from the type of funding, it is also important to consider what type of business could profit from a support programme. The ‘demand side’ of such a programme showed that a majority would like to establish a business that could be categorised as a micro-business, sometimes specifically in the hands of families (family business).

There is increasing attention on ‘social entrepreneurship’, a business model that focuses on inclusive entrepreneurship as a means of alleviating social challenges. Social entrepreneurship represents a link between the private and non-profit sectors and integrated marginalised communities in the workforce. The

65 EC Communication “Unleashing the potential of Crowdfunding in the European Union”, COM(2014) 172 final sees crowdfunding as a way to reduce barriers for businesses in order to be able to mobilise resources in sectors, in which traditional investors/banks do not invest. According to the Communication “It has also high potential benefits for innovation, research and development, and it could contribute to growth, community development and job creation. Compared to other types of finance, it can also reduce costs and administrative burden for enterprises, notably SMEs.” http://ec.europa.eu/internal_market/finances/docs/crowdfunding/140327-communication_en.pdf

66 http://www.parlament.gv.at/PAKT/VHG/XXV/ME/ME_00116/index.shtml

67 https://www.fma.gv.at/fileadmin/media_data/2_Rechtliche_Grundlagen/2_Gesetzliche_Grundlagen/Aufsichtsgesetze/BWG_en_BGBL_I_34_2015.pdf

68 <https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=20001847>.

EU, for example, has launched the Social Business Initiative (2011) aimed at supporting the social enterprise sector, which resulted in the Employment and Social Innovation Programme. According to a 2011 study, social businesses comprise one in four businesses founded in the EU. The objective of such businesses is first and foremost social impact and not maximising profit-generation. Special focus could be placed on critical sectors for developing countries or emerging markets, for example, on projects that promote a green low carbon and climate resilient economy.

5. Global Examples of Diaspora Entrepreneurship Initiatives

There have been numerous government-supported and private initiatives throughout the world to foster transnational entrepreneurship and boost private sector development by drawing on the special link between countries of origin and destination.

5.1 The Netherlands

5.1.1 IntEnt

IntEnt is a bridging programme for small and medium-size enterprises that was set up at the behest of the former Dutch Minister of Foreign Affairs. Established in the Netherlands in 1996 by Social-Economical Entrepreneurship in the Netherlands (SEON), FACET BV and Triodos Bank, and executed by the IntEnt Foundation, its mission is to stimulate the establishment of new business activities in the respective countries of origin by diaspora entrepreneurs residing in the Netherlands. As such, it aims to bridge two worlds with tailored services to diasporas. In view of that, the programme offers free business support services and technical assistance. Unlike other SME promotion programmes in the Netherlands, it targets specifically diaspora members who wish to set up a business in their country of origin and aims to foster transnational entrepreneurship by building on their specific skill set. In the first years after its establishment, it was funded purely by the Dutch government, but since then has also received funding from the EU.

The Secretariat of the IntEnt programme is run by a small core staff in the Netherlands, while most of its comprehensive services, which included counselling, information sessions on the countries of operation, training courses, networking, online services, market information, referral and mediation, and assistance during (and after) their start-up, are led by external business advisors and trainers. The IntEnt programme was set up on a modular basis in which each client is offered one of more modules to choose from in accordance with her or his needs. In a first phase, the promotion phase, the projects and programme countries are sourced through informational meetings, intake interviews and workshop sessions. In a second phase, the preparatory phase, the entrepreneurs receive a support package consisting of training and technical assistance, such as for writing business plans or carrying out market research. In a final stage, the implementation phase, the business is accompanied by coaching, as well as technical and financial support for up to 1 ½ years. Certain projects benefit from matching funds of up to €50,000 by the Friends and Family Fund, facilitated through IntEnt provided that certain criteria are met: that a guarantee for half of the investment is provided by friends and family; that the financial plan is approved and that the entrepreneurs accept support for her/his start-up in the first year.⁶⁹

⁶⁹ Agunias D.R and K. Newland 'Developing a Road Map for Engaging Diasporas in Development: A Handbook for Policymakers and Practitioners in Home and Host Countries', IOM and MPI, p. 146.

The geographic focus is on Ghana, Surinam, Morocco, Turkey, Ethiopia, Afghanistan and Cuaração. The initial pilot phase ran from November 1997 until October 2000, but over the years, the programme has expanded and also included subsidiaries with local representatives in Morocco, Ghana and Suriname, who act as liaison between the head of office, the entrepreneur with a link to the country, and local counterparts, such as banks.⁷⁰ The local IntEnt branches, supported by established links to business professionals, assist in credit applications at banks and, under certain conditions, provide additional guarantees for entrepreneurs who need it to access credit.

From the launch of the programme to late 2009, it is reported to have helped launch 350 businesses. In 2009 alone, IntEnt received 1,305 information requests within the Netherlands, conducted 654 intake interviews, enrolled 210 participants in the course programme and supported 46 businesses⁷¹. Financing for IntEnt has been secured through the EU as well as through partnerships with foundations, such as the Doen Foundation. Collaborations have also been sought with Hivos and the Ministry of Foreign Affairs to raise awareness among the general public in the Netherlands about the positive impact of small and medium-size businesses in developing countries, to deepen the understanding of economic development processes and to broaden business services to enterprises in the programme countries.

Good practices and lessons learnt

According to de Haas, IntEnt is a promising example, as no return conditionality is imposed, and it supports access to credit and capacity building, both of which are essential for starting a business. Its relative success, as described by de Haas, can be linked to: 1) a selection process based on the merit of the business model and businessperson, and 2) the fact that IntEnt does not provide grants but tailored advice, training and assistance that allows them to receive loans.⁷²

Casini, who examined IntEnt in Ghana, however, suggests that special attention needs to be put on the social constraints that the entrepreneurs might face when engaging in the countries of origin, such as pressure from family and friends to share resources. Such societal pressures can undermine the success of business initiatives and hinder the desired results. As he recommended, it is therefore crucial that not just financial aspects are given due consideration in the design of such programmes, but that a broader set of concerns needs to form the basis of such initiatives.⁷³

The Head Office IntEnt in the Netherlands is no longer operational, though the reasons for that are unknown.⁷⁴ Some of the subsidiary offices are still working.

70 <http://intent-ghana.com/>; <http://www.intent-suriname.com/>; <http://intent-maroc.com/>. Please note that the domain name of the IntEnt website is no longer functional: <http://www.intent.eu/en/>.

71 Agunias D.R and K. Newland 'Developing a Road Map for Engaging Diasporas in Development: A Handbook for Policymakers and Practitioners in Home and Host Countries', IOM and MPI, p. 143.

72 De Haas, Hein (2006). Engaging Diasporas: How governments and development agencies can support diasporas' involvement in development of origin countries. Oxford, International Migration Institute, <http://www.imi.ox.ac.uk/pdfs/reports/hdh-diasporas.pdf>.

73 Casini, Sofia (2005) Negotiating Personal Success and Social Responsibility: Assessing the Developmental Impact of Ghanaian Migrants' Business Enterprises in Ghana. MA Thesis. Amsterdam: UvA/International School for Humanities and Social Sciences. Accessed at http://www2.fmg.uva.nl/ghanatransnet/output/documents/Thesis_Casini.pdf (17 April 2006).

74 No information on the reasons for its closing could be found on the Internet.

5.1.2 SPARK

The SPARK Migrant Entrepreneurship Programme does not offer any financial support to diasporas in the Netherlands; rather, it offers coaching/mentoring support and matching businesses to service providers that can further the business. The eligible persons for such support are diaspora members in the Netherlands who want to start a business in their country of origin. The focus countries are Somalia, Afghanistan, Iraq/Kurdistan, Ghana, Morocco, Suriname, Burundi, Rwanda and Liberia. Five training modules are offered, each in a different business area (entrepreneurship abroad, business plan and sales pitch, marketing and sales, finance and business plan), and which should culminate in the development of a business plan. The project is funded by the Dutch Ministry of Foreign Affairs.

5.2 The United States of America

5.2.1 African Diaspora Marketplace

The African Diaspora Marketplace (ADM) was initiated in 2009 by the US Agency for International Development (USAID) in partnership with Western Union and the George Washington University. Further sponsors to the ADM are the Small Business Assistance Funds, Deloitte Consulting and Homestrings. ADM reaches out to African diasporas residing in the United States⁷⁵ who want to contribute to the economic development of sub-Saharan Africa. It does so through the form of matching grants provided to the most promising SMEs that get selected on the basis of a business plan competition. A panel consisting of experts from USAID, as well as representatives from Western Union, the private sector, diasporas and academia, evaluate the submitted business plans and make their decision based on the businesses' impact and sustainability, among other factors. Additionally, criteria for selection include a local counterpart in Africa who can help implement the project and the applicant's ownership of at least 25 per cent of the proposed business. In the first year of its implementation, in 2010, 14 business ideas in seven countries received matching grants⁷⁶ in the range of \$50,000 to \$100,000. As the business plan competition has now entered its third phase, the focus has increasingly shifted towards high-impact sectors in Africa, such as agribusiness, renewable energy and information and communication technology. The programme has also expanded to include mentoring and the incorporation of business investment funds.

When the call for applications opens, interested individuals can submit a concept note, which is then evaluated according to the methodology designed by the Small Business Assistance Funds (SEAF). Only a portion of those get to the next stage of the competition. As semi-finalists, they are invited to submit their full business plans for further consideration. The ADM has contributed to 34 awardees across Africa, 8 of which are owned or operated by women. 850 Africa-based businesses have participated in business development training or workshops through ADM.

⁷⁵ The Business Plan Competition is open to all US citizens and permanent residents who are members of the African Diaspora community and others who have a demonstrated relevant connection to, or experience in Africa. The person needs to be a US citizen or a legal permanent resident.

⁷⁶ The grants must be matched through financial or in-kind contributions.

5.3 Germany

5.3.1 Centre for International Migration and Development

The Centre for International Migration and Development (CIM) is the competence centre for global labour mobility in Germany's international cooperation activities. As part of their programme 'Migration for development', which aims to promote knowledge transfer from diasporas living in Germany to their country of origin, they are currently implementing the 'Business Ideas for Development' programme in three focus countries: Morocco (since 2009), Cameroon (since 2012) and Georgia (since 2012). Initiatives in Columbia and Ghana are under preparation.⁷⁷ At the time of writing, 27 businesses have already been established as a result of the programme, most of which are situated in Morocco, as it is the country with the longest-standing partnership with the programme. The programme was set up in 2010.

This advisory programme is geared towards diasporas who live in Germany and who aim to set up SMEs in their countries of origin. With this objective, CIM facilitates contacts with potential business partners or banks in both Germany and the countries of origin, and provides business advisory services so that diaspora members can develop their business models and be sufficiently equipped and ready to enter the market (e.g. through market research). Under the programme, in addition to services, networking opportunities and fact-finding visits to Germany are offered to facilitate the targeted search for business links to Germany, including cooperation with German companies. The support is provided through five phases: 1) application and selection (in Germany) based on the person's CV and business idea (additionally, the person must have a migration background from the respective country), 2) orientation and receipt of information (in Germany), 3) drafting of a business plan and individual coaching (in Germany and the country of origin), 4) start and implementation of the business (in the country of origin) and 5) securement and growth (in the country of origin). No financial services are provided by the CIM.

The programme 'Migration for development' is commissioned by the *Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung* and implemented by CIM in cooperation with *Kompass*, the centre for start-ups in Germany, as well as with local coordinators/advisors. In Morocco, for example, partners are the German Chamber of Commerce and Industry in Morocco, GIZ Morocco, regional investment centres and the Centre for Young Entrepreneurs.⁷⁸

Such initiatives are complemented by the Migration Tools – Options for Sustainability (MITOS) toolkit, with the purpose of leveraging the potential of migration for private sector development, in particular for the promotion of trade, innovation, start-ups and investments. This toolkit has been designed for national and international experts, public and private institutions that cooperate with diasporas or their communities, as well as for institutions working in the field of private sector development (such as chambers of commerce, investment promotion centres and others).

⁷⁷ The selection criteria for the beneficiary countries are based on 1) their status as an official partner for Germany's development cooperation, 2) the size of their diaspora in Germany and 3) the number of their diaspora members studying in Germany, as the outreach is targeted mostly to highly skilled diaspora members.

⁷⁸ German Chamber of Commerce and Industry in Morocco (www.marokko.ahk.de), IntEnt (www.intent-maroc.com), GIZ Morocco, the regional investment centre (www.maroc.ma/PortailInst) and the Centre for Young Entrepreneurs (www.cjd-maroc.net). <http://www.geschaeftsideen-fuer-entwicklung.de/>.

Lessons learnt

Germany has been providing support to returning migrants starting businesses since the 1980s, which consisted at first primarily of seed funding. One of the successful programmes has involved the close accompaniment of start-ups, which 'resulted in a large number of successful start-ups, but required far too much administrative input', whereas another programme to support budding entrepreneurs failed as the requirements were too lenient, which resulted in a low repayment record.⁷⁹ Above all, the driver of success is not necessarily the mobilisation of capital (which is, albeit, a means to success), but the person or team bringing the project to life and sustaining it over a longer period of time, as well as the business idea itself, which should stand out from its competitors. Experience has shown that managing from a distance proves to be complicated, and for many of the budding entrepreneurs, it has meant leaving Germany permanently to pursue their business venture.

One of the many important aspects of the 'Business Ideas for Development' programme has been to confront budding entrepreneurs with the realities that they may face when establishing businesses in their countries of origin. By inviting an already established entrepreneur from the country of origin to share her/his experience to the seminar (phase 2), participants get a clear picture of the opportunities and challenges in implementing their businesses there. The motivation of participants for this programme are manifold, some of which relate to securing some source of revenue before moving back permanently.

5.3.2 ENPACT

ENPACT is an NGO whose mission is to empower responsible entrepreneurs in shaping sustainable societies worldwide. It focuses on supporting start-ups and transnational engagement from Europe, North Africa and the Middle East through a mentorship programme and start-up camps. The countries of engagement are: Germany, Austria, Egypt, Tunisia, Jordan, Morocco and Switzerland. Mentors are persons with an already established business, while the mentees are people in the start-up phase with businesses established within 2–4 years. Mentors volunteer 2 weeks of their time to get to know their mentees. Partnerships have included, for example, German businesses that outsource programming to Tunisia (due to the network created in the start-up camps).

Enpact is mainly funded by the German Foreign Ministry but is looking into establishing a revolving funding scheme in order to be financially self-sustainable. It is further supported by the Westerwelle Foundation, Stiftung Familienunternehmen and BMW Foundation. Enpact is currently accompanying 60 start-ups and is creating a 'Start-up Hub' for young entrepreneurs in Tunisia. The goal of the Tunisian hub is to support the entrepreneurial ecosystem of the Tunisian capital through permanent mentoring, collaboration of different stakeholders and an inclusive approach that keeps the space accessible for everyone interested in entrepreneurship. The team at Enpact is also receiving support through the 'Start Social' Programme in Germany, through which NGOs are being mentored.

⁷⁹ <https://www.giz.de/en/downloads/giz2013-en-akzente02-migrants-mean-business.pdf> (accessed on 29.05.2015).
<http://www.geschaeftsideen-fuer-entwicklung.de/die-laender/marokko/> (accessed on 29.05.2015).

5.4 United Kingdom

5.4.1 The Common Ground Initiative

The Common Ground Initiative (CGI) is co-funded by the UK Department for International Development (DFID) and Comic Relief, a British NGO. CGI has had two phases, the first was from 2009 - 2014, and the second current phase is from 2015 - 2019. Phase I of CGI saw £40 million invested to support small and African diaspora organisations' work in international development. This also included grant-making across our seven goals as well as a leadership programme, organisational development support, a peer learning programme, and promotion of diaspora voices.

Phase II sees a further £20 million committed to assisting small and diaspora organisations and has two elements:

UK Small and Diaspora NGO Fund: provides grants for UK-registered small and Diaspora organisations working in international development.

CGI: in Phase II, CGI now refers only to work with the African Diaspora in the UK and has two key strands: Diaspora Finance and Investment, and Women and Girls Rights. The aim of this second phase is to contribute to social and economic well-being in Africa by supporting and enhancing links and partnerships between diaspora organisations, as well as individuals and communities, and their African counterparts.

5.4.2 The African Foundation for Development

The African Foundation for Development (AFFORD) is a UK-registered charity founded in 1994 by Africans living in the United Kingdom to help African diasporas there create wealth and jobs in Africa. AFFORD offers a number of programmes, among others, in business development, the transfer of skills (RemitSkills™) by African diasporas to Africa and through RemitPlus™, which links remittances to local investments, social enterprises, SMEs and other initiatives. The focus so far has been on Ghana and Sierra Leone. Through these programmes, advisory services have been provided to around 800 businesses in Sierra Leone and Ghana.

5.5 France

France has pioneered the concept of co-développement (co-development, or 'cooperation for development') policy, which is based on the principle that diasporas are central actors in the development process of receiving countries, and that their contributions should be recognised and encouraged.

5.5.1 PACEIM

The PACEIM programme (Creation of innovative businesses in the Mediterranean region), first tested in a pilot phase in 2010 under the programme *Invest in Med*, is designed for nationals from the Southern Mediterranean region who reside in France and who hold a Master's degree or higher degree in a technical field, engineering and research and who are interested in engaging with a research institute in France while implementing their expertise in countries of the Southern Mediterranean region, specifically Algeria, Morocco, Tunisia and Lebanon.

The beneficiaries are students at the PhD or post-doctoral level, researchers, engineers and technicians. Its premise is that there are about 7,000 PhD and post-doc students from the South Mediterranean region in France who have few relevant career opportunities but possess knowledge and expertise useful to the South Mediterranean economies.

The PACEIM programme thus aims to accompany and support interesting and innovative initiatives by the scientific diaspora in all sectors of industrial activity that includes a technological component. The goals of the PACEIM programme are: 1) to contribute to economic development through innovative start-ups and employment creation, 2) to facilitate technology transfer, 3) to promote interaction between diasporas, incubators and investors and 4) to contribute to the launch of nearly 100 innovative start-ups by 2015 in their first phases of development.

PACEIM provides a platform and infrastructure for young graduates to connect. The services offered to them are individualised according to the target country and includes financing of up to €35,000, training, market research, assistance with the business plan, co-working space and assistance in establishing links in France as well as in the target country.

Once the call for projects is open, 50 candidates are shortlisted and invited to present their business ideas in front of a jury, out of which 30 are selected for individualised training and financial assistance. The accompanying measures for the project last for 15 months and take place in France as well as in the target country. Partners of the programme are the ministries of industry and research as well as other relevant agencies from the target countries, which support the projects through:

- ◆ funding of €35,000, 80% of which is covered by the French Ministry of Solidarity Development and 20% by institutions in the target countries
- ◆ personalised support provided by institutions in the 'North' as well as the 'South'
- ◆ identification and facilitation of partnership opportunities

Prior to implementing their ideas in the target countries, the awardees receive training in France over the period of six months.

Since its inception, PACEIM has contributed to the establishment of 30 new start-ups. At the time of writing, 20 start-ups are in the making (filing of status for the future company) and 16 in the early phase (preliminary studies and R&D). Furthermore, PACEIM has contributed to 28 prototypes as well as to the registration of patents, trademarks and original artwork (totalling 28 intellectual property rights). Over the years, the number of projects and also the quality of the projects has improved, making the competition even more competitive.

5.6 Switzerland

5.6.1 SECO Start-up Fund

The SECO Start-up Fund is a developmental loan instrument that was initiated in 1997 by the Swiss State Secretariat for Economic Affairs (SECO). The management of the fund has been delegated to FINANCEcontact Ltd., a private management company in Switzerland.

The Start-up Fund provides co-financing of up to 50% to Swiss residents, individuals or companies for the first three years. The overall aim of the Fund is to promote long-term, sustainable and broad-based growth in the partner countries of Switzerland's development cooperation, but also to other 'least developed' or 'lower middle income' countries that may not necessarily be one of Switzerland's focus countries as long as they can demonstrate an outstanding development impact. The Fund supports business creation or expansion through unsecured debt financing. The financial support is not in the form of a grant. Rather, credit facilities provide loans at below-market interest rates. The Fund promotes private sector growth based on environmentally-friendly standards and fair labour practices that should create quality employment and enable the transfer of knowledge and technologies.

Although not initially envisaged, the Fund has become an important conduit for diaspora investments and is increasingly being used by diaspora entrepreneurs. After many years of implementation, it was observed that a majority of successful investors using the Fund were highly skilled diaspora members from the first or second generation who managed to maintain their relations with their country of origin while fully understanding the market and quality requirements of Swiss/European customers as well as being able to access the respective business networks. This was especially true for entrepreneurs from the Balkans. Thanks to their comparative advantage in their country of origin, many of the start-ups were successful and created thousands of jobs (estimation in 2015: 12,000). Some of the entrepreneurs choose to return for their business while others continue to manage their business while residing in Switzerland.

5.6.2 SECO Entrepreneurship Programme

The Entrepreneurship Programme started in July 2015 and will run until 2019. Unlike the Start-up Fund, this programme seeks to link international and local investors to suitable start-ups, provide relevant training and mentorship, among others, by diasporas in Switzerland, Austria, Germany and the United States, to entrepreneurs in the countries of origin. The overall objectives are: 1) to support and enhance the readiness of individuals to start a business and 2) to promote favourable conditions for start-ups and enhance entrepreneurial framework conditions. The project countries are Albania, Bosnia and Herzegovina, Macedonia, Peru, Vietnam and Serbia.

5.7 Moldova

5.7.1 PARE 1+1

First established in 2010 by a government decision as a means to attract remittances to the economy, especially by fostering SME creation, PARE 1+1 had mixed successes since it stopped operating in 2015. Similar to the *Tres por Uno* programme in Mexico, the Moldovan government matches the invested amount by the diaspora member up to a maximum of MDL 200,000 (equivalent to approximately \$10,500). The programme was implemented by the Organisation for Development of Small and Middle Enterprises (ODIMM), a non-profit organisation, in close cooperation with Moldova's Ministry of Economy. The state's objectives was to: 1) increase the volume of remittances invested in the Moldovan economy by \$8.5 million and 2) to create up to 2,000 new businesses and 6,000 new jobs, 70 per cent of which would be in rural areas. Applicants must: 1) have Moldovan citizenship, 2) have lived abroad and since moved back to Moldova (or be a first-degree relative of a worker who is/has been living abroad), 3) intend to set up or expand a business to Moldova and 4) be able to use his/her own funds from remittances. Since its inception, approximately 1,100 persons have been trained via the PARE 1+1 programme

and 504 businesses have received the matching grants by the government. The evaluation of the programme showed that the beneficiaries were in need of technical support to scale their businesses. They also needed specific knowledge on the respective industry, marketing, and how to get access to other financial means. The latter was particularly important since the beneficiaries had difficulties in accessing further financing for their businesses after receiving the initial funds.

5.8 The World Bank

The World Bank established the Development Marketplace programme in 1998, which is a competitive grant programme that identifies innovative and early-stage development projects that fulfil a number of criteria (scalability and replicability, high potential for development impact, etc.). Grantees are social entrepreneurs who would be able to have a large-scale impact in a developing country. Since its inception, it has awarded more than \$60 million in grants to more than 1,200 innovative projects. Each Development Marketplace focuses on a specific theme or sector.

In 2007, the World Bank launched a one-off initiative specifically tailored toward the African Diaspora in Europe (D-MADE), which ran from 2007–2008 and provided technical assistance as well as financing to entrepreneurial projects in Africa and by Africans living in Europe. It built on the Global Diaspora Marketplace and targeted specifically Sub-Saharan Africa-wide diaspora members living in Europe who want to make a positive impact in their countries. Funded by the Belgian Development Cooperation, the Dutch Ministry of Foreign Affairs, and the French Development Agency, the project was executed by the World Bank's Brussels Office, the World Bank Institute and the World Bank's Africa Regional Office. From the 500 submitted business proposals, 68 were selected to present their projects to a 24-person jury. In the end, 16 investment projects were awarded a grant reaching in total 11 countries in Sub-Saharan Africa. One of the projects looked at processing raw cashew nuts for export in Ghana, other ones introduced new medical technologies to rural areas in the Democratic Republic of Congo or production and irrigation technologies to cultivate and market vegetables in the Great Rift Valley by building on the entrepreneurs' experience with that technology in the Netherlands.

Total available funding for the business plans was \$1 million. Awardees were expected to provide in-kind contributions in the range of 5–25 per cent. The winners were living in Belgium, France, Ireland, Italy, the Netherlands, Switzerland and the United Kingdom.

6. Recommendations and Next Steps

Based on the research conducted within the parameters of the study, we found that diaspora entrepreneurs could benefit from more “KIC”: **know-how, information, capital** in particular for **early stage businesses** (start-ups) and an improved policy-environment for such businesses in countries of destination and countries of origin. These gaps in the start-up ecosystem could be filled by facilitating access to capital, business coaching, mentoring, training and workshops, and providing information that specifically target the diaspora communities.

Know-how gap: There is a gap in supply and demand in business support for those who want to establish a company in a developing country or emerging market. Business coaching for example through the Vienna Business Agency is offered with the expectation that the business will be created (or has been created) in Austria. Nor are all languages covered. A Kosovar diaspora member, for example, who wants to ‘get ready’ to start his/her business in Kosovo without registering in Austria cannot access these services, leading to lost ‘diaspora capital’. There is a demand not only for ‘normal’ business training and mentoring, but also diaspora-specific business coaching that takes into account the transnational element and the local country of origin start-up ecosystem. Mentors from the diasporas could provide country-specific business information, possible also in the native language.

Information gap: While a lot of information on various funding possibilities for business creation and expansion and free-of-charge business training (mostly in English/German) is being circulated, this study shows that little has reached the diaspora communities. The lack of knowledge thus implies that there are barriers for diasporas in accessing information, and more targeted outreach efforts need to be undertaken to reach diaspora entrepreneurs.

Start-up capital gap: There are many business plan competitions to get funds for a start-up in Austria, but creating a positive impact in developing countries/emerging markets is not a key criterion when funding institutions decide what businesses will get the start-up capital. The current business partnership programme focuses on supporting existing Austrian companies to venture into new markets in developing countries and emerging markets, but since it looks into already established businesses in Austria it therefore excludes start-ups that will only be created in the country of origin. As such, diaspora entrepreneurship has not yet been considered in a systematic way to foster inclusive entrepreneurship.

6.1 Recommendations for programme implementation

By looking at global examples where programmes have been set up tailored specifically to the diasporas in view of establishing new business activities in developing countries, it has shown that there is an increasing interest by donors to support such initiatives. Although the approach is not new, there is a fair amount of recently established programmes. For example, DFID through the Common Ground Initiative is partnering with the Comic Relief to focus on diaspora finance and investment to establish, amongst other, a funding mechanism for idea generation. The programme is set to run from 2016 until 2019. SECO’s Entrepreneurship Program, implemented by Swisscontact seeks to motivate and link the diaspora in Switzerland, Austria, Germany and the United States to entrepreneurs in the countries of origin, is being implemented between 2015 and 2019.

In view of this trend, there is ample room to establish a regular exchange of experiences with relevant donors, and to already start to discuss the possibility of scaling up such programmes in Europe and joining forces as of 2019. Above-mentioned initiatives are pilot programmes, thus information-sharing and learning on a regular basis will be essential to increase the body of knowledge on a fairly new area of work.

Following are more specific recommendations for a pilot programme:

- ◆ **Set up funding for diasporas**, in especially for early stage businesses, e.g. through a combination of a concessional grant and/or a loan and/or convertible debt or equity investment. Consider blending grants with loans as getting the initial funding in order to demonstrate the feasibility of a business idea (the 'proof-of-concept') is often the most challenging step. Grants could vary between €10,000 and €200,000.
- ◆ **Reach out to opportunity entrepreneurs**, as it will require traits found in such people to ensure the needed long-term engagement to make the business successful. Once, and if, a pilot programme is set up, the possible beneficiaries need to be determined. Further aspects would need to be explored: Should they be persons from the first and second generation coming specifically from the beneficiary country? Could they also be persons who have a strong tie to the beneficiary country after having lived there for some time but without being originally from that country?
- ◆ **Build on the power of diaspora organisations and recruit innovation/entrepreneur scouts within such networks for outreach activities.** Such persons could also act as business mentors who transfer country-relevant knowledge.
- ◆ **Embed a programme in existing and well-functioning incubators and global business networks, in particular those with an existing connection to impact investors**, which will allow for the mingling and exchange of experiences, as well as in-house coaching/mentoring and possible financing.
- ◆ **Leave the selection of beneficiary countries open** at first and apply a 'tilted funnel' concept in which over time people who have registered for the training programme drop out based on their engagement (thus only the ones with sufficient motivation and the most promising projects remain).
- ◆ **Create a space at local and global level to affect policymaking** that will improve the business enabling infrastructure for diaspora entrepreneurs, for example, by reducing the transaction costs of remittances used for productive purposes. Institutional development can be fostered by strengthening technical cooperation, knowledge-sharing and networking between entrepreneurs and associations, chambers of commerce, labour unions, relevant ministries (e.g. ministries of economy and finance), organisations and other institutions linked to business development. By mapping global initiatives that tailor specifically the diasporas in view of establishing new business activities in developing countries, it has become clear that there are many new pilot programmes set up in that field of work. In view of this trend, there is ample room to establish a regular exchange of experiences to share knowledge and learn from each other.
- ◆ **Targeted communication is important on two levels: 1) with the media, and 2) with the diaspora communities so that a pilot programme does not become susceptible to misinterpretation.** On the first point, it should be mentioned that media has a strong influence on public opinion and holds an important role in recognising the diasporas' contributions, improving public perceptions

of diasporas, combating discrimination, and promoting integration. For that reason, a pilot programme should include a media component. On the latter point, the programme should not have any motive other than supporting the diasporas' endeavours to establish businesses that have a developmental impact in origin countries. There should be no return conditionality linked to the programme, as it is not an assisted voluntary return programme. Moreover, decisions to return should not be motivated by the prospect of accessing financial support but by the diaspora entrepreneur's genuine willingness to contribute to the development of his/her origin country and her/his belief in the success of the business.

- ◆ The overall objective of a pilot programme should be to promote the establishment of SMEs and the development of a business-enabling framework in developing countries and emerging markets by harnessing the potential of diasporas in Austria. Such a programme would have the following specific objectives:
 - facilitate the funding of business ideas from diasporas at an early stage that have a strong business case and a high potential to contribute to the development of their countries of origin
 - enhance the business skills of diaspora entrepreneurs and their business partners in Austria and in the country of origin through mentors, coaching and/or workshops
 - establish a link between the entrepreneurs and relevant institutions and investors that could support their business growth
 - foster institutional development by strengthening technical cooperation, knowledge-sharing and networking between entrepreneurs and associations, chambers of commerce, labour unions, relevant ministries (e.g. ministries of economy and finance), organisations and other institutions linked to business development.

It is recommended to work on the basis of incremental and small measures with a view to paving the way for increasing synergies between integration, migration and development cooperation. The cross-cutting policy fields and the transnational element of enhancing diaspora entrepreneurship nevertheless means engaging a broad group of stakeholders with varying mandates, from different sectors both in Austria and in the countries of origin. The framework conditions for enhancing diaspora entrepreneurship should be taken into account in the design and implementation of a pilot programme.

6.2 Framework conditions for enhancing diaspora entrepreneurship

Ensure policy coherence

Diasporas can be a valuable resource for development in countries of origin, but that success is not automatic. Rather, it depends on various factors. A pilot programme would therefore need to be based on two policy strands: one in Austria relating to integration measures for third-country nationals who want to start or expand a business and one in the countries of origin relating to the broader business-enabling framework.

As concerns the current framework conditions in Austria and other destination countries, greater coherence should be sought between integration, migration and development cooperation policies. It is important to

work on the basis of incremental and small measures with a view to paving the way for increasing synergies and to avoid having policies in place that may bring transnational businesses additional challenges. New knowledge generated on the transnational role of diasporas and current concepts of integration should be used to stimulate discussions on promoting coherent policy objectives and indicators. Unlike older concepts that implied successful integration can only be achieved by severing or discouraging ties to the countries of origin, there is increasing recognition that diasporas can be involved in two or more societies at the same time. Through policies that encourage brain circulation and that facilitate mobility, the benefits of transnational activities, especially relating to business, can benefit both countries of origin and of destination. Diaspora entrepreneurship should therefore be addressed in integration policies, taking into account their transnational lives and engagement in the country of origin as well as destination. To complement a pilot programme, further positive effects could be achieved by lowering existing barriers, such as cumbersome bureaucratic procedures to establish a business, language barriers, challenges to get foreign-earned higher education diplomas accredited and skills recognised, and difficulties in accessing funds from the banking system.

Enter into a long-term commitment with the partner countries

The impact of diaspora entrepreneurship programmes can have both negative and positive development responses, as it does not just depend on the set-up of a programme itself and what forms of financial and business support are provided, nor on how good the business model is (although it is important). The success of any such programme largely depends on the business-enabling infrastructure in the origin countries and policies in the destination country. This is stating the obvious, but worth mentioning since it may mean that the best business model may not be the best choice to support. One must identify the conditions in the origin countries under which the positive results on development can be maximised, and in which negative consequences can be minimised, and to evaluate what role the diaspora member and her/his business idea may have on these societies.

Commitment would also need to be made over a longer period of time. Business failure for start-ups is relatively high, in particular when they are established in countries with adverse conditions. Therefore, such a programme may not bear fruit within the first couple of years. A pilot programme with high-potential projects, however, is more likely to yield results in the medium-term than when no criteria are applied for business support.

Anchor a pilot programme in the global policy debate on diaspora entrepreneurship

A pilot programme to support diaspora entrepreneurs needs to be anchored in the ongoing policy developments in this field and should therefore incorporate knowledge management on enhancing diaspora entrepreneurship and continuous learning cycles for better policy making. In view of the gap not only between integration, migration and development cooperation policies, but also within the donor community, practitioners in the 'diaspora engagement' field could meet their counterparts in 'private sector development' in order to discuss commonalities and make progress on supporting diaspora entrepreneurship.

The many recent initiatives show that this is an emerging field with a potentially strong learning curve if donor coordination and knowledge exchange among the various actors is strengthened. There is therefore a momentum to foster new policy thinking within various international fora, such as the Donor Committee for Enterprise Development (DCED), the Global Forum on Remittances and Development, the Global Forum on Migration and Development or the DiaGram, a network in which knowledge and experience by network members is pooled to inform programmatic development, albeit in the area of grant-making and other schemes

to facilitate diaspora-led development initiatives. Furthermore, synergies with other donor and country of origin initiatives in the broader field of diaspora engagement should be continuously sought. It is therefore recommended that a pilot programme looks at the various networks in which it could tap into or even establish a standing mechanism at donor level to further the discussions in this area of work.

Support further research on the topic of diaspora entrepreneurship

There is a lack of empirical evidence that would allow us to ascertain if diasporas are the real super-entrepreneurs, who can have more of a positive impact in the countries of origin than the native entrepreneurs, as often hailed in literature. Given a lack of available or published evaluations and impact assessments of existing diaspora entrepreneurship programmes, some of which are recent initiatives, it is difficult to evaluate if they can be deemed successful. An assessment would need to include factors that go beyond the number of businesses created in countries of origin, for example, by taking into account the cost-benefit in implementing diaspora entrepreneurship programmes or exogenous factors, i.e. 'what would have been if no such support had been given'. More research on diaspora entrepreneurship would fill the current gap not only in Austria, but findings and knowledge gained from such research could be shared with the growing global community of diaspora entrepreneurship practitioners and policymakers.

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8. Annexes

8.1 Online survey

The online survey was sent out in English and German through survey monkey. The English version of the survey can be found below:

Welcome to the Link Up survey!

Do you live in Austria, have a migration background, and are interested in starting up or expanding your business to a developing or emerging country – possibly even your country of origin? Then we would like to hear from you! Why?

We are currently undertaking a feasibility study to assess the potential for establishing or expanding a support programme for already established or budding entrepreneurs in Austria. A beneficiary of such a programme could be you!

To assess the possibility of setting up a support programme in Austria, we are conducting a survey with people from emerging or developing countries who reside in Austria (in the first or second generation), and who have an interest in starting up or expanding a business.

Your participation in the survey is much appreciated as it is of great importance for the success of the project. The survey takes approximately 5 minutes. It will end on 19 June 2015.

The information you provide will be kept confidential and will not be shared with any commercial or other parties. While the study will be published, there will be no individual attribution to any survey response.

Thank you in advance for your support!

1. What is your current main country of residence?

Austria.....
Other (please specify).....

2. Which country would you perceive as your country of origin?

Austria.....
Other country (please specify).....
(Multiple choices allowed)

3. To what extent would you be interested in starting up or expanding a business to a country other than Austria?

very interested.....
somewhat interested.....
not very interested..... (filter)
not at all interested..... (filter)

4. Do you have an idea in mind for starting or expanding your business?

Yes, I have a concrete idea.....
Yes, but it is not a concrete idea.....
No, I do not have an idea.....

5. In which country would you be interested to start or expand your business?

6. How likely is it that you would make use of any of the following financial support for starting up or expanding your business?

Loans/credit (Very likely/ somewhat likely/ somewhat unlikely/ very unlikely/ don't know)
Shareholder's equity (Very likely/ somewhat likely/ somewhat unlikely/ very unlikely/ don't know)
Grants (Very likely/ somewhat likely/ somewhat unlikely/ very unlikely/ don't know)
Own savings (Very likely/ somewhat likely/ somewhat unlikely/ very unlikely/ don't know)
Financial support from family and friends (Very likely/ somewhat likely/ somewhat unlikely/ very unlikely/ don't know)
Crowdfunding (Very likely/ somewhat likely/ somewhat unlikely/ very unlikely/ don't know)
Other support (please specify)

7. How much capital would you need to realise your business idea?

- Less than €10,000
- €10,000 – €39,999
- €40,000 – €119,999
- €120,000 – €200,000
- More than €200,000

8. In what sector would your business be (either your existing business or the business you are thinking about establishing)?

- Banking, Finance, Insurance.....
 - Energy.....
 - Consulting or Law.....
 - Real Estate.....
 - Agriculture.....
 - Manufacturing.....
 - Retail.....
 - Wholesale & Trade (import/export).....
 - Art, Design & Media.....
 - Transport, Logistics, & Utilities.....
 - IT Services, Software Development, & E-commerce.....
 - Telecom, Mobile & Other Hi-tech.....
 - Healthcare & Pharmaceutical.....
 - Tourism & Hospitality.....
 - Education.....
 - Research.....
 - Social Services.....
 - Other Sector.....
- Please specify*

9. In what areas would you like to build your competencies or knowledge to start or expand your business?

- Accounting.....
- Business Law.....
- Marketing.....
- Communication/ Public Relations.....
- Organisation.....
- Leadership.....
- Crowdfunding campaign.....
- Developing a Business Plan.....
- Developing a Financial Plan.....

Sales.....

Retail.....

Trade.....

Logistics/ Supply-chain Management.....

Project Management.....

Other Areas.....

Please specify below!

(Multiple choices possible)

10. Do you know of any grant programmes in Austria or elsewhere to start up or expand a business?

No (skip to 12)

Yes (please specify the name(s) of the programme(s)!

11. Have you made use of any grant programmes in Austria or elsewhere to start up or expand a business?

No

Yes

12. Do you know how to receive venture capital in Austria or elsewhere to help your endeavours?

No (skip to 14)

Yes (please specify the name(s) of the programme(s)!

13. Have you ever received venture capital in Austria or elsewhere to help your endeavours?

No

Yes

14. The purpose of business mentoring programmes or training is to gain knowledge about entrepreneurship. Do you know of any business mentoring programmes or training in Austria or elsewhere?

No (skip to 16)

Yes (please specify the name(s) of the programme(s) or training(s)!

15. Have you ever made use of such a business mentoring programme or training in Austria or elsewhere to help your endeavours?

No

Yes (please specify the name(s) of the programme(s)!) _____

16. Affluent individuals provide in business angel networks capital and know-how for a business at an early stage. Do you know of any business angel network in Austria or another country?

No (skip to 18)

Yes (please specify the name(s) of the network(s)!) _____

17. Have you ever made use of such a business angel network in Austria or another country to help your endeavors?

No

Yes (please specify the name(s) of the network(s)!) _____

18. Do you know of any further support programmes, networks or something similar in Austria or another country to help your business endeavours?

No (skip to 20)

Yes (please specify the name(s) of the programmes or network(s)!) _____

19. Have you made use of the networks or programmes you mentioned before to help your business endeavours?

No

Yes (please specify the name(s) of the programme(s) or network(s)!) _____

20. In which country did you earn your highest degree?

21. What is the highest level of education you have completed?

Left school before the age of 11.....

Left school between the age of 11 and 14.....

Left school after the age of 14.....

High School Diploma.....

Certificate Degree (Specialist/technical-vocational training).....

First Academic Degree: BA or BSc, or equivalent qualification.....

Higher Academic Degree, e.g. MA, MBA, MSc, Mphil or equivalent qualification.....

Doctorate: PhD or Dphil.....

Other.....

Please specify _____

22. In what field did you complete your education?

- Law.....
- Education.....
- Social Sciences/Humanity.....
- Natural Sciences.....
- Medicine/Health.....
- Economics.....
- Engineering.....
- Environmental Studies.....
- Fine and Applied Arts.....
- Other.....

Please specify

23. You are....

- Female.....
- Male.....
- Other.....

24. Year of birth (YYYY):

25. In which country were you born?

26. By sharing your experiences and opinions with us in an additional in-depth interview, we would be better able to target such a support programme (funding and/or business mentoring). Could we approach you for such an interview?

- Yes, I agree with being contacted by ICMPD for an interview
- No, I don't want to be contacted (skip to 28)

27. Please provide us with your contact details. They will not be used for commercial purposes and will not be shared with any other parties.

- E-mail address
- Telephone number

28. Do you know of anyone else who is living in Austria and who would be interested in starting or expanding a business in/to a developing or emerging country?

Yes.....

No.....

Filter: If yes: **We would like to invite this person to be part of the survey. Would you provide us with his/her contact details? We would invite the person to become part of the survey, the contact details will not be shared with any commercial or other parties.**

Name

Email address

Telephone number

Is there anything else you would like to tell us?

Thank you very much for participating in the survey!

8.2 Question guide for the semi-structured interviews

- What is your idea or plan to expand or start a business?
- What is your motivation to be engaged in business (with countries of origin)?
- What experience do you have (or not have) in accomplishing your business idea?
- What do you need to accomplish your idea?

(Selected detailed questions):

- a) Are you interested in doing business in your country of origin (start-up or expanding business from Austria)?
- b) Do you have any specific business idea yet? And would it have a positive impact in your country of origin (what impact/goal, e.g. social enterprise, profit-seeking, etc)?
- c) Would there be any issues in engaging for business with the country of origin (e.g. specific challenges for diaspora businesses linked to residency in Austria, etc)?
- d) Do you know of any support programmes in Austria for starting up or expanding a business (seed capital/risk capital, training, etc)?
- e) Why have you not? Or why have you made use of such? (lack of knowledge, no outreach, etc)?
- f) Are you familiar with the business ecosystem in your country of origin?
- g) Do you think your competencies/skills/knowledge you gained in Austria can be useful in your country of origin?
- h) In your opinion, has your experience in Austria enhanced your professional network and expertise compared to those who haven't lived outside the country of origin?

- i) How could you best transfer your knowledge, skills or technologies?
- j) Would you like to see the set-up of a support programme specifically for investments by the diaspora in the countries of origin? What would be the added value? How would it look like?

8.3 Mapping of start-up funding and business coaching/training in Austria

8.3.1 Funding sources

AUSTRIAN WIRTSCHAFTSSERVICE

The Austrian Wirtschaftsservice GmbH (AWS) is the Austrian federal promotional bank. It assists companies with their implementation of innovative projects by granting loans, awarding subsidies and issuing guarantees at favourable interest rates, particularly in those cases when there are no or insufficient alternatives to secure funding. Moreover, the AWS provides support in the form of specific information, advice and other services.

The following AWS programmes support and fund start-ups:

Programmes for Start-ups:

These programmes focus on economically independent small businesses that have been founded or taken over within the last five years, excluding companies in the tourism-industry.

AWS Start-up Scheck:

Funding amount: max. EUR 1,000 for investments with a minimum of EUR 5,000 and a maximum of EUR 20,000. This programme cannot be combined with other funding programmes.

Link: <http://www.awsg.at/Content.Node/gruenden/foerderungen/64712.php>

AWS Start-up Prämie:

Funding amount: for investments between EUR 20,000 and EUR 800,000, a grant of 10% or 12% can be offered. This grant can be combined with aws Start-up Garantie, Double Equity and erp-Kleinkredit.

Link: http://www.awsg.at/Content.Node/gruenden/foerderungen/46932_11.php

AWS Start-up Garantie:

Funding amount: a 80% guarantee for investment-, leveraged and operating loans up to EUR 2,5 million. This guarantee can be combined with aws start-up Prämie and erp-Kleinkredit.

Link: http://www.awsg.at/Content.Node/gruenden/foerderungen/46932_2.php

AWS PreSeed:

This programme facilitates the financing of high-tech start-ups through funding grants and is intended to address prospective business founders in the pre-seed phase. The focus is on the areas information and communication technologies, physical and life science as well as nanotechnology. Costs leading to scientific implementation, evaluation and the proof of concept or proof of principle, market study and payroll costs and costs for consumable supplies are covered.

Funding amount: max. EUR 200,000. This programme can be combined with aws i2 Business Angels Austria and Seedfinancing.

Link: <http://awsg.at/Content.Node/en/hightech/3158.en.php>

AWS Seedfinancing:

This programme focuses on high tech start-ups in the seed phase and provides funding through a repayable grant. It addresses companies from the high-tech area focusing on information and communication technology, physical and life sciences. Fundable costs include the founding and market entry costs, study and concept costs, fees for external consultants, payroll costs and costs for industrial property rights.

Funding amount: Grant up to EUR 1,000,000. This funding can be combined with aws Double Equity, i2 Business Angels and Interim Management.

Link: <http://www.awsg.at/Content.Node/gruenden/foerderungen/48257.php>

AWS IP Finanzierung:

This programme supports the application for patents and industrial property rights in non-European markets.

Funding rate: up to 50%, max. EUR 18,000

Link: http://www.awsg.at/Content.Node/foerderungen_alle/patentservice/48285.php

AWS Management auf Zeit:

This programme funds the temporary deployment of external consultants in the start-up phase of high-tech companies.

Funding amount: Max. EUR 50,000, up to 50% coverage of the consultancy fees, can be combined with aws Seedfinancing

Link: <http://www.awsg.at/Content.Node/hochtechnologie/foerderungen/48259.php>

AWS impulse XS:

aws impulse XS focuses on small and medium companies and individuals within the creative industries that have come up with good ideas for innovative products, processes or services. This program supports the feasibility study.

Funding rate: up to 70% of the project costs, max. EUR 45,000. This program can be combined with any other funding program.

Link: http://www.awsg.at/Content.Node/66897_1.php

AWS impulse XL:

This programme supports small and medium enterprises and individuals within the creative industries that have developed a concept of an innovative product, process or service and the feasibility has already been proven. The program supports the actual development or application of the product, process or service.

Funding rate: up to 50% of the project costs, max. EUR 200,000

Link: http://www.awsg.at/Content.Node/66898_1.php

AWS Kreativwirtschaftsscheck:

This programme focuses on small and medium enterprises in all creative industries. It funds the development, realisation and marketing of innovative products, processes and services that have already proven to be feasible.

Funding amount: Grant up to EUR 5,000

Link: http://www.awsg.at/Content.Node/79110_1.php

Der Mikrokredit:

The Mikrokredit is a loan granted to people or partnerships with a great business idea but no other possibility of funding. It focuses on unemployed people with professional and business knowledge.

Funding amount: Loans of EUR 12,500 (individual) or EUR 25,000 (partnership) at a fixed interest rate.

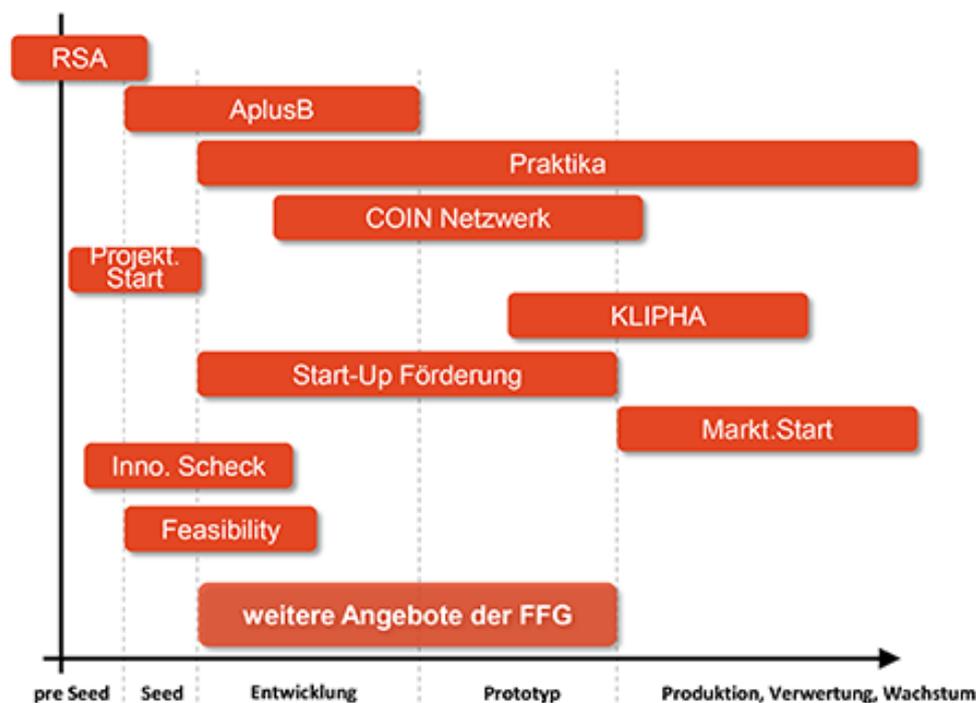
Link: <http://www.awsg.at/Content.Node/gruenden/foerderungen/46824.php>

ÖSTERREICHISCHE FORSCHUNGSFÖRDERUNGSGESELLSCHAFT:

The Austrian Research Promotion Agency (FFG) is the national funding agency for industrial research and development in Austria. It offers a diversified and targeted programme portfolio and gives Austrian businesses and research facilities access to research funding. The FFG is wholly owned by the Republic of Austria, represented by the Federal Ministry for Transport, Innovation and Technology (bmvit) and the Federal Ministry

of Science, Research and Economy (BMWFV). Furthermore, as a provider of funding services, the FFG works for other national and international institutions.

The following FFG programmes support and fund start-ups:



Basisprogramm - Start-Up:

The Start-up programme within the General Programme provides long-term support for innovative start-ups and SMEs during the implementation of technically risky and economically interesting projects. The projects are analysed and assessed in terms of technical and economic aspects for funding. Funding is provided for all expenses that incur directly throughout the duration of the funded research activities. This includes personnel costs, investments in research infrastructure and other costs such as third party services, material costs, travel costs and patent application costs.

Link: <https://www.ffg.at/en/startups>

Innovationscheck:

The Innovationscheck ("Innovation Voucher") enables enterprises to enlist the services of research institutions and to pay for these services to a maximum value of either EUR 5,000 or EUR 10,000. The programme is designed to encourage SMEs and start-ups to co-operate with research institutions. Fundable plans include e.g. idea studies, preparation work for a research, development and innovation project, support during the development of prototypes, analysis of technology transfer potential and innovation potential of the company and concepts for technical innovation management.

Link: <https://www.ffg.at/en/innovation-voucher>

AplusB Academia plus Business:

This programme funds AplusB-Centers that provide professional support for scientists in the process of turning an idea into a business. It includes consultation and assistance during the start-up phase as well as establishing the idea of entrepreneurship in academic theory and practise. The target groups are scientists from universities, non-university research institutions and R&D academics from the private sector.

There are various centers in Austria:

accent, Lower Austria

BCCS-Business Creation Center Salzburg, Salzburg

build!, Corinthia

CAST, Tyrol

INiTS, Vienna

SPG-Science Park Graz, Styria

tech2b, Upper Austria

ZAT - Zentrum für Angewandte Technologie, Styria

Link: <https://www.ffg.at/en/apusb-academia-plus-business>

Basisprogramme Markt Start:

Markt.Start is a funding instrument for start-ups and small-sized companies. The funding goal is to support small companies for the market entry and launch of product innovations, service innovations and process development after successful-driven R&D. This programme funds all expenses related to the realisation of the marketing and sales approach within the strategy of the enterprise.

Funding amount: max. EUR 1 million each for market transition through funding with low-interest loans

Link: <https://www.ffg.at/en/marktstart>

Basisprogramme Projektstart:

The Project.Start programme targets start-ups and small and medium businesses and supports costs related to preparatory work for a research project. Both internal preparation costs and external expenses and specialist, project-specific support can be funded. The goal is to define project aims, assessing the state of art and literature and patent research regarding the quantitative limitation of the innovation, a market analysis, the definition of risks and the preparation of work schedules and a well-founded cost plan. The project costs up to EUR 7,000 can be granted and the funding is limited to EUR 3,500.

Link: <https://www.ffg.at/en/projektstart>

Basisprogramme Feasibility Study:

The funding instrument supports the development of feasibility studies requested by start-ups and small and medium-sized companies to be carried out by research institutes and other qualified institutes as well as company partners. The goal is to determine a proof of concept which might lead to an ongoing cooperation with one of these institutions. The costs with a maximum of EUR 8,000 of the external study will be funded with a subsidy of up to 60% but no more than EUR 48,000 for the execution of the study by universities and other research institution or companies.

Link: <https://www.ffg.at/en/feasibility-study>

COIN Cooperation & Innovation:

COIN is a joint initiative launched by the Federal Ministry for Transport, Innovation and Technology (bmvit) and the Federal Ministry of Science, Research and Economy (BWF). It contributes towards fostering Austria's innovation performance by the better and broader transposition of knowledge into innovation. The "Cooperation and Network" line encourages technology transfer within entrepreneurial cooperation schemes, thus raising the level of innovation within businesses and strengthening their cooperation capacities. It focuses on output-oriented cooperation projects to develop and improve innovative products and processes.

Link: <https://www.ffg.at/en/coin-cooperation-and-innovation>

ÖSTERREICHISCHE HOTEL- UND TOURISMUSBANK

The Austrian Tourism Bank (ÖHT), is a specialised financial institution focusing on the financing and promotion of investments in the field of tourism as well as consulting activities. The service portfolio also encompasses support for company start-ups, partnerships and restructuring of financing for companies in the tourism sector.

TOP - Tourismus Impuls Förderung für Jungunternehmer:

This programme supports the founding or acquisition of small and medium enterprises. The entrepreneur must not have been working as self-employed in the last 5 years and has to become self-employed in order to establish the company.

Link: <http://www.oeht.at/finanzierung-und-foerderungen/top-tourismus-foerderung/>

WIRTSCHAFTSAGENTUR WIEN

The Vienna Business Agency offers financial support, real estate and urban development incentives as well as free services and advice. The objective is to strengthen Viennese companies and their innovative force and as a result, developing and sustaining the business location and strengthening the position in international markets.

CALL FemPower 2015:

This programme supports projects that contribute to the equality of women in research and development.

Funding amount: max. EUR 500,000, funding quote for small businesses: 45%

Link: <https://viennabusinessagency.at/funding/programs/>

Commercial Sector Funding:

This programme supports and funds newly founded Viennese commercial sector organisations and traditional Viennese shopping street organizations that implement innovative projects.

Funding amount: max. EUR 90,000 per project with a minimum of EUR 20,000.

Link: <https://viennabusinessagency.at/funding/programs/>

Communication:

This programme supports projects that inform the public about new technologies or research services or improve the image of Vienna as a modern-technology location.

Funding rate: 50% for companies, max. EUR 50,000 per project

Link: <https://viennabusinessagency.at/funding/programs/>

Creative Focus:

This programme supports economically sustainable projects in the creative industries.

Funding rate: max. 60%, max. EUR 200,000

Link: <https://viennabusinessagency.at/funding/programs/>

Creative pioneer:

Creative pioneer funding is offered to start ups in the creative industry for the development of creative products, services or processes and the initial market positioning.

Funding rate: max. 70%, EUR 50,000 bonus + EUR 5,000 if the project is led by a woman.

Link: <https://viennabusinessagency.at/funding/programs/>

Creative project:

This programme funds innovations in creative industries in the areas of development, marketing and distribution.

Funding amount: max. EUR 150,000 + 3% if the project is led by a woman. Rate: 50%. Founding bonus: EUR 5,000 for founders

Link: <https://viennabusinesagency.at/funding/programs/>

Initiation of co-operation:

This programme offers support for national and international activities for the initiation and design of research and development agreements and the development of a research strategy.

Funding amount: max. EUR 50,000 per project with a funding rate of 75%

Link: <https://viennabusinesagency.at/funding/programs/>

Innovation:

The programme supports the development of new or significantly improved products, services or processes in a company-wide innovation strategy.

Funding rate for small companies: 45%, max. EUR 250,000 per project.

Link: <https://viennabusinesagency.at/funding/programs/>

Internationalization:

This programme funds the presence at international trade fairs and the inclusion of international business relationships.

Funding rate: 50 %, max. EUR 10,000, minimum assessment base: € 3000

Link: <https://viennabusinesagency.at/funding/programs/2/>

Internationalization Fokus:

The programme supports internationalization projects for an initial entry into a foreign market.

Funding rate: 50 %, max. EUR 50,000, minimum: EUR 20,000

Link: <https://viennabusinesagency.at/funding/programs/2/>

Local Supply:

This programme offers funding for sustainable projects and investments by small businesses and retail stores in Vienna.

Funding rate: 10 %, max. EUR 5,000, minimum project size: EUR 7,000, bonus: on restarting a previously vacant business premises + EUR 5,000

Link: <https://viennabusinesagency.at/funding/programs/2/>

Local supply focus – Focus on innovative crafts:

This programme supports Viennese local supply companies and innovative craft businesses.

Funding rate: 50 %, max. EUR 30,000

Link: <https://viennabusinesagency.at/funding/programs/2/>

Location Initiative:

The programme supports companies that are newly located in Vienna, significantly extend their location or transfer their business location within Vienna.

Funding rate: Small businesses 20 %, medium-sized enterprises and large companies 10 %, minimum assessment base: small businesses EUR 150,000, medium-sized enterprises EUR 300,000, large companies EUR 500,000

Link: <https://viennabusinessagency.at/funding/programs/2/>

Material Goods:

The programme supports the development and implementation of new products and production processes. A Start-up bonus is available. The minimum project value for start ups and small businesses is EUR 15,000.

Funding rate: 35 %, max. EUR 100,000 per project

Link: <https://viennabusinessagency.at/funding/programs/2/>

Research:

The programme funds the research and development projects for product, service or process innovations within specific calls.

Funding rate: Small businesses 45 %, medium-sized companies 35 %, large companies 25 %, max. funding amount: EUR 500,000 per project, projects with female management get a bonus of + EUR 10,000

Link: <https://viennabusinessagency.at/funding/programs/2/>

Services:

Support is offered for the development and implementation of new services and a start up bonus is offered to newly founded enterprises.

Funding rate: 35 %, max. EUR 100,000 per project, start-up bonus: founders get + EUR 5,000, minimum project size: start-ups and small businesses EUR 15,000, others EUR 100,000

Link: <https://viennabusinessagency.at/funding/programs/2/>

Technology Awareness:

The programme supports and funds smaller projects, which inform the public about new technologies or research services or which improve the image of Vienna as a modern technology location.

Funding rate: 75 %, max. EUR 5,000 per project

Link: <https://viennabusinessagency.at/funding/programs/2/>

Technology-Transfer:

This programme supports the initial collaboration between companies and research institutions to optimise products, processes and services.

Funding rate: 75 %, max. EUR 5,000 per project, company and year

Link: <https://viennabusinessagency.at/funding/programs/2/>

WAFF WIENER ARBEITERINNEN FÖRDERUNGSFONDS

The Vienna Employment Promotion Fund (WAFF) is an institution of the City of Vienna that cooperates with all important institutions operating in the area of labour market and economic policies to ensure more employment opportunities and to make Vienna a more attractive business location.

Qualification grant:

This programme supports the training of under 45 year old employees of businesses based in Vienna and funds German courses.

Funding volume: max. 20,000 per year/ max. EUR 1,000 (50%) for a course

Link: https://www.waff.at/html/index.aspx?page_url=F%C3%B6rderung_Qualifizierung&mid=365

Support for innovation and employment:

The WAFF supports small and medium-sized companies in Vienna that have successfully conducted their business for at least 12 months with the implementation of innovation projects.

Link: https://www.waff.at/html/index.aspx?page_url=Service_f%C3%BCr_Unternehmen_Foerderung_Innovation&mid=283

WKBG BETEILIGUNGEN UND BÜRGSCHAFTEN FÜR DIE WIENER WIRTSCHAFT

The Vienna credit guarantee and investment bank AG acts as a guarantor and funds various investments

Link: <http://www.wkbg.at/>

Various programmes fund business activities to strengthen the competitiveness of start ups and small companies and to create jobs in the provinces of Austria. Most programmes require the membership of the Federal Chamber of Commerce of the province where the business is based.

VORALBERGER WIRTSCHAFTSFÖRDERUNG**Jungunternehmerförderung:**

This programme funds investment goods for start ups.

Funding rate: 10% for loans, max. EUR 50,000

Link: https://www.vorarlberg.at/vorarlberg/wirtschaft_verkehr/wirtschaft/wirtschaft/foerderungen/wirtschaftsfoerderungen/jungunternehmerfoerderung.htm

Beratungskosten für Jungunternehmen:

This programme funds consulting costs and trainings for start-ups that have not been in the business for more than 3 years and are members of the Chamber of Commerce.

Funding rate: max. 75%, max. EUR 1,900

Link: https://www.vorarlberg.at/vorarlberg/wirtschaft_verkehr/wirtschaft/wirtschaft/foerderungen/wirtschaftsfoerderungen/beratungs-undbildungskost.htm

WIRTSCHAFTSFÖRDERUNG DES AMTES DER TIROLER LANDESREGIERUNG

Beratung:

This programme funds the temporary deployment of external consultants, especially for start-ups.

Funding rate: max. 50%

Link: <https://www.tirol.gv.at/arbeit-wirtschaft/wirtschaftsfoerderung/wirtschaftsfoerderungsprogramm/beratungsfoerderung/>

Energiesparmaßnahmen:

This programme supports the use of renewable energy in small and medium businesses.

Funding rate: max. 30%

Link: <https://www.tirol.gv.at/arbeit-wirtschaft/wirtschaftsfoerderung/wirtschaftsfoerderungsprogramm/energiesparmassnahmen/>

Kleinunternehmensförderung:

The programme funds the foundation of companies that fill a market niche or small businesses with superior technologies and products.

Funding rate: max. 5%

Link: <https://www.tirol.gv.at/arbeit-wirtschaft/wirtschaftsfoerderung/wirtschaftsfoerderungsprogramm/kleinunternehmensfoerderung/>

STEIRISCHE WIRTSCHAFTSFÖRDERUNGSGESELLSCHAFT

Ideen!Reich:

This programme funds the development and realisation of innovative ideas in small and medium enterprises. There are two modules: "Ideen finden" supports the development of products and services, feasibility studies and business plans. "Ideen zünden" supports the development of prototypes and demonstration facilities as well as the market introduction.

Funding amount „Ideen finden“: project costs of max. EUR 10,000, max. 50%

Funding amount „Ideen zünden“: project costs of max. EUR 150,000, max. 40%

Link: <http://www.sfg.at/cms/4465/Ideen%21Reich/>

Start!Klar:

This programme funds external consultants and investments of innovative start ups and newly acquired companies.

Consultancy fees are covered up to 50%, investments up to 25%

Link: <http://www.sfg.at/cms/75/Start%21Klar/>

Weiter!Bilden:

This programme supports further training of employees and entrepreneurs in the area of export, innovation, technology or business. Start-ups (< 5 years) receive a 10% bonus.

Funding rate: 30%

Link: <http://www.sfg.at/cms/4139/Weiter%21Bilden/>

Welt!Markt:

This programme supports the presence at international events such as trade fairs, the participation in architecture competitions, the support of international cooperations through the European Enterprise Network and the introduction to new markets.

Funding rate: max. 60%

Link: <http://www.sfg.at/cms/4132/Welt%21Markt/>

AMT FÜR WIRTSCHAFTS- UND TOURISMUSENTWICKLUNG DER STADT GRAZ**Gründerpaket:**

The Gründerpaket supports start-ups in the area of bio- and ecotechnology, energy, automobile, transport and creative industries.

Link: <http://www.graz.at/cms/beitrag/10024688/358477>

GEWERBLICHE TOURISMUSFÖRDERUNG DES LANDES STEIERMARK**TOP-Jungunternehmerförderung Teil B:**

This programme provides a one-time funding of Hard- and Software e.g. consultancy for start ups in the tourism industry

Link: <http://www.verwaltung.steiermark.at/cms/ziel/74835688/DE/>

WIRTSCHAFTSFÖRDERUNG SALZBURG**Betriebsgründung, Betriebsübernahme:**

This programme funds the foundation or acquisition of independent small and medium enterprises based in Salzburg that are a member of the Salzburg Chamber of Commerce.

Funding: Subsidy for interest of 3% (5 years) e.g. for capital-asset investments

Link: <http://www.salzburg.gv.at/themen/wt/wirtschaftsfoerderung/jungunternehmer/bnf.htm>

Wachstumsprogramm für Kleinstbetriebe:

This programme targets small businesses that are a member of the Salzburg Chamber of Commerce and have max. 9 employees.

Funding: a grant of 10% of the fundable investment costs.

Link: <http://www.salzburg.gv.at/themen/wt/wirtschaftsfoerderung/unternehmensaktivitaeten/wachstumsprogramm.htm>

Internationalisierung von Salzburger Unternehmen:

This programme funds all activities that are necessary to introduce a new or already existing product into a new market. For start-ups a bonus of 35% or max. EUR 28,000 can be granted.

Link: <http://www.salzburg.gv.at/themen/wt/wirtschaftsfoerderung/unternehmensaktivitaeten/internationalisierung.htm>

OBERÖSTERREICHISCHE WIRTSCHAFTSFÖRDERUNG**Ultraschnelle Breitband-Glasfaser-Internet für KMUs:**

This programme funds the establishment of a fiber to the home (FTTH) internet connection.

Funding amount: max. EUR 5,000, max. 50%

Link: <http://www.land-oberoesterreich.gv.at/139987.htm>

OÖ Gründerfonds:

This programme supports founders of small businesses who are members of the Chamber of Commerce in Upper Austria. The Upper Austrian Unternehmensbeteiligungsgesellschaft becomes a silent partner and provides funds between EUR 20,000 and EUR 75,000

Link: <http://www.land-oberoesterreich.gv.at/26542.htm>

Innovations- und Wachstumsprogramm für die Oö. Wirtschaft 01.07.2014-30.06.2020:

This programme provides funds for start-ups regarding the construction and renovation of buildings, the purchase of business equipment and consultancy fees.

Links: <http://www.land-oberoesterreich.gv.at/140968.htm>

Gründungs- und Nachfolgebonus:

This programme funds, in cooperation with the Austria Wirtschaftsservice GmbH, the foundation of economically independent small businesses.

Link: <http://www.land-oberoesterreich.gv.at/26533.htm>

Export-Internationalisierungsprogramm des Landes Oberösterreich – EIP_OÖ:

This programme supports the internationalisation of SMEs that are members of the Chamber of Commerce in Upper Austria. The funding amount depends on the target market and the size of the company. The fundable costs must exceed EUR 5,000 for small-sized businesses and EUR 10,000 for medium-sized businesses.

Link: <http://www.land-oberoesterreich.gv.at/137791.htm>

KREDITGARANTIE UNTERNEHMENS BETEILIGUNG (OÖ)

The company supports businesses by giving credit guarantees and acquiring shares in the company.

Link: <http://www.kgg-ubg.at/#&panel1-2>

NÖ WIRTSCHAFTS- UND TOURISMUS FONDS

Neugründung und Unternehmensnachfolge:

This programme funds companies by supporting the purchase of fixed assets with a project volume between EUR 20,000 and EUR 750,000.

Link: https://www.noe.gv.at/Wirtschaft-Arbeit/Wirtschaft-Tourismus-Technologie/-Investition-Schwerpunkte/neugruendung_unternehmensnachfolge.html

Existenzgründung:

The province of Lower Austria grants a subsidy of 8% of the fundable costs in the amount of max. EUR 15,000.

Link: https://www.wko.at/Content.Node/F-rderservice/Gruendung_und_Betriebsuebernahme.html

ECO PLUS DIE WIRTSCHAFTSAGENTUR DES LANDES NIEDERÖSTERREICH**ECO Plus:**

The ecoplus programme assists projects characterised by sustainability and innovation. The programme supports infrastructure and consulting projects, projects with significance for the region and the development of auxiliary operations at tourist destinations.

Link: <http://www.ecoplus.at/en/ecoplus/regional-support/ecoplus-regional-support-opening-horizons-and-promoting-regions>

NÖBEG

The NÖBEG is the funding institution of Lower Austria and supports companies by e.g. giving credit guarantees or acquiring shares.

KÄRNTNER WIRTSCHAFTSFÖRDERUNGSFONDS (KWF)**Internationalisierung für KMU:**

This programme funds internationalization projects of small- and medium-sized businesses that want to enter into a foreign market. It supports publications such as websites, catalogues and brochures in a foreign language, the presence at trade fairs and consultancy fees.

Funding amount: min EUR 2,000, max. EUR 7,000, rate: 50%

Link: http://www.kwf.at/?inhalt=Internationalisierung_fuer_KMU&id=3-2-1-7

Investitionsförderung in Gewerbe und Industrie:

This programme offers additional support for businesses that have already been funded by an Austrian or EU funding agency. The funding amount varies with regard to the different programmes.

Link: http://www.kwf.at/?inhalt=Investitionsfoerderungen_in_Gewerbe_und_Industrie&id=3-2-2-1

Investitionsförderungen im Tourismus:

This programme offers additional support for businesses in the tourism industry that have already been funded by an Austrian or EU funding agency. The funding amount varies with regard to the programme.

Link: http://www.kwf.at/?inhalt=Investitionsfoerderungen_im_Tourismus&id=3-2-2-2

Investitionsförderungen mit Bankenfinanzierung:

This programme supports the investment of small businesses in tangible fixed assets and intangible assets that are capitalized.

Subsidy for interest: 7,5% or EUR 7,500

Link: http://www.kwf.at/?inhalt=Investitionsfoerderungen_mit_Bankenfinanzierung&id=3-2-2-3

Kleinunternehmerscheck:

This programme supports small businesses in the area of construction.

Funding amount: max. EUR 10,000, rate: 20%

Link: <http://www.kwf.at/?inhalt=Kleinunternehmerscheck&id=3-2-2-4>

UiG 2015:

Umsetzung innovativer Gründungsvorhaben:

The applicant must be a university or other research institution. The programme funds a project which should result in the foundation of an enterprise. The project should be innovative and focused on technology.

Funding amount: max. EUR 65,000 for personnel or mentoring costs and consultancy.

Link: http://www.kwf.at/?inhalt=Umsetzung_innovativer_Gruendungsvorhaben&id=3-2-2-5

Finanzierung technologieorientierte Unternehmen:

This programme covers costs related to the foundation of a business or early start up phase in the form of a loan. The business needs to be small or medium sized and have a focus on technology.

Funding: max. EUR 400,000 loan

Link: http://www.kwf.at/?inhalt=Finanzierung_technologieorientierte_Unternehmen&id=3-2-4-1

WIRTSCHAFTSSERVICE BURGENLAND

Anschlussförderung Jungunternehmer:

A programme in addition to the AWS Jungunternehmer- und Innovationsförderung.

Link: <http://www.wirtschaft-burgenland.at/index.php?id=106>

Jungunternehmerförderung im Bereich Tourismus:

A programme in cooperation with the Austrian tourism bank.

Link: <http://www.wirtschaft-burgenland.at/index.php?id=226>

8.4 Skills development

AWS

AWS impuls training:

The programme offers individual training and provides founders and young entrepreneurs with knowledge for their business career. The workshops are accompanied by lectures, with business experts giving insights and outlooks on relevant subjects. The programme is tailored for the creative industries.

Link: http://awsg.at/Content.Node/en/innovation_investment/creative-industries/3784.de.php

AWS discover.IP:

The aws, in cooperation with the Austrian patent office, supports technology focused small- and medium-sized businesses by analysing the potential of their intellectual property.

Link: http://www.awsg.at/Content.Node/foerderungen_alle/patentservice/48295.php

AWS Markt.Chancen Check:

This programme targets technology-focused small- and medium-sized businesses and offers monthly expert consulting sessions to evaluate markets and business opportunities.

Info: http://www.awsg.at/Content.Node/foerderungen_alle/patentservice/48325.php

VIENNA BUSINESS AGENCY

Start-up package:

A Vienna start-up welcome package including cost of travel to Vienna, accomodation, 10-hour coaching, place in a co-working space, flight and ticket for the Pioneers Festival and the exclusive introduction to Vienna's startup scene, supports selected start-ups from Europe that are not older than five years and want to develop their business idea in Vienna.

Link: <https://viennabusinessagency.at/gruenden-und-wachsen/uebersicht/>

Expats in Vienna:

This programme targets international experts and executives who have moved to Vienna for professional reasons and expatriates who are already living in Vienna. An international team provides advice concerning all aspects of daily life.

Link: <https://viennabusinessagency.at/consulting/expats-in-wien-15/>

Financing Coaching:

The programme offers multilingual advice on all issues of financing.

Link: <https://viennabusinessagency.at/consulting/finanzierungscoaching-3/>

Foundation Coaching:

A face-to-face foundation coaching supports individual issues relating to everyday business.

Link: <https://viennabusinessagency.at/consulting/gruendungscoaching-5/>

International Business Location:

This programme supports international investors and companies who wish to invest or settle in Austria.

Link Europe: <https://viennabusinessagency.at/consulting/internationale-betriebsansiedlung-europa-10/>

Link America: <https://viennabusinessagency.at/consulting/internationale-betriebsansiedlung-nord-und-suedamerika-16/>

Link Russia, Asia, Arabian Region: <https://viennabusinessagency.at/consulting/internationale-betriebsansiedlung-rusland-asien-arabischer-raum-17/>

Mingo Migrant Enterprises:

The Mingo Migrant Enterprises information centre provides entrepreneurs of immigrant origin with tailor-made information in their native language about the comprehensive support available to companies in the city of Vienna. Mingo offers free support and a personal initial consultation for small and medium-sized companies and company founders, support with implementing operational steps to aid growth and innovation, information about the support and advice offered by the city of Vienna, support in dealing with agencies and authorities and support in linking up with financial institutions in the city of Vienna.

Info: <https://ec.europa.eu/migrant-integration/index.cfm?action=media.download&uuid=2AE1EA77-9941-AA17-03E5A49C15E215FF>

Finanzierungscoaching:

The programme includes the coaching of start-ups regarding capital and finance, business plans, market analysis and pricing. The coaching is for free and can be booked in different languages.

Link: <https://wirtschaftsagentur.at/beratungen/finanzierungscoaching-3/>

Frauenservice:

This programme is specially designed for women and encourages and helps them to establish their own business. Business ideas will be discussed and feasibility and markets analysed.

Link: <https://wirtschaftsagentur.at/beratungen/frauenservice-7/>

Gründungscoaching:

All questions about how to establish a business can be discussed in 15 languages.

Link: <https://wirtschaftsagentur.at/beratungen/gruendungscoaching-5/>

Expansionscoaching:

External coaches and consultants provide information about internationalisation and the risks involved.

Link: <https://wirtschaftsagentur.at/beratungen/expansionscoaching-4/>

8.5 Non-institutional stakeholders

Support to start-ups are also offered by non-institutional stakeholders, some examples are listed below:

Austrian Startups:

An independent and non-profit platform of, by, and for the Austrian startup community to increase its visibility and strengthen the entrepreneurial ecosystem.

Link: <http://www.austrianstartups.com/>

Akostart OÖ:

First Austrian Network for academic start-ups and spin offs.

Link: <http://www.akostart.at/>

Business Creation Center Salzburg:

Supports spinoffs and innovative business ideas in Salzburg.

Link: <http://www.bccs.at/>

Build! Gründerzentrum Kärnten:

Consultancy and trainings for start-ups in Carinthia.

Link: <http://build.or.at/>

Chance.at:

Center for founders with a handicap.

Link: <http://www.chance.at/>

Easy limited 4 you:

Consultancy and easy establishment of a company (but not for free)

Link: <http://www.easylimited4you.at/>

CAST:

Center for academic spinoffs in Tyrol. Free expert consulting.

Link: <http://www.cast-tyrol.com/>

Erfolgreich selbstständig:

Provides information, workshops and events for founders.

Link: <http://www.die-unternehmerinnen.info/>

Gründer Akademie

The Erste Bank und Sparkasse organises a three day event with expert talks and supports founders with knowledge about business plans, business goals, financing, marketing and distribution.

Link: <http://www.gruender.at/>

Unternehmer Netz Wien:

Every 5-6 weeks a "Gründer-Treff" takes place where founders can extend their network and exchange experiences with other founders.

Link: <http://unternehmer-netzwerk.wien/gruender>

Gründerinnen Zentrum:

Provides Online information and hosts events.

Link: <http://www.gruenderinnenzentrum-stmk.at/>

Gründerzentrum Schildorn:

Provides cheap rental spaces for start-ups and supports new business ideas.

Link: <http://www.gruenderzentrum.co.at/?page=7>

Inits - innovation into business:

Supports start-ups to turn their ideas into businesses e.g. in a start-up camp. Inits is a center of the AplusB programme.

Link: <http://www.inits.at/>

Science Park Graz:

The center for academics that establish their own business in Styria. They offer consultancy and coaching, funding, infrastructure, networking and mentoring and bring founders, managers and investors together.

Link: <http://sciencepark.at/>

RIZ - Die Gründeragentur für Niederösterreich:

Consulting, events and workshops for start-ups in Lower Austria.

Link: <http://www.riz.at/>

Upper Austrian Business Hightech Incubator:

Consulting, networking, infrastructure and financial support.

Link: <http://www.tech2b.at/en/founder.html>

V:start:

Consulting, networking, funding and infrastructure for free.

Link: <http://www.v-start.at/>

Wirtschaftsstandort Voralberg Gesellschaft:

Supports companies doing research, supports innovations, development and the establishment of businesses in the province of Voralberg.

Link: <http://www.wisto.at/de/>

Additionally, there are a number of private consulting companies and banks in Austria that specialise in supporting start-ups. Further information and overviews regarding start-up funding and support in Austria:

- ◆ <http://www.migrant.at/homepage-2006/infoenglisch/infoenglisch.html>
- ◆ http://www.interface-wien.at/view/content?p_id=2-home
- ◆ <http://www.menschen-leben.at/bildung/>
- ◆ <https://www.caritas-wien.at/hilfe-angebote/asyl-integration/beratung-fuer-migrantinnen/migrantinnenzentrum/>
- ◆ <http://www.migrare.at/cms1/>
- ◆ <http://www.zemit.at/de/>
- ◆ <http://www.plattform-migration.at/>
- ◆ <https://www.volkshilfe.at/migrantscare>
- ◆ <http://www.biber-salzburg.at/information/angebote-fuer-migrantinnen/arbeiten-in-oesterreich>
- ◆ <http://www.biv-integrativ.at/detail.php?det=380>
- ◆ <http://www.emn.at/de/>
- ◆ <http://www.foerderkompass.at/>
- ◆ <http://www.jobcenter.at/firmengruendung>
- ◆ <http://highonbusiness.com/forderungen-fur-unternehmensgruendung-in-osterreich-forderstellen-liste/>

Link Up! Feasibility Study

Enabling diaspora entrepreneurship

This study was conducted from March to October 2015 with the aim of exploring the interest by the diasporas in Austria to set up or expand a business venture in their countries of origin, as well as the possibilities to develop a tailor-made diaspora business support programme.

International Centre for Migration Policy Development, 2015

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