

Management Summary Dissertation

HOW DOES START-UP ASSISTANCE CAPTURE THE CHALLENGES, BARRIERS, AND SUCCESSES FOR REFUGEE ENTREPRENEURS IN AUSTRIA

In countries around the world, refugees have started to create economic identity through entrepreneurial activities. In doing so, they boost new business formation, innovation, and job creation. Acknowledging this potential, the Austrian Federal Government passed a comprehensive program in 2015 and 2017 to support start-up businesses. This program targets Austrian and foreign-born entrepreneurs alike. Estimates are that between 3,000 and 14,700 refugees could begin businesses in Austria. Beyond the examination of the success factors and barriers of refugee entrepreneurs, this case study sought to explore how the start-up programs capture the needs of refugee entrepreneurs.

The target population consisted of 12 recognized refugees who were about to start, or have started, a business within the past 5 years in Austria. Using online surveys and narrative interviews, the aim of this study was to yield insight into the successes and barriers refugee entrepreneurs encountered in becoming business owners in Austria. Further, a survey with five service providers of start-up programs aimed to support documentation of the offered services and how their activities mitigate the barriers to meet entrepreneur's needs to become successful.

Conclusions

Based on the barriers and refugee entrepreneurs' experience with start-up programs, existing and potential refugee business owners have clear expectations about how such programs could help their entrepreneurial development. Although start-up service providers capture the needs and expectations of refugees, there is a lack of personalized delivery of such programs. There exists a lack of culture-specific education about how to use the skills entrepreneurs bring with them. There is also an efficiency problem, as agencies are over-delivering some activities, and under-delivering others. The biggest mismatch between offered service and demand is in the fields of provision of capital, administrative support, and business administration training. These areas are significantly under-delivered, in contrast, personal mentoring and soft skill capacity

building is over-delivered. Improvement in the delivery of information can be achieved by providing personalized assistance and training that includes a cultural dimension. Efficiency can be improved through structural changes in the service delivery system. This would mean that agencies move from a generalist approach to an integrated specialist approach that is facilitated by case managers (incubation officers).

Improvements for refugee entrepreneurs and meeting their expectations can also be achieved on a systemic level. Because service providers have a stronger voice than individual refugee entrepreneurs, they could be change agents who advocate for diversity trainings and multilingual staff in official institutions. They could also be helpful intermediaries to create awareness for the specific circumstances of refugee entrepreneurs in the community of bankers and advocate for more holistic risk approaches in financial decisions.

Recommendations for Start-Up Service Providers

From the lens of clients of start-up programs, start-up agencies could take the following eight recommendations on both program and systems level into consideration:

Program level recommendations.

1. Training about marketing and business administration needs to be contextualized to the Austrian environment and Austrian consumer habits.
2. Include interpreters and multilingual written information about common legal phrases to help make sense of what was discussed.
3. Foster collaboration with angel networks, private equity firms, and other investors to provide necessary capital for promising business ideas and explore options to provide microloans or financial incentives for entrepreneurs who prove to be successful in the early stage. Provide training modules how to write appealing funding/grant applications..
4. Complement general advice with personalized assistance and invest in intake interviews to understand and map the profile and developmental roadmap with clients.

Systems level recommendations.

1. Incubator agencies could not only speed up research about starting a business, this information process but also provide more accurate information and direct clients to appropriate institutions.
2. Start-up agencies need to shift from a generalist approach to a coordinated specialist approach to avoid over- or under-delivery of services.
3. Start-up agencies need to leverage their power to be change agents and advocate for diversity and multiculturalism in governmental agencies and financial institutions, for example, by having multilingual staff with migration background.
4. Start-up service providers could advocate for alternative regulations — especially in the transition from social welfare system into the early stage of business.

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