
Refugee and Migrant Entrepreneurship:

Rebuilding resilience post COVID-19

A report by Lydia Samuel, ACH Entrepreneurship Lead



Background

Refugees, migrants and newly arrived communities are at the heart of everything ACH does.

Their successful integration into UK life is our primary focus.

Operating across the West of England and the West Midlands, with a team of 80, we support approximately 2500 individuals each year. At the organisations' creation, circa 2008, ACH provided housing for individuals with refugee status. It's service now incorporates training, upskilling, careers and entrepreneurship support. When someone is newly arrived, being able to participate in economic activity boosts confidence, financial independence and a persons' overall integration outcome. The building of social capital is essential to integration and our mission is to support this.

According to the **Quartet Community Foundation's Bristol Area Profile***, "By 2011, 15% people were not born in the UK, 45 religions, 50 countries of origin and 91 languages were represented in the city". Therefore, approximately **64,500 people living in Bristol are migrants, be it displaced, academic or economic**. Such a significant number of people contributing to our region, yet many remain at a disadvantage.

For some refugees and migrants, entrepreneurship is seen as an option to start this social capital build. Our past two-years entrepreneurship focus has seen us work in partnership with key collaborators. These include the Home Office, local authorities, business support organisations and academic institutions.

Our main offer is one of entrepreneurship facilitation. **We work at grass roots level with entrepreneurs from refugee and migrant communities and together with the existing business support eco-system.** The aim to create pathways for both the entrepreneurs to access business support and resources, and for mainstream organisations to engage with new communities. With a focus on SME's this has enabled us to establish the key issues, barriers and reasons for blocked mobility for migrant business owners, as well as their motivations.

Lydia Samuel, ACH Entrepreneurship Lead



Key Issues

A significant point to note is that of 'forced entrepreneurship'.

Many individuals struggle to complete complex job application forms, or face prejudice at sifting or interview stage when trying to gain employment. Unsuccessful, they are then forced to engage in precarious work and self-employment pertained to the gig economy. Attempting to use their transferable skills from past employment or hobbies some struggle to reproduce this into viable business income. Most only have a few community contacts, if any, and therefore fail to build solid and progressive networks. Combined with inconsistent income, this disables the building of social capital. A lack of knowledge and unawareness of, or trust in, mainstream business support compounds this further.

Entrepreneurship by choice, rather than forced or by 'default', does also frequently occur. **Refugee and migrant business owners are renowned problem solvers, innovative and entrepreneurial by nature. Yet they still face blocked access to some mainstream support enabling start-up and growth. There is a slight shift change in this arena; however, some players are still slow to consider their responsibility.** We

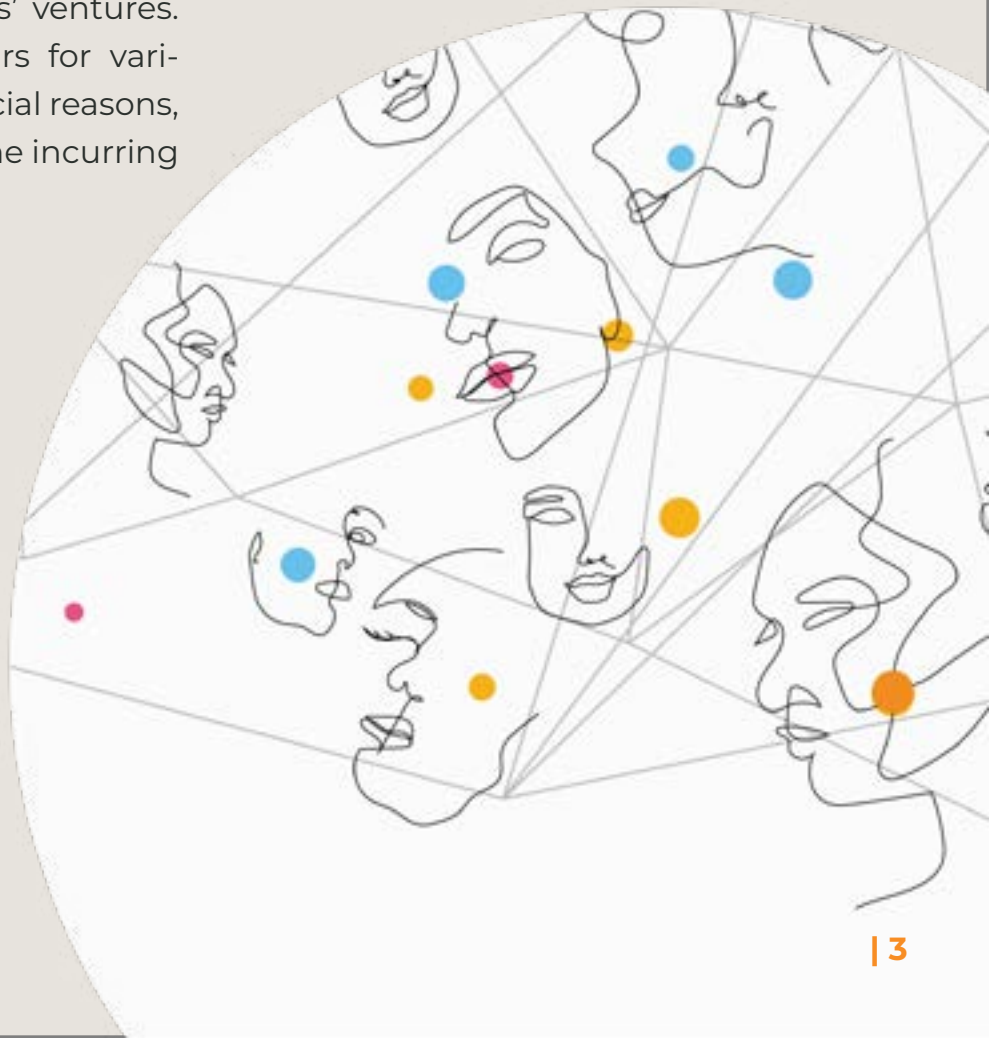
would welcome for them to realise the great benefits refugee and migrant entrepreneurship carries to the region. By increasing their understanding of different communities, the existing business support eco-system can play a large part in the solution. Assisting innovative growth of SME's owned by refugee and migrant entrepreneurs should be included within their priorities.

Understanding and navigating the British 'way' and new markets can also prove maze-like for these entrepreneurs. There is a lack of business support resources covering this topic. Bureaucracy and complex legislation further contributes' to blocked mobility. A knowledge of HMRC, and its importance, is sometimes mis-understood by some refugee and migrant entrepreneurs. Lack of trust in, as well as fear of, the system is felt by many.

Ideology around business modelling is also often confused and mis-guided. Sometimes reinforced by well-meaning community members or organisations. Trying their best to support the creation of entrepreneurial activities, but lacking in structured knowledge themselves, they can do unwitting harm. They do, however, have the trust of the communities they serve and are integral to the solution.

Key Issues

One of the largest issues is **a lack of access to finance and ability to build a credit history**. Some refugees and migrants struggle to open basic business accounts and therefore access the support that goes with it. **This support being access to finance, a dedicated business manager providing associated advice, overdraft facilities, business credit cards etc.** Furthermore, access to start up and business growth capital is scarcely available for these entrepreneurs. Lack of knowledge of its existence or presenting conflict due to it being interest bearing, bring about additional mobility blocks regarding investment into entrepreneurs' ventures. This can deter entrepreneurs for various religious, cultural and social reasons, and many people consider the incurring of debt negatively.



Covid-19 Complications

Short-term

It has now been well documented that those from BAME backgrounds have been much more susceptible to Covid19, which has resulted in a high number of deaths. Less documented is the impact to BAME businesses, which can include many refugee and migrant entrepreneurs.

One published report from the Ubele Initiative** did suggest however that almost 90% of BAME led businesses might be forced to close within 3 months due to Covid19 and that 68% of businesses has no reserves at all. The short-term impact of the virus evidently devastating. Sectors in which refugee and migrant entrepreneurs tend to trade or work in, such as retail, hospitality, transport, and health and social care, have made them more vulnerable to both the virus and/or critical trading problems.

An immediate area of suffering was precarious self-employment, for example taxi drivers and childcare providers. Those in the region were impacted hard and fast. Incomes stopped plus a lack of

knowledge and understanding of Governmental support, meant for many, a fast decline into further destitution. Due to lack of social capital, plus lack of access to information and resources, few can flexibly respond to the situation. A sudden loss of trade, with zero reserves and no cash flow, has rendered many immobile.

There has also been a lack of take up in Governmental support schemes. This has been the result of a fear around engaging with them, citing they are too complicated to be involved in. Also present is a 'this is too good to be true' feeling from some, returning to 'trust' as a significant reason for retreat. Additionally, further impacting the situation is the insidious withdrawal of many humanitarian services and support providers. This gap has now widened and runs the risk of being left empty.

Covid-19 Complications

Longer-term

We assume there will be many permanently closed businesses as forecasts are predicting.

Loss of jobs, income and a lack of access to resources to enable pivoting, could ensure many will not foresee a rise above the levels of hardship now reinforced. Access to appropriate short-term financing and longer-term investment, which was previously arduous to obtain is now potentially futile.

Attention should also fall to new entrepreneurs, with now vastly increased perceived risks to starting a business. **This could result in a loss of developed talent, and innovation, which might otherwise have happened at a critical time of need within the region.** Rushing to re-establish themselves after this pandemic, the wider UK population could unwittingly ensure that opportunities divide further for those already at a disadvantage to accessing mainstream support. The impact of this is further entrenched inequality with entrepreneurs from refugee and migrant backgrounds powerless to build any economic blocks towards social capital.



Recommendations

Wider thinking and strategy are required to reboot entrepreneurship within these communities.

Dedicated advice and support are essential for our entrepreneurial refugee and migrant communities to rebuild with resilience. Bespoke support delivered by those who have thorough knowledge and insight into how the entrepreneurs within the communities think, feel and operate. **A blanket 'one-size fits all' approach should not be considered. This type of approach has consistently failed the communities and is a reason why disengagement from mainstream services is high.**

Business and community mentors play a vital role in rebuilding entrepreneurs' confidence. Mentors are integral to supporting the build-up of personal and professional networks with the entrepreneur. Furthermore, they can support with access to mainstream business support services. **These should be adequately funded to provide grass roots start-up support, critically needed at this time.** The region offers a wealth of business advice however grass roots level has been cut extensively whilst some 'on-trend' sector specifics have seen large increases. Whilst these sector

specific support services are vital to the regions' economy, the unequal investment promotes a larger divide between society and the business start-up ecosystem.

Access to digital technology and training is a necessary route requiring investment, ensuring entrepreneurs maximise new opportunities and innovation. There is an increase in people wanting training via digital platforms. Forced by the pandemic, it has however, removed additional barriers faced by many, particularly childcare for parents. **Improving access to digital learning, entrepreneurs can access training on-demand to fit in with their lifestyle and commitments.**

Finally, appropriate funding pathways and opportunities must be rolled out. **New funding models should be inclusive, and innovative. Inventive systems created whereby refugees and migrants can open a bank account with ease to start building vital credit history.** This process resulting in opening doors to supply chain credit accounts. Additionally, building trust within the banking system, so entrepreneurs gain that all-important support package to boost business, investment and growth.

Notes

*** Quartet Community Foundation's Bristol Area Profile can be [accessed here](#).**

**** Ubele is an intergenerational social enterprise led by the African Diaspora, which works to build more sustainable communities in the UK. To access the report [please click here](#).**

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